



# Wespath

BENEFITS | INVESTMENTS



## Central Conference Pensions 2022 Report





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Top left: Rev. Francois Lushima Wembo, benefits officer for the East Congo Episcopal Area meets with Wespath staff in his office in Kindu.

Top right: Wespath staff and a group of benefits officers met in May 2022 for a bi-annual Central Conference Benefits Officers Forum in Königswinter, Germany. The meeting was the first in-person conference held since before the pandemic.

*Cover photo:*

Retired clergy and surviving spouses gathering in Kamina, North Katanga Episcopal Area are joined by Bishop Mande Muyombo and members of Wespath’s staff.

# General Secretary's Letter

## Greetings

I am honored to share with you the 2022 Central Conference Pensions (CCP) Report. CCP provides long-term retirement security for United Methodist clergy across Africa, the Philippines and Europe.

**As the administrator of the CCP program, Wespath continues to support the central conferences by encouraging best practices in the management and funding of pension programs** outside the U.S. Our goal, in partnership with the central conferences, is to support self-funded and self-sustaining plans.

My predecessor, Barbara Boige grain, shared the first biennial CCP Report two years ago as Wespath's general secretary and a longtime champion of this important ministry. Since that time, the world has continued to deal with the challenges of the global pandemic, and the need to provide pension benefits has grown increasingly vital—particularly in many of the regions served by the CCP program.

### Carrying Forward the Legacy

My personal connection to the CCP Initiative, traces back to 2004—the year the General Conference authorized the launch and the year that I joined Wespath. Back then, Barbara and the Board Chair at the time, Bishop Ben Chamness, had a vision for CCP and a passion to build a pension support system for clergy who serve faithfully outside the U.S., just as clergy in the U.S. enjoy.

Wespath remains firmly committed to continuing this legacy into the future. Today, it is because of Barbara's and Bishop Chamness' leadership, and the generosity of thousands of CCP donors throughout the world, that over 3,400 retirees and surviving spouses receive these pension payments.

While I am less than one year into my role as general secretary and chief executive officer of Wespath, my years as a senior leader with Wespath have provided insights into the importance of this program. This past year I've had the opportunity to participate in a virtual conversation with Central Conference Benefits Officers to hear how vital these benefits are to participants around the world.

### Building Bridges During Challenging Times

We are in a time of change that will be felt across our global Connection. Wespath continues to stand as a neutral, non-anxious presence for The United Methodist Church (UMC) and other Methodist-related denominations. We are committed to serving as a bridge-builder throughout the world and we look forward to continuing our mission of caring for those who serve globally through CCP.

As Wespath's new general secretary, I pledge to continue our work with 69 annual and provisional conferences to build sustainability of your pension programs for future generations. I invite you to read the personal stories and learn more about the tangible impact the CCP program has on the lives of pastors and families who are sharing God's witness around the world.

Grace and Peace,

**Andy Hendren**

*General Secretary and Chief Executive Officer, Wespath*



*Andy Hendren, General Secretary and CEO*

## CCP Program At-A-Glance



**\$27,494,229** in  
total donations received  
(Inception to date as of 6/30/2022)



**\$14,270,009**  
(In Pension funds distributed  
from 1/1/2007 to 6/30/2022)



More than **7,500**  
active clergy



**69** conferences  
CCP assists in administration  
of retirement funds for clergy  
in 69 of the 79 annual conferences  
in the central conferences



Over **3,400** retirees  
and surviving spouses  
receiving support

# CCP Stories Highlight Global Opportunities

## Chief Operating Officer's Letter

**As the administrator of the CCP program, Wespath continues to learn of stories that demonstrate the power of this program. Every dollar donated provides support to retirees, surviving spouses and beneficiaries.**

As you'll see from the stories throughout this report, the success of the CCP program is due to the strong partnership that exists—with our participants, with our donors, and just as importantly with the plans.

In June 2018, during a trip to Côte d'Ivoire, I had the opportunity to meet with two sisters who are widows of clergy, receiving benefits from CCP. During our conversation they shared the examples of how CCP benefits provide for their families each and every day. They shared that without these benefits, life would be unsustainable. It's a reminder that the endurance of this program is critical—and this report, which provides transparency about the plans, is intended to highlight areas of opportunity for the CCP program so that we can continue to support surviving spouses and beneficiaries for generations to come. And, it's important to note that the CCP program continues to grow. Since 2013 we've seen 22% growth in the number of clergy and spouses who receive pension distributions. Additionally, we've had a 16% increase in the funds distributed annually.



*Wespath representatives meet with conference staff and surviving spouses. Pictured, left to right: Bill Kavanaugh (Wespath), surviving spouses Albertine Soukpou and Jaqueline Agre, Paul Dirdak (Wespath) and Côte d'Ivoire Treasurer and Benefits Officer Suzanne Adouko.*

While our job as CCP's administrator is often reviewing financial statements and administrative procedures, the mission of caring for those who serve is never far from our hearts and minds. The stories of compassion and stories of need are what drive our mission. Examples can be found around the globe, and we'd like to share a few with you today, in addition to the information about plan sustainability and opportunities at the end of this report.



**Bill Kavanaugh**  
*Chief Operating Officer, Wespath*

## CCP Stories Highlight Global Opportunities

### Reverend István Csernák (Hungary)

During his years of service to the UMC, Rev. Csernák saw his country transition out of communism, toward a representative democracy.

Rev. Csernák's service began at the age of 18, when he traveled by bus on Sundays to the outskirts of the small town of Alsószolca in Northern Hungary as a volunteer. There he volunteered to teach Sunday school to the small United Methodist congregation. With no church building available they met in the homes of the church members and read the Bible, sang hymns, played soccer and partook in each other's lives. This became a life changing experience, as Rev. Csernák was shaken to his core when he encountered the extreme poverty and discrimination experienced by this marginalized community. It was here that he first felt the call to full-time ministry. Rev. Csernák was ordained in 1984.

When Rev. Csernák was elected superintendent in 1996, he and Bishop Heinrich Bolleter, who was based in Switzerland, led the church through a time of transformation. The UMC in Hungary started to form



*Reverend István Csernák is joined by his wife, Eva.*

new faith communities, built churches, visited prisoners and even started a home for the elderly.

Rev. Csernák retired in 2016 after having served for 44 years. He is immensely grateful for the support of the CCP fund. This pension allows Rev. Csernák, his wife Eva, and his family to live a life full of dignity, without having to work in retirement to survive. For Rev. Csernák, CCP is a God-sent gift.

**“ For us, receiving from the CCP is a great source of relief and peace of mind. ”**

### Akuume Rose (Uganda)

Akuume Rose is a retired pastor and small business owner in the Jinja District of eastern Uganda. The benefits provided by CCP have enabled her to start and sustain a small business selling food and drinks.



### Mrs. Seraphine Nzinahora (Burundi)

“...Last year I could have faced serious problems in terms of food security if it were not [for] the money that [I received] from the pension program. As people who depend on crops that we harvest from our fields, last year was a difficult year to many of us of [with] less harvest due to shortage of rain. The funds we are receiving enabled me to buy food stuff and other necessities.”



