

Adoption Agreement for Local Church/Salary-Paying Unit Sponsorship of Clergy

United Methodist Personal Investment Plan (UMPIP)

INFORMATION

This form should be used by the following United Methodist organizations to sponsor UMPIP for Clergy Under Episcopal Appointment to that entity:

- Local Church or Pastoral Charge,
- Conference-Responsible Unit [as provided in paragraph 344.1(a)(1) of *The Book of Discipline 2016*], or
- Conference-Elective Entity.

Call Wespath at **1-800-851-2201** to request an Adoption Agreement consultation with the Retirement Services team. This Adoption Agreement should be reviewed and completed in conjunction with the *UMPIP Plan Document*. Capitalized terms in this Adoption Agreement have the meanings as defined in the *UMPIP Plan Document*.

Read the Instructions and complete all parts of the Adoption Agreement.

INSTRUCTIONS

Part 1 – Plan Sponsor Information

Provide all the information requested in Part 1 of the Adoption Agreement.

Part 2 – Participant Contributions

- ***If the Conference sponsors UMPIP for Participant Contributions for Clergy:*** the United Methodist organization completing this Adoption Agreement will not be the Plan Sponsor for Participant Contributions for Clergy Under Episcopal Appointment to the organization. **Skip to Part 3.**
- ***If the Conference does not sponsor UMPIP for Participant Contributions for Clergy:*** the United Methodist organization completing this Adoption Agreement agrees to be the Plan Sponsor for Participant Contributions for Clergy Under Episcopal Appointment to the organization and **must complete Part 2**. All Appointed Clergy are eligible to make Before-Tax, Roth and/or After-Tax Contributions to UMPIP by payroll deduction as of their Appointment date, even if they are not eligible for Plan Sponsor Contributions.

Call Wespath if verification is needed regarding a Conference's sponsorship of UMPIP for Participant Contributions for Clergy.

2.1 Automatic Enrollment. This feature allows Plan Sponsors to automatically enroll eligible Clergy at a rate of Before-Tax Contributions chosen by the Plan Sponsor. Plan Sponsors may elect from the following choices which group of Clergy will be subject to Automatic Enrollment:

Option 1: All Clergy eligible for Plan participation, except those who are making After-Tax or Roth Contributions, or who have an existing Before-Tax Contribution election as of the effective date of Automatic Enrollment at a Contribution Rate that is higher than the Contribution Rate selected by the Plan Sponsor. This option also includes Clergy who become eligible for Plan participation on or after the effective date of Automatic Enrollment.

Option 2: All Clergy eligible for Plan participation who are not making Participant Contributions as of the effective date of Automatic Enrollment, including Clergy who become eligible for Plan participation on or after the effective date of Automatic Enrollment.

Option 3: All Clergy who become eligible for Plan participation on or after the effective date of Automatic Enrollment.

If the Plan Sponsor chooses this feature, Clergy who may be automatically enrolled must be given an *Initial Automatic Enrollment Notice** and *Contribution Election** form on their hire date. See the *Instructions for Furnishing Initial Automatic Enrollment Notice** for information on how to provide this notice to Clergy. Also see the *Initial Automatic Enrollment Notice* for situations for which Automatic Enrollment will not apply. The *Contribution Election* form should be provided to Clergy with the *Initial Automatic Enrollment Notice* so Clergy have the opportunity to make elections that differ from those that would apply under Automatic Enrollment.

Plan Sponsors adopting Automatic Enrollment must elect this feature for all of their UMPIP Adoption Agreements. For example, if an organization is the UMPIP Plan Sponsor for Appointed Clergy and Lay Employees, the election to adopt Automatic Enrollment must be made for both groups on the applicable Adoption Agreements. Contact Wespath for more information about Automatic Enrollment.

2.2 Automatic Contribution Escalation. Plan Sponsors that adopt Automatic Enrollment in Part 2.1 of this Adoption Agreement may also choose to adopt Automatic Contribution Escalation. Under this feature, the rate of Participants' Before-Tax Contributions may increase every year by a chosen percentage, up to a maximum percentage, in a certain month of the year, all of which are selected by the Plan Sponsor. Escalation of Participant Contributions will occur whether the Participant was making Before-Tax Contributions under Automatic Enrollment or by affirmatively completing a *Contribution Election* form. Participants may opt out of Automatic Contribution Escalation, or opt back into it, at any time by completing and submitting a *Contribution Election* form. See the *Initial Automatic Enrollment Notice* for information on which Participants are eligible for Automatic Contribution Escalation and situations for which Automatic Contribution Escalation will not apply.

Plan Sponsors adopting Automatic Enrollment and Automatic Contribution Escalation must elect these features for all of their UMPIP Adoption Agreements. Contact Wespath for more information about Automatic Contribution Escalation.

