Benefits Issues for Clergy Appointment Changes

Eligibility for Benefits

To be eligible to participate in TAC Group Health and Pension benefits, clergy must meet the following requirements:

1. The clergy must be appointed to a TAC local church or to an eligible Extension Ministry (clergy for whom the TAC Fiscal Office is the salary-paying unit, such as District Superintendents, Center Directors and Associate Directors; or clergy appointed to TAC Wesley Foundations).
2. The clergy must be appointed 75% or 100% as indicated on their salary sheet (works 30 or more hours per week) and receives compensation from the appointment. For student local pastors, scheduled hours of academic classes plus hours worked at the local church count toward the thirty (30) hours requirement. (Students not serving a local church are not eligible).
3. Part-time local pastors appointed 75% are eligible for all Group Health and Pension Benefits except for the Comprehensive Protection Plan (CPP) which provides disability and death benefits for clergy.
4. Part-time clergy appointed 50%, 25%, or 12.5% are not eligible for either Group Health or Pension benefits.

Salary Sheets

• A salary sheet needs to be completed for the new pastor and certified by your District Office as soon as possible prior to or following the clergy’s appointment effective date.
• The Benefits Office will draft for benefits based on the former pastor’s compensation (but the new pastor’s plan enrollments) until the salary sheet for the new pastor is certified by the District Office.
• The Group Health draft is on the 1st and the Pension draft is on the 15th of each month (or the first business day thereafter).

Group Health Benefits

Clergy are only eligible to make two possible Group Health Benefit plan changes with a change of appointment:

1. Clergy can switch their enrollment from the Standard PPO Plan to the High Deductible Plan or vice versa:
   • This is allowed because the Houston Methodist Hospital write-off of deductibles and co-insurance is only allowed under the Standard PPO Plan.
   • Clergy must submit a new enrollment form to the TAC Benefits Office within 31 days of the effective date of the new appointment.
   • An appointment change does not allow the clergy to enroll new dependents or enroll in new dental or vision coverage except as indicated below.

2. Clergy enrolled in the Dental HMO Plan who cannot find a participating Dental HMO provider at their new location can notify the TAC Benefits Office within 31 days of their appointment date with the option to either:
   1) Terminate their Dental HMO coverage
   2) Switch to the Dental PPO Plan
Aetna Signature Administrators PPO – Selecting a New Medical Provider

Aetna Signature Administrators is your PPO network for both the Standard and High Deductible PPO medical plans. To look for new medical providers in your area, go to www.aetna.com/asa. You can search by location or by the provider name if you have one. By clicking on “Filter & Sort,” you can select a particular hospital affiliation and find providers who have privileges at the various Houston Methodist Hospital locations.

Dental HMO – Selecting a New Primary Care Dentist

Clergy enrolled in the Dental HMO plan may need to select a new Primary Care Dentist if moving to a new area due to an appointment change. Under the Dental HMO plan, participants must select a participating Dental HMO Primary Care Dentist (PCD) and identify that dentist on their ID card prior to receiving any benefits. All primary dental care must be received from the participating Primary Care Dentist indicated on the participant’s Dental HMO ID card in order to receive benefits under the Dental HMO plan.

After selecting a new participating Dental HMO dentist (see instructions below), email the Dentist’s name, Dental HMO ID number, and address to Marianela Chinea, Group Health Benefits Specialist at mchinea@txcumc.org.

- Dentist changes processed between the 1st and the 15th of the current month will take effect the first of the following month. (For example, a dentist change processed on July 10 would be effective August 1).
- Dentist changes processed between the 16th and the 31st of the current month will take effect the first of the month following the next month. (For example, a dentist change processed on July 20 would be effective on September 1).

If you are enrolled in the Dental PPO, there is no requirement to pre-select or identify a Primary Care Dentist in advance. You can call and schedule an appointment at any time with any participating Dental PPO dentist (either primary care or a specialist).

