

**THE BOARD OF PENSION AND HEALTH BENEFITS  
PENSION SECTION**

**Report Number One**

**A. Past Service Rate**

The Board of Pension and Health Benefits requests that the South Carolina Annual Conference fix **\$987** per service year as the rate for annuity payments to retired ministers under the Supplement One of the Clergy Retirement Security Plan (otherwise known as Pre-82) for 2025. (This rate was **\$881** for the year 2024.) This shall include service annuity credits approved prior to January 1, 1982. An eligible surviving spouse shall receive 75% of the formula benefit upon the death of the participant. This represents a 12% increase over 2024

**B. Direct Billing**

1. The Board of Pensions requests that direct billings to salary paying units be made to give the Board of Pension and Health Benefits (The Pension Fund), **\$4,034,724** for the pension program of the South Carolina Annual Conference for the fiscal year ending December 31, 2025, and that this sum be apportioned or billed to the churches of the South Carolina Annual Conference.
2. For 2025, each institution, organization or district to which a minister is appointed and enrolled shall pay to the South Carolina Annual Conference Board of Pension and Health Benefits an amount equal to **\$497** per month for full-time clergy for the Defined Benefit portion of the Clergy Retirement Security Program (CRSP). This includes all full-time clergy (including deacons) who are under Episcopal appointment (receiving compensation) at a local church, charge, conference or conference responsible unit or entity related to the South Carolina Annual Conference. (This rate was \$497 per month in 2024.) An amount equal to three percent (3%) of the appointed participant's Plan Compensation shall be paid for the defined contribution portion of the CRSP. This amount must be matched by a contribution of 1% by the participating pastor in his/her United Methodist Personal Investment Plan (UMPIP) Account in order to receive credit for the full 3% paid by the church. Any surplus funds collected will be used for actuarial and collection smoothing. An amount equal to 3% of the appointed participant's Plan Compensation, limited by 200% of the Denomination Average Compensation, shall be paid for Comprehensive Protection Plan funding or other benefit plan. Such payments shall be made for each minister so appointed, and paid monthly crediting in twelve equal installments from deposits made in the Deposit Account of the South Carolina Annual Conference with Wespeth Benefits & Investments, by the treasurer of the South Carolina Annual Conference. Churches/charges participating in ACH automated payment system (bank draft) may receive up to a \$15.00 per month discount on their pension payment.
3. For 2025, the Board of Pension & Health Benefits recommends each institution, organization or district to which a part-time minister is appointed and enrolled contribute to a defined contribution 403(b) pension program called the United Methodist Personal Investment Plan (UMPIP). For all clergy who are under Episcopal appointment and considered part-time (receiving compensation) at a local church, charge, conference or conference-responsible unit or entity related to the South Carolina Annual Conference, the

salary paying unit shall pay an amount equal to 9.0% of the appointed participant's Plan Compensation for the matching portion of the defined contribution portion of the UMPIP. The contribution by the church will be made if the clergy person contributes a minimum of 3% of his/her plan compensation in their United Methodist Personal Investment Account. Each church with a less than full-time clergy will be required to complete an adoption agreement with Wespath Benefits and Investments, a general agency of The United Methodist Church. The pension cost, both the church's share and the participant's match, will be billed from Wespath Benefits & Investments.

4. **All churches with direct billing responsibilities will receive paperless statements.** Statements will be emailed to the treasurer as reported during charge conference. The monthly statements will also be emailed to the pastor and any additional recipients upon request.

#### **C. Fiscal Year**

1. The fiscal year of the Board of Pensions shall be the same as that of the South Carolina Annual Conference.

#### **D. Moving Expenses**

1. The Board of Pension and Health Benefits authorizes one-time taxable moving expense reimbursement, not to exceed **\$2,500**, and including up to \$350 in verified packing expenses, for newly incapacitated ministers receiving CPP Incapacity Benefits, surviving spouses of ministers, participants in the Voluntary Transition Program, or newly retired ministers in benefit, moving from the parsonage provided by the charge. Persons moving must file for the one-time reimbursement grant no later than 90 days after first reception of pensions or disability benefits and may use the funds for moving expenses and/or for connection/tap on or hookup fees in the new residence. The reimbursement amount for 2024 was \$2,000.