Part 3 – Plan Sponsor Contributions

3.1 Sponsorship for Plan Sponsor Contributions. A Plan Sponsor may choose to sponsor UMPIP for Plan Sponsor Contributions for all or some Clergy covered under this Adoption Agreement based on Appointment percentages as elected in Part 3.2. If the Plan Sponsor elects to make Plan Sponsor Contributions, the Plan Sponsor must remit those contributions. If the Plan Sponsor elects not to make Plan Sponsor Contributions, check the "No" box in Part 3.1 and **skip to Part 4.**

3.2 Eligible Group and Contribution Type. Specify which Clergy will be eligible to receive Plan Sponsor Contributions based on Appointment Percentage(s). For each Appointment percentage chosen, choose one or more Plan Sponsor Contribution formulas.

- **Matching.** The Plan Sponsor contributes a specified percentage of Participant Contributions up to a specified percentage of Compensation.
Example #1: The Plan Sponsor contributes 25% of Participant Contributions up to 4% of the Participant's Compensation (maximum Matching Contribution is 1% of the Participant's Compensation)
Example #2: The Plan Sponsor contributes 100% of Participant Contributions up to 3% of the Participant's Compensation (maximum Matching Contribution is 3% of the Participant's Compensation)
Example #3: The Plan Sponsor contributes 200% of Participant Contributions up to 2% of the Participant's Compensation (maximum Matching Contribution is 4% of the Participant's Compensation)
- **Non-matching.** The Plan Sponsor contributes a specified percentage of the Participant's Compensation. The Participant is not required to contribute to UMPIP to receive this contribution.
- **Conditional.** The Plan Sponsor contributes a specified percentage of the Participant's Compensation if the Participant contributes a minimum specified contribution percentage. The minimum specified Participant contribution percentage cannot exceed 4% of Compensation.
Example #1: The Plan Sponsor contributes 6% of the Participant's Compensation if the Participant contributes at least 3% of Compensation
Example #2: The Plan Sponsor contributes 4% of the Participant's Compensation if the Participant contributes at least 4% of Compensation

* Available at Wespath

- **Discretionary.** By checking this box, the Plan Sponsor reserves the right to make a Discretionary Contribution for the current year or any future year(s). The Plan Sponsor must complete an *Addendum to Adoption Agreement: Discretionary Contribution Election Form for Clergy* (Addendum) to make a Discretionary Contribution. Contact Wespath to obtain an Addendum.

The Discretionary Contribution must be declared by submitting a completed Addendum no later than May 1 following the year for which the contribution is to be made. The Plan Sponsor may specify on the Addendum that the Discretionary Contribution will be made either for only one year, or indefinitely until the Addendum is amended or the Adoption Agreement is amended to eliminate Discretionary Contributions. If the Discretionary Contributions are made for only one year, a new Addendum must be submitted for each subsequent year in which the Plan Sponsor elects to make Discretionary Contributions.

The Plan Sponsor must calculate the Discretionary Contribution for each eligible Participant and supply the data electronically following Wespath procedures. Discretionary Contributions must be remitted no later than June 15 following the year for which the contribution is to be made.

Part 4 – Plan Sponsor Acknowledgements

This section outlines the Plan Sponsor’s responsibilities related to UMPIP, and acknowledges the Plan Sponsor’s agreement with the terms upon execution of the Adoption Agreement.

Part 5 – Effective Date

This is the effective date that the Plan Sponsor chooses to sponsor UMPIP or the effective date of an amendment to the Plan Sponsor’s agreement. Generally, the effective date must be the first of a month on or after the authorized representative of the Plan Sponsor signs and dates the Adoption Agreement in Part 6.

Part 6 – Adoption

An authorized representative of the Plan Sponsor must execute the Adoption Agreement.

Part 7 – Wespath Signatures

By signing the Adoption Agreement in Part 7, Wespath signifies acceptance of the Plan Sponsor’s completed Adoption Agreement and the Plan Sponsor’s sponsorship or continued sponsorship of UMPIP. A signed copy of the Adoption Agreement will be sent to the contact person named in Part 1.7 to retain for the Plan Sponsor’s records.

Adoption Agreement for Local Church/Salary-Paying Unit Sponsorship of Clergy

United Methodist Personal Investment Plan (UMPIP)

Part 1 – Plan Sponsor Information

1.1 Plan Sponsor: _____

1.2 Organization type (choose one):

- Church
- Conference office
- District office
- Conference-Elective Entity approved by the Conference
- Other Conference-Responsible Unit [as provided in paragraph 344.1(a)(1) of The Book of Discipline 2016]

1.3 Federal Employer Identification #: ____ - ____ - ____ - ____ - ____ Employer #: _____

1.4 Plan Sponsor mailing address:

1.5 Plan Sponsor billing address, if different from mailing address:

1.6 Plan Sponsor phone #: _____

1.7 Contact person(s) name: _____ E-mail: _____

Title: _____ Phone #: _____

1.8 Annual Conference: _____

Part 2 – Participant Contributions

If the Conference sponsors UMPIP for Participant Contributions for Clergy, **skip to Part 3.**

