

## **Apportionment Funds – 2018 Budget**

### **Fund 0001 CMF; 0003 WSF; 0004 GCO**

In 2007 EPA initiated the apportionment formula. This formula is used to calculate the amounts for the Connectional Ministries Fund (CMF), World Service Fund (WSF) and General Church Fund (GCF). The apportioned amounts for each church are derived from data in the church annual statistics report. The statistics report is required to be completed by the General Church.

The 2018 calculation is based on total expenses paid, line 60, from the 2016 church statistics report. The following items are deducted: capital expenses, principal and interest on debt, and apportionments paid.

The result of this calculation is the “Adjusted Grand Total Paid” (AGTP) for 2018. The next step is to add the 2016 AGTP to the two previous years (2015, 2014) to obtain a three (3) year average. The final step is to apply a factor of 9.5% to the three (3) year average.

### **Billed Funds**

#### **Pension**

The pension funds on the church remittance forms are for CRSP Defined Benefits, CRSP Defined Contribution, Retired Clergy Pension and Health Obligation and Comprehensive Protection Plan or CPP.

The Clergy Retirement Security Program consists of three elements:

- **CRSP – Defined Benefits, Fund 0016 (Church budget item)**

A defined benefit plan provides a secure monthly payment for life. The amount of the payments are based on two factors: the number of years of service and the denominational average compensation (DAC) at the year of retirement.

General Conference 2012 adopted significant changes to CRSP-DB that reduce plan costs. The total due for EPA in 2018 will be \$1,530,733. This core element will be funded by assessing a composite cost to the church for clergy. Clergy appointed at less the ½ time are not eligible to participate.

**For 2018, the annual budgets are as follows:**

**Full-time = \$6,000**

**¾ time = \$4,500**

**½ time = \$3,000**

- **CRSP – Defined Contribution, Fund 0017 (Church budget item)**

A defined contribution plan provides a pre-tax investment account where the clergy and the church can make contributions into a variety of investment funds. The clergy person selects which funds to invest the contributions. The 2018 budget is funded by **assessing 2% of the clergy person's plan compensation (salary plus housing.)**

A change, which began in 2014, requires the participant to contribute up to 1% of their compensation in order to obtain an additional 1% match. Participants are encouraged to contribute more than 1% to their UMPIP\* in order to achieve adequate retirement financial goals.

\*Please note that the clergy contribution that is matched, is their contribution to UMPIP which is billed directly from the Wespeth.

- **Comprehensive Protection Plan, CPP, Fund 0020 (Church budget item)**

In addition to CRSP, the church pays for the Comprehensive Protection Plan (CPP) which provides death, disability, and survivor benefits for clergy persons. **This plan is funded by assessing 3% of the clergy person's plan compensation (salary plus housing).**

***In 2018 and 2019, Wespeth is allowing annual conferences to take the funds collected for CPP and designate them to Pre-82 funding in order to mitigate the increase in liability created by the change in mortality tables for 2017. The conference must continue to bill and collect these contributions. We are calling this a CPP REDIRECTION.***

### **Retired Clergy Pension & Health Obligation, Fund 0018**

The total 2018 budget for 2018 is \$2,028,163. Each church pays 2.9% of their three- year (2014-2016) AGTP. The three components, as follows:

- 1) The Pre-1982 Pension Plan amount for the EPA Conference in 2018 is \$1,762,191. The local churches will pay a total of \$745,000. The remaining amounts will be funded from the Fulfilling the Covenant Capital Campaign and Budget surplus Funds.
- 2) The second component is for Retiree Medical Insurance. The Annual Conference at the 2014 session approved changes to the retiree medical insurance (Resolution 2014-13). Changes were made to the post-retirement medical insurance carrier and to the subsidy amount provided by the annual conference. In 2018, the conference subsidy will be \$900,000.
- 3) The third component is for Administrative expenses of the EPA Board of Pension and Health Benefits. In 2018, this sum is \$345,913 - down another \$20,000 from 2017 (decreased by \$15,000 in 2017)

**Health Insurance**

The Health Insurance portion of the bill is comprised of several line items.

**Connectional Health Care Fund, 0021 CHC (Church budget item)** –This is an amount billed to each EPA local church based on a formula equal to 0.75% of each church’s three years Adjusted Grand Total Paid, with a minimum of \$500 and a cap of \$3,100. This amount includes the cost to support missional churches as designated by the cabinet and the cost to support clergy on Incapacity Leave. This formula remains the same, but your line item may increase based upon your AGTP.

