

Total Number of Pages: 16

Suggested Title: Move Pension Duties and Responsibilities of Annual Conferences

Discipline ¶: 1506 and 639

General Church Budget Implications: None

Global Implications: None

Amend ¶1506 by deleting subparagraphs 1 through 5, 7 through 14, 16, and 18-20 and moving the content of those subparagraphs (except for the last sentence of subparagraph 18, which is deleted entirely) to be inserted as new subparagraphs 5 through 21 of ¶639, renumbering subparagraphs in ¶639 as necessary; deleting subparagraphs 15 and 17 of ¶1506 in their entirety; retaining subparagraph 6 of ¶1506; changing the title of ¶1506; and amending ¶639.5; reflected by the following:

¶ 1506. *Comprehensive Benefit Funding Plans Powers, Duties, and Responsibilities of Annual Conferences*

~~1. The annual conferences have the following powers, duties, and responsibilities with respect to clergy benefit plans administered by the General Board of Pension and Health Benefits:~~

~~(a) executing an adoption agreement, including making any optional elections; (b) enrolling clergy; (c) making contributions; (d) determining the appointment status of a clergyperson for a given period, including the classification of the clergyperson and his or her full-time or part-time status; (e) reporting on a clergyperson's compensation; (f) determining a clergyperson's conference relationship status, including the termination thereof; (g) determining a clergyperson's leave of absence status; (h) reporting on any waivers of plan participation made by a clergyperson; and (i) determining the retirement status of a clergyperson, including determining how many years of service a clergyperson has earned toward the number prescribed in the *Book of Discipline* to qualify for retirement.~~

~~2. The annual conference, on recommendation of the conference Board of Pensions, shall determine the admissibility and validity of pre January 1, 1982 service approved, or compensation considered, for pension credit, subject to the provisions of the *Discipline* and the rules and regulations of the pension and benefit funds, plans, and programs of The United Methodist Church.~~

~~3. Concerning the normal conditions for pension credit and pro rata pension credit, the following provisions shall apply for service rendered prior to January 1, 1982, in determining approval for pension credit, eligibility for pension, and allocation of responsibility:~~

~~a) *Full Pension Credit*—Full pension credit may be granted for persons not meeting some or all of the above conditions by a three fourths vote of those present and voting in the annual conference on recommendation of the conference board of pensions.~~

~~b) Service of a local pastor prior to 1982 may be approved for pension credit only by vote of the annual conference, on recommendation of the conference board of pensions, after consultation with the district superintendents. If such credit is granted, it should be included under the *Discipline* question, “What other personal notation should be made?”~~

~~c) Upon recommendation of the conference board of pensions and by a three fourths vote of those present and voting in the annual conference, pension credit may be granted to a clergy member in full connection, provisional member, or associate member of the conference on account of full time service previously rendered as an approved local pastor or approved supply pastor to an institution, organization, or agency, which in the judgment of the annual conference rendered to it some form of service sufficient to warrant pension credit; provided, however, that~~

~~such institution, organization, or agency shall accept and pay such apportionment as the conference may require.~~

~~4. If the conference board of pensions so recommends, a pension shall be payable on account of pension credit for service prior to 1982 for an ordained minister from another Christian denomination who shall have rendered not less than four consecutive years of full-time service with pension credit for service prior to 1982 or with full participation in the Comprehensive Protection Plan since 1981, or a combination thereof, in one annual conference while qualified under ¶ 346.2, who has attained the age of voluntary retirement for a conference clergy member.~~

~~5. The annual conference, on recommendation of the conference board of pensions, shall have the power to revise, correct, or adjust a clergyperson's record of pension credit as set forth in his or her service record to align such record with the *Discipline* and Supplement One of the Clergy Retirement Security Program (or any successor clergy pension or retirement plan or program).~~

~~Prior to the revision of such record, the General Board of Pension and Health Benefits may be requested to review relevant data and report its findings thereon. Such revisions, corrections, and adjustments shall be published in the journal of the annual conference in answer to Business of the Annual Conference questions and shall be reported to the General Board of Pension and Health Benefits by the conference board of pensions.~~

~~6. Each annual conference shall develop, adopt, and implement a formal comprehensive funding plan or plans for funding all of its benefit obligations. The funding plan or plans shall be submitted annually to the General Board of Pension and Health Benefits for review and be approved annually by the annual conference, following the receipt and inclusion of a favorable written opinion from the General Board of Pension and Health Benefits. In addition, the General~~

Board of Pension and Health Benefits shall present a quadrennial report to General Conference concerning the long-term benefit liabilities of the denomination. Therefore, each annual conference shall provide to the General Board of Pension and Health Benefits information periodically requested.

