

United Methodist Personal Investment Plan (UMPIP)

UMPIP is a way for you to save for retirement in a tax-advantaged way and is one more piece in your retirement portfolio.

Who is Eligible?

You are automatically enrolled if you are a Louisiana Annual Conference (LAC) clergy receiving compensation under appointment by the Bishop to a LAC church, charge, district or conference controlled entity and have eligible service after January 1, 2007. There is an enrollment [form](#) that you do need to complete and the Administrative Ministries office can help you with the required paperwork.

Basics of UMPIP

The UMPIP is a **defined contribution (DC)** retirement plan and is subject to the rules for Internal Revenue Code 403(b)(9) retirement plans.

- For ¼ time clergy only, your salary-paying unit contributes 10% of your total plan compensation to UMPIP.
- You contribute to your UMPIP account through convenient payroll deductions. You can specify a flat dollar amount or a percentage of your pay. For clergy appointed ½ time, ¾ time or full-time, if you are contributing at least 1% of your total plan compensation to UMPIP, then you get the 1% match on your CRSP Defined Contribution. See [CRSP](#)
- You can roll over money into your UMPIP account from most retirement plans and IRAs.
- You are immediately 100% vested in all contributions to your account.
- You decide whether to pay income tax on your contributions now or when you withdraw the money from your account.
- You may direct how your account is invested among various investment fund options. Your contributions and their earnings remain tax-deferred until you withdraw them.
- You can monitor your CRSP account via the General Board of Pension and Health Benefits [web-site](#) or the Interactive Voice Response (IVR) system at **1-800-851-2201** or you can speak to a representative between 8 a.m. and 6 p.m. CT, Monday through Friday.
- You can take hardship withdrawals and loans from your account if necessary.
- Generally, if you withdraw money from your account before age 59½, you will owe a penalty in addition to any regular income tax you may owe.
- You can take a lump-sum distribution of your account, a partial lump sum or cash instalments. Individual should contact the General Board of Pensions and Health Benefits at 1-800-851-2201 in regard to terms and conditions of hardship withdrawals and loans, and any other withdrawals.

Unsure about investing?

Most of us are not financial wizards and need help with investing. The General Board of Pensions and Health Benefits provides such guidance.

- Active participants, surviving spouses, and terminated and retired participants (retirees with a balance of \$10,000 or more) can receive valuable **investing and financial planning guidance** from Ernst & Young at no charge. Just call **1-800-360-2539** between 9 a.m. and 8 p.m. ET, Monday through Friday or click [here](#) for more information.
- LifeStage Investment Management Service is a free investment tool that makes investment recommendations based on your age, risk tolerance and other factors. Click [here](#) for more information.

The Importance of Saving for Your Retirement

- Even if you participate in a pension plan, you should be investing in the UMPIP for your future.
- People are living much longer and have more active lives in retirement than they used to—which also means they need more money for retirement than they used to.
- Virtually all pension plans (including ours) are designed with the assumption that you will also save for retirement on your own.
- By the time you retire, Social Security benefits may not cover as many of your expenses as you think.
- The sooner you begin saving, the longer your account has to grow through the compounding of investment earnings. The following table illustrates the effects of time, contribution amount and compounding.

This table assumes a consistent 6.5% return on investment.

Years in plan	Monthly contribution amount				
	\$25	\$50	\$75	\$100	\$200
5	\$1,764	\$3,527	\$5,291	\$7,054	\$14,109
10	\$4,180	\$8,360	\$12,540	\$16,720	\$33,439
15	\$7,490	\$14,981	\$22,471	\$29,962	\$59,923
20	\$12,026	\$24,052	\$36,078	\$48,105	\$96,209
25	\$18,240	\$36,481	\$54,721	\$72,962	\$145,924
30	\$26,755	\$53,509	\$80,264	\$107,018	\$214,037
40	\$54,402	\$108,804	\$163,206	\$217,608	\$435,216
50	\$106,300	\$212,600	\$318,900	\$425,200	\$850,399

For illustrative purposes only. Returns vary by investment type and market conditions.

For more information click on the links to the side or contact the Administrative Ministries office by telephone at 225-346-1646 or by email at [Theresa Stevens](#) or [Jan Curwick](#).

Note: If there is any variance in the information above and the Plan Documents for UMPIP, the Plan Documents control.