



UMC Pension Plans—Historical Perspective

1928 – 1981: PRE-82 PLAN

- Conference and participant contributions
- Individual accounts—Defined Benefit Service Money (DBSM)
- Vesting schedules
- *Annual conference decisions*
 - Benefit level: Past Service Rate (PSR)
 - Contingent annuitant (surviving spouse) percentage
 - Funding schedules
- Surviving spouse benefit funded by the plan
- PSR linked to Conference Average Compensation (CAC) (until 2012)

1982 – 2006: MINISTERIAL PENSION PLAN

- Benefits vested immediately
- “Mandatory” clergy contribution = 3% of compensation (until 1998)
- “Church account” contribution based on Denominational Average Compensation (DAC) for full-time service
- *Conference options* for MPP account contribution base:
 - Actual compensation, with DAC minimum: 6 conferences
 - Actual up to 150% of DAC, with DAC minimum: 1 conference
 - **DAC: all other conferences**
- Same church/conference contribution for single or married clergy
- For compensation less than DAC:
 - Church/conference contribution was based on participant’s compensation
 - Difference provided by pension supplement from Comprehensive Protection Plan (CPP)

2007 – PRESENT: CLERGY RETIREMENT SECURITY PROGRAM

- Shared risk between conference and participant
 - Defined benefit (DB) component
 - Defined contribution (DC) account
- Dual understandings of equity
 - Equal amount: DB is DAC-based for all (except bishops)
 - Equal rate: DC based on each person’s compensation
- Participants control DC investments
- DB contributions based on participant count
- DB funding provides 2% cost-of-living increase