~~7. The responsibility for pension for service approved for pension credit under Supplement One of the Clergy Retirement Security Program (or any successor clergy pension or retirement plan or program) shall rest with the annual conference in which the service was rendered; provided, however, that in the event of mergers, unions, boundary changes, or transfers of churches, such responsibility shall rest with the successor annual conference within whose geographical boundaries the charge is located.~~

~~8. Pension for service approved for pension credit by an annual conference shall be provided by the annual conference under one of the pension funds, plans, or programs administered by the General Board of Pension and Health Benefits of The United Methodist Church.~~

~~9. An annual conference may not make any arrangement with a life insurance company for the purchase of annuities for the benefit of individual effective or retired clergy or take any steps to nullify, in whole or in part, the pension plans and programs of The United Methodist Church by making contracts with outside parties.~~

~~10. *Other Annual Conference Organizations*—a) Annual conferences, hereinafter called conferences, are authorized to establish, incorporate, and maintain investment funds, preachers' aid societies, and organizations and funds of similar character, under such names, plans, rules, and regulations as they may determine, the directors of which shall be elected or otherwise designated by the conference, where permissible under the laws of the state of incorporation, and~~

~~the income from which shall be applied to the support of the pension, health, and welfare benefit programs for clergy through the conference board of pensions.~~

~~b) Distributable pension, health, and welfare benefit funds from all sources shall be disbursed by or under the direction of the conference board of pensions, excepting only such funds as are otherwise restricted by specific provisions or limitations in gifts, devises, bequests, trusts, pledges, deeds, or other similar instruments, which restrictions and limitations shall be observed.~~

~~c) It shall not be permissible for any conference or permanent fund organization thereof to deprive its beneficiaries who are beneficiaries in other conferences of the privilege of sharing in the distribution of the earned income of such funds through the clearinghouse administered by the General Board of Pension and Health Benefits.~~

~~d) Each conference, on recommendation of its conference board of pensions or one of the organizations mentioned in § a above, may select a Sunday in each year to be observed in the churches as Retired Ministers Day, in honor of the retired clergy, their spouses, and the surviving spouses of clergy in recognition of the Church's responsibility for their support. The bishop may request each conference in the area to insert a Retired Ministers Day in its calendar.~~

~~11. A conference board of pensions may make special grants to clergy or former clergy of an annual conference who have served under appointment in that conference; or to their spouses, former spouses, surviving former spouses, or surviving dependent children (including adult dependent children). A report of such special grants shall be made annually to the annual conference.~~

~~12. Clergy members in full connection, provisional members, and associate members in an annual conference who voluntarily withdraw from the ministry of The United Methodist Church~~

~~to enter the ministry of another church or denomination, on the attainment of age sixty-two and on recommendation of the conference board of pensions and a three-fourths vote of those present and voting in any annual conference in which approved service was rendered prior to January 1, 1982, or the legal successor, may be recognized and granted approved pension service rendered in that conference.~~

~~13. The responsibility for providing pension on account of service rendered prior to January 1, 1982, in a missionary conference, provisional annual conference, or former mission within the United States or Puerto Rico that has been approved for pension credit shall rest jointly with: (a) the missionary conference, provisional annual conference, or former mission concerned, (b) the General Board of Pension and Health Benefits with funds provided by the General Council on Finance and Administration, and (c) the General Board of Global Ministries. The revenue for pension purposes covering such service shall be provided by the aforesaid parties in accordance with such plan or plans as may be mutually agreed to by them.~~

~~14. Pension and benefit contributions are the responsibility of the Plan Sponsor for participants in the Clergy Retirement Security Program (or any successor clergy pension or retirement plan or program) and the Comprehensive Protection Plan. Unless otherwise determined by vote of the annual, missionary, or provisional conference, the treasurer of a local church or pastoral charge shall remit such contributions related to the participant's compensation that is provided from local church funds to the Plan Sponsor. If compensation from the local church or pastoral charge is supplemented from other church sources, pension and benefit contributions related to such supplements shall be paid from that same source. If the entire compensation for a participant is from a salary paying unit other than a local church or a pastoral charge, the unit~~

