Wespath

BENEFITS | INVESTMENTS

COMPASS

Compass: Coming January 2026

Agenda

- What clergy need to know about Compass
- What churches need to know about Compass
- Q&A

What to Know

- **Active clergy**—keep benefits earned previously under legacy plans (Pre-82, MPP, CRSP)
- **Retired clergy**—no impact, no changes
- **Eligibility**—
  - NIC- 50%, 75%, 100% Clergy
  - WI- 75%, 100% Clergy

UMC Retirement Contributions

(effective January 1, 2026)

Automatic contributions		*In partnership with clergy*
$150* per month	**+ 3% of compensation****	**+ $1/$1 matching contribution (up to 4% of compensation)**

* *2026 amount; increases 2% per year ($5 increments)/prorated to appointment percentage*

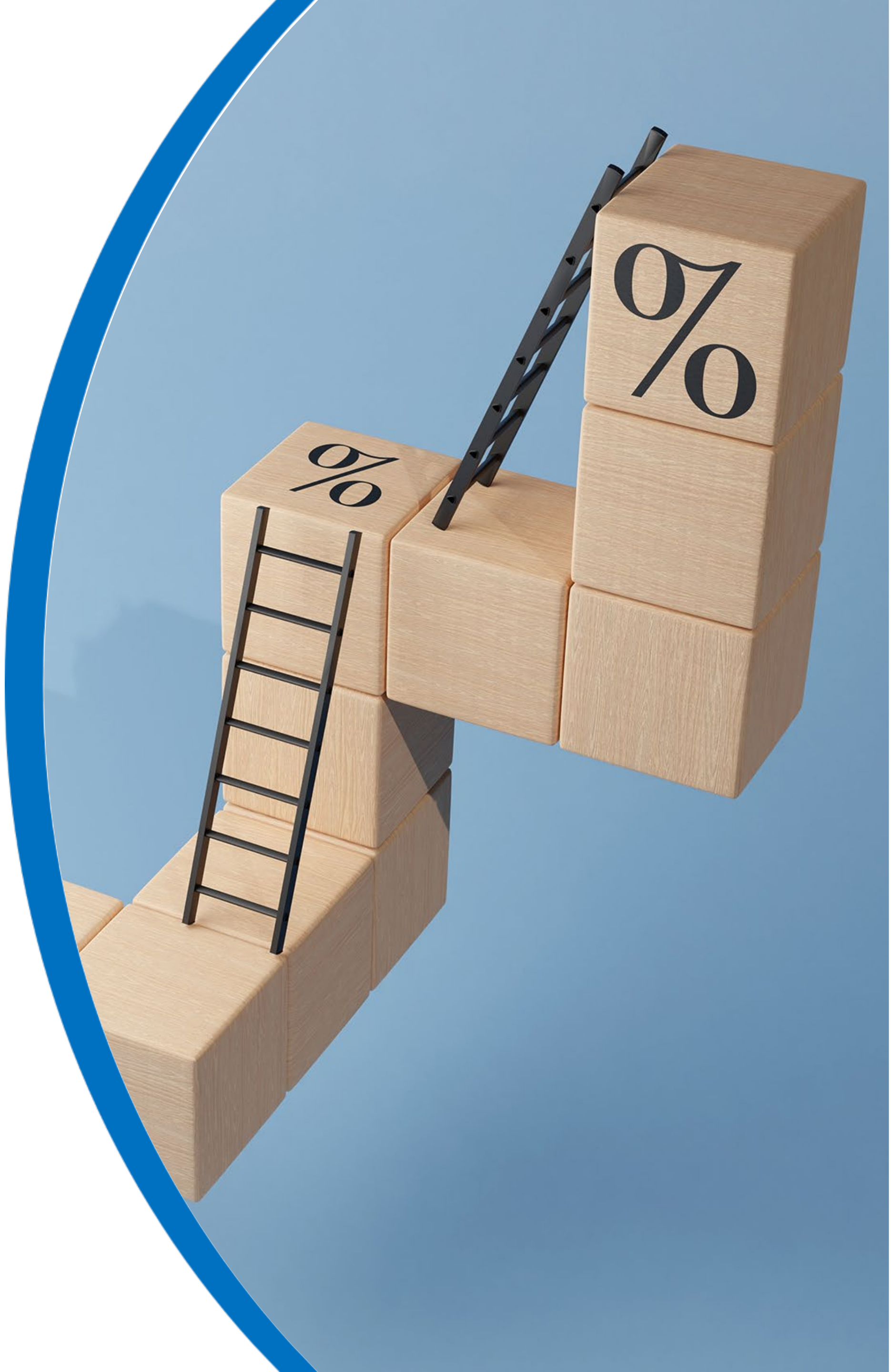
** *Compensation includes 35% parsonage value or housing allowance*

Clergy Partnership is Essential

- Contribute 4% of your compensation to unlock the full match
- Contribute what you can afford

Plan Features Designed to Help

- Parsonage value increase from 25% to 35%
- Student loan provision
- Automatic enrollment and escalation
- LifeStage Investment Management
- LifeStage Retirement Income



Parsonage Value Increase

Parsonage value/housing allowance—
included in pay

Deemed parsonage value—
increases from 25% to **35% of pay**

- Reflects a more realistic value
- Subject to minimum and maximum

Student Loan Provision

- Counts qualified educational loan payments *as if* they were clergy contributions to Compass up to 4% of compensation
  - **Earn 4% plan sponsor match**
- Participants will have ability to **self-certify** qualifying payments
- Self-certification expected to be done via Benefits Access
- Informed by **SECURE 2.0 Act legislation**

Automatic Features in Compass

Automatic features will help protect clergy who are less engaged:

Auto enrollment	Auto escalation
Get clergy contributing at rate no less than 4%	Increase savings rate incrementally over time + + +

Automatic features do not change **personal** options—they only change **default** option.

