

PENSION/RETIREMENT SAVINGS PLANS:
United Methodist Personal Investment Plan (UMPIP)
and Clergy Retirement Security Program (CRSP) Pension Contributions

As of January 1, 2017, the Upper New York Conference has utilized the United Methodist Personal Investment Plan (UMPIP) for CHURCH-paid contributions into a defined contribution retirement account for certain clergypersons (see below). Previously, UMPIP has been used solely for PERSONAL contributions. UMPIP Church-responsible contributions are billed by the Conference and UMPIP Personal contributions are billed by Wespath.

CRSP and UMPIP Eligibility Rules as of 1/1/2017:

- ✓ **Clergy appointed 75% or more** are automatically enrolled in CRSP. “CRSP at a Glance”, which explains the Defined Contribution (DC) and the Defined Benefit (DB), is available on the Benefits Office webpage. See CRSP 1% Match, below.
- ✓ **Clergy appointed 50% to 74%** will be enrolled in UMPIP-Church for Church Contributions unless waived on the prescribed form available from the Benefits Office. Pastor Contributions to UMPIP-Personal have no bearing on the amount contributed via UMPIP-Church (there is no “match”). “UMPIP at a Glance” is available on the Benefits Office webpage.
- ✓ **Clergy appointed 49% or less** will not be eligible for pension administered by the UNYC as of January 1, 2017. These persons are vested in their current accounts for future distribution. Information on how clergy and their churches can both contribute to UMPIP is available through Wespath Benefits & Investments (formerly General Board of Pension & Health Benefits); 1-800-851-2201.

Invoicing to Local Churches:

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|------------------------|---|
| CRSP Eligible: | Churches invoiced 13.5% of clergy compensation (which includes housing) by UNYC |
| UMPIP-Church Eligible: | Churches invoiced 9% of clergy compensation (which includes housing) by UNYC |
| UMPIP-Personal: | Clergy elect a contribution of their choice which is billed by Wespath (General Board) to the church. Church remits from payroll withholding. |

The CRSP 1% Match:

- ✓ CRSP-eligible Pastor decides either to contribute or not contribute to UMPIP-Personal
 - ✓ If YES:
 - Complete Contribution Election form for at least 1% of compensation
 - Send copy of form to UNYC Benefits Office
 - UNYC bills church monthly 13.5% of compensation for CRSP
 - Wespath bills church monthly for UMPIP-Personal (withheld from salary per agreement)
 - UNYC contributes 3% of pastor's compensation to CRSP-DC account, and funds the DB annuity at retirement
 - ✓ If NO:
 - UNYC bills church 13.5% of compensation for CRSP
 - UNYC contributes 2% of pastor's compensation to CRSP-DC account, and funds the DB annuity at retirement
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The Details regarding UMPIP-Personal Administration:

Whenever a pastor has a salary change it is a good time to consider contribution amounts for the UM Personal Investment Plan (UMPIP-Personal) for good retirement planning. Also, when a pastor experiences a change in appointment, his/her participation in the UMPIP-Personal is automatically terminated and must be re-instated at the new appointment, which should prompt the pastor to consider his/her contribution amounts.

With that in mind, below are some points of clarification regarding UMPIP-Personal Contributions:

1. UMPIP-Personal is not mandatory. The pastor chooses whether or not to participate.
2. The pastor chooses the amount of contribution to his/her UMPIP-Personal account. It is strongly recommended that pastors contribute.
3. The UMPIP-Personal contribution may be "Before Tax" or "After Tax" or a "Roth" contribution. In any case, an agreement must be executed between the Church and the Pastor on a "Contribution Election" form.
 - A. Before-Tax contributions reduce the pastor's current taxable salary reported in Box 1 of the W2.
 - B. After-Tax and Roth contributions are included in the pastor's salary on the W2 and he/she pays taxes on those contributions for the current year.
 - C. All contributions are withheld from the pastor's paycheck and then paid by the church (on a church check) to Wespath Benefits & Investments on a monthly basis (see #5).

4. The contribution may be a set dollar amount or a percentage of compensation.
 - A. If a pastor chooses to contribute a set dollar amount, that amount does not change when the pastor's salary changes. It will stay the same until a new agreement is executed and Wespath is notified (see below).
 - B. If a pastor chooses to contribute a percentage of compensation, his/her chosen percentage is calculated using the Pension Base Compensation, which includes housing. (Line 6 on the 2018 UNY Clergy Compensation Form). The amount that is being contributed will change when the pastor's salary changes.
 - C. A pastor can change their contribution amount prior to the first of any month by completing a new Contribution Election form and notifying Wespath (see below).

5. Wespath bills monthly for UMPIP-Personal directly to the church or churches to which the pastor is appointed. In order for this bill to be correct, the church or pastor must advise Wespath in one of two ways:
 - A. A copy of the Contribution Election form can be sent to the UNY Benefits Office. The information will then be transmitted to Wespath.
OR
 - B. The Church Treasurer can correct the amount on the current Wespath invoice (if pastor is enrolled in UMPIP-Personal already) and return to Wespath with the corrected payment.

In any case, it is the church and pastor's joint responsibility to ensure that these contributions are being properly reported and paid every month.

6. Contribution limits to the pension plans have changed to provide a greater opportunity to save for retirement. These limits are between \$18,000 and \$24,000 per year for before-tax and Roth contributions. Please consult the IRS website (www.irs.gov) for specific information or Wespath's website at www.gbophb.org.

7. Wespath offers FREE financial planning through Ernst & Young, an independent financial planning service that does not sell any investment or insurance products. Any person with an account at Wespath may utilize this free service. More information is available on Wespath's website.