



CBOP/CBO Training—October 2020



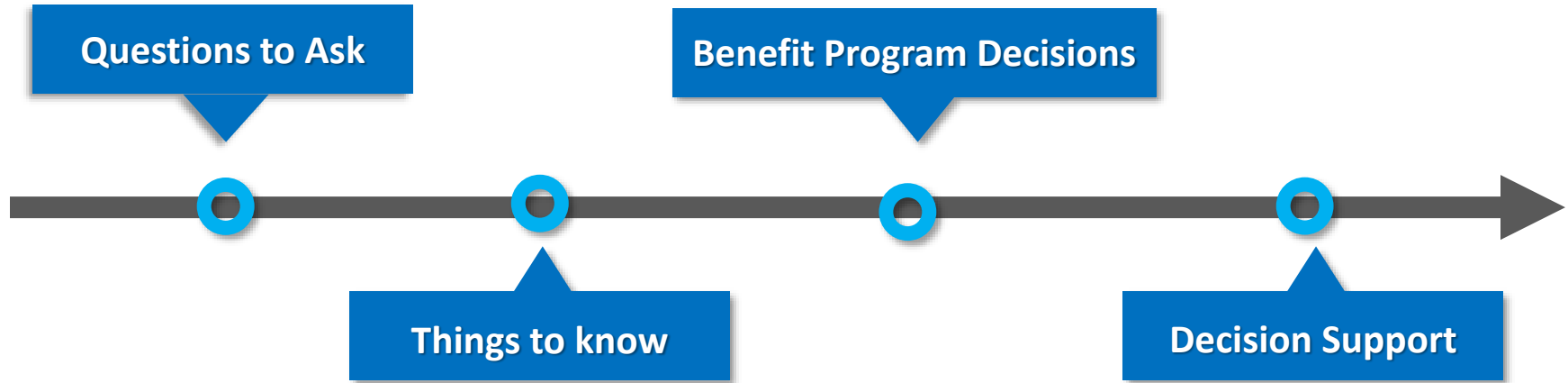
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BENEFITS | INVESTMENTS

# Plan Sponsor Decisions

# Agenda

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# Decisions, Decisions

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- Do you have all the details you need to make an informed decision?
- Who is impacted by this decision?
- Will the conference/local church incur additional costs or liabilities because of the decision?
  - If so, how will you pay for it?



# What You Need to Know

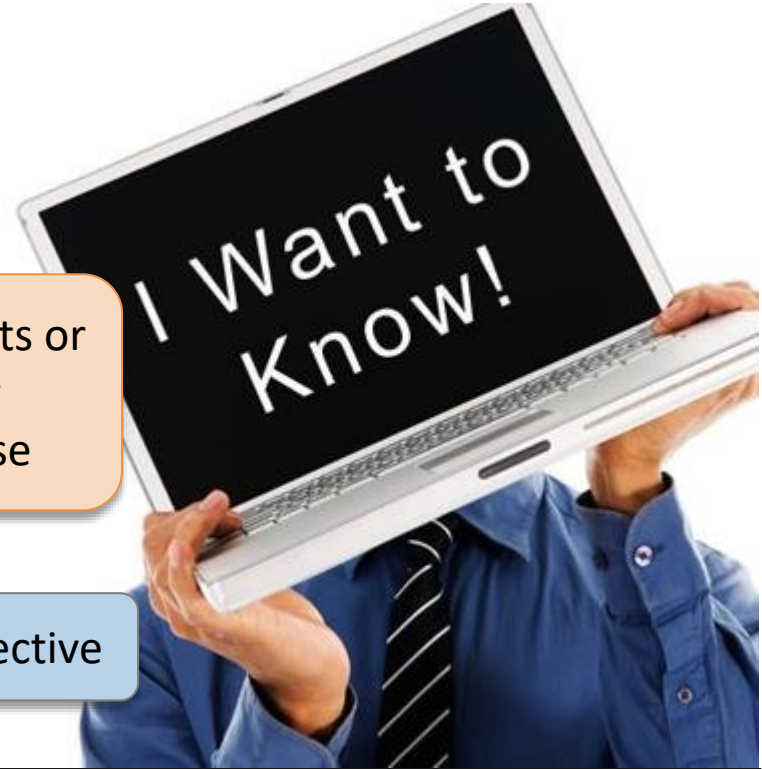
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Your conference's benefit obligations