2.1 **Automatic Enrollment** (choose one):

- Yes at _____ % (enter 1% or greater in whole numbers) of Compensation on a Before-Tax basis

Select covered Participants (choose one—**see Instructions**):

- Newly eligible and currently eligible Clergy, except those making:
 - Before-Tax Contributions at a rate higher than the Contribution Rate selected above, or
 - After-Tax or Roth Contributions
- Newly eligible and currently eligible Clergy who are not making Participant Contributions
- Newly eligible Clergy

- No (**skip to Part 3**)

2.2 Automatic Contribution Escalation (choose one):

- Yes at _____ % (enter 1% or greater in whole numbers) each _____ 1st (enter month of increase) up to a maximum of _____ % (enter 1% or greater in whole numbers), unless the Participant elects not to have Automatic Contribution Escalation apply to his or her Before-Tax Contributions.

Year of first Automatic Contribution Escalation (choose one):

- Year in which Automatic Contribution Escalation is adopted
 Year following the year in which Automatic Contribution Escalation is adopted

No

Part 3 – Plan Sponsor Contributions

3.1 Sponsorship for Plan Sponsor Contributions (choose one):

- Yes
 No

3.2 Eligible Group and Contribution Type [indicate choice(s) below]:

A. Clergy Appointed Full-Time

<input type="checkbox"/> Matching	<input type="checkbox"/> Non-Matching	<input type="checkbox"/> Conditional	<input type="checkbox"/> Discretionary
_____ % (1% or greater) of Participant Contributions up to _____ % (1% or greater) of Compensation, with a maximum match of _____ % of Compensation	_____ % (1% or greater) of Compensation	_____ % (1% or greater) of Compensation if the Participant contributes at least _____ % (1% to 4%) of Compensation	Complete an Addendum to make a Discretionary Contribution

B. Clergy Appointed to any less-than-full-time Appointment

(If you make an election in 3.2B, skip to Part 4)

<input type="checkbox"/> Matching	<input type="checkbox"/> Non-Matching	<input type="checkbox"/> Conditional	<input type="checkbox"/> Discretionary
_____ % (1% or greater) of Participant Contributions up to _____ % (1% or greater) of Compensation, with a maximum match of _____ % of Compensation	_____ % (1% or greater) of Compensation	_____ % (1% or greater) of Compensation if the Participant contributes at least _____ % (1% to 4%) of Compensation	Complete an Addendum to make a Discretionary Contribution

C. Clergy Appointed Three-Quarter Time

<input type="checkbox"/> Matching	<input type="checkbox"/> Non-Matching	<input type="checkbox"/> Conditional	<input type="checkbox"/> Discretionary
_____ % (1% or greater) of Participant Contributions up to _____ % (1% or greater) of Compensation, with a maximum match of _____ % of Compensation	_____ % (1% or greater) of Compensation	_____ % (1% or greater) of Compensation if the Participant contributes at least _____ % (1% to 4%) of Compensation	Complete an Addendum to make a Discretionary Contribution

D. Clergy Appointed Half-Time

<input type="checkbox"/> Matching	<input type="checkbox"/> Non-Matching	<input type="checkbox"/> Conditional	<input type="checkbox"/> Discretionary
_____ % (1% or greater) of Participant Contributions up to _____ % (1% or greater) of Compensation, with a maximum match of _____ % of Compensation	_____ % (1% or greater) of Compensation	_____ % (1% or greater) of Compensation if the Participant contributes at least _____ % (1% to 4%) of Compensation	Complete an Addendum to make a Discretionary Contribution

E. Clergy Appointed One-Quarter Time

<input type="checkbox"/> Matching	<input type="checkbox"/> Non-Matching	<input type="checkbox"/> Conditional	<input type="checkbox"/> Discretionary
_____ % (1% or greater) of Participant Contributions up to _____ % (1% or greater) of Compensation, with a maximum match of _____ % of Compensation	_____ % (1% or greater) of Compensation	_____ % (1% or greater) of Compensation if the Participant contributes at least _____ % (1% to 4%) of Compensation	Complete an Addendum to make a Discretionary Contribution

F. Clergy Appointed Less Than One-Quarter Time

<input type="checkbox"/> Matching	<input type="checkbox"/> Non-Matching	<input type="checkbox"/> Conditional	<input type="checkbox"/> Discretionary
_____ % (1% or greater) of Participant Contributions up to _____ % (1% or greater) of Compensation, with a maximum match of _____ % of Compensation	_____ % (1% or greater) of Compensation	_____ % (1% or greater) of Compensation if the Participant contributes at least _____ % (1% to 4%) of Compensation	Complete an Addendum to make a Discretionary Contribution