Personal Contributions in Compass—Transferring UMPIP* Elections

Participants contributing **$0 now**	Participants contributing **less than 4%**** with **one** contribution type (before-tax only, Roth only, or after-tax only)	Participants contributing **4% or more****
Will be **auto-enrolled at 4%**** before-tax	Will be **auto enrolled at 4%**** same type	**Same rate/type carries into Compass** (dollar amounts converted to %)

* UMPIP: United Methodist Personal Investment Plan

** Or higher, if elected by the conference

All Retirement is calculated on Plan Compensation

Salary

Housing

Personal portion of medical insurance paid by the church/charge

Plan Compensation- Parsonage Provided

\+ = $ × 1.35 = Plan Compensation

Salary

Personal portion of medical insurance paid by the church/charge

Equivalent for Parsonage

What this looks like

- Pastor cash salary = $50,000
- Parsonage provided = $50,000 x 1.35 = $67,500
- Church portion of Compass:
  - $150 per month flat fee = $1,800 per year
  - 7% of $67,500 = $4,725 per year ($393.75 per month)
- Clergy will need to contribute at least 4% to get the full 4% match
  - 4% of $67,500 = $2,700 per year or $225 per month

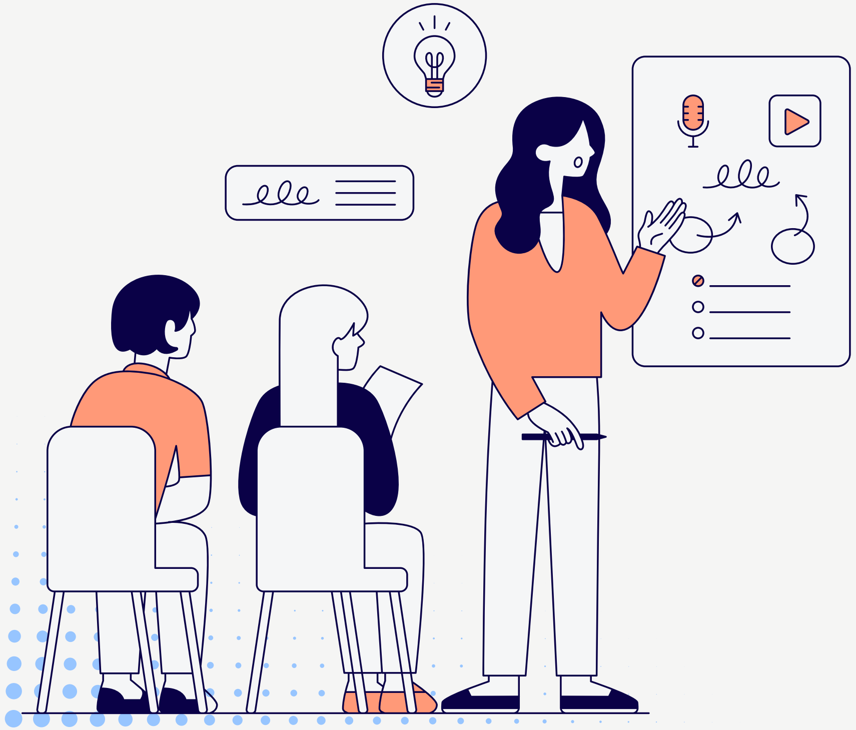
Church Billing

- Pastor cash salary = $50,000
- Housing allowance ($20,000) = $70,000 plan compensation
- Church portion of Compass:
  - $150 per month flat fee = $1,800 per year
  - 7% of $70,000 = $4,900 per year ($408.33 per month)
- Clergy will need to contribute at least 4% to get the full 4% match
  - 4% of $70,000 = $2,800 per year or $233.33 per month

What this looks like

- Compass
  - Church responsibility:
    - $150 per month flat fee
    - 7% of the Clergy's PLAN COMPENSATION
  - Clergy Portion:
    - Clergy Personal Portion of Compass (hopefully 4% or more)
      - This no longer goes to WESPATH as UMPIP, it will be a part of the Conference Billing

SPRC and Clergy Benefits



- Ensure clergy can put in the full 4% to get the full match
  - If not, do they have *student loan payments* for themselves or a dependent? This money can be used to fulfill the match requirement
- Can the church redirect funds?
  - Saving on the Clergy Healthflex Flat Rate- no increase in NIC
  - Compass billing will be less than CRSP- Both
- Make sure clergy can budget for increase in personal portion of health insurance as well

Any Questions?