

Alabama West-Florida Conference of the United Methodist Church Board of Pension & Health Benefits

DIRECT BILLING INFORMATION SHEET (as of January 1, 2018)

The following information regarding the categories should be helpful to you to understand the billing.

CRSP is the Clergy Retirement Security Plan. Contributions to this plan are based on the pastor's Plan Compensation as reported on the Clergy Compensation Forms (Line 3) and includes either the Housing Allowance or an imputed value of 25% of compensation if the pastor lives in a parsonage. Pastors serving at less than 75% are not eligible to participate in the Clergy Retirement Security Plan and churches will not be billed.

CRSP DC is the Defined Contribution. It represents the 3% contribution to the pastor's retirement investment account which is managed by the pastor and invested in the "market" by the General Board of Pension and Health Benefits. Results of the market are available to the pastor upon retirement. To receive the full contribution the clergy person must contribute at least 1% of his/her plan compensation to the United Methodist Personal Investment Plan through a salary agreement with the local church.

CRSP DB is the Defined Benefit. It represents the 8% contribution charged to the church to fund the future liability of the plan for the pension benefit that the pastors in the conference receive upon retirement. The current benefit is determined by the years of service beginning January 1, 2014. Pastors serving full time earn one year of service for each year of appointment. Pastors serving at 75% earn 1.5 years each two years of appointment. The amount the conference is billed by the General Board of Pension and Health Benefits is determined by the General Board actuarial projections each year.

While clergy appointed at less than 75% are not eligible for the CRSP, they may participate in UMPIP (United Methodist Personal Investment Plan).

NOTE: The annual conference does not bill for personal contributions to United Methodist Personal Investment Plan (UMPIP.) These contributions are billed by the General Board of Pension to the local church based on the UMPIP Contribution Agreement Form between the church and the pastor and are deducted from the pastor's salary each month.

CPP is Comprehensive Protection Plan premium. It represents 3% of plan compensation and provides the Death and Disability benefit for full time active pastors. If a pastor is appointed less than full time he/she is not eligible for this benefit.

More information on the retirement plans available to United Methodist clergy can be found at www.wespath.org. Select the link to Retirement.

Health is the premium equivalent for the individual pastor. It is called a premium equivalent because the conference health plan is self-insured and is based upon the projected expenses for the current year.

If the pastor is retired and appointed to a church, the premium equivalent for the pastor is billed to the church. For example, if the pastor is under age 65 and on the active plan, the premium equivalent is \$875. If the pastor is 65 or older, the premium equivalent billed to the local church is \$168.

Dependent is the premium equivalent for the pastor if he/she has elected Family Coverage. Although it is on the local church billing, it is the pastor's responsibility to pay. The current premium equivalent is \$875 regardless of the number of dependents.

The Dependent contributions are charged to the "lead church" in a multiple church charge. Other contributions are charged to individual churches in a multiple church charge based on the percentage of the total apportionment of the charge divided by the individual church's apportionment. For example, on a three point charge, the billing is determined in the following way

Church A apportionment is w

Church B apportionment is x

Church C apportionment is y

Formula: $w+x+y = z$

Church A billing for each item is w/z

Church B billing for each item is x/z

Church C billing for each item is y/z

Note: CRSP-DB, CRSP-DC, and CPP are billed based on Total Plan Compensation. The total plan compensation includes the cash salary received from the church and the housing allowance or a value of 25% of compensation if the pastor lives in a parsonage.

ALL PAYMENTS, INCLUDING COPIES OF THE INVOICE, SHOULD BE MAILED TO GALLAGHER BENEFIT GROUP, PO BOX 190, SELMA, AL.

PAYMENTS SHOULD NOT BE SENT TO THE CONFERENCE OFFICE.

If you have questions regarding this billing please feel free to call the Fiscal office at 888-873-3127 and ask for BeLinda or Frank.