

## **Apportionment and Billed Funds – 2022 Budget**

### **Apportioned Funds**

Fund 0001 CMF; 0003 WSF; 0004 GCF

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 (GCF) which finances administrative activities of the General Church. CMF, WSF and GCF is apportioned to the local church as follows:

The amount apportioned to your local church in 2022 is based on the data that you provided on the annual statistical report in 2018, 2019 and 2020. 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 GCF in 2022.

## Billed Funds

### **Pension**

The pension funds on the church remittance forms are for CRSP Defined Benefits, CRSP Defined Contribution, Retired Clergy Pension & Health Obligation, and Comprehensive Protection Plan or CPP. These contributions are Church budget items and should not be deducted from a pastor's salary.

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 2022 will be \$1,228,676. This core element will be funded by assessing a composite cost to the church for clergy. Clergy appointed at less than ½ time are eligible to participate with a personal contribution. Churches do not contribute to less than half time appointments.

**For 2022, 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 2022 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 up to 1% match.

Participants are encouraged to contribute more than 1% to their UMPIP\* in order to achieve adequate retirement financial goals.

As of January 1, 2020, each eligible clergyperson who is not yet enrolled at 1% to their UMPIP was automatically enrolled at 1%, including ¼ time appointments.

You must waive enrollment by completing an enrollment form with a zero contribution if you do not want to contribute.

*\*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).**

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

The total 2022 budget is \$1,799,687. Each church pays **2.75%** of their three- year (2018-2020) AGTP. The three components are as follows:

- The Pre-1982 Pension Plan for the EPA Conference in 2022 is 100% funded. While this is cause for celebration, we must continue to stay vigilant in maintaining this fund at 100% or above. The local churches will be billed a total of \$431,919. This funding will be used for an advance payment at the end of 2022 to increase the Past Service Rate for our retirees in 2023 from \$515 to \$522, pending annual conference approval.
- The second component is for Retiree Medical Insurance. The total subsidy amount provided by the annual conference in 2022 will be \$1,000,000.
- The third component is for the administrative expenses of the EPA Board of Benefits. In 2022, this sum is \$ 367,768.

**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 the Employee Assistance Plan and coverage for a \$10,000 Life Insurance Plan through The Hartford. (The \$10,000 reduces each year after age 60 to a minimum of \$5,000)

**Composite Rate, 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	2022 Annual Church Composite Rate
Over \$1 M	\$17,500
Over \$350 K	\$16,475
Over \$275 K	\$15,450
Over \$250 K	\$14,400
Over \$225 K	\$13,400
Over \$200 K	\$12,400
Over \$125 K	\$11,375
Over \$75 K	\$10,200
Under \$75 K	\$9,200

**Clergy health care premium, Fund 0022 CIC (Salary Reduction)** – In 2022, the conference will be enrolled in HealthFlex through Wespah. 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 utilized with that plan.

The premium credit available to clergy for 2022 is

- Participant only = \$810 monthly
- Participant + 1 = \$1,540 monthly
- Full Family = \$2,191 monthly

**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 \$695 monthly per participant. The remainder may be billed to the participant at the church's discretion.

### **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 effort 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.