#### **E. Resolution Relating to Rental/Housing Allowances for Active, Retired or Disabled Clergypersons of the South Carolina Annual Conference**

The South Carolina Annual Conference (the "Conference") adopts the following resolutions relating to rental/housing allowances for active, retired, or disabled clergypersons of the Conference:

WHEREAS, the religious denomination known as The United Methodist Church (the "Church"), of which this Conference is a part, has in the past functioned and continues to function through ministers of the gospel (within the meaning of Internal Revenue Code section 107) who were or are duly ordained, commissioned, or licensed ministers of the Church ("Clergypersons");

WHEREAS, the practice of the Church and of this Conference was and is to provide active Clergypersons with a parsonage or a rental/housing allowance as part of their gross compensation;

WHEREAS, pensions or other amounts paid to active, retired, terminated, and disabled Clergypersons are considered to be deferred compensation and are paid to active, retired, terminated, and disabled Clergypersons in consideration of previous active service; and

WHEREAS, the Internal Revenue Service has recognized the Conference (or its predecessors) as the appropriate organization to designate a rental/housing allowance for Clergypersons who are or were members of this Conference and are eligible to receive such deferred compensation;

NOW, THEREFORE, BE IT RESOLVED: THAT an amount equal to 100% of the pension or disability payments received from plans authorized under *The Book of Discipline* of The United Methodist Church (the “*Discipline*”), which includes all such payments from the Wespath Benefits & Investments, during the years 2023, 2024, and 2025 by each active, retired, terminated, or disabled Clergy person who is or was a member of the Conference, or its predecessors, be and hereby is designated as a rental/housing allowance for each such Clergy person; and

THAT the pension, severance, or disability payments to which this rental/housing allowance applies will be any pension or disability payments from plans, annuities, or funds authorized under the *Discipline*, including such payments from the Wespath Benefits/Investments and from a commercial annuity company that provides an annuity arising from benefits accrued under a Wespath plan, annuity, or fund authorized under the *Discipline*, that result from any service a Clergy person rendered to this Conference or that an active, a retired, or a disabled Clergy person of this Conference rendered to any local church, annual conference of the Church, general agency of the Church, other institution of the Church, former denomination that is now a part of the Church, or any other employer that employed the Clergy person to perform services related to the ministry of the Church, or its predecessors, and that elected to make contributions to, or accrue a benefit under, such a plan, annuity, or fund for such active, retired, or disabled Clergy person’s pension or disability as part of his or her gross compensation.

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

**Report Number Two  
2025 Pension and Welfare Operating Budget**

| <b>Requirement</b>                           | <b>2024 Budgeted</b> | <b>2025 Estimated</b> |
|--|----------------------|-----------------------|
| Clergy Retirement Service Plan (CRSP)        |                      |                       |
| Defined Benefit Amount                       | \$2,187,154          | \$2,104,702           |
| CRSP Defined Contribution (3%)               | \$1,085,656          | \$966,463             |
| CPP Welfare Plan (3%) or<br>Benefits Funding | \$1,083,856          | \$963,559             |
| <b>Total Estimated Requirement</b>           | <b>\$4,356,666</b>   | <b>\$4,034,724</b>    |
| <b>Estimated Income</b>                      |                      |                       |
| Direct Bill Payments                         | \$4,356,610          | \$4,034,724           |
| <b>Total Estimated Income</b>                | <b>\$4,356,610</b>   | <b>\$4,034,724</b>    |

*Valerie Brooks-Madden, Chairperson*

## THE BOARD OF PENSION AND HEALTH BENEFITS GROUP INSURANCE SECTION

### Report Number One

The insurance program of the South Carolina Conference is designed to provide its eligible employees (as defined herein), and their eligible dependents, with a comprehensive plan for major medical benefits and a Medicare supplement.

