



Wespath

BENEFITS | INVESTMENTS

AUTOMATIC
ENROLLMENT AND
CONTRIBUTION ESCALATION

UMPIP AUTOMATIC FEATURES

Participant FAQ

AUTOMATIC ENROLLMENT

Q: What is automatic enrollment?

A: Automatic enrollment is a feature in the United Methodist Personal Investment Plan (UMPIP) that your plan sponsor may elect to automatically enroll participants at a specified before-tax contribution percentage unless you elect otherwise.

Q: What are the benefits of automatic enrollment?

A: Automatic enrollment helps you enroll in the retirement savings plan and jump-starts or boosts your savings program.

Q: Who is covered by automatic enrollment?

A: Refer to your *Automatic Enrollment Notice* to find out if automatic enrollment will apply to you.

Q: What do I need to do to enroll?

A: Nothing—enrollment is automatic. Your plan sponsor will enroll you according to the terms of the plan, unless one or more of the special situations described on the next page applies to you.

Q: What happens when I am automatically enrolled?

A: Before-tax contributions to your UMPIP account will begin as soon as administratively feasible at the automatic contribution percentage elected by your plan sponsor. You may complete a **Contribution Election** form to make any changes that you'd prefer.

Q: What happens if I am automatically enrolled but do not want to contribute?

A: You can stop your personal contributions at any time by submitting a **Contribution Election** form. The **Contribution Election** form is the only document you can use to change or stop your UMPIP contributions. For clergy, simply changing your contribution to \$0 on your annual conference compensation form will not stop you from being automatically enrolled.

Q: What should I do if I do not want to be automatically enrolled?

A: Plan sponsors require sufficient notice to process contribution changes and opt outs. Submit your **Contribution Election** form indicating your preference as early as possible to ensure your election is processed prior to automatic enrollment.

Q: What happens if I choose not to be automatically enrolled and want to contribute at a later date?

A: You can begin contributing to UMPIP at any time by submitting a **Contribution Election** form.

Q: What happens if I submit a Contribution Election form?

A: You can submit a **Contribution Election** form to elect a personal contribution percentage (including 0%) that is different than the automatic contribution percentage. You may also select a different type of contributions (i.e., Roth or after-tax).

Q: What if I am already making before-tax contributions at a rate greater than my plan sponsor's automatic rate?

A: Your contributions will continue at the rate you elected.

Q: What if I am already making before-tax contributions but at a rate less than my plan sponsor's automatic rate?

A: If you are covered by automatic enrollment, your before-tax contribution rate will increase to your plan sponsor's automatic rate on the automatic enrollment effective date unless you elect otherwise. If you are not covered by automatic enrollment, your before-tax contribution rate will continue at the rate you elected.

Q: Are there special situations where automatic enrollment will not apply?

A: Yes. You will not be automatically enrolled if you elect otherwise on a **Contribution Election** form, or if you are one of the following:

- Participant contributing either after-tax or Roth contributions
- Clergy with multiple appointments within an annual conference
- Participant contributing a flat-dollar amount of before-tax contributions to the plan, in some cases (contact your plan sponsor to see if you fall within this situation)
- Individual who has waived participation in UMPIP

The following special situations may delay your automatic enrollment. The automatic enrollment will take place when the situation below no longer applies:

- Participant who is within a six-month contribution suspension period due to having received a hardship distribution
- Clergy who is disabled under the Comprehensive Protection Plan (CPP) or individual who is on an unpaid leave of absence (both will be automatically enrolled according to the plan sponsor's elections upon return)

Q: Can I receive a distribution of the contributions that have already been deducted from my compensation?

A: Once personal contributions are deposited in your UMPIP account, plan and IRS rules prevent immediate withdrawal from the plan. Contributions will remain invested until you are eligible to take a distribution of those contributions due to:

- financial hardship,
- permanent disability, as defined under the plan,
- the attainment of age 59½,
- retirement,
- termination of employment, and/or
- termination of the annual conference relationship.

Q: How will my plan account be invested?

A: If contributions are made to the plan on your behalf and you do not make an investment election, your contributions will be invested among a selection of Wespath investment funds via LifeStage Investment Management. If you have made an investment election, your contributions will be invested based on your current election.

Investment elections can be made through the Benefits Access participant account management website at benefitsaccess.org or by submitting an *Investment Election* form. See the *Understanding Your Investment Options* brochure for information about LifeStage Investment Management and Wespath investment funds.

AUTOMATIC CONTRIBUTION ESCALATION

Q: What is automatic contribution escalation?

A: This feature automatically increases your before-tax contribution by a specified percentage each year up to a maximum percentage (e.g., 1% per year up to 10%). Plan sponsors elect the annual escalation month. You may elect to stop automatic contribution escalation by completing a *Contribution Election* form.

Q: Has my plan sponsor elected automatic contribution escalation?

A: Refer to your *Automatic Enrollment Notice* to find out if your plan sponsor offers automatic contribution escalation.

Q: What are the benefits of automatic contribution escalation?

A: Automatic contribution escalation helps you save even more, increasing your progress toward financial goals.

Q: When will my first automatic contribution escalation occur?

A: Your plan sponsor elects the date of your first automatic contribution escalation. It may occur in the same year during which you are automatically enrolled or in the second year.

For example, if you are automatically enrolled effective January 1, 2018, and your plan sponsor has elected automatic contribution escalation to occur every July 1, your first contribution escalation may be July 1, 2018 or July 1, 2019, depending on your plan sponsor's election.

Q: Are there special situations where automatic contribution escalation will not apply?

A: Yes. You can stop automatic contribution escalation by completing a *Contribution Election* form. In addition, automatic contribution escalation will not apply if you fall under one of the special situations indicated in the "Automatic Enrollment" section of this FAQ or if:

- you are making zero personal contributions to UMPIP at the time automatic contribution escalation is scheduled to occur, or
- you make Roth and/or after-tax contributions to UMPIP at the time automatic contribution escalation is scheduled to occur.