~~responsible for compensation shall remit the pension and benefit contributions to the Plan Sponsor. Nothing in this paragraph shall be understood as preventing an annual, missionary, or provisional conference from raising part or all of the annual contributions for the Clergy Retirement Security Program (or any successor clergy pension or retirement plan or program) or the Comprehensive Protection Plan by an apportionment to the churches of the conference and remitting payments to the General Board of Pension and Health Benefits on behalf of all the pastors covered; there is no time limit on this provision.~~

~~15. Effective January 1, 2007, pension contributions will be determined in accordance with the provisions of the Clergy Retirement Security Program (or any successor clergy pension or retirement plan or program). Actual compensation, limited by 200 percent of the denominational average compensation, is the basic contribution base of the Comprehensive Protection Plan.~~

~~16. An annual conference may establish a pension support fund to be administered by the conference board of pensions. Local churches may request pension assistance from this fund when special circumstances arise that result in nonpayment of pension contributions and/or apportionments for pension and benefit purposes. The board shall present its estimate of the amount required to the conference council on finance and administration, which shall include it in its recommendation to the conference. If the amount is approved by the conference, it shall be apportioned as an item of clergy support.~~

~~17. The annual conference board of pensions, in consultation with the General Board of Pension and Health Benefits, shall have the responsibility to enroll clergy of the annual conference in the Clergy Retirement Security Program (or any successor clergy pension or retirement plan or~~

program) and the Comprehensive Protection Plan in accordance with the provisions of such plans.

18. ~~Optional provisions contained in the Clergy Retirement Security Program (or any successor clergy pension or retirement plan or program) and Comprehensive Protection Plan may be adopted by vote of the annual conference subsequent to the receipt of a recommendation from the conference board of pensions. Effective January 1, 2007, contributions and credited service are determined in accordance with the provisions of the Clergy Retirement Security Program (or any successor clergy pension or retirement plan or program).~~

19. ~~On or before December 31, 2008, each annual conference's board of pensions or other agency authorized by the annual conference must submit a generally accepted financial valuation, such as in accordance with Statement of Financial Accounting Standard No. 106, as amended, of its projected medical liabilities for its population covered by its employer retiree health care plan to the General Board of Pension and Health Benefits, and must submit a similar report biennially thereafter.~~

20. ~~On or before December 31, 2008, each annual conference shall document in writing its policy regarding the portability of retiree health care eligibility, coverage, cost sharing, and benefits and communicate the policy to its clergy and lay employees and incoming clergy and lay employees from other annual conferences or general agencies. For the purpose of this paragraph, portability encompasses credit given for service outside the annual conference within the denomination to clergy and lay employees toward (a) eligibility for health care coverage in retirement and (b) accrual of annual conference subsidies toward or annual conference cost-sharing of the cost of health care coverage.~~

¶ 639.5

5. The annual conferences have the following powers, duties, and responsibilities with respect to clergy benefit plans administered by the General Board of Pension and Health Benefits: (a) executing an adoption agreement, including making any optional elections; (b) enrolling clergy; (c) making contributions; (d) determining the appointment status of a clergyperson for a given period, including the classification of the clergyperson and his or her full-time or part-time status; (e) reporting on a clergyperson's compensation; (f) determining a clergyperson's conference relationship status, including the termination thereof; (g) determining a clergyperson's leave of absence status; (h) reporting on any waivers of plan participation made by a clergyperson; and (i) determining the retirement status of a clergyperson, including determining how many years of service a clergyperson has earned toward the number prescribed in the *Book of Discipline* to qualify for retirement.

6. The annual conference, on recommendation of the conference board of pensions, shall determine the admissibility and validity of pre-January 1, 1982 service approved, or compensation considered, for pension credit, subject to the provisions of the *Discipline* and the rules and regulations of the pension and benefit funds, plans, and programs of The United Methodist Church.

