

Recommendations

A. Funding Policy

1. That the three pension-related benefit programs of the UMC (Clergy Retirement Security Program, Comprehensive Protection Plan and UMPIP Church Matching Program) be provided to clergy members of the Annual Conference and funded as follows.
2. That the following benefits be funded directly at the level of the local church or compensation-paying unit:
 - a. Clergy Retirement Security Program (CRSP)
 - b. Comprehensive Protection Plan (CPP)
 - c. UMPIP Church Matching Program
3. That amounts needed yearly to reduce any unfunded liability for prior pension plans be paid first from available reserves. Thereafter, the costs will be paid by the Annual Conference budget.
4. That the Indiana Conference Board of Pension and Insurance be authorized, at its discretion, to arrange with the General Board of Pensions for active participation in CRSP, CPP and/or a Conference Life Plan by persons who are eligible under special rules, but not automatically included as active participants.

B. Clergy Retirement Security Program (CRSP)

1. Direct Billing: That the Annual Conference pay to Wespath monthly the amounts due for CRSP for the clergy for whom the annual conference is the plan sponsor on the last business day of each month. That the conference Director of Financial Services collect from each church the determined amounts due for CRSP by direct debit (ACH) to the church's bank account on the 25th of each month, or the next earliest business day if the 25th falls on a non-business day.
2. That the Compensation Base for funding of the CRSP Defined Benefit be the Plan Compensation of the participant limited to 150% of the Denominational Average Compensation (DAC).
3. That the rate of funding of the CRSP Defined Benefit be determined each year by the Conference Board of Pension and Insurance, in conjunction with Wespath Benefits, and recommended to the Annual Conference. For 2020, this amount is 8.5% of Plan Compensation.
4. That the Compensation Base for funding of the CRSP Defined Contribution be the Participant's Plan Compensation.
5. That the rate of funding of the CRSP Defined Contribution shall be 2% of Plan Compensation and that an additional 1% of Plan Compensation be funded for participants contributing at least 1% to UMPIP.
6. United Methodist Personal Investment Plan (a voluntary plan): That the Conference Board recommends that each participant take advantage of this investment opportunity with the GBOPHB at a minimum of 3% or more. Such amounts should be withheld from salary and paid to the Annual Conference in the manner prescribed.
7. That the funding of the Clergy Retirement Security Program for the following special categories of pastors be:
 - a) Maternity/Paternity Leave: Funding of CRSP to be continued by the compensation-paying unit according to the Plan Compensation existing prior to the pastor being placed on such leave.
8. The Board of Pension, with the Board of Ordained Ministry and cabinet, recommend that the normal effective date for retirement be July 1.

C. CRSP Matching Contributions for Pre-funding Retiree Health Insurance Costs

That the local church will match the UMPIP contributions of pastors enrolled in CRSP as follows:

- Clergy contributing at least 2% of Plan Compensation to UMPIP will receive an additional match of 1% of Plan Compensation, or
- Clergy contributing at least 3% of Plan Compensation to UMPIP will receive an additional match of 2% of Plan Compensation

For this purpose the local church matching contribution is limited to a Plan Compensation of no more than 150% of the Denomination Average Compensation.

The purpose of this additional matching contribution is to assist the clergy in purchasing health insurance in retirement.

D. Funding pre-1982 Service Years

That the Past Service Rate for years of pre-1982 service for 2020 be \$749, which represents a 2.5% increase.

That the pension benefit paid to the surviving spouse of a deceased pastor having pre-1982 years of service be 75% of the amount paid to the pastor for pre-1982 years of service.

