

Quadrennial  
Benefits  
Conference



BENEFITS PLANS OVERVIEW

# Eligibility and Basic Plan Provisions



**Wespath**  
BENEFITS | INVESTMENTS

# Agenda

- Terms
- Clergy Retirement Security Program (CRSP)
- Comprehensive Protection Plan (CPP)
- United Methodist Personal Investment Plan (UMPIP)
- *UMLifeOptions*
- Interactive Game Review

# Compensation (Cash Salary + Housing)

(1) Taxable cash salary .....	\$25,000
(2) §125/403(b) reduction .....	\$ 5,000
(3) Housing exclusion .....	\$ 2,000
(4) Parsonage (25%) .....	\$ 8,000
<b>(5) Total plan compensation .....</b>	<b>\$40,000</b>

# Denominational Average Compensation (DAC)

Average plan compensation of clergy serving full-time appointments

**2016: \$67,333**

**2017: \$68,876**

**2018: \$70,202**

# Guiding Principles



Security



Flexibility



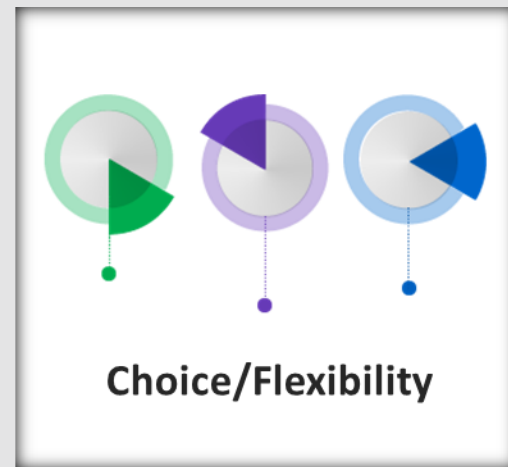
Shared responsibility

# Clergy Retirement Security Program (CRSP)



**Defined  
Benefit  
(DB)**

+



**Defined  
Contribution  
(DC)**

# CRSP—Distribution Options



**Monthly lifetime  
annuity**



**Available as a  
cash distribution**

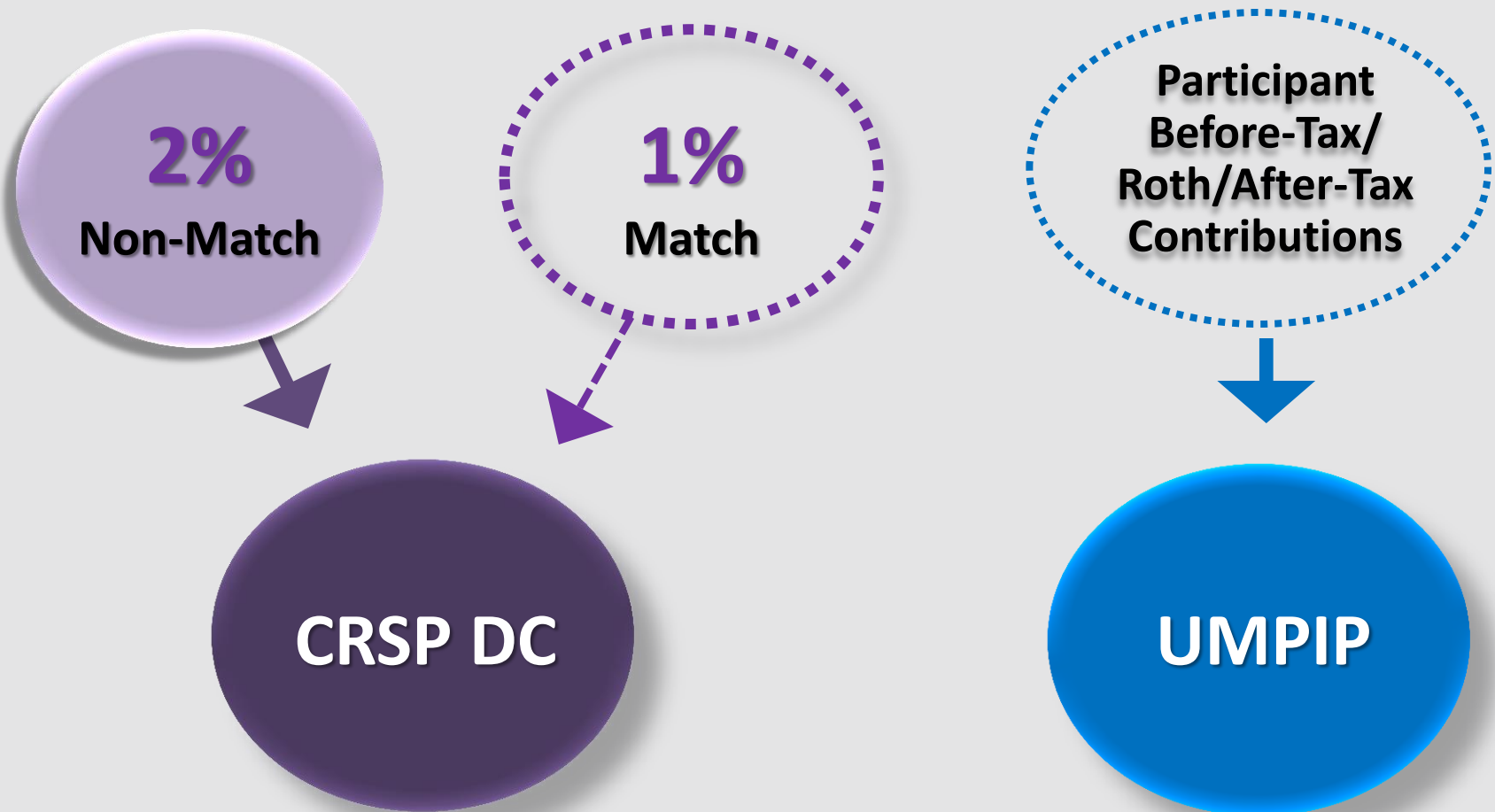
# Cost



- CRSP DB contribution is determined annually (by Wespath actuaries) in the aggregate and paid by the annual conference
- CRSP DC contributions are deducted monthly from annual conference deposit accounts at Wespath and allocated to each eligible clergy account



# CRSP DC—Matching Contributions



# CRSP—Eligibility

January 1, 2007 through December 31, 2013

In general, clergypersons (including deacons) appointed  $\frac{1}{4}$ ,  $\frac{1}{2}$ ,  $\frac{3}{4}$  or full-time who are:

- Under Episcopal appointment (receiving compensation) at a local church, charge, conference or conference-responsible unit, or entity
- Receiving CPP disability benefits
- Granted medical leave, but not receiving CPP benefits (if so elected by conference)

# CRSP—Eligibility As of January 1, 2014








- Clergy members receiving compensation in connection with a full-time appointment to a:
  - Local church, *or*
  - Conference-responsible extension ministry
- Conference may elect to make clergy appointed  $\frac{1}{2}$  or  $\frac{3}{4}$  time eligible
- Clergy receiving CPP disability
- Clergy granted medical leave but not CPP disabled (if so elected by conference)

# CRSP—Eligibility As of January 1, 2014

Election not to participate in **both** components of CRSP available to:

- Student local pastors