7. Concerning the normal conditions for pension credit and pro rata pension credit, the following provisions shall apply for service rendered prior to January 1, 1982, in determining approval for pension credit, eligibility for pension, and allocation of responsibility:

a) Full Pension Credit – Full pension credit may be granted for persons not meeting some or all of the above conditions by a three-fourths vote of those present and voting in the annual conference on recommendation of the conference board of pensions.

b) Service of a local pastor prior to 1982 may be approved for pension credit only by vote of the annual conference, on recommendation of the conference board of pensions, after consultation with the district superintendents. If such credit is granted, it should be included under the Discipline question, “What other personal notation should be made?”

c) Upon recommendation of the conference board of pensions and by a three-fourths vote of those present and voting in the annual conference, pension credit may be granted to a clergy member in full connection, provisional member, or associate member of the conference on account of full-time service previously rendered as an approved local pastor or approved supply pastor to an institution, organization, or agency, which in the judgment of the annual conference rendered to it some form of service sufficient to warrant pension credit; provided, however, that such institution, organization, or agency shall accept and pay such apportionment as the conference may require.

8. If the conference board of pensions so recommends, a pension shall be payable on account of pension credit for service prior to 1982 for an ordained minister from another Christian denomination who shall have rendered not less than four consecutive years of full-time service with pension credit for service prior to 1982 or with full participation in the Comprehensive Protection Plan since 1981, or a combination thereof, in one annual conference while qualified under ¶ 346.2, who has attained the age of voluntary retirement for a conference clergy member.

9. The annual conference, on recommendation of the conference board of pensions, shall have the power to revise, correct, or adjust a clergyperson's record of pension credit as set forth in his or her service record to align such record with the *Discipline* and Supplement One of the Clergy Retirement Security Program (or any successor clergy pension or retirement plan or program).

Prior to the revision of such record, the General Board of Pension and Health Benefits may be requested to review relevant data and report its findings thereon. Such revisions, corrections, and adjustments shall be published in the journal of the annual conference in answer to Business of the Annual Conference questions and shall be reported to the General Board of Pension and Health Benefits by the conference board of pensions.

10. The responsibility for pension for service approved for pension credit under Supplement One of the Clergy Retirement Security Program (or any successor clergy pension or retirement plan or program) shall rest with the annual conference in which the service was rendered; provided, however, that in the event of mergers, unions, boundary changes, or transfers of churches, such responsibility shall rest with the successor annual conference within whose geographical boundaries the charge is located.

11. Pension for service approved for pension credit by an annual conference shall be provided by the annual conference under one of the pension funds, plans, or programs administered by the General Board of Pension and Health Benefits of The United Methodist Church.

12. An annual conference may not make any arrangement with a life insurance company for the purchase of annuities for the benefit of individual effective or retired clergy or take any steps to nullify, in whole or in part, the pension plans and programs of The United Methodist Church by making contracts with outside parties.

13. Other Annual Conference Organizations—*a) Annual conferences, hereinafter called conferences, are authorized to establish, incorporate, and maintain investment funds, preachers' aid societies, and organizations and funds of similar character, under such names, plans, rules, and regulations as they may determine, the directors of which shall be elected or otherwise designated by the conference, where permissible under the laws of the state of incorporation, and the income from which shall be applied to the support of the pension, health, and welfare benefit programs for clergy through the conference board of pensions.*

b) Distributable pension, health, and welfare benefit funds from all sources shall be disbursed by or under the direction of the conference board of pensions, excepting only such funds as are otherwise restricted by specific provisions or limitations in gifts, devises, bequests, trusts, pledges, deeds, or other similar instruments, which restrictions and limitations shall be observed.

c) It shall not be permissible for any conference or permanent fund organization thereof to deprive its beneficiaries who are beneficiaries in other conferences of the privilege of sharing in the distribution of the earned income of such funds through the clearinghouse administered by the General Board of Pension and Health Benefits.

d) Each conference, on recommendation of its conference board of pensions or one of the organizations mentioned in subparagraph a above, may select a Sunday in each year to be observed in the churches as Retired Ministers Day, in honor of the retired clergy, their spouses, and the surviving spouses of clergy in recognition of the Church's responsibility for their support. The bishop may request each conference in the area to insert a Retired Ministers Day in its calendar.

