

ANNUAL CONFERENCE
PETITION TO THE 2006 ROCKY MOUNTAIN CONFERENCE

TITLE: RETIREE BENEFIT PROGRAMS AND FUNDING

ACTION TO BE VOTED ON:

1 It is requested of the Annual Conference that pre-1982 past service funding be provided for
2 retired clergy as well as those requiring special grants.
3

4 **Section I - Past Service Funding (for service before January 1, 1982)**

5 A. The rate for 2007 will be \$456.00 per service year

6 B. The same rate will be set for local pastors

7 C. The rate for a surviving spouse will be 70% of the member's rate as required by the new
8 CRSP pension plan.

9 D. The cost to the conference budget for 2007 for these rates is \$0
10

11 **Section II - Rental/Housing Allowance**

12 WHEREAS, the religious denomination known as The United Methodist Church, of which this
13 conference is a part, has in the past and continues to function through ministers of the Gospel
14 who were or are duly ordained, commissioned or licensed ministers of the church; and
15 WHEREAS, the practice of The United Methodist Church was and is to provide active
16 clergypersons with a parsonage or a rental/housing allowance as part of the gross compensation;
17 and

18 WHEREAS, pensions paid to active, retired and disabled clergypersons are considered as
19 deferred compensation and are paid to active, retired and disabled clergypersons in consideration
20 of previous active service; and

21 WHEREAS, the Internal Revenue Service has recognized the Rocky Mountain Annual
22 Conference as the appropriate organization to designate a housing/rental allowance for
23 clergypersons who are or were members of this Conference and are eligible to receive such
24 deferred compensation;
25

26 NOW THEREFORE BE IT RESOLVED:

27 That an amount up to 100% (See NOTE at end of this section) of the pension or disability
28 payments received from plans authorized under The Book of Discipline of The United Methodist
29 Church which includes all such payments from the General Board of Pension and Health Benefits
30 ("GBOPHB"), during the year 2007 by each active, retired, or disabled Clergy person who is or
31 was a member of the Conference, or its predecessors, be and hereby is designated as a
32 rental/housing allowance for each such Clergy person; and
33

34 That the pension or disability payments to which this rental/housing allowance applies will be

35 any pension or disability payments from plans, annuities, or funds authorized under the
36 *Discipline*, including such payments from the GBOPHB and from a commercial annuity
37 company that provides an annuity arising from benefits accrued under a GBOPHB plan, annuity,
38 or fund authorized under the *Discipline*, that result from any service a Clergy person rendered to
39 this Conference or that an active, a retired, or a disabled Clergy person of this Conference
40 rendered to any local church, annual conference of the Church, general agency of the Church,
41 other institution of the Church, former denomination that is now a part of the Church, or any
42 other employer that employed the Clergy person to perform services related to the ministry of the
43 Church, or its predecessors, and that elected to make contributions to, or accrue a benefit under,
44 such a plan, annuity, or fund for such active, retired, or disabled Clergy person's pension or
45 disability as part of his or her gross compensation.

46
47 *NOTE: The rental/housing allowance that may be excluded from a Clergy person's gross income*
48 *in any year for federal income tax purposes is limited under Internal Revenue Code section*
49 *107(2) and regulations thereunder to the least of: (1) the amount of the rental/housing*
50 *allowance designated by the Clergy person's employer or other appropriate body of the Church*
51 *(such as this Conference in the foregoing resolution) for such year; (2) the amount actually*
52 *expended by the Clergy person to rent or provide a home in such year; or (3) the fair rental value*
53 *of the home, including furnishings and appurtenances (such as a garage), plus the cost of*
54 *utilities in such year.*

55
56 **Section III**

57 For 2007, the Conference Board of Pensions and Health Benefits will provide the following
58 grants:

59 Widow's benefits to Patricia Vick
60 Benefits to Oscar P. Abers, 3 times adopted rate
61 Benefits to Dallas A. Bird, 83.5% of 7 years
62 Anticipated cost to conference - \$5,000

EFFECTIVE DATE: January 1, 2007

TERMINATION DATE: December 31, 2007

FINANCIAL IMPACT:

Yes (a total of \$5,000), and it is already included in the 2007 proposed budget

ORIGINATOR OF THE PETITION:

Conference Board of Pensions and Health Benefits

PERSON TO PRESENT PETITION TO CONFERENCE:

Name: Elaine Johnsen
Address: 231 Fairfax St. Colorado Springs, CO 80911
Phone Number: 719-390-5103
E-Mail: ejohnsen@adelphia.net

RATIONALE: Not debatable

63 This petition does three things –
64 It sets the Past Service Rate for the pension funding that goes to any clergy and surviving spouses
65 for service provided to this conference prior to 1982. The dollar amount in line 5 is a 5% increase
66 over the amount voted on for 2006. Because the funding raised during the 1980's and 1990's has
67 been well invested, all of the costs for this pension benefit are fully funded and there is no cost to
68 the conference.
69 Retired and disabled clergy are entitled, by IRS regulation, to receive their pension as a non-
70 taxed housing allowance. This wording is provided by our General Board of Pension and Health
71 Benefits and is slightly changed from the previous year. The changes expand the wording to
72 allow commissioned clergy to receive this benefit. It also allows active clergy who are close to
73 retirement to withdraw some of their pension (UMPIP) funds for the purchase of a retirement
74 home and declare those funds to fall within the IRS guidelines.
75 Over the years, our Conference Board of Pension and Health Benefits has provided special grants
76 in response to special requests and needs. This third section simply authorizes the continuation of
77 those grants. The grants in this section have not changed for a number of years, so this is just a
78 continuation of already existing grants.