# CCP Stories Highlight Global Opportunities

## Annanie Gasiriba (Rwanda)

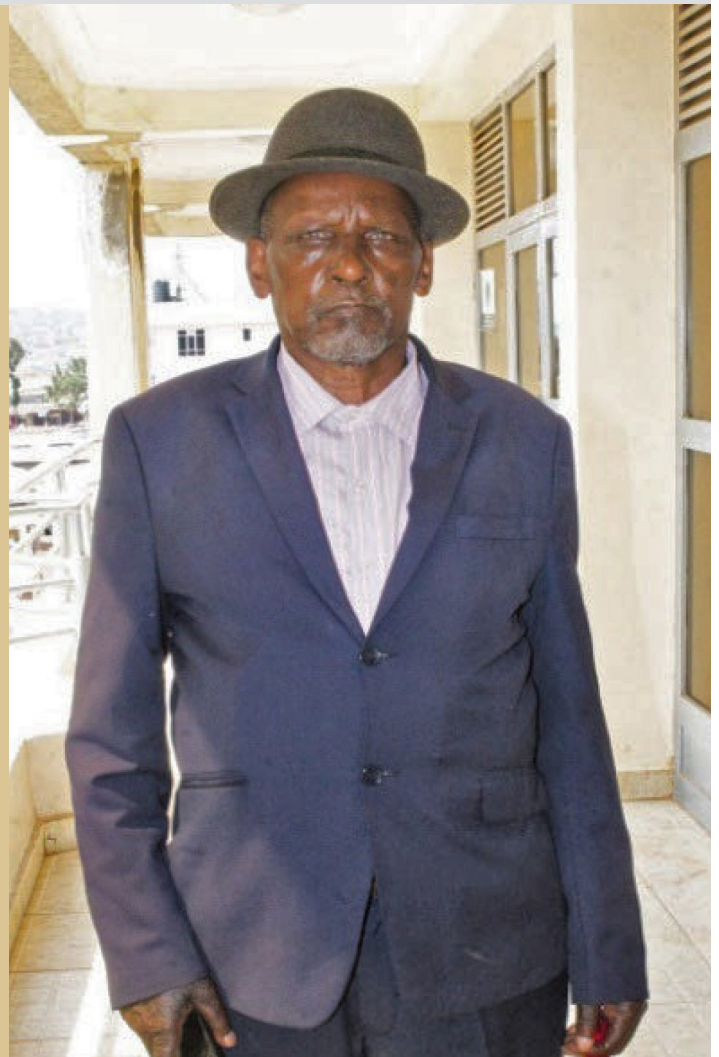
Annanie Gasiriba is an 81-year-old retired United Methodist pastor, who rents a house in the southern province of Rwanda. He was a Pentecostal Christian before joining the UMC in the Democratic Republic of Congo, and was immediately appointed as a parish pastor. Pastor Gasiriba moved to Rwanda in 1997 where he continued his mission until he retired in UMC Kigali District.

After spending two years in retirement, Pastor Gasiriba began receiving benefits through CCP, once the Rwanda CCP program began.

**“This program started on my second year of retirement, those two years before the program were the most miserable years of my life which implicates the impact and good effect it had on me in terms of livelihood quality, I really appreciate that from the bottom of my heart.”**

—PASTOR GASIRIBA

Gasiriba added that when he receives the money, he immediately takes a tenth of it to church as his beliefs encourage him to.



### Video

## Retired clergy from the Philippines share the value of CCP in their own words

Check out video clips of retired clergy from the Philippines who share the value of CCP in their own words. As one participant (pictured, top left) Teresita Supetran shares, “I am happy because what we receive from our pension is an encouragement to all of us.”

<https://www.wespath.org/r/CCPStories>

# A Strong Foundation

## The Beginnings of CCP

The CCP story demonstrates the power of what is possible when the people of the UMC work hand-in-hand across the globe. Historically most of the central conferences provided little or no pension support for pastors or their families. Today, through combined efforts across the Church, United Methodist clergy across the globe are served by pension programs.

During General Conference 2004, the *Book of Discipline* was amended to authorize the effort of the Central Conference Pension Initiative—under the support of Wespeth Benefits and Investments. Bishop Ben Chamness, in partnership with former Wespeth general secretary Barbara Boigegrain, led a \$25 million fundraising goal to provide support needed for retired clergy, surviving spouses and dependent children of clergy.

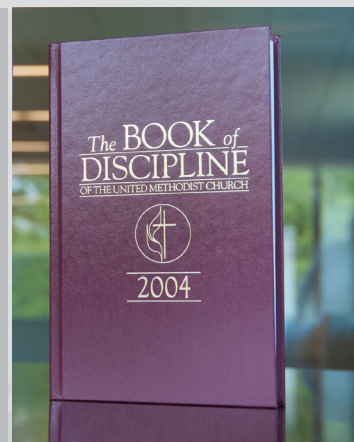
The first pilot program was established in Liberia under the direction of Bishop John Innis. Additional programs were launched in nine African countries soon after. Today, 69 annual conferences from the central conferences participate in CCP, with the program focused on plan sustainability to ensure the future success of the program.



Bishop Ben Chamness and Barbara Boigegrain



General Conference 2004 logo



The Book of Discipline 2004



Following a CCP meeting with pensioners and surviving spouses in Kindu, a motorbike taxi was taken to a reception with the bishop.



# A Strong Foundation

## A Conversation with Barbara Boigegrain

CCP was near and dear to the heart of former Wespath general secretary and CEO Barbara Boigegrain. Prior to her retirement in December 2021, Barbara spent time reflecting on her 27 years as general secretary, including a conversation about developing the Central Conference Pension Initiative.

A few excerpts from the interview are included below. Read about her work to launch CCP in a [recent newsletter article](#).



Why is CCP something you've invested so much energy and effort into?

The sheer need of the people and the whole CCP effort, for me, was a learning from beginning to end. Retirees in many central conferences are in such a different situation than the retirees in the United States and wealthier nations.

I kept reading our [Wespath's] paragraph in the *Book of Discipline* that says we are charged with the care, support and administration of clergy and lay workers. And, it doesn't specify those in the United States or those who are privileged... it said the clergy and lay workers of the UMC. So, I used that as the launching pad to start talking with our board of directors...

Some would say launching CCP was risky. How concerned were you to have no structure or guidelines?

My biggest concern was that we did something that wasn't sustainable, and it's [still] a concern today. We're talking about economies that have a hard time... to put money away when you don't have enough to pay your pastor, this is going to be a struggle for a long time.

Once the program was established, can you talk about fundraising?

What we found is two groups got excited by fundraising. One didn't surprise us, but I was very grateful—annual conferences.

We also decided to go ahead and let our participants and retirees know about CCP.... It gives me goose bumps that people would start sending in money. To this day we get checks from retirees....it's incredible.

Do you have a favorite memory that you'd like to share?

We had a pensions meeting and the pensions officer had gathered 21 retirees and surviving spouses. Well, one of them had walked 180 miles, to say thank you... He had walked a full week, to say thank you—chokes me up every time.



During her many travels through the central conferences, Barbara Boigegrain met with participants, beneficiaries and church leaders to gather feedback on the needs of the CCP program.

# Leadership During Challenging Times

## The Impact of the Global Pandemic

The impact of the global pandemic was felt around the world regardless of location, lifestyle or business practice. The administration of the CCP program as a global benefits program was particularly challenging as technology, resources and health protocol were not consistent from nation to nation.

Central conference benefits personnel faced challenges they had not seen in the past. Challenges with technology availability and Wi-Fi access were amplified. Similarly, processes like providing benefits payments and collecting contributions into the pension plan became increasingly difficult in nations facing increased travel restrictions and limited resources.



*Pastor Ruth Mwangi sews face masks at Sogunoi United Methodist Church in Kenya. Photo by Faith Wanjiru, UM News.*

“



...The implementation of the [pension] plan has been a great challenge, especially in these pandemic days due to the negative effects it [the pandemic] brings, not only in the health area but also in the economic sphere. In fact, this second wave of infections is doing a lot of damage in our country. We are losing many influential members in the church and in society.

”

***Filimao Vilanculo, Central Conference Benefits Officer from Mozambique***  
*(Quote provided in a 2021 e-mail)*

“



Our hospitals are again full [and] could hardly cope with so many lined up outside the emergency rooms waiting for a bed because the COVID wards are so full... People are allowed to go to [the] office, although restaurants are closed. Curfew is from 8:00 p.m.–4:00 a.m. Then last Monday it was announced that we will be on *Enhanced Community Quarantine* August 6–20 which means no one is allowed to go out of the house. One person per household is allowed to apply for a quarantine pass so he could go to the supermarket to buy their food supplies and other needs.

”

***Liz Mariano, Chairperson of Philippines Central Conference Board of Pensions***  
*(Quote provided in a 2021 e-mail)*

## Leadership During Challenging Times

As the pandemic continues to restrict travel and in-person gatherings, central conference benefits personnel are using virtual meetings to continue their work and Wespith is increasing communications with central conferences. As travel restrictions ease, increased face-to-face meetings and visits are occurring in 2022 and beyond.

One U.S. Annual Conference Board of Pensions found itself with a surplus of funds from strong investment returns. The Board of Pensions decided to donate a portion of the surplus to CCP. With the affirmation of the Board's leadership, the funds were distributed

to central conference pension plans to help compensate for contributions that were not able to be collected during the pandemic. One member of this U.S. annual conference shared, "As a lay person, I have a commitment to the health and well-being of my pastor and other pastors. They are the persons who influence our lives, who bring us to the Christian faith, who bring us to Jesus... Their health and well-being and leadership really points to where the church is headed. And, so I've always had a passion for making sure that pastors are supported wherever they are, and wherever they are serving."