Part 4 – Plan Sponsor Acknowledgements

By executing this Adoption Agreement, the Plan Sponsor hereby acknowledges, understands and agrees that:

- 4.1 Upon acceptance of this Adoption Agreement by the General Board of Pension and Health Benefits of The United Methodist Church, Incorporated in Illinois (Wespath), the employer will become a Plan Sponsor as defined in UMPIP.
- 4.2 The Plan Sponsor agrees to and will comply with the terms of UMPIP, as amended periodically, and the rules, regulations and procedures promulgated by Wespath, or its successors.
- 4.3 If UMPIP is amended in accordance with its amendment provisions, Wespath may (but need not) require the Plan Sponsor to execute a new Adoption Agreement.
- 4.4 Wespath will disclose to the Plan Sponsor all UMPIP investment options and fees, and Plan Sponsor agrees to such options and fees.
- 4.5 Wespath does not provide legal or tax advice to the Plan Sponsor or Plan Participants.
- 4.6 UMPIP is a Church Plan that is not subject to ERISA, including requirements such as the filing of annual reports and various reporting and bonding requirements.
- 4.7 Both Wespath and the General Conference of The United Methodist Church have the right to terminate UMPIP, or a Plan Sponsor’s sponsorship of UMPIP, at any time in accordance with the UMPIP provisions.
- 4.8 Wespath has the right to terminate the Plan Sponsor’s Adoption Agreement if the Plan Sponsor fails to satisfy its responsibilities under UMPIP.
- 4.9 In the event of any discrepancies between this Adoption Agreement and the UMPIP Plan Document, the UMPIP Plan Document will control.

- 4.10** The Plan Sponsor may freeze or terminate its sponsorship of UMPIP as of a specified date after giving at least 90 days advance written notice to Wespath and at least 30 days written notice to its Participants of its intent to freeze or terminate.
- 4.11** The Plan Sponsor will enroll Clergy in UMPIP upon their election to make Participant Contributions and/or their satisfaction of the applicable Plan Sponsor Contribution eligibility requirements.
- 4.12** A Plan Sponsor that elects Automatic Enrollment will furnish an Automatic Enrollment Notice to individuals within a reasonable period of time before deducting Participant Contributions from Compensation to provide such individuals with time to change their contributions or opt out.
- 4.13** The Plan Sponsor will provide accurate data relevant to plan administration to Wespath in a timely manner.
- 4.14** The Plan Sponsor will limit the total of Before-Tax and Roth Contributions to UMPIP (and any other 403(b) plans sponsored by the Plan Sponsor) to the annual dollar limit under Internal Revenue Code (Code) section 402(g), and total Contributions to UMPIP to the lesser of the annual dollar limit under Code section 415 or 100% of Code section 415 Compensation (generally taxable compensation plus before-tax salary deferrals, but not including housing allowance or parsonage).
- 4.15** The Plan Sponsor will remit Contributions to Wespath in a timely manner as required by UMPIP. Late Contributions may require payment of investment earnings and fees as specified in UMPIP and applicable procedures

Part 5 – Effective Date

5.1 Initial Agreement

The Plan Sponsor agrees to adopt UMPIP as of _____ 1, 20 ____.

5.2 Amendment of Agreement

The Plan Sponsor agrees to amend UMPIP as of _____ 1, 20 ____.

Part 6 – Adoption

The undersigned, on behalf of the Plan Sponsor named in Part 1.1, hereby declares a desire to sponsor UMPIP or continue sponsorship in an amended UMPIP (as reflected in this Adoption Agreement) and hereby certifies that the appropriate governing board and/or officers have authorized the Plan Sponsor’s sponsorship or continued sponsorship in UMPIP as of the effective date indicated in Part 5. The Plan Sponsor agrees to the terms and conditions of this Adoption Agreement, its instructions, and the UMPIP Plan Document, which are incorporated herein by reference. If there is any conflict between these documents, the terms of the UMPIP Plan Document will control.

Authorized signature _____ Date _____

Print name of signatory _____ Title _____

Part 7 – Wespath Signatures

The General Board of Pension and Health Benefits of The United Methodist Church, Incorporated in Illinois (Wespath), hereby accepts this Adoption Agreement submitted by the employer named in Part 1.1, and accepts that employer as one of the adopters and Plan Sponsors of UMPIP as of the effective date noted in Part 5.

Authorized signature _____ Date _____

Print name and title _____

Authorized signature _____ Date _____

Print name and title _____

Complete this form and send it by:

- E-mail (scanned copy) to retservices@wespath.org,
- Fax to **1-847-730-0490**, or
- Mail to: Wespath Benefits and Investments, Attention: Retirement Services
1901 Chestnut Avenue; Glenview, IL 60025

Be sure to keep a copy for your records.