



## Retirement Frequently Asked Questions

### 1. I am retiring on July 1, 2020, and I am concerned about investment losses in my Ministerial Pension Plan account. What, if any, steps should I be taking right now?

All clergy MPP accounts are invested through LifeStage Investment Management, which takes into account your age, Expected Benefits Commencement Date and risk tolerance when selecting your asset allocation (in other words, how much of your balance is invested in equity (stock) or fixed income (bond) funds). With an Expected Benefits Commencement Date of July 1, 2020, you may be surprised to find that your MPP asset allocation has a lower stock allocation than you thought, which means stock losses will be less impactful. Review your current allocation in **Benefits Access** ([benefitsaccess.org](https://benefitsaccess.org))—go to **Take Action > Manage Investments**.

While any reduction in value is unnerving as you approach retirement, be cautious about making changes to investments over which you have control—such as your United Methodist Personal Investment Plan (UMPIP) or Clergy Retirement Security Program Defined Contribution component (CRSP DC) account balances. History has proven that investors who sell stock holdings during downturns often return to the markets too late to benefit from the upswing. However, if you would like confidential, professional guidance to help you evaluate your MPP account and other retirement investments, call EY Financial Planning Services at **1-800-360-2539**.

### 2. What about the Clergy Retirement Security Plan? How does this plan work?

The Clergy Retirement Security Program has two components:

- The **Defined Benefit** (DB) component provides a lifetime monthly benefit to you and, if elected, to your surviving spouse. Your benefit is based on a formula that multiplies the Denominational Average Compensation, your years of service and a factor of 1.25% (for service 2007-2013) and 1% (for service 2014-retirement) to determine a monthly benefit amount. Your benefit for this component is not impacted by market increases or decreases.
- The **Defined Contribution** (DC) component is an account balance that can be drawn down throughout retirement to provide income. You can self-manage your account or use LifeStage Investment Management to automate the investment of your account. Your distributions in retirement are based on your CRSP DC account balance, which is subject to market fluctuations. You can choose to take distributions as soon as you retire or leave your entire balance on account until age your required beginning date.<sup>1</sup>

Review your current allocation in **Benefits Access**—go to **Take Action > Manage Investments**.

If you would like confidential, professional guidance to help you evaluate your CRSP DC investment allocations or LifeStage Personal Investment Profile, call EY Financial Planning Services at **1-800-360-2539**.

<sup>1</sup> If you turned 70 ½ before 2020, your required beginning date is April 1 following the later of the year you attained age 70 ½ or retire. If you turn 70 ½ after 2019, your required beginning date is April 1 following the later of the year you attain age 72 or retire.

### 3. Is the retirement seminar scheduled by my annual conference still happening?

While most March and April seminars have been cancelled, Wespath has been working with annual conferences to ensure you will have all of the key information you need to make retirement benefits decisions. We will likely use virtual presentations and phone consultations to assist you. Your conference benefits officer will contact you with details about these opportunities.

Many CBOs are encouraging clergy to register for the “**Webinars for 2020 Retirees**” scheduled for April 1 and 2. These 60-minute online presentations will cover the same topics that would be addressed in an in-person seminar. To register, visit [Wespath.org/events](https://www.wespath.org/events).

### 4. Can I retire this year but wait to start my MPP annuity?

Yes—if you are under age 72 at retirement. Plan and IRS rules require annuitization of 65% of MPP by April 1 following the later of the year of your retirement or the year you attain age 72.

### 5. Can I access my UMPIP account in the meantime?

Yes, your UMPIP account offers very flexible distribution options. You can choose when to receive distributions from UMPIP, select the amount you would like to receive and change it at any time as long as you still have an account balance. For example, you may take a larger amount from UMPIP at the beginning of your retirement while you delay MPP, and then decrease your distributions when you begin receiving monthly annuity benefits. These options are also available for the Defined Contribution component of CRSP.

### 6. Should I call EY if I'm considering delaying my MPP annuity until the market rebounds?

EY is an excellent resource for clergy who have questions about their specific financial circumstances. EY planners have been trained to understand Wespath-administered plans, as well as the clergy housing allowance. You can also grant access for EY to view your accounts in Benefits Access so they can evaluate your investing strategy and offer suggestions. (Access is view only; EY cannot make changes to your account.) EY can also help you answer questions such as:

- Which annuity type should I pick for me and my spouse?
- What cost-of-living adjustment (COLA) should I choose?
- Should I delay the start of my Social Security benefits?
- And more!

EY representatives are available business days from 8:00 a.m. to 7:00 p.m., Central time at **1-800-360-2539**.

### 7. My clergy colleagues mentioned that Wespath has a Retirement Team. What can they do for me?

The six-member Wespath Retirement Team is charged with assisting clergy who intend to retire in the current conference year. They are experts on the retirement process who can help you understand the plans in which you have accrued benefits, walk you through the process of setting up your benefits or electing beneficiaries in **Benefits Access** ([benefitsaccess.org](https://benefitsaccess.org)). They can also answer other questions you might have about the retirement process.

The Wespath Retirement Team is available business days from 8:00 a.m. to 6:00 p.m., Central time at **1-800-883-4078**.