### *Participant Story:*

#### **Patience Mbeyu Nguta-Kathengi (Kenya)**

Patience Mbeyu Nguta-Kathengi, United Methodist pastor and mother of three, was already suffering loss when the COVID-19 pandemic swept across the globe. In 2012 she lost her eyesight while pregnant with her third child, and her world changed forever. Although blindness left Patience unable to provide for her family in the same way, pension benefits from her years of service at the UMC—Tazama Christ, through the East Africa pension plan funded by CCP, allowed her some continued support.

Then in April, tragedy struck again when Patience's husband passed away from COVID-19. Prior to his passing, he had worked as a night guard, helping to support the family. His death is yet another reminder that the impacts of COVID-19 are especially devastating for many already-disadvantaged populations across the globe. While Patience is incredibly grateful for the benefits she continues to receive from the CCP program, her family's loss is deep. She continues to look for support from her neighbors and others.

**"Life took a painful twist in 2012 when I lost my sight while expectant. I had to depend on my husband for survival and my children for moral support. My church ... and Pastor Rev. Mudiri have been of great help too. I thank them for praying for me and my family. To date, I survive on the pension I receive..."**

—PATIENCE MBEYU NGUTA-KATHENGI



# CCP Program Administration

## Partnership for Success

The administration of the CCP program requires a partnership between Wespith staff and the various bishops, conference officers, treasurers and UMC leaders across the globe. Wespith currently has three team members, and one part-time consultant, working on the administration of the CCP program as part of their role (not dedicated to CCP full-time).

Central Conference Benefits Officers (CCBOs) play a critical role in the success of the CCP program. Often individuals are selected by their bishop, or via an election, to administer the CCP program locally. While the role varies within each pension plan, the individuals manage plan governance, the distribution of pensions and data/reporting needs. Often the treasurer of an episcopal area may also serve as the CCBO.

CCP services, processes and governance is a collaborative effort shared between the pension plans, Wespith staff, and other CCP program services as pictured in the image below.



Wespith staff (l to r): Dale Jones, Ross Lundstrom, Michelle Robinson and Thomas Kemper



\*Note: Plans adopted by central conference, episcopal area or annual conference

# CCP Program Administration

## Educating Central Conference Benefits Officers Around the Globe

At the beginning of May, a group of Wespeth staff and CCBOs met in the tranquil town of Königswinter, Germany just south of Bonn on the west bank of the Rhine. The meeting was the first in-person conference held since before the pandemic.

The purpose of the meeting was to share challenges and ideas, and determine best practices to help the central conferences in administering pension programs for their clergy. During the training, attendees viewed and discussed topics like data collection, actuarial valuations, collecting contributions and the investment of pension funds. Many participants shared that the greatest benefit from this event was discussing similar experiences with their peers.



*Bishop Harald Rückert joins a group of CCBOs and Wespeth staff during a recent forum in Germany. Inset: Andy Hendren, Wespeth general secretary and CEO, joins a group of CCBOs virtually to discuss the value of the CCP program.*

## Increased Communications and Storytelling

Understanding the ongoing needs of plan participants, retirees and beneficiaries is critical to the long-term success of CCP. Therefore, this quadrennium Wespeth increased focus on identifying stories to better inform how the funds are used to support the day-to-day lives of retired clergy and their families. Additionally, these insights and stories will help CCP donors see the many ways in which every dollar of their donations does make a difference.



Stories are available on the [CCP website](https://wespeth.org/about-wespeth/ccp/testimonials) at [wespeth.org/about-wespeth/ccp/testimonials](https://wespeth.org/about-wespeth/ccp/testimonials) and through the newsletters at [wespeth.org/about-wespeth/ccp/ccp-update-newsletter](https://wespeth.org/about-wespeth/ccp/ccp-update-newsletter). Additionally, samples of these stories are shared throughout this report.

Finally, in an effort to further increase transparency to the UMC and the individual plans, in 2021 Wespeth



also launched a new communication to bishops that provides observations and financials for each program. Specifically, each central conference bishop was provided with the following information from Wespeth, as CCP administrator:

- High-level observations about the pension program
- Pension plan details including demographics and plan benefits
- 2020 actuarial valuation results as compared to 2018 results, when available
- Observations and opportunities for improvement in funding and administration of the pension plans

We intend to provide this communication in years when there is not a CCP Report.

# CCP Program Administration

## Pension Plan Audits

The CCP program is designed for sustainability, with the current state of pension plans assessed by field visits and audits. During these visits, CCP program evaluators review the conference pension records and visit with retirees to ensure pensions are being paid in full and on time. Unfortunately, due to the global pandemic, audits and field visits were not completed for 2020–2021. During this time, Wespeth increased virtual communications with each plan through Zoom, email and remote trainings.

This year, Wespeth staff conducted a field visit to the Democratic Republic of Congo. Visits like this allow staff to meet with benefits officers and church leadership for education and to identify opportunities for improvement for both the program and individual plan. Additionally, while making field visits, staff have the opportunity to meet with retirees, surviving spouses and beneficiaries to learn from their experiences and to discuss how benefits are used.

Wespeth is focused on improving the sustainability of each individual CCP-supported plan for future generations of UMC clergy. Support of these plans through the auditing process is a key component to sustainability and planning. Therefore, Holbrook Global Limited has been selected as the new CCP plan auditor. While Holbrook is a small firm, key individuals in the organization have a deep understanding of the UMC because they provide international audit services to other UMC agencies. Wespeth believes that the other UMC relationships will provide efficiencies and synergies that will benefit the pension plans, Wespeth and the CCP program overall.

“ I am very grateful to the worldwide church for helping those pastors in emerging or re-emerging churches around the world. ”

**Gita Mednis**  
*Former District Superintendent  
Latvia*



(right) CCP staff discuss challenges of the East Congo Episcopal Area pension program with Area benefits officers and cabinet members during a visit to Kindu.



(left) Rev. Ngoy Tshikala, retiree, UMC in North Katanga; (above, left to right) Benefits officers Didier Banza Banze, Rev. Francois Wembo, Joseph Tunda and Rev. Hilaire Shete



## CCP Program Administration

The following chart represents the amount of assets controlled and overseen by the pension plans set aside in local accounts and conference accounts at Wespath for the long-term benefit of the pension plans.

This chart highlights the efforts by each of the pension plans that participate in the CCP program to increase their plan assets as represented in the last three actuarial reports. Wespath is coordinating the next cycle of actuarial valuation reports for completion in 2023.

### Asset Summary as of December 31, 2020 Results in USD, unless otherwise noted

Conference	12/2020 Fair Value of Assets	12/2018 Fair Value of Assets	12/2016 Fair Value of Assets	Dollar Change from 12/2016 to 12/2020	% Change from 12/2016 to 12/2020
<b>Angola</b>	<b>14,286</b>	<b>9,981</b>	<b>4,445</b>	<b>9,841</b>	<b>221%</b>
East	11,664	8,149	2,963	8,701	293%
West	2,622	1,832	1,482	1,140	77%
<b>Congo</b>	<b>205,824</b>	<b>65,983</b>	<b>39,043</b>	<b>166,781</b>	<b>427%</b>
Central	53,121	30,180	21,656	31,465	145%
East	24,395	11,235	8,147	16,248	199%
North Katanga	26,219	7,258	1,334	24,885	1,865%
South Congo	102,089	17,310	7,906	94,183	1,191%
<b>Côte d'Ivoire</b>	<b>480,747</b>	<b>318,405</b>	<b>159,114</b>	<b>321,633</b>	<b>202%</b>
<b>East Africa</b>	<b>26,502</b>	<b>0</b>	<b>n/a</b>	<b>26,502</b>	<b>n/a</b>
<b>Eurasia</b>	<b>650,900</b>	<b>410,840</b>	<b>326,565</b>	<b>324,335</b>	<b>99%</b>
<b>Latvia</b>	<b>64,450</b>	<b>34,494</b>	<b>28,473</b>	<b>35,977</b>	<b>126%</b>
<b>Liberia</b>	<b>213,610</b>	<b>121,418</b>	<b>91,734</b>	<b>122,236</b>	<b>133%</b>
<b>Lithuania</b>	<b>64,529</b>	<b>25,182</b>	<b>15,481</b>	<b>49,048</b>	<b>316%</b>
<b>Mozambique</b>	<b>232,537</b>	<b>119,328</b>	<b>15,034</b>	<b>217,503</b>	<b>1,446%</b>
<b>Nigeria</b>	<b>568</b>	<b>397</b>	<b>359</b>	<b>209</b>	<b>58%</b>
<b>Philippines</b>	<b>1,871,127</b>	<b>1,180,559</b>	<b>789,342</b>	<b>1,081,785</b>	<b>137%</b>
<b>Sierra Leone</b>	<b>12,015</b>	<b>7,443</b>	<b>4,224</b>	<b>7,791</b>	<b>184%</b>
<b>South Africa</b>	<b>7,707</b>	<b>3,750</b>	<b>2,472</b>	<b>5,235</b>	<b>211%</b>
<b>Zimbabwe</b>	<b>49,492</b>	<b>37,771</b>	<b>31,833</b>	<b>17,659</b>	<b>55%</b>
<b>Central and Southern Europe (Euros)</b>	<b>776,716</b>	<b>639,967</b>	<b>460,685</b>	<b>316,031</b>	<b>68%</b>

