**2022 SUMMARY**

**MINIMUM SALARY – GROUP HEALTH BENEFITS – PENSIONS**

**Equitable Compensation and Annual Conference Minimum Salaries**

Denominational Average Compensation (DAC) - $75,570 (Year 2022)

(Set by the General Council on Finance and Administration (GCFA)

2022 Minimum Salary ($1,000 increase from 2021 levels):

FE, FD, AM, PE, PD, OE, OD, OA, OF, OPD, OPE $43,000

FL $37,000

FL-SS $34,000

FL-US $31,000

Minimum salary only applies to full-time appointments. There is no minimum salary requirement for part-time appointments. Minimum salary consists of the following:

1. Total cash salary
2. Housing related allowances and utilities
3. Accountable reimbursements

*Minimum salary does not include parsonage value or housing allowance in lieu of parsonage.*

**Group Health Benefits (GHB)**

The contribution base (Total Health Benefits Compensation) for clergy consists of:

1. Total Cash Salary
2. Housing Related Allowances and Utilities
3. Accountable Reimbursements
4. Housing
5. If a parsonage is provided, using the General Board of Pensions and Health Benefits formula, 25% of the Total Pension Cash (total cash salary plus housing related allowances and utilities; 1+2 above) will determine the value of the parsonage.
6. If no parsonage is provided, the actual amount of the housing allowance paid to the Clergy in lieu of the parsonage will be the housing value.

2022 Church GHB Contribution – 9.8% of clergy’s Total Health Benefits Compensation (no change from 2021)

2022 Clergy GHB Contribution (multiply clergy’s Total Health Benefits Compensation by the applicable PPO rate):

|  |  |  |
| --- | --- | --- |
|  | Standard Plan (a) | High Deductible Plan (b) |
| Employee only | 6.75% | 4.65% |
| Employee and spouse | 8.20% | 5.90% |
| Employee and children | 7.40% | 5.45% |
| Family (spouse and children) | 9.25% | 6.65% |

(a) Deductible - $1,000 Individual; $3,000 Family

(b) Deductible - $1,850 Individual; $3,700 Family

**Pensions**

*Clergy Retirement Security Program (CRSP) Funding for Current Service*

Following are the contribution rates approved by the Texas Annual Conference for the CRSP Retirement Plan:

*(contributions are paid by the local church and are based on the clergy’s Total Plan Compensation)*

Defined Benefit (DB) 6.80%\*

Defined Contribution (DC) 2.00%

United Methodist Personal Investment Plan (UMPIP) 1.00%

Comprehensive Protection Plan (CPP) 3.00%

Reserve Fund 0.25%

Sustentation Fund 0.75%

Total 13.80%

Defined Benefit – provides a monthly fixed benefit amount to retired clergy regardless of market performance. Funds are invested by the General Board of Pension and Health Benefits (GBOPHB) or (GBOP) of the United Methodist Church. The defined benefit amount is determined by formula at the time of clergy retirement. Projected defined benefit amounts are not included on quarterly statements from the GBOP.

Defined Contribution – the total amount will be made available to clergy upon retirement with various distribution options available; proceeds are dependent upon market performance. Clergy determine the investment of contributions among various GBOP investment funds (self-directed) or by using the LifeStage Investment Management Service which selects funds based on age, risk tolerance and other factors. This service is available at no cost to plan participants.

Comprehensive Protection Plan – provides disability benefits for clergy; death benefits for active or retired clergy; clergy spouse, surviving spouse or child death benefits

United Methodist Personal Investment Plan – clergy direct the investment of contributions among GBOP investment fund options or through LifeStage Investment Management Service. Clergy can make additional personal contributions.

Reserve Fund – Since the pension plans are based on market earnings, the Reserve Fund provides protection against changes in market performance.

Sustentation Fund – Enables clergy to take short-term sabbaticals by providing Interim Clergy for local congregations; pays for a portion of group health benefits for clergy on medical leave; provides emergency support for unbudgeted expenses as determined by Cabinet.

In addition to the above 1% UMPIP non-matching contribution (paid by local church), the Conference will contribute an additional 2% non-matching contribution to participant UMPIP accounts in 2022. In addition, clergy personal contributions to UMPIP are matched in an equal amount up to a maximum of 1% of plan compensation. The matching contribution is paid from the Conference pension reserve and is deposited in the participant’s CRSP DC account.

The “contribution base” (Total Plan Compensation) of a minister’s salary consists of:

1. Total Cash Salary
2. Housing Related Allowances and Utilities
3. Housing
4. If a parsonage is provided, using the General Board of Pensions and Health Benefits formula, 25% of the Plan Compensation will determine the value of the parsonage.
5. If no parsonage is provided, the actual amount of the housing allowance paid to the Clergy in lieu of the parsonage will be the housing value.

*Accountable Reimbursements are not included when determining total pension plan compensation.*

*\*Funding for eligible participant = Conference DB cost x “decimal” (Example outlined below):*

1. Conference DB cost for 2022 = $2,703,360
2. Total TAC Plan Compensation for 2022 = $45,565,703
3. Decimal = Plan Compensation of Eligible Participant / Total TAC Plan Compensation
   1. Assume eligible participant plan compensation of $75,000
   2. $75,000 / $45,565,703 = decimal of 0.001610369
4. Funding for eligible participant = $2,832,593 x 0.001645974 = **$4,449.66**