To find a participating dentist in either the Dental HMO or Dental PPO plan:

- Go to www.humana.com.
- At the bottom of the page, in the large green box, click on “Find a doctor.”
- In the “Search Type” box, click on the arrow and select “Dental.” Then click the “Go” button to the right.
- You should now be on the “Find a dentist” page.
- Under “Search by Humana plan or member ID,” click on the tab “Just looking” if you don’t have or don’t know your member ID number.
  - In box 1, “Coverage type,” select either the DHMO or PPO option depending on which plan you are interested in.
  - In box 2, enter your zip code.
  - In box 3, “Network,” use the drop-down menu to choose “HD DHMO/Prepaid C250” for the Dental HMO or “PPO/Traditional Preferred” for the Dental PPO.
  - In box 4, “Search,” use the drop-down menu to select “Name” and enter the dentist’s name if you have a specific dentist you are looking for.
  - Otherwise, select “Specialty” and underneath the box to the right, click on the blue link in the phrase: “you can choose from our list of specialties.” A list of specialties will come up. Select the specialty you are interested in.
  - Click the green “Search” button.
  - You can refine your location by adjusting the radius of your search.
Pension Benefits

*Wespath* (formerly called The General Board of Pension and Health Benefits of The United Methodist Church) provides pension benefits to eligible clergy of the Texas Annual Conference (TAC) through the Clergy Retirement Security Program (CRSP). CRSP was initiated in 2007, replacing the prior Ministerial Pension Plan (MPP). General Conference 2012 approved changes to the original CRSP which took effect January 1, 2014.

**Clergy UMPIP Contributions**

Clergy who make personal contributions into their UMPIP (United Methodist Personal Investment Plan) by payroll deduction receive a dollar for dollar match up to a maximum of 1% of their total pension plan compensation as found on their salary sheet. Clergy are highly encouraged to contribute more than the 1% maximum matching contribution amount into their UMPIP.

With any appointment change, clergy who want to continue or begin making personal participant contributions into their UMPIP:

1. Must complete a new UMPIP Contribution Election Form provided with this packet since personal contributions to UMPIP can only be made through payroll deduction.
2. Prior Contribution Election Forms completed by the clergy at their former church are no longer valid since the clergy has a new employer (church).

To make clergy personal contributions into UMPIP:

1. Complete Parts 1-5 of the UMPIP Contribution Election Form provided with this packet and give it to your church payroll administrator so that your designated personal contribution amount will be deducted from your paycheck.
2. The effective date of your UMPIP Contribution Election Form must be the first day of a month either on or after the date the form is signed. If you want your contributions to start at the beginning of your new appointment, your UMPIP Contribution Election Form should be completed prior to your appointment effective date.
3. Your church payroll administrator completes Part 6 of the UMPIP Contribution Election Form as your salary-paying unit. The employer number requested on the form is the church GCNO (General Council on Finance and Administration) number, not their Federal Tax ID number.
4. Your completed UMPIP Contribution Election Form must be sent directly to Wespath for processing (do not send this form to the TAC Benefits Office). Both you and your church should keep a copy for your records.
5. Wespath will invoice your church monthly for your designated UMPIP contributions, and your church will mail a check to the Wespath for the appropriate amount.
6. The TAC Benefits Office does not draft your church for clergy personal UMPIP contributions since these contributions are made by payroll deduction and are remitted directly to Wespath by your church.
7. Review your Wespath quarterly statements to verify that your UMPIP participant contributions are being properly allocated.
8. You can complete a new UMPIP Contribution Election Form at any time if you want to make changes to your contribution amount or if you wish to terminate your contributions.
9. **Any time you have an appointment change, you must complete a new UMPIP Contribution Election Form, have the payroll administrator at your new church complete and sign Part 6, and make sure the form is sent directly to Wespath so that your church will be invoiced for your contributions.**
Church Pension Contributions

The church or TAC salary-paying unit pays the entire required CRSP pension plan contribution for the clergy – 13.8% of the clergy’s total Pension Plan compensation in 2014 – 2020 (10.8% if the clergy is not eligible for the Comprehensive Protection Plan - please see below). Please note that total Pension Plan compensation does not include any accountable reimbursements.

