

Apportionment Funds – 2019 Budget

Fund 0001 CMF; 0003 WSF; 0004 GCO

The EPA Connectional Ministries Fund (CMF) is used to fund the expenses of the Annual Conference. Like the local church, our Annual Conference is apportioned by the General Church for the World Service Fund (WSF) to support Christian Witness around the World and for the General Church Fund (GCO) which finances administrative activities of the General Church. CMF, WSF and GCO is apportioned to the local church as follows:

The amount apportioned to your local church in 2019 is based on the data that you provided on the annual statistical report in 2015, 2016 and 2017. The amounts entered for all expenditures (salary, utilities, missions, programming, operational expenses etc.) make up your Grand Total Paid (GTP). The ADJUSTED Grand Total Paid (AGTP), removes three categories from the GTP: (1) Capital Expenses, (2) Principal and Interest paid on debt (as your church reported them) and (3) Apportionments Paid (calculated by the Conference Office).

The three year average of your church's AGTP X 9.5% is the number used to apportion your church for CMF, WSF and GCO in 2019.

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.

The total due for EPA in 2019 will be \$1,419,123. 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 2019, 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 2019 budget is funded by **assessing 2% of the clergy person's plan compensation (salary plus housing.)**

The plan 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*

- **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

1. The total 2019 budget \$2,034,865. Each church pays 3.1% (down from 3.4% last year) of their three- year (2015-2017) AGTP. The four components, as follows:
 2. The Pre-1982 Pension Plan amount for the EPA Conference in 2019 is \$1,509,295. The local churches will pay a total of \$745,000. The remaining amounts will be funded from the Fulfilling the Covenant Capital Campaign. It is our goal to become 100% funded in 2020 – a year ahead of schedule!
 3. The second component is for Retiree Medical Insurance. The total subsidy amount provided by the annual conference in 2019 will be \$900,000.
 4. The third component is for Administrative expenses of the EPA Board of Pension and Health Benefits. In 2019, this sum is \$352,615.

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 Medical Leave. This formula remains the same, but your line item may increase based upon your AGTP.

Mandatory Health Care, 0021 MHC (Church budget item) – An amount of \$400 is charged to the local church for each eligible clergy member. This includes, enrollment in the Health Advocate 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 based 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	\$ 16,500.00
Over \$350 K	\$ 15,500.00
Over \$275 K	\$ 14,500.00
Over \$250 K	\$ 13,500.00
Over \$225 K	\$ 12,500.00
Over \$200 K	\$ 11,500.00
Over \$125 K	\$ 10,500.00
Over \$75 K	\$ 9,500.00
Under \$75 K	\$ 8,500.00

Clergy health care premium, Fund 0022 CIC (Salary Reduction) – In 2019, the conference will be enrolled in HealthFlex through Wespath. Churches are assessed a composite rate for each clergy person enrolled in the plan.

The conference will provide a Premium Credit, based upon their family status to be used in purchasing the benefits that best suit their needs. If the health care plan is more than the premium credit, the remainder will be a salary reduction for the participant. If the premium is less than the premium credit, the extra can be used for purchase of dental and vision, or deposited into the HRA/HSA used with that plan.

	2019 Actual HealthFlex Plan Costs					
	B1000	C2000	H1500	C3000	H2000	H3000
P	\$ 10,716	\$ 9,984	\$ 9,900	\$ 8,628	\$ 9,060	\$ 7,896
P+1 (sps)	\$ 22,500	\$ 20,964	\$ 20,796	\$ 18,120	\$ 19,032	\$ 16,584
P+family	\$ 29,472	\$ 27,456	\$ 27,228	\$ 23,724	\$ 24,912	\$ 21,720
Clergy Annual Premium Credit:						
	P-only	\$8,360				
	P+1 (spouse)	\$17,800				
	P+ family	\$23,400				
Mandatory Church Subsidy per Lay Employee = \$7130.04 Annually						

Laity Health Insurance, Fund 0023 LGI – This is the actual premium rate for coverage in the Eastern PA Conference Health Insurance Plan. Each church will be billed \$7,130 per participant. The remainder may be billed to the participant at the church’s discretion minus the participant’s contribution. Churches can pass along 8.5% of a single rate to the layperson.

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 Worker's Compensation insurances for all conference agencies and local churches. Participation is mandatory by action of annual conference to ensure appropriate coverage and competitive premiums.

The Conference Trustees worked closely with our insurance agent, EH&D and were able to keep the rate increase at a reasonable level for 2019.

Worker's Compensation, Fund 0026 WC

The Conference Board of Trustees formed a Safety Committee in efforts to reduce the cost for worker's 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. Therefore, there is no increase in premium for 2019.