# Pension Plan Sustainability

## Sustainability Considerations

As noted in the **2020 Central Conference Pension Report**, to receive CCP funding, a pension plan must achieve the following criteria before becoming operational:

### Six Foundational Criteria

1. Elect and train a Board of Pensions,
2. Prepare and adopt a pension plan description, or plan document,
3. Select and train a benefits officer and orient the bishop to the pension program,
4. Establish a discrete bank account to be used only for pension funds,
5. Provide documentation of the conference's or episcopal area's official government registration and engagement in legally recognized charitable work, and
6. Establish accurate records for all pension plan participants.

Pension plan reviews typically include an assessment of several aspects of the plan that have been identified as important factors in achieving long-term sustainability.

### Factors in Achieving Long-Term Sustainability

- Foundational strengths, that is, maintaining the criteria and qualities required for CCP support initially,
- A continued, sustainable funding stream,
- Regular actuarial valuations and response to the valuation results,
- A comprehensive investment policy,
- Legal review to ensure plan complies with pension laws and regulations,
- Plan compliance,
- Focused benefits education for pastors and congregational leaders,
- Regular audits, with reporting of and action on audit findings,
- United Methodist connection or origins, and
- Partnership with Wespath.

While these assessments are somewhat subjective, they do give an indication of a plan's strengths and weaknesses, as well as the plan's progress over time. *Unfortunately, due to the global pandemic, sustainability assessments were not conducted in 2020, 2021 or the first half of 2022.* While full sustainability assessments were not conducted, virtual communications did increase over the course of this period as shared in the "Program Administration" section.



A copy of our most recent "Sustainability Scorecard" can be found in the **2020 Central Conference Pensions Report**. Sustainability scores are available for each plan, in addition to sustainability trends and plan comparisons.



# Pension Plan Sustainability

## Future Pension Plan Stability

The importance of becoming—and maintaining status as—a self-sustaining pension plan, is a key focus for the CCP-supported pension plans. The pension plans are contributory plans, calling for both church and clergy contributions, for a reason. While CCP funding is expected to continue indefinitely, the funding cannot meet all the pension plan’s long-term obligations.

The amounts needed for pension benefits over time are subject to increase for several reasons, including, but not limited to:

- Growth in numbers of clergy,
- Increases in the costs of essentials for living, and/or
- Improved medical/health systems that increase life expectancy.

Already, the pension distributions of several plans exceed the amount of CCP support. Sooner or later, this will be true with most, if not all, of the pension plans.

## What happens if a pension plan becomes unable to meet its obligations?

Some CCP-supported plans exist because previous pension programs were unable to meet their obligations and ultimately “went broke.” This leaves clergy feeling betrayed by a system they were counting on, and leads to distrust of the systems and institutions of the Church. Participants are then understandably averse to participating in future pension programs, even if they are well-designed and sustainable. More importantly, retired clergy and their surviving spouses lose a portion of the income they require in order to live with dignity in their post-working years, and active clergy transitioning to retirement may have no pension income at all.

Wespath is committed to helping CCP-supported pension plans prevent such failures, but Wespath staff can only analyze and advise. Ultimately, the adherence to contribution requirements and the enactment of plan changes needed for sustainability rest with the pension plan itself and the local board of pensions, the annual conference, episcopal area, or central conference the plan serves.

Changes are more urgent for some plans. As seen in “The Global View of Benefits” section of this report, some plans risk running out of funds in the near future, based on the most recent actuarial valuations, with current plan provisions and funding. Others

should remain solvent for a number of years, and a few appear to be adequately funded indefinitely. The CCP program seeks to actively work with the plans with more urgent needs, while continuing to resource and support all plans.

Developing a sustainable pension program is a long-term matter, requiring ongoing commitment, monitoring and analysis, and making plan changes and adaptations when needed. In the United States, where the Church’s first pension plan was adopted in 1928, it took decades to achieve adequate funding for long-term sustainability. CCP is in the work for the long haul. With the partnership and persistence of the pension plans CCP supports, those plans can also achieve long-term sustainability and enable clergy and their families to be adequately cared for during their retirement years.

**Developing a sustainable pension program is a long-term matter, requiring ongoing commitment, monitoring and analysis, and making plan changes and adaptations when needed.**

# Pension Plan Sustainability

## Growth of Central Conference Pensions

As noted elsewhere in this report, the CCP program continues to grow as pension plans in the central conferences grow. Beginning in 2013, when pension distributions began for some of the larger plans, including the Congo and the Philippines, the annual amount of pension funds distributed by CCP almost doubled, from less than \$580,000 to over \$1.1 million, and the number of retired clergy and surviving spouses receiving pension support more than doubled, from about 1,200 to 2,801. Growth has continued, as seen in the adjacent table. Pensioners include retired clergy, surviving spouses, and in a few cases, surviving dependent children. Although the ratios vary from plan to plan, overall retired clergy are about 45% of pension recipients and surviving spouses about 55%.

Year	CCP Pension Distributions*	Number of Pensioners
Prior to 2013	< \$580,000	< 1,200
2013	\$1,105,606	2,801
2014	\$1,143,916	2,832
2015	\$1,129,907	2,918
2016	\$1,133,678	2,946
2017	\$1,204,826	2,956
2018	\$1,190,421	3,116
2019	\$1,258,363	3,263
2020	\$1,277,839	3,300
2021	\$1,282,405	3,417

\*Amounts represented in U.S. Dollars

### Participant Story:

### Reverend Simiao Naene Machava Finds Support with CCP Program

Rev. Simiao Naene Machava was born in 1935 in the Morrumbene District of Inhambane Province in Mozambique.

In 1966 he finished a theology course and he had his first assignment in the Tome District of Massinga Province of Inhambane. Although it was the same province, the Portuguese colonial government did not allow him to work in Tome, alleging that he was not a native of that area.

He moved on to another posting in South Africa where he worked with the Mozambican miners under an agreement between the Portuguese colonial government and the South African government. Following this placement, Rev. Machava returned to Mozambique.

Rev. Machava retired in 2000 and lost his wife in 2017. **He is grateful for the pension he receives because he is able to support himself and two nephews who live with him.**



# Global View of Benefits & Reviewing Individual Plans

The CCP program serves pension plans in countries throughout the central conferences. Since plans are governed by the individual conference, the following pages review plan details within each location.

The summary provided for each is based on data and observations for a point in time between July 1, 2020 through June 30, 2022.



The following information is available for each CCP plan:

- **Annual CCP Support:** All pension plans supported by CCP are contributory, calling for both church and clergy contributions, as distributions from the CCP endowment were never intended to meet all of the eventual needs of the plans. The annual CCP support for each plan is listed.
- **Benefits:** Summary of benefits provided to each plan participant, the formula and the term.
- **12 Months Pension Payment:** Pension payments made by the plan during the 12 month period between July 1, 2021 and June 30, 2022.
- **Plan Funding Ratio:** Funding ratios are a calculation of current pension plan assets compared to liabilities accrued to date—the current funding level of the plan if no further credited service occurred and no additional assets were received.
- **Required Participant Contributions:** Pension plan contributions made by the individual participant.
- **Employer Contribution Funding:** Pension plan contributions made by the employer (i.e., local church, annual conference, or other church employer).
- **Vesting:** Minimum period of clergy service required to be entitled to a pension benefit.
- **Plan Attributes:** Summary of key audit findings, plan opportunities for improvement and successes within each individual plan.
- **Sustainability Considerations or Concerns:** A summary of the means through which the plan may have longer term sustainability success.

# Reviewing Individual Plans



## East Angola

**Annual CCP Support:** \$39,936

**Benefits:** Formula based on credited years of service multiplied by the fraction of conference average compensation

**12 Months Pension Payment:** \$46,476

**Plan Funding Ratio:** 0.88%. Additionally, with the assumption that CCP support, church and participant contributions continue and are collected, the plan is projected to run into a deficit after five years.

