

Apportionment and Billed Funds – 2023 Budget

Apportioned Funds

Fund 1 CMF; 3 WSF; 4 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 2023 is based on the data that you provided on the annual statistical report in 2019, 2020 and 2021. 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 2023.

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 (Church budget item)**

A defined benefit plan provides a secure monthly payment for life. The amount of the payments is 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 2023 will be \$1,077,711. This core element will be funded by assessing a composite cost to the church for clergy.

For 2023, the annual budgets are as follows:

Full-time = \$6,000

¾ time = \$4,500

½ time = \$3,000

- **CRSP – Defined Contribution (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 2023 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 to receive an additional up to 1% match.

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

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

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.

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

In addition to CRSP, the church pays for the Comprehensive Protection Plan (CPP) for Full-time (100% appointed clergy) 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 18

The total 2023 budget is \$1,753,906. Each church pays **2.75%** of their three-year (2019-2021) AGTP. The three components are as follows:

- The Pre-1982 Pension Plan for the EPA Conference in 2023 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 \$373,747.
- The second component is for Retiree Medical Insurance. The total subsidy amount provided by the annual conference in 2023 will be \$1,000,000.
- The third component is for the administrative expenses of the EPA Board of Benefits. In 2023, this sum is \$ 380,159.

Health Insurance

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

Connectional Health Care Fund, 21 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, 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 (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 actively appointed clergy enrolled in HealthFlex or a plan from the Via Benefits Exchange.

3 Year Average AGTP	2023 Annual Church Composite Rate
Over \$1 M	\$ 17,500.00
Over \$500 K	\$ 16,750.00
Over \$350 K	\$ 15,750.00
Over \$250 K	\$ 14,750.00
Over \$200 K	\$ 13,750.00
Over \$150 K	\$ 12,750.00
Over \$100 K	\$ 11,750.00
Over 75 K	\$ 10,750.00
Under 75K	\$ 9,750.00

Clergy health care premium, CIC (Salary Reduction) – In 2023, the conference will be enrolled in HealthFlex through Wespath. 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 HSA utilized with that plan.

The premium credit available to clergy for 2023 is

- Participant only = \$931 monthly
- Participant + 1 = \$1,771 monthly
- Full Family = \$2,415 monthly

Laity Health Insurance, 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 24 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 26WC

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.