2014-20 Clergy Pension Contributions

<table>
<thead>
<tr>
<th>2014-20 Clergy Pension Contributions</th>
<th>Paid by Church</th>
<th>Paid from TAC Pension Reserves</th>
<th>Shown on Wespath Stm’t?</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Defined Benefit</td>
<td>6.8%</td>
<td></td>
<td>No</td>
</tr>
<tr>
<td>2. Defined Contribution</td>
<td>2.0%</td>
<td></td>
<td>Yes</td>
</tr>
<tr>
<td>3. Defined Contribution (Matching)</td>
<td></td>
<td>1% Maximum</td>
<td>Yes</td>
</tr>
<tr>
<td>4. UMPIP “Over and Above”</td>
<td>1.0%</td>
<td>1% (2014); 2% (2015-16)</td>
<td>Yes</td>
</tr>
<tr>
<td>5. Comprehensive Protection Plan</td>
<td>3.0%</td>
<td>1% (2017); 2% (2018-22)</td>
<td>Yes</td>
</tr>
<tr>
<td>6. Pension Reserve Fund</td>
<td>0.25%</td>
<td></td>
<td>No</td>
</tr>
<tr>
<td>7. Sustentation Fund</td>
<td>0.75%</td>
<td></td>
<td>No</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>13.8%</strong></td>
<td><strong>Maximum of 3%</strong></td>
<td></td>
</tr>
</tbody>
</table>

2007-2013 Clergy Pension Contributions

<table>
<thead>
<tr>
<th>2007-2013 Clergy Pension Contributions</th>
<th>Paid by Church</th>
<th>Shown on Wespath Stm’t?</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Defined Benefit</td>
<td>8.5%</td>
<td>No</td>
</tr>
<tr>
<td>2. Defined Contribution</td>
<td>3.0%</td>
<td>Yes</td>
</tr>
<tr>
<td>3. UMPIP “Over and Above”</td>
<td>1.0%</td>
<td>Yes</td>
</tr>
<tr>
<td>4. Comprehensive Protection Plan</td>
<td>3.0%</td>
<td>No</td>
</tr>
<tr>
<td>5. Pension Reserve Fund</td>
<td>1.0%</td>
<td>No</td>
</tr>
<tr>
<td>6. Sustentation Fund</td>
<td>0.50%</td>
<td>No</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>17.0%</strong></td>
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</tbody>
</table>

Components of the Clergy Retirement Security Program (CRSP)

The Clergy Retirement Security Program (CRSP) was initiated in 2007, replacing the prior Ministerial Pension Plan (MPP). General Conference 2012 approved changes to the original CRSP which took effect January 1, 2014. Following are the current components of CRSP:

1. **Defined Benefit (DB) Component**
   
The Defined Benefit component provides monthly, lifetime income from retirement until death. The good news is that you cannot outlive your Defined Benefit! It is called a "Defined Benefit" because the benefit is pre-defined and calculated at retirement using the following formulas:

\[
1.25\% \times \text{Denominational Average Compensation (DAC) at retirement} \\
\times \text{years of credited service from 1/1/07 – 12/31/13} \\
+ \\
1.00\% \times \text{DAC at retirement} \times \text{years of credited service after 12/31/13} \\
+ 12 = \text{monthly lifetime Defined Benefit}
\]
The current church contribution for your Defined Benefit is 6.8% of the clergy’s total pension plan compensation. These funds are invested according to an investment allocation determined by the Wespath on behalf of the clergy. *This is the largest amount of your pension contribution; however, since the Defined Benefit is not calculated until retirement, you will not see an account balance designated for it on the quarterly statements you receive from the Wespath.*

You can run retirement projections which will estimate the amount of your Defined Benefit based on your current compensation through your online Benefits Access account (please see below to set up your account). You will also find an estimated monthly Defined Benefit projection on the Summary page of your online Benefits Access account.

If you are married at the time you begin your Defined Benefit, the normal form of benefit is a Joint & 70% (Survivor) Annuity to you and your surviving spouse. As of 1-1-2014, your Defined Benefit will be actuarially reduced to reflect the cost of providing the 70% surviving spouse benefit.

Your Defined Benefit monthly amount will increase by 2% on each January 1 of the plan year, provided you received your CRSP benefit by July 30 of the preceding year.

2. **Defined Contribution (DC) Component**
   Defined Contribution means that the contribution amount (not the benefit) is defined or determined in advance. The CRSP Defined Contribution non-matching amount is 2% of the clergy’s total pension plan compensation as of January 1, 2014. (The CRSP DC contribution amount from 1/1/2007 – 12/31/2013 was 3%). *Non-matching means that the entire contribution is made by your church or salary-paying unit and you are not required to contribute.*

   You determine how your Defined Contribution funds are invested among the available Wespath retirement funds. Earnings and contributions grow tax-deferred until withdrawal. Distribution options include lump-sum, partial lump-sum or cash installments.