- Part-time local pastors
- Elders, deacons and members of other denominations serving less than full time

# CRSP Eligibility—A Review

Plan	Full-Time Appointment	$\frac{3}{4}$ -Time Appointment	$\frac{1}{2}$ -Time Appointment	$\frac{1}{4}$ -Time Appointment	Less than $\frac{1}{4}$ -Time Appointment
CRSP through 12/31/13					CRSP DC only
CRSP as of 01/01/14		Conference elects	Conference elects		

# Option for Part-time Appointments?



Retirement savings plan



Flexible terms



Conference or local church  
may sponsor

# Extension Ministries—Eligibility

- Conference-elective entities (extension ministries)—CRSP eligible
  - Conference-responsible unit –CRSP eligible (as provided by *The Book of Discipline*, ¶344.1.a.1)
    - Includes conference-controlled entities
- Non-conference-responsible extension ministries—UMPIP available

# United Methodist Personal Investment Plan (UMPIP)



- Before-tax contributions
- Roth contributions
- After-tax contributions
- Plan sponsor contributions
- Rollovers in:
  - 401(a)
  - 401(k)
  - 403(b)
  - IRA (traditional only)



# Comprehensive Protection Plan (CPP)



## Death and Disability

# Overview



- Effective January 1, 1982
- Long-term disability plan for eligible, active clergy
- Death benefits for active and retired clergy, dependents and spouses

# Plan Eligibility

- Mandatory participation for eligible clergy
  - Serving full-time
  - Compensation at least 25% of DAC
- Not eligible
  - $\frac{1}{2}$  or  $\frac{1}{4}$  appointed clergy

**Premium Calculation:**  
**3% of plan compensation (*housing plus cash salary*)**  
**not to exceed 200% of the DAC**

# Plan Sponsor Election

- $\frac{3}{4}$  time clergy
- $\frac{3}{4}$  time local pastors
- Certain leaves for no more than 12 months
  - Voluntary leave (personal, family, transitional)
  - Medical leave (not CPP disabled)
  - Attend school
  - Sabbatical leave

**Premium Calculation:**  
**3% of plan compensation (*housing plus cash salary*)**  
**not to exceed 200% of the DAC**

# Immediate Impact of Changes

## Effective January 1, 2017

- Clergy who will **lose** coverage:
  - Ordained clergy and associate members appointed  $\frac{1}{4}$ ,  $\frac{1}{2}$  and  $\frac{3}{4}$  time
    - 200 =  $\frac{1}{4}$  and  $\frac{1}{2}$  time
    - 414 =  $\frac{3}{4}$  time (optional)
- Clergy who will **gain** coverage
  - Clergy appointed full-time with plan compensation at least 25% of the DAC
    - 100

