

ANNUAL CONFERENCE
PETITION TO THE 2006 ROCKY MOUNTAIN CONFERENCE

TITLE: FUNDING OF ACTIVE CLERGY BENEFITS

ACTION TO BE VOTED ON:

1 It is requested of the annual conference that the Clergy Retirement Security Plan (CRSP), the
2 Comprehensive Protection Plan (CPP) and the optional, Basic Protection Plan (BPP), costs for
3 active clergy and clergy retiring after Dec. 31, 1995 be paid for at the local level, and the
4 optional, Basic Protection Plan (BPP), costs for retired clergy retired prior to Jan. 1, 1996 be
5 shared by the retired clergy and the conference.
6

7 **Section I – Clergy Retirement Security Plan (CRSP)**

8 Current service funding of the Clergy Retirement Security Plan has been calculated by the
9 General Board of Pension and Health Benefits and will be billed to the Pension office of the
10 Rocky Mountain Conference. The Pension office will direct bill these costs to each local church
11 as follows:

12 Each church/charge will be billed \$24 per month (\$288 annually) for every full-time pastor
13 appointed to that church/charge.

14 Each church/charge will be billed \$18-\$12-\$6 per month (\$216-\$144-\$72 annually) for every
15 three-quarter, half and one-quarter time pastor appointed to that church/charge.

16 Each church/charge will be billed 12.4% of actual compensation (using salary and housing as the
17 contribution base) of each clergy for every pastor appointed to that church/charge.

18 These contributions will be made to the Conference Pension office by the salary paying unit of
19 each clergy.

20 B. Eligibility and participation are established and defined by the General Board of Pension and
21 Health Benefits.

22 C. The CRSP billing will be handled through the Conference Pension office.
23

24 **Section II - Comprehensive Protection Plan (CPP)**

25 A. Current service funding of the Comprehensive Protection Plan will be calculated:

26 1. Using salary and housing as the contribution base, with 200% of the Denominational Average
27 Compensation (DAC) being the maximum base amount, and

28 2. Using a contribution rate of 3.0%, and

29 3. Contributions will be made to the Conference Pension office by the salary paying unit (i.e. the
30 local church, the conference, or other employer in cases of special appointment / employment).

31 B. Eligibility and participation are established and defined by the General Board of Pension and
32 Health Benefits.

33 C. The CPP billing will be handled through the conference.

34 **Section III - Basic Protection Plan (BPP)**

35 A. The Basic Protection Plan is available as an optional benefit to active clergy, eligible retired
36 clergy and lay employees of the conference (those employees working for the conference office).

37 The Basic Protection Plan includes:

- 38 1. Additional death benefits for active and retired clergy, and
39 2. Death benefits for lay employees of the Conference, and
40 3. Disability coverage for lay employees, and
41 4. Eligibility and participation are already established and defined by the General Board of
42 Pension and Health Benefits.

43

44 B. Current service funding of the Basic Protection Plan will be funded by:

- 45 1. Active clergy will pay 100% of the premium cost for all benefits, and
46 2. Retired clergy (retired prior to January 1, 1996) would pay 60% of their death benefit costs and
47 the conference would pay 40%, and
48 3. Retired clergy (retiring after December 31, 1995) would pay 100% of their death benefit costs.

49

50 C. The total cost to the conference for the 40% support identified in III. B. 2. (above) is estimated
51 to be about \$5,000, depending upon the level of participation.

52

53 D. Local church lay employees may also enroll in the Basic Protection Plan as an optional benefit
54 to be provided by their local church (as the employer). The employer must enroll directly with
55 the General Board of Pension and Health Benefits and all costs will be paid by the employee
56 and/or the employer with no costs supported by the Conference Board of Pensions and Health
57 Benefits.

EFFECTIVE DATE: January 1, 2007

TERMINATION DATE: December 31, 2007

FINANCIAL IMPACT:

Yes, and the direct billing costs are identified above.

ORIGINATOR OF THE PETITION:

Conference Board of Pensions and Health Benefits

PERSON TO PRESENT PETITION TO CONFERENCE:

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RATIONALE: Not debatable

58 Section I is completely re-written. The 2004 General Conference enacted a new pension plan for
59 the denomination. The old MPP plan will no longer will be funded after 12/31/06, and the new
60 CRSP plan replaces it. This section explains how each local church will be billed for this new
61 plan.

62 In Section II, the CPP rate was 4.4%, but in conjunction with the new CRSP plan, it has been
63 lowered to 3.0%.

64 There are no changes to Section III.