   The amount of funds available in a Defined Contribution account at retirement will be the amount of contributions made minus fees and plus or minus investment returns (similar to a 401k or IRA). *Defined Contribution accounts do not provide any guarantee as to the amount of funds available at retirement or how long those funds will last.* In other words, unlike the Defined Benefit, you can outlive your Defined Contribution.

3. **Defined Contribution Matching Component**
   *A new feature of CRSP which began January 1, 2014 allows clergy who make personal contributions into their United Methodist Personal Investment Plan (UMPIP) to receive a dollar for dollar match up to 1% of their total pension plan compensation (please see below).* This match will be paid for out of TAC pension reserves rather than by your church, and *the match will be added to your Defined Contribution account.*

4. **United Methodist Personal Investment Plan (UMPIP) “Over and Above” Component**
   Your church makes an “over and above” 1% contribution into your United Methodist Personal Investment Plan account. These church UMPIP contributions started at the beginning of the CRSP plan in January 2007 to enhance clergy retirement savings. No other Annual Conference in the denomination has provided additional church-funded UMPIP contributions to their clergy as the TAC has.
With the reduction in CRSP plan benefits mandated by the 2012 General Conference that took effect in January 2014, the TAC Board of Pensions approved providing UMPIP contributions for TAC clergy funded out of Pension Reserves in addition to the church-funded 1% UMPIP contribution. In 2014 and 2017, TAC clergy received an “over and above” 2% UMPIP contribution (1% from the church and 1% from Pension Reserves).

In 2015-2016 and 2018-2022 TAC clergy will receive an “over and above” 3% UMPIP contribution (1% from the church and 2% from Pension Reserves). These “over and above” UMPIP contributions are not part of the required CRSP program, and the TAC is the only conference in the denomination making these additional UMPIP contributions for their clergy.

The “over and above” UMPIP contributions are non-matching, meaning that the clergy is not required to contribute personally to receive these additional contributions. The “over and above” UMPIP contributions paid out of Pension Reserves are subject to renewal each year based on pension reserve assets and Annual Conference approval.

Clergy can also make personal contributions to their UMPIP if they choose to do so. Personal UMPIP contributions are required to receive the DC matching contribution (up to a maximum of 1% of plan compensation). Clergy personal contributions can be made either pre-tax, after-tax (earnings on after-tax contributions will still be taxable at distribution), or effective 1-1-2016, as a Roth after-tax contribution (earnings are not taxable if your distribution is qualified). Clergy are highly encouraged to contribute more than the 1% maximum matching contribution amount into their UMPIP.

UMPIP is like your Defined Contribution account in that you determine how your UMPIP contributions are invested among the available Wespath retirement funds. Distribution options include lump sum, partial lump-sum or cash installments.

As with your DC account, the amount of funds available in your UMPIP account at retirement will be the amount of contributions made minus fees and plus or minus investment returns. UMPIP accounts do not provide any guarantee as to the amount of funds available at retirement or how long those funds will last.

5. Comprehensive Protection Plan (CPP)
The Comprehensive Protection Plan (CPP) provides disability benefits for active clergy and death benefits for active and retired clergy, their spouses and surviving spouses. If you were appointed to Medical Leave and qualified for CPP Disability, you would receive disability benefits equal to 70% of your plan compensation at the time of disability (capped at 200% of the DAC). Disability benefits would be reduced by the amount of Social Security disability payments received (or by the amount estimated you would have received if you do not contribute to Social Security).

Death benefits in 2020 are $50,000 for an active clergy participant, $20,400 for a retired participant, $15,300 for a retiree’s spouse and $10,200 for a retiree’s surviving spouse. Please see the attached chart for additional CPP benefit information.

To be eligible for CPP ordained clergy must have a 75% or 100% appointment and have plan compensation equal to or greater than 25% of the DAC. Local pastors must have a 100% appointment and have plan compensation equal to or greater than 25% of the DAC. In 2020, the DAC is $72,648. To be eligible for CPP in 2020, your total pension plan compensation (including housing allowance or parsonage value) must be at least $18,162.
Remember that accountable reimbursements, while included as part of TAC minimum salary, are not included as part of your pension plan compensation.