**Required Participant Contributions:** 4%

**Employer Contribution Funding:** Employer contribution of 10% of salary + 1% of each church's budget

**Vesting:** No age or service requirements: employee contributions returned without interest.

**Plan Attributes:**

- East and West Angola Conferences have the same plan document, but the pension programs are administered separately
- In contrast with prior years, essentially complete 12/31/2020 active clergy data enabled production of an actuarial valuation in 2021
- Pension benefit is the same amount for all vested pensioners, regardless of length of service

**Sustainability Considerations or Concerns:**

- Collection of church and clergy contributions continues to be deficient, except deductions from Mountain Sky Conference salary supplements
- Lack of church and clergy contributions means the plan is not adequately funded
- Current benefits officer has been requesting a successor since becoming employed full-time in the Angola judicial system. First successor sadly died before assuming duties, and Wespath has not been informed of a subsequent successor



## West Angola

**Annual CCP Support:** \$152,200

**Benefits:** Formula based on credited years of service multiplied by the fraction of conference average compensation

**12 Months Pension Payment:** \$161,412

**Plan Funding Ratio:** 0.08%. Additionally, with the assumption that CCP support, church and participant contributions continue and are collected, the plan is projected to run into a deficit in the very near future.

**Required Participant Contributions:** 4%

**Employer Contribution Funding:** Employer contribution of 10% of salary + 1% of each church's budget

**Vesting:** No age or service requirements: employee contributions returned without interest

**Plan Attributes:**

- East and West Angola Conferences have the same plan document, but the pension programs are administered separately
- Same pension amount for all vested pensioners, unrelated to years served
- West Angola is a much larger conference with many more active clergy and pensioners than East Angola
- Valuation data for active clergy reported was essentially complete, in contrast with prior years, thus actuarial valuation was produced in 2021; however, total number of active clergy reported for valuation was considerably lower than expected

- Minimal collection of church and clergy contributions; clergy collection rate may improve if central pay system is adopted

**Sustainability Considerations or Concerns:**

- Lack of church and clergy contributions means the plan is not adequately funded
- Smaller-than-expected number of active clergy reported for valuation indicates issues with recordkeeping and data collection are not fully resolved
- Current pension payments to retirees and beneficiaries exceed pension support funds provided by CCP, hindering possibility for growth of plan assets

All dollar amounts reflected as the United States dollar (\$).

# Reviewing Individual Plans



## Central Congo

**Annual CCP Support:** \$67,800

**Benefits:** Monthly pension of \$10 USD, plus \$0.50 USD per year of service over 10 years of credited service, paid semi-annually. The pension amount commences immediately and is payable for the life of the participant.

**12 Months Pension Payment:** \$75,369

**Plan Funding Ratio:** 2.61%. Additionally, with the assumption that CCP support, church and participant contributions continue and are collected, the plan is projected to run into a deficit after three years.

**Required Participant Contributions:** 3%

**Employer Contribution Funding:** 5%

**Vesting:** Five years. Termination or exit from the plan prior to vesting: employee contributions returned without interest.

**Plan Attributes:**

- Contributions collected from active pastors consistently
- Very good recordkeeping
- Plan assets growth due to regular deposits of contributions
- Pension payments typically hand delivered in cash
- Plan has relatively large number of pensioners in relation to number of active clergy

**Sustainability Considerations or Concerns:**

- Salaries are low in most parts of the episcopal area, resulting in low contributions income, even when the church and clergy contributions are paid in full
- Annual normal cost significantly exceeds annual church and clergy contributions. Benefit level prescribed for the Congo Central Conference pension plan may be too high for portions of this episcopal area, based on low salaries and resultant low contributions.



## East Congo

**Annual CCP Support:** \$32,650

**Benefits:** Monthly pension of \$10 USD, plus \$0.50 USD per year of service over 10 years of credited service, paid semi-annually. The pension amount commences immediately and is payable for the life of the participant.

**12 Months Pension Payment:** \$37,083

**Plan Funding Ratio:** 2.02%. Additionally, with the assumption that CCP support, church and participant contributions continue and are collected, the plan is projected to run into a deficit after nine years.

**Required Participant Contributions:** 3%

**Employer Contribution Funding:** 5%

**Vesting:** Five years. Termination or exit from the plan prior to vesting: employee contributions returned without interest.

**Plan Attributes:**

- Episcopal area has been beset by violence, Ebola, and more recently, devastating flooding and a volcano eruption. Clergy and sometimes entire congregations have fled their homes due to the violence.
- Pension payments typically hand delivered in cash
- Diligent and conscientious plan administration and participant education
- Periodic deposits of contributions have helped asset growth

**Sustainability Considerations or Concerns:**

- Low salaries mean the plan is not receiving enough contributions to sustain current benefit formula long-term
- Normal cost considerably exceeds church and clergy contributions, indicating need to adjust benefit levels, contributions, or both
- Recordkeeping of contributions and pension payments is thorough, but considerably manual; could become difficult to manage over time

# Reviewing Individual Plans



## North Katanga

**Annual CCP Support:** \$98,100

**Benefits:** Monthly pension of \$10 USD, plus \$0.50 USD per year of service over 10 years of credited service, paid semi-annually. The pension amount commences immediately and is payable for the life of the participant.

**12 Months Pension Payment:** \$106,794

**Plan Funding Ratio:** 0.35%

**Required Participant Contributions:** 3%

**Employer Contribution Funding:** 5%

**Vesting:** Five years. Termination or exit from the plan prior to vesting: employee contributions returned without interest.

### Plan Attributes:

- Audit report indicates clear calculation of payments and collections, good controls on withdrawals, but improvement opportunity in financial and clergy recordkeeping
- Only a small portion of elders, less than 15%, are regularly participating in the plan; most participating clergy currently are in or around Kamina
- Data does not even seem to be available for the large number of local pastors in remote areas, who also typically are not participating
- Contributions have improved in the last few years, but more emphasis on contributions still needed with active pastors
- Recent asset growth from occasional deposit of contributions

### Sustainability Considerations or Concerns:

- Minimal collection of church and clergy contributions in early years of the plan result in significant shortfall in funding
- Should assess participation levels of local pastors and clergy serving part-time and determine whether they should continue to be eligible; plan amendment likely needed
- Critical for sustainability that service credit for pension benefits not be given for periods when active clergy are not contributing to plan; has implications for recordkeeping
- Normal cost exceeds church and clergy contributions, indicating need for increased clergy and church contributions or reduced benefit level



## South Congo

**Annual CCP Support:** \$56,150

**Benefits:** Monthly pension of \$10 USD, plus \$0.50 USD per year of service over 10 years of credited service, paid semi-annually. The pension amount commences immediately and is payable for the life of the participant.

**12 Months Pension Payment:** \$66,342

**Plan Funding Ratio:** 4.05%. Additionally, with the assumption that CCP support, church and participant contributions continue and are collected, the plan is projected to run into a deficit after 16 years.

**Required Participant Contributions:** 3%

**Employer Contribution Funding:** 5%

**Vesting:** Five years. Termination or exit from the plan prior to vesting: employee contributions returned without interest.

### Plan Attributes:

- Unlike other Congo episcopal areas, South Congo does not cover local pastors in the pension plan
- Reported clergy salaries higher than other Congo episcopal areas
- Significant asset growth in last few years due to more active pursuit and deposit of contributions
- Portion of active clergy reportedly contributing regularly is about 65%, up from almost none in early years of plan
- Episcopal area consists of five annual conferences and includes the nation of Zambia

### Sustainability Considerations or Concerns:

- Extensive contribution delinquencies in early years of the plan have not been recouped with recent focus on contributions
- Responsiveness to Wespath communications is sporadic and inconsistent, resulting in challenges in coordinating the support of plan administration
- Critical for sustainability that service credit for pension benefits not be given for periods when active clergy are not contributing to plan

All dollar amounts reflected as the United States dollar (\$).

# Reviewing Individual Plans



## Central and Southern Europe

**Annual CCP Support:** \$50,000

**Benefits:** 100% of the final average earnings minus offset for government social security; that is, pension plan plus government social security combine to provide 100% of final average earnings.

**12 Months Pension Payment:** \$40,983

**Plan Funding Ratio:** 27.85%. Additionally, with the assumption that CCP support, church and participant contributions continue and are collected, the plan is projected to run into a deficit after 33 years.