How benefits are funded and whether those funding sources are sustainable

Available accounts or reserves and any restrictions on use

How accounts are invested and does it align with objective



# Clergy Retirement Security Program (CRSP)



## **Mandatory Participation**

- Full-time clergy appointed to a local church or conference-responsible extension ministry

## **Other Clergy—Flexibility/Options**

- Conference can elect to cover 75% and 50% appointments in CRSP—UMPIP is also an option
- For 25% appointments, CRSP not available—UMPIP is an option

# CRSP—Clergy on Medical Leave

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- Clergy receiving CPP disability benefits are covered under CRSP
  - Conference pays for the DB benefit
  - CPP pays the DC benefit
- Conference can elect to cover clergy on medical leave that are not CPP-disabled
  - Conference pays for both the DB and DC benefit



# CRSP—Extension Ministries

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## What About Conference-Responsible Extension Ministries?



**Mandatory**

### Conference-responsible extension ministry

(As provided in ¶344.1(a)1 in *The Book of Discipline*)

**Examples:** District superintendents, campus ministers, general evangelists



**Elective**

### Conference elects to be responsible

Conference determines appointment warrants coverage and the entity has been added to the *Conference Elective Entity List*

# UMPIP

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- Accommodates **Employer** and **Employee** (Personal) contributions
- Will conference sponsor UMPIP for less-than-full time clergy not in CRSP?
- Benefit type and level?
- Retirement benefits for lay employees?
  - Recommendation under ¶258.12 of The BOD for local church lay employees





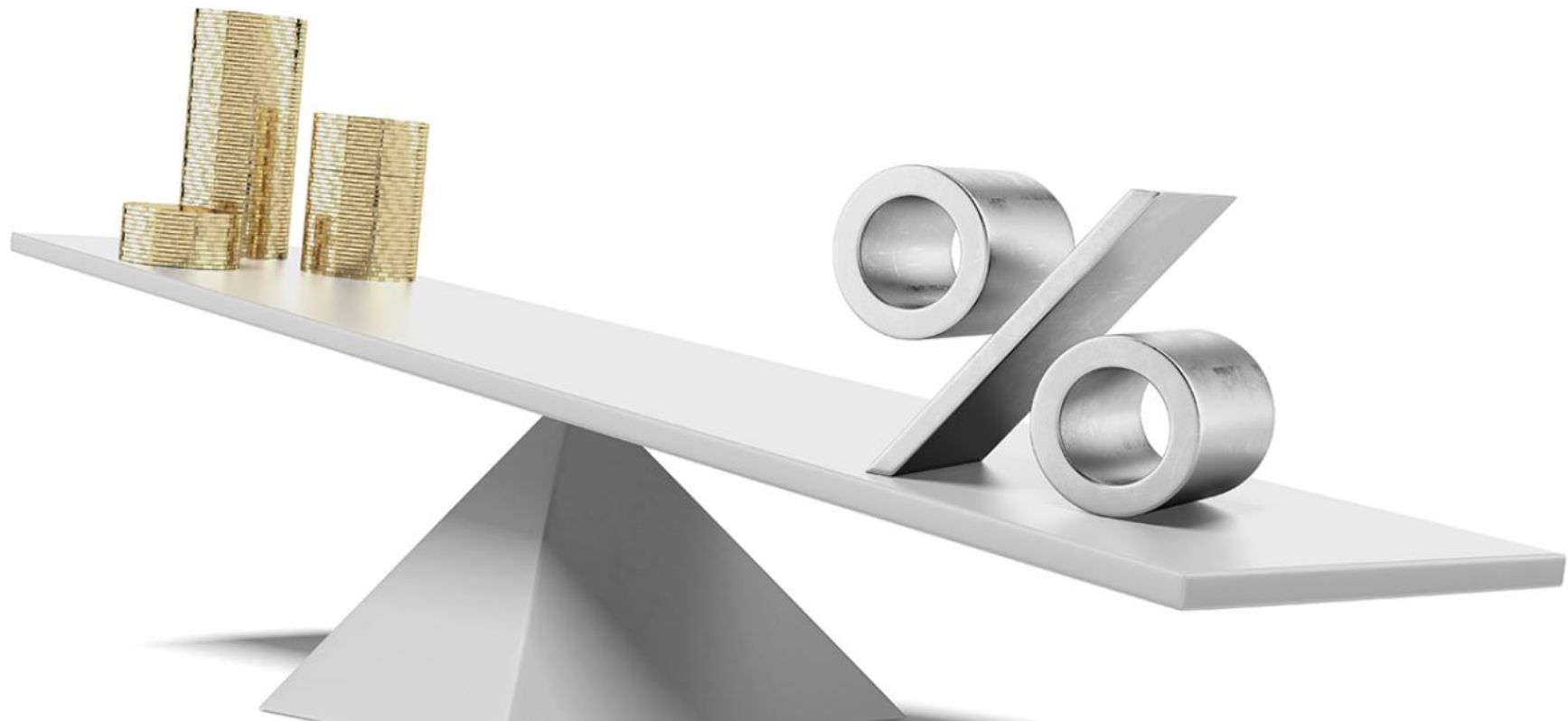
# Ministerial Pension Plan (MPP)