**Mandatory Health Care, 0021 MCH (Church budget item)** – An amount of \$400 is charged to the local church for each eligible clergy member. This replaces the old Waiver Fee, and includes, enrollment in the Virgin Pulse Walking Program, Employee Assistance Plan and coverage for a \$10,000 Life Insurance Plan through The Hartford.

**Voluntary Health Insurance, Fund 0021 CGI (Church budget item)** – This is the cost for participation in the Eastern PA Conference Health Insurance Plan, and is billed as a composite rate for each clergy participant. The composite rates for churches are also base on the church’s three years Adjusted Grand total Paid as follows, and is paid for each clergy enrolled.

3 Year Average AGTP	Annual Church Composite Rate
Over \$1 M	\$ 16,000.00
Over \$350 K	\$ 15,000.00
Over \$275 K	\$ 14,000.00
Over \$250 K	\$ 13,000.00
Over \$225 K	\$ 12,000.00
Over \$200 K	\$ 11,000.00
Over \$125 K	\$ 10,000.00
Over \$75 K	\$ 9,000.00
Under \$75 K	\$ 8,000.00

**Clergy health care premium, Fund 0022 CIC (Salary Reduction)** – In 2018, clergy will be assessed a rate based upon their family tier and the plan selected of a blended premium for their health care, plus whatever costs are incurred by additional plans they have selected for health, dental and vision.

<b>Clergy and Conference Staff Participants</b>			
<b>Annual</b>	<b>Silver +</b>	<b>Silver</b>	<b>Bronze</b>
Employee Only	\$ 700.00	\$ 500.00	\$ -
Employee Plus Dependent(s)	\$ 1,200.00	\$ 1,000.00	\$ -
Employee Plus Spouse	\$ 1,500.00	\$ 1,200.00	\$ -
Full Family	\$ 1,900.00	\$ 1,500.00	\$ -

**Laity Health Insurance, Fund 0023 LGI** – This is the actual premium rate for coverage in the Eastern PA Conference Health Insurance Plan minus the participant’s contribution. Churches can pass along 8.5% of a single rate to the layperson.

<b>Church Cost for Laity</b>			
<b>Annual</b>	<b>Silver +</b>	<b>Silver</b>	<b>Bronze</b>
Employee Only	\$ 7,922.07	\$ 7,767.80	\$ 6,486.11
Employee Plus Dependent(s)	\$ 14,120.28	\$ 13,849.44	\$ 11,564.90
Employee Plus Spouse	\$ 18,226.80	\$ 17,873.79	\$ 14,924.57
Full Family	\$ 23,244.66	\$ 22,790.86	\$ 19,030.32

**Laity Health Insurance, Fund 0023 LIC** – Lay staff will be billed 8.5% of plan premium in addition to an amount based upon the plan selected for enrollment in dental and vision.

<b>Church Lay Employee Participants</b>			
<b>Annual</b>	<b>Silver +</b>	<b>Silver</b>	<b>Bronze</b>
Employee Only	\$ 735.93	\$ 721.60	\$ 602.53
Employee Plus Dependent(s)	\$ 1,311.72	\$ 1,286.56	\$ 1,074.34
Employee Plus Spouse	\$ 1,693.20	\$ 1,660.41	\$ 1,386.44
Full Family	\$ 2,159.34	\$ 2,117.18	\$ 1,767.84

**Property and Liability, Fund 0024 PL**

The Conference Board of Trustees is responsible for securing the best group insurance at an affordable price. This includes both Property and Liability and Workers Compensation insurances for all conference agencies and local churches. Participation is mandatory by action of annual conference to ensure appropriate coverage and competitive premiums.

## **Workers Compensation, Fund 0026WC**

The Conference Board of Trustees formed a Safety Committee in efforts to reduce the cost for workers compensation insurance. This committee is responsible for developing strategies to prevent workplace injuries. The committee is informed every time there is an accident reported to our insurance carrier, Eastern Alliance Insurance Group. We are learning from these injuries to prevent them from reoccurring.

The loss experience has been favorable and recent audits by Eastern Alliance Insurance Company show positive results. We were able to pass along a 7.5% reduction to our churches in 2018.