14. A conference board of pensions may make special grants to clergy or former clergy of an annual conference who have served under appointment in that conference; or to their spouses, former spouses, surviving former spouses, or surviving dependent children (including adult dependent children). A report of such special grants shall be made annually to the annual conference.

15. Clergy members in full connection, provisional members, and associate members in an annual conference who voluntarily withdraw from the ministry of The United Methodist Church to enter the ministry of another church or denomination, on the attainment of age sixty-two and on recommendation of the conference board of pensions and a three-fourths vote of those present and voting in any annual conference in which approved service was rendered prior to January 1, 1982, or the legal successor, may be recognized and granted approved pension service rendered in that conference.

16. The responsibility for providing pension on account of service rendered prior to January 1, 1982, in a missionary conference, provisional annual conference, or former mission within the United States or Puerto Rico that has been approved for pension credit shall rest jointly with: (a) the missionary conference, provisional annual conference, or former mission concerned, (b) the General Board of Pension and Health Benefits with funds provided by the General Council on Finance and Administration, and (c) the General Board of Global Ministries. The revenue for pension purposes covering such service shall be provided by the aforesaid parties in accordance with such plan or plans as may be mutually agreed to by them.

17. Pension and benefit contributions are the responsibility of the Plan Sponsor for participants in the Clergy Retirement Security Program (or any successor clergy pension or retirement plan or

program) and the Comprehensive Protection Plan. Unless otherwise determined by vote of the annual, missionary, or provisional conference, the treasurer of a local church or pastoral charge shall remit such contributions related to the participant's compensation that is provided from local church funds to the Plan Sponsor. If compensation from the local church or pastoral charge is supplemented from other church sources, pension and benefit contributions related to such supplements shall be paid from that same source. If the entire compensation for a participant is from a salary-paying unit other than a local church or a pastoral charge, the unit responsible for compensation shall remit the pension and benefit contributions to the Plan Sponsor. Nothing in this paragraph shall be understood as preventing an annual, missionary, or provisional conference from raising part or all of the annual contributions for the Clergy Retirement Security Program (or any successor clergy pension or retirement plan or program) or the Comprehensive Protection Plan by an apportionment to the churches of the conference and remitting payments to the General Board of Pension and Health Benefits on behalf of all the pastors covered; there is no time limit on this provision.

18. An annual conference may establish a pension support fund to be administered by the conference board of pensions. Local churches may request pension assistance from this fund when special circumstances arise that result in nonpayment of pension contributions and/or apportionments for pension and benefit purposes. The conference board of pensions shall present its estimate of the amount required to the conference council on finance and administration, which shall include it in its recommendation to the conference. If the amount is approved by the conference, it shall be apportioned as an item of clergy support.

19. Optional provisions contained in the Clergy Retirement Security Program (or any successor clergy pension or retirement plan or program) and Comprehensive Protection Plan may be

adopted by vote of the annual conference subsequent to the receipt of a recommendation from the conference board of pensions.

20. On or before December 31, 2008, each annual conference's board of pensions or other agency authorized by the annual conference must submit a generally accepted financial valuation, such as in accordance with Statement of Financial Accounting Standard No. 106, as amended, of its projected medical liabilities for its population covered by its employer retiree health care plan to the General Board of Pension and Health Benefits, and must submit a similar report biennially thereafter.

21. On or before December 31, 2008, each annual conference shall document in writing its policy regarding the portability of retiree health care eligibility, coverage, cost-sharing, and benefits and communicate the policy to its clergy and lay employees and incoming clergy and lay employees from other annual conferences or general agencies. For the purpose of this paragraph, portability encompasses credit given for service outside the annual conference within the denomination to clergy and lay employees toward (a) eligibility for health care coverage in retirement and (b) accrual of annual conference subsidies toward or annual conference cost-sharing of the cost of health care coverage.

225. Reports to and Responsibilities Regarding the General Board — The conference board of pensions shall have the powers and responsibilities with respect to the General Board of Pension and Health Benefits described in ¶ 1506 and shall report to the general board immediately following the session of the conference, in such form as required by the general board, the names and years of service approved for pre-1982 pension credit for each eligible person and the names

and addresses of clergy who are members of funds, plans, or programs administered by the general board. ...

Date: August 29, 2019

Identification of Petitioner: Barbara A. Boigegrain
General Secretary, General Board of Pension and Health Benefits