# Long-Term Disability Plan Benefits

## Definition

Unable to perform duties due to injury or illness for at least 6 continuous months

## Disability Amount

- 70% of pre-disability plan compensation (housing + cash salary)
  - Plan compensation not to exceed 200% of DAC
- Social Security offset (\$1 for \$1)
  - Imputed offset for those opting out of Social Security
- Other income offset

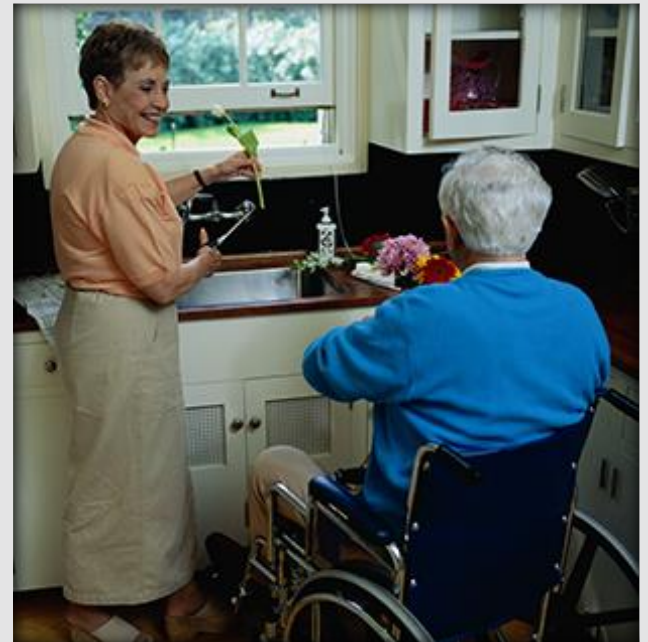
# Benefit Duration Schedule

Age at Disability	Benefit Duration
Less than age 62	To Social Security retirement age or, if earlier, date of retirement
Age 62	60 months
Age 63	48 months
Age 64	42 months
Age 65	36 months
Age 66	30 months
Age 67	24 months
Age 68	18 months
Age 69 and above	12 months or age 72, whichever is earlier

# CPP Disability Benefit Pension Considerations

- CRSP\* defined contribution (DC)—funded by CPP
  - 3% of compensation at time of disability
  - 3% annual increases
- CRSP defined benefit (DB)—funded by conference

\* **CRSP: Clergy Retirement Security Program**





# Death Benefits

**Active  
Death Benefit**

**Retiree  
Death Benefit**

- Eligibility
- Amount

# Active Death Benefits

Provision	CPP Death Benefit
Clergy	\$50,000
Spouse	20% of DAC at time of death
Surviving Spouse	15% of DAC at time of death
Child	10% of DAC at time of death

# Retiree Death Benefit Eligibility

## 2017 Eligibility Requirements

Provision	Retired January 1, 2013 and After
Eligibility	<ul style="list-style-type: none"><li>• Eligible to receive a benefit from CRSP* at time of retirement, and</li><li>• Enrolled in CPP for 10 of the last 13 years, <i>or</i></li><li>• Active participant in CPP for 25 years</li></ul>

\* Clergy Retirement Security Program

# Retiree Death Benefit Amount

## Clergy who retired after January 1, 2013 or later

Provision	2016 Amounts	2017 Amounts
Death of a retired participant	\$20,000	\$20,400
Death of a retiree's spouse	\$15,000	\$15,300
Death of a retiree's surviving spouse	\$10,000	\$10,200
Death of a retiree's child	\$8,000	\$8,160

# *UMLifeOptions*

- Long-term disability and life insurance
  - Clergy not covered under CPP
  - Lay employees
- Clergy supplemental life
  - Clergy covered in CPP and appointed at least  $\frac{3}{4}$  time
- Optional life insurance
  - Lay and clergy covered in CPP and appointed at least  $\frac{3}{4}$  time

**Fully-insured; administered by Unum**

# CPP vs *UMLifeOptions*

Benefits	CPP	<i>UMLifeOptions</i>
Premium Calculation	3% of plan compensation	age based
LTD Benefits	70% of pre-disability comp	60% of pre-disability comp
LTD Elimination Period	None (LTD benefits retroactive to day one)	90 or 180 day before LTD begin
Participant Death Benefit	Yes; flat dollar amount	Yes; flat dollar—plan sponsor elected
Spousal Death Benefit	Yes; percentage of DAC	Yes; flat dollar—plan sponsor elected
Surviving Spouse Death Benefit	Yes; percentage of DAC	No
Child Death Benefit	Yes; percentage of DAC	Yes; flat dollar—plan sponsor elected
Retiree Death Benefit	Yes; percentage of DAC	Yes; flat dollar—plan sponsor elected
Retiree Dependent Death Benefits	Yes; percentage of DAC	No
Surviving Spouse Annuity	Yes	No
Educational Benefit	Yes	No



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