**Required Participant Contributions:** 3%

**Employer Contribution Funding:** 5%

**Vesting:** Three years

### Plan Attributes:

- Pension program previously involved five of seven conferences in the episcopal area, with clergy participants in at least eight of the area's 16 countries
- Bulgaria Methodists have recently left the central conference and formed an independent church aligned with the Global Methodist Church; future of the UMC in Romania is uncertain at this time
- Rigorous audits and financial controls in central conference office performed, keeping with European standards

- Complex administration due to multiplicity of conferences, countries, and languages, as well as government pension offset in benefit formula
- Plan assets invested locally rather than with Wespath

### Sustainability Considerations or Concerns:

- Greatly improved financial picture in most recent valuation due to higher earnings assumption on plan assets, although negative cash flow still occurs beginning about 2054
- Wespath staff have joined recent Board of Pension meetings which has proven to be mutually beneficial



## Côte d'Ivoire

**Annual CCP Support:** \$25,000

**Benefits:** \$5,625 USD for each year of credited service, paid quarterly. Pension commences immediately and is payable for the life of the participant.

**12 Months Pension Payment:** \$24,214

**Plan Funding Ratio:** 31.51%. Additionally, with the assumption that CCP support, church and participant contributions continue and are collected, the plan is projected to have a surplus after 40 years.

**Required Participant Contributions:** 5%

**Employer Contribution Funding:** 4% of compensation beginning in 2023, and 5% of compensation beginning in 2027

**Vesting:** 15 Years

### Plan Attributes:

- Relatively few clergy for size and strength of the annual conference
- Most all current pensioners are surviving spouses; larger retiree classes are expected in the future
- Clergy contributions are collected in full via central pay deductions
- Clergy data typically complete and accurate
- Pension distributions made by cash or check, although Côte d'Ivoire banking system has relatively robust online capabilities
- Pension plan contributions invested locally rather than with Wespath

### Sustainability Considerations or Concerns:

- Scheduled church contribution increases of 1% every four years— from 1% initially to 5% by 2027— are expected to become more challenging to attain
- Although most recent valuation report still shows plan is underfunded, cash flows projected in valuation remain positive indefinitely
- Consideration of adding conference lay employees to pension will require care in plan revisions so as not to introduce additional unfunded liability

# Reviewing Individual Plans



## East Africa

**Annual CCP Support:** \$130,000

**Benefits:** \$30 USD per month, plus \$1 USD per month for each year of service over 15 years of credited service. The monthly pension is payable for the life of the participant.

**12 Months Pension Payment:** \$138,309

**Plan Funding Ratio:** 0.09%. Additionally, with the assumption that CCP support, church and participant contributions continue and are collected, the plan is projected to run into a deficit after five years.

**Required Participant Contributions:** 5%\*

**Employer Contribution Funding:** 5%\*

\*Note: Rate is 6% for the Kenya-Ethiopia Conference plan

**Vesting:** Five years termination prior to vesting: employee contributions returned without interest

### Plan Attributes:

- Plan adopted in 2013, but did not become operational until 2018
- Includes four conferences and six countries
- All pension payments made electronically, through banks or credit and savings cooperatives
- Contribution collection rate tends to be higher in some conferences than others; pandemic also impacted some more than others
- Benefits officer for the episcopal area has been working with conference benefits officers to set up QuickBooks for participant recordkeeping and plan finances
- Pension payments for Uganda-South Sudan pensioners are

made through Kenya-Ethiopia Conference due to insufficient infrastructure in Uganda (see Sustainability, below)

### Sustainability Considerations or Concerns:

- Continued focus needed on contribution collection and recordkeeping
- Differences in salary levels among conferences mean church and clergy contributions for some conferences may be inadequate to fund the benefit being earned
- Lapse of Ugandan national registration for Uganda-South Sudan Conference inhibits establishment of bank accounts and other functions that would enhance pension plan administration



## Eurasia (Russia)

**Annual CCP Support:** \$25,000

### Benefits:

At least 15 years of credited service: monthly benefit amount payable for life equal to 1.35% of final average pensionable salary for each year of credited service.

5 to less than 15 years of credited service: monthly benefit amount payable for life equal to:

- \$4 USD for each year of credited service prior to 2014
- \$3 USD for each year of credited service in 2014 or later

**12 Months Pension Payment:** \$19,129

**Plan Funding Ratio:** 56.61%. Additionally, with the assumption that CCP support, church and participant contributions continue and are collected, the plan is projected to have a surplus after 40 years.

**Required Participant Contributions:** 3% pre-2012; 4.5% post 2012

**Employer Contribution Funding:** 3% pre-2013; 4.5% post 2013

**Vesting:** 15 years (specific amounts are paid for service less than five years prior to 2014, and a smaller amount for service less than five years since 2014)

### Plan Attributes:

- Episcopal area has historically encompassed Russia, Ukraine, Belarus, Kazakhstan, Kyrgyzstan and Moldova, involving one annual conference and four provisional annual conferences; Ukraine-Moldova Provisional Conference was recently reassigned by the Northern Europe and Eurasia Central Conference to the Nordic and Baltic Episcopal Area
- All pension payments are made electronically by bank transfer

- Audit report notes accuracy in and sound records for benefit calculations and contribution amounts
- Clergy contributions deducted from portion of salary paid by episcopal area office
- Plan is set up as a single life plan only, no benefits offered to surviving spouses

### Sustainability Considerations or Concerns:

- Episcopal area has typically received considerable financial support from the UMC in the U.S. and Europe
- Wespeth has provided financial analysis on cost and liabilities impact of adding spousal benefits, as required by Eurasia Board of Pensions leadership

All dollar amounts reflected as the United States dollar (\$).



# Reviewing Individual Plans



## Latvia

**Annual CCP Support:** \$5,915

**Benefits:** Formula based on credited years of service multiplied by the fraction of the conference average compensation.

**12 Months Pension Payment:** \$8,097

**Plan Funding Ratio:** 19.30%. Additionally, with the assumption that CCP support, church and participant contributions continue and are collected, the plan is projected to have a surplus after 40 years.

**Required Participant Contributions:** 4% for 2019 and after

**Employer Contribution Funding:** 4% for 2019 and after

**Vesting:** N/A

### Plan Attributes:

- Pension plan for the Latvia District of the Estonia Annual Conference
- Small plan currently with 11 active clergy and two retirees in pay status
- No additional credited years of service after reaching age 65
- Clergy contributions based on individual's salary; church contributions based on district average salary
- Central pay enables full collection of contributions

### Sustainability Considerations or Concerns:

- Continuity in recordkeeping and plan administration if current benefits officer moves on or retires
- Uncertainty about future of the UMC in Latvia given recent action by the Estonia Annual Conference of which it is a part to separate from the UMC; separation sentiment appears to be concentrated in the much larger Estonia district, not so much in Latvia



## Liberia

**Annual CCP Support:** \$160,000

**Benefits:** Quarterly pension amount payable for life and commencing immediately as follows:

- Elders in full connection: \$60 USD
- Elders in associate connection: \$55 USD
- Probationary deacons: \$50 USD
- Local pastors or associate deacons: \$45 USD

**12 Months Pension Payment:** \$159,930

**Plan Funding Ratio:** 4.84%. Additionally, with the assumption that CCP support, church and participant contributions continue and are collected, the plan is projected to run into a deficit after seven years.

**Required Participant Contributions:** 5%

**Employer Contribution Funding Sources:** 10%, provided by the local church

**Vesting:** Five years

### Plan Attributes:

- Benefits are based on clergy status rather than length of service
  - Elders' pension greater than local pastors
  - Same benefit amount for all clergy with the same credentials who meet the five year vesting requirement
- Large number of active clergy are said to receive no or very low salaries
- Clergy data is typically accurate and complete
- CCP support does not cover pensions for all clergy seeking to retire; Liberia Conference delays approval of some retirement requests until funds are available to pay the pensions

### Sustainability Considerations or Concerns:

- Pension plan has essentially no ongoing funding from churches, clergy or the annual conference
- District fundraising is identified as a pension plan funding source in the pension plan description. However, other than some initial funds, district support has not been forthcoming.
- Plan changes, as well as consistent plan funding from sources other than CCP, are needed with some urgency for sustainability. Wespeth CCP staff have recommended plan changes increasing the vesting requirement to more than five years and to base benefits for future retirees on years of service, but have not recently received a response from Liberia Conference benefits personnel about advancing these proposals.