That the following resolution be adopted by the Indiana Conference:

Resolution Relating to Rental/Housing Allowances for Retired or Disabled Pastors of this Conference

WHEREAS, the religious denomination known as The United Methodist Church has and functions through Ministers of the Gospel who are duly ordained or licensed; and

WHEREAS, the practice of The United Methodist Church is to provide a parsonage or a rental allowance as part of the gross compensation for each of its active ordained or licensed pastors; and

WHEREAS, pensions paid to retired and disabled ordained or licensed pastors of The United Methodist Church are considered as deferred compensation and are paid to said retired and disabled ordained or licensed ministers in consideration of previous, active service, and

WHEREAS, the Internal Revenue Service has recognized that the Indiana Annual Conference is the appropriate organization to designate a housing/rental allowance for retired and disabled ordained or licensed ministers who are members of this conference;

NOW THEREFORE BE IT RESOLVED:

1. An amount equal to 100% of the pension payments received during the year of 2020 be and is hereby designated as a rental/housing allowance for each retired and disabled ordained or licensed minister of the United Methodist Church who is or was a member of the Indiana Annual Conference at the time of his or her retirement or disability,
2. This rental/housing allowance shall apply to each retired and disabled ordained or licensed minister who has been granted the retired relation or placed on disability leave by the Indiana Annual Conference, and whose name and relationship to the conference is recorded in the Journal of the Indiana Annual Conference and in other appropriate records maintained by the conference.
3. The pension payment to which this rental/housing allowance applies shall be the pension payment resulting from all service of such retired and disabled ordained or licensed pastor from all employment by any local church, Annual Conference, or institution of The United Methodist Church or any former denomination that is now a part of The United Methodist Church, or from any other employer who employed the pastor to perform services related to the ministry and who elected to make contributions to the pension funds of The United Methodist Church for such retired ministers pension.

NOTE:

The rental/housing allowance which may be excluded from a pastor's gross income is limited to the lesser of (1) the amount of the rental/housing allowance designated by the minister's employer or other appropriate body, (2) the amount actually expended by the minister to provide his or her housing, or (3) the legally-determined fair rental value of the parsonage or other housing provided. As specified in Rev. Rul. 71-290, C.B. 92, "the only amount that will qualify for exclusion under section 107(2) of the Code as a 'rental allowance' is an amount equal to the fair rental value of the home, including furnishings and appurtenances such as a garage, plus the cost of utilities."

E. Comprehensive Protection Plan (CPP)

In 2020, the death benefit payable to all active clergy on CPP will be \$50,000. The disability benefit from CPP is 70% of Plan Compensation up to a maximum of 200% of the Denomination Average Compensation, less Social Security benefits. Minimum incapacity benefit will be \$40,000. The cost for the benefit will be 3% of Plan Compensation, limited to 200% of DAC, for all full time participants *who receive Plan Compensation of at least 25% of DAC. The cost for ¾ time participants will be 3% of Plan Compensation.* **At General Conference 2016, 1/4 and 1/2 time appointments were eliminated from CPP coverage effective January 1, 2017.**

1. That the 2020 costs of the Comprehensive Protection Plan of eligible pastors be collected from the churches by direct debit (ACH) to the churches' bank account on the 25th of each month. The respective amount will be paid directly to the General Board of Pension by the annual conference on the last business day of the month.
2. That the Plan Compensation in 2020 for funding of the Comprehensive Protection Plan be the Plan Compensation of the Participant limited to 200% of the Denominational Average Compensation (DAC).
3. That the Comprehensive Protection Plan (CPP) coverage and special categories of pastors without a compensation-paying unit be:
 - a. *In situations where Full Members are serving three quarter time, the compensation-paying unit shall fund these clergy members for coverage under the Comprehensive Protection Plan at 3% of the Compensation.*
 - b. *Full members appointed to Leave of Absence for any reason will no longer have coverage effective January 1, 2017.*

Group Health Insurance Program

Administering the Program

1. That the Board of Pension and Insurance will select the policy coverage, carrier (if any), network, benefit structure and/or Third Party Administrator (TPA) for the policy year January 1, 2020 - December 31, 2020.
2. That the pastor's personal share of the Indiana Conference group insurance cost, as determined by the Board of Pension and Insurance, be based on family configuration. The treasurer of the compensation-paying unit will withhold this amount monthly from the compensation of the insured. Amounts so withheld and costs for direct bill and other conference provided life insurances, section 125 plan or other benefits, if any, will be paid to the conference by direct debit/(ACH) from the church's bank account on the 20th of each month.