

Transition Fund Recommendation to 2022 Annual Conference

Zoom Session ~ May 24, 2022

Current Plan Design:

- The NC Conference makes an annual discretionary contribution into qualified Transition Fund participants' United Methodist Personal Investment Plan (UMPIP) account.
- To qualify for this contribution the member must have at least 10 years of membership in the Transition Fund and pay their full annual personal contribution.
- The 2021 average NC Conference contribution per qualified participant was \$10,836

Recommended Change:

- To begin the NC Conference discretionary contributions after 5 years of membership.

Why is the Board of Pension recommending this change?

The Board of Pension studied the current plan design, the goals of the Transition Fund, and outside consultation comparing the plan design with current industry trends. The Board of Pension recommends this change as a way to increase the number of current members eligible to receive this contribution and expand the benefit of the plan to new members who are more than 5 years away from retirement.

How will this change impact the current Transition Fund participants?

Future NC Conference contributions are determined on an annual basis and are subject to market performance. However, if the 5-year contribution schedule had been in place in 2021, the pool of eligible participants would have increased by 46 members. As the total pool of contributions would have been shared by a greater number of participants, it is estimated that the average contribution per qualified participant would have been about \$6,900.

When is the change recommended to take effect?

The proposed change would be effective with the 2022 contribution to be declared in 2023.

I'm more than 5 years away from retirement! How do I enroll in the Transition Fund?

Visit the Treasurer's Office [Transition Fund webpage](#) for the enrollment form and more details.

The Board of Pension is excited to recommend this change.

We welcome your questions.