

*LOCAL CHURCH DISAFFILIATION*

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FREQUENTLY ASKED QUESTIONS

1. Q: What is the unfunded pension liability? A: <https://www.wespath.org/about-wespath/wayforwardwespathfaq> This link explains this topic in detail but the very short answer is the unfunded pension liability is the present value of the obligation to pay all future pension liabilities for currently and retired eligible clergy multiplied by a 5% premium, all less the assets on deposit at Wespath that are designated for that obligation.
2. Q: What is the PRM? A: PRM stands for Post Retirement Medical obligation. This is the present value of the obligation to pay all future post retirement medical claims for eligible clergy, both those that are currently retired and those who are expected to retire and qualify for benefits.
3. Q: What are the three components of the disaffiliation calculation? A: They are the unfunded pension liability as calculated by Wespath plus the PRM plus two years of apportionments.
4. Q: How often are the disaffiliation calculations updated? A: Currently, they are updated once per year, as of January 1.
5. Q: Does my church have to pay two years of apportionments if we are 100% paid on apportionments prior to disaffiliation? A: No. The Conference Board of Trustees gives up to a 12 month credit for apportionments paid. This means that the local church in this situation would only pay 12 months of apportionments as part of the disaffiliation calculation.
6. Q: Who decides the final disaffiliation calculation and when is this received? A: A preliminary or standard figure is provided prior to the local church conference but the final figure is determined by the Conference Board of Trustees after the local church has voted to disaffiliate and after a recommendation to approve disaffiliation has been provided by the Bishop's Cabinet. The final disaffiliation figure may be more or less than the preliminary figure.