The contribution your church makes for your participation in CPP is 3% of your total pension plan compensation. The Benefits Office drafts your church for your CPP contribution as part of your total pension contribution.

6. Pension Reserve Fund
A 0.25% contribution is made to the Pension Reserve Fund each month and is invested to hedge against market fluctuations so that adequate funds are available to pay our conference’s Defined Benefit obligation to the Wespath at the end of each year (typically approximately $3 million). Pension Reserves are also providing the additional 2% “over and above” contribution to your UMPIP account as well as the maximum 1% matching DC contribution.

7. Sustentation Fund
A 0.75% contribution is made monthly to the Sustentation Fund. The Sustentation Fund is used for the following purposes:
1. To provide the employer (church) contribution for Group Health for clergy appointed to Medical Leave.
2. Provide compensation for Interim Ministers (Interim Ministers are provided as needed for clergy short-term sabbaticals or for other church transition needs).
3. Provide discretionary funds available to the Cabinet for unbudgeted Emergency Relief expenses.

Wespath Resources for Clergy

Wespath makes several resources available to you at no charge to assist you with making investment and other important financial decisions. Information about the following resources can be found on the Wespath’s website at: http://www.Wespath.org/.

1. LifeStage Investment Management Service
LifeStage is a free Wespath service which takes the guesswork out of investing. It will develop a personal investment mix using five of the Wespath’s investment funds based on your age, risk tolerance, time horizon until retirement and whether you will receive Social Security. It will adjust your investment mix as you age and rebalance as needed to maintain your target investment allocation. You will be able to elect LifeStage when you complete your Investment Election Form included in the enrollment packet you will receive from the Wespath.

2. EY Financial Planning Services
The General Board provides active and retired participants and surviving spouses access to EY Financial Planning Services (formerly Ernst & Young) at no charge. EY’s financial planners can provide confidential, professional assistance on a wide range of financial issues such as:
   - Making investment decisions / saving for retirement
   - Managing credit card and other debt
   - Understanding tax issues
   - Evaluating insurance needs and options
   - Buying a home or car
• Saving for your children’s college education
• Estate planning

_Wespath provides unlimited, confidential phone consultations_ with EY financial planners for Wespath participants free of charge. Call EY Financial Planning Services directly at _1-800-360-2539_, Monday through Friday, 8:00 a.m. to 7:00 p.m., Central time.

3. **Benefits Access Online Account Services**
   Once you are enrolled in CRSP, Benefits Access is your online access to your Wespath retirement accounts. Go to [https://www.benefitsaccess.org/login.aspx](https://www.benefitsaccess.org/login.aspx) to register.

   Benefits Access gives you access to:
   - Your Wespath retirement plan account balances, transactions, investment returns and allocations
   - Retirement Projections – you can get estimates of your retirement funds available at projected retirement dates. Your online account summary page also provides you with an estimate of your monthly Defined Benefit amount.
   - Articles on a variety of retirement and financial planning issues.
   - Electronic delivery of statements and the Wespath publication _Hark_.

4. **Clergy Benefits Academy**
   Wespath sponsors Clergy Benefits Academies annually at various locations throughout the denomination. These events provide a wealth of information about your pension benefits, retirement planning, estate planning, clergy taxes, social security, keeping a healthy and balanced lifestyle, and much more.

   The TAC will reimburse your registration fee and the hotel cost (2 nights) for you and your spouse once every 5 years. Transportation and dinners are at your own expense. For reimbursement after the event, send a copy of your registration and hotel receipts and your Continuing Education Certificate to Barbara Kilby, TAC Benefits Office, 5215 Main St. Houston, TX 77002. For a current schedule of Clergy Benefits Academy dates and locations go to [http://www.wespath.org/events/](http://www.wespath.org/events/).

5. **Center for Clergy Excellence Clergy E-Newsletter**
   You will receive a clergy e-newsletter containing information about Clergy Excellence events and benefits on or about the first of each month.

**Questions? Contact:**

Barbara Kilby, TAC Benefits Administrator  
_bkilby@txcumc.org_; 713-533-3702 or 1-800-606-0350

Marianela Chinea, TAC Group Health Benefits Specialist  
_mchinea@txcumc.org_ or 713-533-3721

Patricia Goforth-Rakes, TAC Pensions and Retiree Health Benefits Specialist  
_pgrakes@txcumc.org_ or 713-533-3723