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- Contributions paid into accounts from 1982-2006
- 65%\* of the account is converted to an annuity
- Conference obligation includes current and future annuities
- Potential exists for future conference contributions to fund annuities
- If a contribution were required, where would the funding come from?

\* A higher percentage allowed under prior provisions





Pre-82 Plan Decisions—Past Service Rate and  
Contingent Annuitant Percentage

# Past Service Rate (PSR)



- Can be increased each year or kept the same
- Cannot be decreased
- If conference underfunded, any increases must be fully funded by December 31 of prior year

PSR is the dollar amount chosen annually by the conference  
(upon CBOP recommendation)

# PSR Change Considerations

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- Develop a philosophy for this decision
- Identify who benefits from this increase
- Instead of increasing PSR— should you offer grants?
- Can the conference afford to increase it?



# Contingent Annuitant Percentage (CAP)

- Percentage of benefit to be paid to surviving spouse of clergy with Pre-82 service
- Conference choice:
  - ❑ 70%
  - ❑ 75%
  - ❑ 85%, *or*
  - ❑ 100%

Cannot be decreased, only increased (or kept at current level if 100%)



# Comprehensive Protection Plan (CPP)

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- **Mandatory** participation for full-time clergy appointed to a local church or conference-responsible extension ministry\*
- Conference can elect to cover 75% appointments
  - Separate election for Full and Provisional Members and
  - Local pastors
- Conference can elect to require clergy to pay a portion of the premium

\* Earning at least 25% of the DAC

# CPP for Clergy on Leave

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- Conference can elect to provide continuation coverage for up to 12 months
- For clergy on leave of absence, sabbatical leave or appointed to attend school (separate election for each category)



# *UMLifeOptions*

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- Long-term disability and life insurance for clergy and lay
- An option for clergy not in CPP
  - For 75%, 50% and/or 25% appointments
- *UMLifeOptions* can be sponsored by the conference or at the local church level





# Health and Health Care—A Dynamic Benefit

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Boards of Pensions may spend far more than half of their time talking about health and well-being and the associated costs

- Non-mandatory plan
- Group plan vs. public marketplace
- Self-insured vs. fully-insured
- Multiple approaches



# Decision Support

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## Actuarial Services

Valuations, economic projections...



## Investment Management Services

Determining appropriate investment mix, developing investment policy...



## Conference Liaison

Support at Board meetings...



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