# Reviewing Individual Plans



## Lithuania

**Annual CCP Support:** \$4,085

**Benefits:** Formula based on credited years of service multiplied by the fraction of the conference average compensation

**12 Months Pension Payment:** \$0

**Plan Funding Ratio:** 40.83%. Additionally, with the assumption that CCP support, church and participant contributions continue and are collected, the plan is projected to have a surplus after 40 years.

**Required Participant Contributions:** 4% for 2018 and after. Contributions are not required from the participants after age 65.

**Employer Contribution Funding:** 4% for 2018 and after. The church continues to make contributions to the fund, regardless of the participant's age.

**Vesting:** Five years with choice of refund

### Plan Attributes:

- Pension plan for the Lithuania District of the Estonia Annual Conference
- Plan has become very small, with only about two active clergy currently; due to a shortage of available clergy, most congregations are currently being led by lay leaders
- No additional credited years of service after reaching age 65

- Church and clergy contributions collected in full by deducting from incoming General Board of Global Ministries or U.S. partner church funds

### Sustainability Considerations or Concerns:

- Continued adequate external and internal funding for local church operations and pastors' compensation
- There is uncertainty about the future of the UMC in Lithuania given recent action by the Estonia Annual Conference, of which it is a part, to separate from the UMC. Separation sentiment appears to be concentrated in the much larger Estonia district, not so much in Lithuania.



## Mozambique

**Annual CCP Support:** \$120,000

**Benefits:** Factor times previous year conference minimum salary

- < 20 years—75%
- 20 - 29 years—85%
- 30 years or more—100%

**12 Months Pension Payment:** \$102,378

**Plan Funding Ratio:** 5.98%. Additionally, with the assumption that CCP support, church and participant contributions continue and are collected, the plan is projected to run into a deficit after 21 years.

**Required Participant Contributions:** 4%

**Employer Contribution Funding:** MZN300,000 per year (MZN refers to the Mozambique metical)

**Vesting:** 10 years

### Plan Attributes:

- U.S. partner annual conference or some of its clergy make occasional donations to the pension program
- Good financial records of pension payments and benefit amount calculations
- Areas for improvement include incomplete records of clergy contributions and documentation of surviving spouse eligibility
- Minimum salary used in benefits formula was increased, then decreased again due to concerns about the cost to the plan
- Plan changes to increase vesting schedule were recently approved by the annual conferences in Mozambique
- Benefits officer has been working to learn QuickBooks for ongoing recordkeeping and to get pension plan financial and participant data into QuickBooks

### Sustainability Considerations or Concerns:

- Significant numbers of clergy in rural areas do not get paid consistently, thus have no source for pension plan contributions
- Contributions are not collected in full; accordingly adequate record keeping of clergy contribution arrearages are important to assure benefits are not paid in the future for periods without contributions
- Proposed plan that would have increased benefits was put on hold per the advice of Wespeth CCP staff, and should be permanently deferred unless equivalent additional funding sources are developed
- Continuing use and development of recordkeeping using QuickBooks will support plan financial and data management

*All dollar amounts reflected as the United States dollar (\$).*

# Reviewing Individual Plans



## Nigeria

**Annual CCP Support:** \$31,000

**Benefits:** \$20 USD per month plus \$1 USD per month for each year of credited service over 20 years.

**12 Months Pension Payment:** \$36,690

**Plan Funding Ratio:** Not available due to the inability to prepare an actuarial valuation from lack of participant information.

**Required Participant Contributions:** 3.5%, plus 0.5% if married

**Employer Contribution Funding:** 4.5%

**Vesting:** Seven years. For termination prior to vesting, employee contributions are returned without interest.

### Plan Attributes:

- Continuing record-keeping challenges with participant data and accounting records, in part due to a region of the episcopal area which has not participated in area-wide initiatives or opportunities, including the pension program
- Extent to which prescribed church and clergy contributions are being collected is not visible to Wespath CCP staff
- Limited systems and use of technology and software impede recordkeeping and reporting
- Pensions amount to be paid out quarterly has for some time exceeded CCP pension support; how the difference is being handled has not been evident to Wespath CCP staff

### Sustainability Considerations or Concerns:

- Plan assets outside small Wespath account are not known
- Conflict in Nigeria, both Church power struggles and divisions and civil strife and violence, has deterred site visits in recent years
- Efforts to connect by videoconference with benefits personnel or episcopal area leaders have so far been unsuccessful for reasons not fully evident to Wespath
- Unable to obtain adequate participant data to justify investing in actuarial valuations



## Philippines

**Annual CCP Support:** \$150,000

**Benefits:** Annual pension equivalent to ₱800 per year of Credited Service. (₱ refers to the Philippine peso).

**12 Months Pension Payment:** \$158,028

**Plan Funding Ratio:** 25.45%. Additionally, with the assumption that CCP support, church and participant contributions continue and are collected, the plan is projected to have a surplus after 40 years.

**Required Participant Contributions:** 3%

**Employer Contribution Funding Sources:** Church contributes 7% of compensation

**Additional Funding Sources:**

- ₱1,000 per participant annually
- ₱150 per church member annually

**Vesting:** 15 years

### Plan Attributes:

- Prior non-contributory plan, although financially failing, caused initial resistance to contributory plan
- Engaged Board of Pensions provides good plan governance and assists with promoting participant contributions and donations
- Central conference staff provides competent and diligent plan administration
- Plan has funding streams in addition to church and clergy contributions
- Benefit level relatively low compared to some clergy salaries, which vary widely across the central conference

### Sustainability Considerations or Concerns:

- Significant progress year-to-year in clergy and church contributions from 2013 plan inception through 2019; had major setback with advent of the pandemic in 2020 and subsequently
- Quarterly pension distributions now exceed CCP pension support, removing a source of plan income that had helped build assets when CCP support exceeded pension payments
- Multi-year project for pro bono development of sophisticated participant recordkeeping and accounting system, including online access for participants has been abandoned due to developer's inability to bring to completion

All dollar amounts reflected as the United States dollar (\$).

# Reviewing Individual Plans



## Sierra Leone

**Annual CCP Support:** \$25,000

**Benefits:** \$60 USD per month plus \$2 USD per month for each year of service over 20 years of credited service payable for the life of the participant.

**12 Months Pension Payment:** \$30,408

**Plan Funding Ratio:** 0.38%. Additionally, with the assumption that CCP support, church and participant contributions continue and are collected, the plan is projected to run into a deficit after two years.

**Required Participant Contributions:** 5% of compensation commencing at age 60; contributions before age 60 are made directly to NASSIT (National Social Security and Insurance Trust) at a rate of 5%

**Employer Contribution Funding:** 5% of compensation commencing at age 60; contributions before age 60 are made directly to NASSIT at a rate of 5%

**Vesting:** Five years. For termination prior to vesting, employee contributions are returned without interest

### Plan Attributes:

- Monthly pension distribution adds to administrative load and banking fees, but provides very regular income for retirees and beneficiaries
- All pension payments done by electronic bank transfer, for which the bank provides documentation of each month's release of funds
- Central pay structure exists for clergy compensation, which could be used to facilitate clergy pension contributions, if so applied

- Because of required contributions to the national social security system, church and clergy typically do not begin contributions until clergy reaches age 60, when required government contributions end

### Sustainability Considerations or Concerns:

- Delay in collecting clergy and church contributions until age 60 results in major underfunding, as benefit is paid for years of service before age 60 as well as after
- Untimely death of Bishop John Yambasu in August 2020, an advocate for CCP, delays discussion and consideration of pension plan changes to improve sustainability



## South Africa

**Annual CCP Support:** \$5,000

**Benefits:** Monthly benefit amount payable for life equal to \$50 USD, plus \$3 USD per month for each year of credited service over 20 years.

**12 Months Pension Payment:** \$3,144

**Plan Funding Ratio:** 7.12%

**Required Participant Contributions:** 4%

**Employer Contribution Funding:** Church contributes 4% of compensation

**Vesting:** Five years

### Plan Attributes:

- Very small plan in both number of active clergy and retirees/beneficiaries
- Church and clergy contributions appear to be based on what is feasible and achievable rather than what is prescribed in pension plan provisions
- Several South African pastors from other conferences were reported to be participants in the pension plans of those conferences rather than the South Africa plan

### Sustainability Considerations or Concerns:

- Delinquencies in contributions could lead to future plan funding inadequacies
- Continued shrinkage of number of clergy in plan raise questions about long-term future of the provisional conference as entity with enough critical mass to operate a pension plan
- Benefits officer is conscientious and competent, but has many other duties, as the bishop's assistant, financial officer, and administrator for the South Africa Provisional Conference

All dollar amounts reflected as the United States dollar (\$).

