Wespath Benefits and Investments
1901 Chestnut Avenue
Glenview, IL 60025-1604
wespath.org

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Eastern Pennsylvania Conference

RE: Initial Automatic Enrollment Notice
Compass Retirement Plan

Eastern Pennsylvania Conference has added an automatic enrollment feature to the Compass Retirement Plan ("Compass" or "Plan"), effective as of January 1, 2026 ("Effective Date"), to make saving for retirement easier. Under this feature, Covered Plan Participants (defined below) are automatically enrolled in the Plan and personal contributions are made at a contribution rate of 4% of compensation unless they elect otherwise. Automatic enrollment occurs for these Covered Plan Participants at the Effective Date or, if later, the date they become eligible to participate in the Plan.

Covered Plan Participants are those who:

- Are eligible to participate in the Plan as of the Effective Date but were not making personal contributions to the Personal Investment Plan (PIP), or
- Are eligible to participate in the Plan as of the Effective Date but were not already making personal contributions to PIP at a rate of at least 4% of compensation and were only making one type of contribution (i.e., before-tax, Roth or after-tax), or
- Become eligible to participate in the Plan after the Effective Date.

Covered Plan Participants who are not contributing will be enrolled at the automatic rate above on a before-tax basis. Covered Plan Participants who are contributing at a rate below that specified above will be enrolled at the automatic rate with the same contribution type. For example, for Participants making before-tax contributions below the automatic rate, their before-tax contribution rate will be increased to the automatic rate. For Participants making Roth contributions below the automatic rate, their Roth contribution rate will be increased to the automatic rate.

If you are a Covered Plan Participant and do not wish to make personal contributions at the automatic rate above, you may elect a different personal contribution rate or type or choose not to make personal contributions at all by submitting a *Contribution Election* form to your church or employer. Your elections will become effective as soon as administratively feasible.

What happens if I do nothing?

If you have already made a Compass contribution election for January 1, 2026, no further action is required by you. This election will supersede the automatic enrollment contribution rate.
Otherwise, if you are a Covered Plan Participant and you choose not to submit a *Contribution Election* form in order to make personal contributions at a different rate or of a different type, and you do not fall within one of the special situations described below, your automatic contributions to the Plan will commence as soon as administratively feasible, at the automatic rate described above.

If you are <u>not</u> a Covered Plan Participant on January 1, 2026 and choose not to submit a *Contribution Election* form, your current contribution election rate and type will remain in effect until you change them by submitting a new *Contribution Election* form. However, if you are contributing a fixed dollar amount, your contribution amount will be converted to a percentage of your Plan compensation effective January 1, 2026.

What happens if I submit a *Contribution Election* form?
If you are a Covered Plan Participant and you submit a *Contribution Election* form in order to elect a rate of personal contributions (including 0%) that is different than the automatic rate of 4% or in order to make personal contributions of a different type, your elections made on the *Contribution Election* form will remain in effect until you change them by submitting a new *Contribution Election* form.

Will my rate of personal contributions stay the same or increase each year?
Under the Plan's automatic contribution escalation feature, if you are making only one type of contribution (i.e., before-tax, Roth or after-tax), your contribution rate will increase each year unless you elect to not have automatic contribution escalation apply by submitting a *Contribution Election* form to your church or employer. If you do not make this election and if automatic contribution escalation applies to you (see the Q&A below regarding special situations where automatic contribution escalation will not apply), your contribution rate will increase on an annual basis by 1% each January until it reaches 10% of your Plan compensation. The first automatic contribution escalation will occur in the year that follows the year of the Effective Date. If this increase causes your annual contributions to exceed any applicable legal limit for contributions to the Plan, your contributions will automatically be limited to the legal limit for the year. Contribution limits are described in the "Contribution Limitations and Excess Contributions" section of the Plan's summary plan description (SPD).

Are there special situations where automatic enrollment will not apply?
Yes. Covered Plan Participants will not be automatically enrolled to make personal contributions at the automatic rate described above if they elect otherwise on a *Contribution Election* form, or if they are:

- Participants contributing more than one type of contribution (i.e., before-tax, Roth or after-tax) OR
- Individuals who have submitted a form to waive participation in the Plan.

Clergy who are disabled under the Comprehensive Protection Plan (CPP) or individuals who are on an unpaid leave of absence will be automatically enrolled according to the plan sponsor's elections upon return to employment.

Are there special situations where automatic contribution escalation will not apply?
Yes. Participants will not have their rate of contribution automatically escalated if they elect on a *Contribution Election* form to not have such escalation feature apply to them, or if they are described in one of the categories in the Q&A above at the time automatic contribution escalation is scheduled to occur. In addition, automatic contribution escalation will not apply to participants who are making zero personal contributions to the Plan at the time automatic contribution escalation is scheduled to take effect.

How do these new features affect me if I am a clergyperson with multiple appointments?
These features will apply independently for each of your appointments. You may opt out or change your contribution rate by completing and submitting a *Contribution Election* form; a separate form must be completed for each appointment where changes are desired.

Are my personal contributions vested, and when can I withdraw them?
Your personal contributions to the Plan are fully vested at all times. Once deposited, you cannot withdraw your personal contributions from the Plan unless you have a financial hardship or are permanently disabled (as defined under the Plan), attain age 59½, retire, terminate employment and/or terminate your relationship with the Annual Conference.

How will my Plan account be invested?
If personal contributions are being made to the Plan on your behalf, and if you do not already have an existing investment election for your Wespath plan accounts and do not elect investments via the Benefits Access participant account management website (or complete and submit an *Investment Election* form), your contributions will be invested among a selection of Wespath investment funds using LifeStage Investment Management. Your Compass Directed balance (UMC employer contributions and earnings) will be managed by LifeStage Investment Management.

You can choose how your personal contributions are invested in Benefits Access at **benefitsaccess.org**: from the Retirement Details page you must click on **Accounts**, then select the appropriate option under **Investments** to change your elections. Alternatively, you can submit a completed *Investment Election* form to Wespath. See the *Understanding Your Investment Options* brochure for information about LifeStage Investment Management and Wespath investment funds.

If you have questions, please call Wespath at **1-800-851-2201**. Representatives are available business days from 8:00 a.m. to 6:00 p.m., Central time.