# Reviewing Individual Plans



## Zimbabwe

**Annual CCP Support:** \$57,500

**Benefits:** Monthly benefit amount for life based on the following schedule for years of credited service:

- 5–9 years \$40 USD
- 10–19 \$48 USD
- 20–29 \$64 USD
- 30 \$80 USD

**12 Months Pension Payment:** \$64,008

**Plan Funding Ratio:** 1.58%. Additionally, because CCP support is the only source of funding, the plan is projected to run into a deficit after two years; the CCP-supported plan receives no church or clergy contributions.

**Required Participant Contributions:** No contributions to CCP-supported defined benefit plan; 7.5% clergy contributions go entirely to defined contribution plan

**Employer Contribution Funding:** No contributions to CCP-supported defined benefit plan; 15% church contributions go entirely to defined contribution plan

**Vesting:** Five years

**Plan Attributes:**

- CCP-supported defined benefit pension is supplemental to a defined contribution plan
- Defined benefit applies only to clergy active or already retired prior to 2017 and their spouses/beneficiaries. Clergy entering ministry 1/1/2017 or later are only in the defined contribution plan.
- Defined benefit supplement receives no clergy or church contributions; all contributions go to the defined contribution plan
- Pension payments are administered by Fidelity; all pensioners have been urged to open U.S. dollar bank accounts,

to avoid major reductions in their benefits due to currency exchange losses in conversion

- Most plan assets invested locally, as Zimbabwe national law has made it difficult until recently to invest pension funds outside the country (i.e., with Wespath)

**Sustainability Considerations or Concerns:**

- Absence of any contributions to support supplemental defined benefits for clergy with service before 2017 not only creates major sustainability concerns, but near-term cash flow shortages
- Actuarial analyses of multiple plan changes, as discussed with Board of Pensions, are underway
- Benefit formula changes, eligibility changes for supplemental defined benefits, and perhaps other changes are essential to avoid a plan bankruptcy

# Looking to the Future

Wespath is committed to serving as a bridge-builder throughout the world and we look forward to continuing this mission of caring for those who serve globally through the Central Conference Pensions program.

As we think about the future of the UMC, we see great opportunities for growth within the central conferences. This growth reinforces the importance of the CCP program to the participants, and their beneficiaries.

Just as we see growth within the central conferences, we see change throughout our global Connection. Wespath will remain a neutral, non-anxious presence for the UMC and other Methodist-related denominations. Wespath is committed to serving as a bridge-builder throughout the world and we look forward to continuing this mission of caring for those who serve globally through the CCP program.

As new affiliated denominations look for pension program support, Wespath will consider providing it to the extent that it remains reasonable and cost effective and is allowed under applicable law or regulation. Wespath anticipates working with the new Evangelical Methodist Church of Bulgaria, which split off from the UMC and Central and Southern Europe Central Conference as of May 1, 2022 to support current and future Bulgaria clergy retirees.

As we think about the next few years of the CCP program, Wespath will partner with each plan to continue implementing sustainability measures that are focused on long-term success. As discussed within the *Pension Plan Sustainability* section, developing a sustainable pension program is a long-term matter, requiring ongoing commitment, monitoring and analysis, and implementing plan changes and adaptations when needed. Through this partnership between the pension plans, Wespath, and the CCP program, long-term sustainability will enable clergy and their families to be adequately cared for during their retirement years.

A sustainable funding stream and plan compliance are important for a plan's long-term viability. In the upcoming

years Wespath will partner closely with the plan sponsors on several key efforts to ensure the sustainability of these programs, including, but not limited to:

- **Complete and Accurate Data:** Data is essential for several aspects of pension plan management. Complete clergy data is critical for plan enrollment, benefit payments, and actuarial valuations, among other needs. In all but the smallest plans, the volume of contributions to be tracked quickly becomes overwhelming. Wespath will assist pension plans in acquiring and setting up accounting software such as QuickBooks or database software that enables recordkeeping of all church and clergy contributions.
- **Plan Compliance, Governance and Policies:** Wespath will consult with CCP personnel and leaders as they develop plan compliance or plan governance policies. Wespath also has expertise and experience to offer support in policies for each central conference's Board of Pensions and its members, creation or refinement of investment policies, and amendment of the pension plan document.

Through this partnership between the plan sponsors, Wespath, and the CCP program, long-term sustainability will more likely be achieved, and ultimately increase the likelihood that clergy and their families will be adequately cared for during their retirement years.

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## Partnering to Achieve Long-Term Sustainability

- [Wespath](#)
  - [Central Conference Pension Plans](#)
  - [CCP Program](#)
-

## Continued Generosity

### Reverend Zbigniew Kamiński Feels the Support of the UMC Family

The Reverend Zbigniew Kamiński's experiences as a pastor in Poland during and after communist rule demonstrate the value of an interconnected church and faith community.

Kamiński received his first appointment in 1978 in Krakow, Poland, spending his first decade as a United Methodist pastor in a communist country. The experience of living and working for the Church under communist rule left Kamiński with a host of memories he won't soon forget. More and more Methodists became part of the opposition, he said, and the movement for freedom, which culminated with the dissolution of the communist government and the switch to a democratic government in 1989.

After the fall of the communist government Kamiński went out into the streets to share the gospel and openly invite people to church for the first time. For over 20 years, Kamiński served as the ecumenical consultant for Christian programs on Polish TV and chaired the ecumenical commission for Christian broadcasting on radio and TV.

Following his 2018 retirement, Kamiński began to receive support from CCP as one of three sources of retirement income. In 1960, the Church in Poland created a small social fund to support pastors in retirement and with health benefits that still exists today. In addition, in 1989, clergy were added to the government's social security system. However, they are only able to contribute the minimum, so the creation of CCP was a great relief.



# Continued Generosity

Thanks to the generosity of donors worldwide, CCP provided the necessary seed money to help launch pension programs for retired central conference ministers and their surviving spouses in retirement. Continued donations will help assure ongoing CCP support even during economic downturns, and will eventually provide support for central conference areas with rapid growth and emerging needs.

Donations can be made to:

Central Conference Pensions  
c/o Wespath Benefits and Investments  
75 Remittance Drive, Suite 6714  
Chicago, IL 60675

Or, visit our website to make donations online:  
<https://www.wespath.org/ccp/donations/>.

## A Life of Giving: How One Pastor's Generosity Has Been Central to His Story



The retired Reverend Ted Halsted (pictured at left) has lived a life that many of us would find extraordinary.

Halsted, who is 94 years old, leads a life full of interests and passions. He is an author—if you search

Amazon you can find his book. He has traveled to roughly 35 countries. He swims half a mile, three days a week. He and his spouse, Marcy, had two daughters and were married for 52 years before her death in 2005. He also was a diligent saver and investor who has used money as a way to address inequities.

He epitomizes the American Dream and adhered to the John Wesley principle to “earn all you can, save all you can, give all you can.” Halsted said he has donated the equivalent of his entire career earnings as a pastor in the Michigan Conference. He and his wife Marcy donated to causes to address world hunger and endowed scholarships at multiple universities. Recently, he gave a generous donation of stock to the CCP. Halsted emphasized that he and Marcy embraced a simple lifestyle and that allowed them to be generous with their resources.

Halsted, who lives in a retirement community in Richmond, Indiana, spoke with Wespath to share his life story and appreciation for CCP. [Click here for the video.](#)



Andres Gomes (center) with central conference representatives Moss Kapumha (left) and Alcides Martinez (right).

### Andres Gomes—A Pastor's Son's Story in Angola

Andres Gomes is 39-years-old but he never went to school and is unable to work due to learning challenges. He was wholly dependent on his parents until their death and now lives alone in the house that his parents left for him. Andres's father was a pastor who served the church for 50 years. During his father's tenure, Andres remembers many harrowing experiences as the son of a pastor growing up in Angola.

In 1993, during that country's civil war, Andres witnessed the death of a church leader, one of his father's contemporaries. Another time, when he was traveling on a motorbike with his father, they hit a landmine which exploded. Fortunately, they were not injured. When a soldier asked his father what his profession was, he said he was a pastor. The soldier said his God had served him well, because the type of mine they hit was very dangerous.

Andres expressed gratitude to donors to CCP. As his only source of income, Andres uses the pension money for food, clothing, medicine and utility bills.



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