**A. Eligibility: The following are eligible for coverage under the program:**

1. Those employed and funded by a local church either as Full or Three-Quarter (3/4) time Elders in Full Connection, Associate Members, Local Pastors, Provisional Elders, *Non-retired Supply Pastors (lay persons; and clergy of other denominations)*, *Deacons appointed as pastor in charge*, within the South Carolina Annual Conference and included in the Hospitalization and Medical Expense Program Adoption Agreement. *The salary-paying unit must sign an adoption agreement prior to enrollment for supply pastors and Deacons appointed as pastor in charge.*
2. Ministers who are full time or three-quarter time employees of and funded by the Annual Conference boards, councils or agencies.
3. District Superintendents.
4. Lay persons who are full-time employees of and funded by the Annual Conference.
5. Ordained ministers from other United Methodist Annual Conferences and ordained ministers from other Methodist denominations, and other denominations, under Episcopal appointment fully employed and funded by a local church or charge of the South Carolina Annual Conference under the provisions of Paragraphs 346.1 and 346.2 of the 2008 *Book of Discipline*.
6. Full Deacons, Provisional Deacons, Provisional Deacons/1992, and Diaconal ministers related to and serving a local church enrolled and funded by a local church of the South Carolina Annual Conference currently meeting the underwriting guidelines of the South Carolina Annual Conference group insurance plan. The salary-paying unit will set the cost sharing and must sign a sub-adoption agreement.

**B. Eligibility: The following are eligible for coverage under the retiree program:**

1. Retired clergy who have been under full-time appointment to a local church with pension responsibility by the South Carolina Annual Conference, and who are immediately eligible to receive pension or incapacity benefits, and who have participation in the active group health plan of the South Carolina Annual Conference, the last ten (10) years of which were continuous and consecutive, shall be eligible for participation in the retiree health care program of the Annual Conference and their respective spouses if spouse is covered at least five continuous and consecutive years immediately prior to retirement. A Retired Participant at the time of his or her Early Retirement Date or Normal Retirement Date, will be allowed to be tolled if coverage under a previous employer's or spouse's group plan is available, during the period of time between the Termination of Employment and the Early Retirement Date or Normal Retirement Date and loss of such coverage.

2. Retired lay employees who have attained age 62 and have been full-time employees of the South Carolina Annual Conference, and who are immediately eligible to receive United Methodist pension or incapacity benefits, and who have participation in the active group health plan of the South Carolina Annual Conference, the last ten (10) years of which were continuous and consecutive, shall be eligible for participation in the retiree health care program of the Annual Conference and their respective spouses if spouse is covered at least five continuous and consecutive years immediately prior to retirement. A Retired Participant at the time of his or her Early Retirement Date or Normal Retirement Date, will be allowed to be tolled if coverage under a previous employer's or spouse's group plan is available, during the period of time between the Termination of Employment and the Early Retirement Date or Normal Retirement Date and loss of such coverage.
3. Those retired clergy or incapacitated employees, referred to herein as lay persons, immediately eligible to receive pension or disability benefits from the General Board of Pension and Health Benefits at the beginning of the month following the month in which the retired relation or disability leave with disability benefits takes place, and who had a minimum of ten (10) continuous and consecutive years of active participation in the South Carolina Annual Conference group health plan at the time of retirement or the granting of Basic Protection Plan incapacity benefits by the General Board of Pensions, and their respective spouses if spouse is covered at least five continuous and consecutive years immediately prior to retirement.
4. Funding for the group insurance plans upon retirement in benefit from the South Carolina Annual Conference shall be based on full time employment by the Annual Conference, full time appointment to a local church or eligible extension ministry with pension responsibility by the South Carolina Annual Conference. Funding shall be \$100.00 per month for single participants and \$200.00 per month for married participants and an additional \$100 per month for dependents. (This funding is \$200.00 per month for single participants and \$400.00 per month for married participants and an additional \$200 per month for dependents for those retirees who retired in 2015 or earlier). This funding will be paid through a Health Reimbursement Account. This funding cannot be allowed to purchase an employer group policy other than one sponsored or administered by the Annual Conference or its designee. Enrollment in the HRA must be done through the AmWins Benefits Coordinator.

## **Report Number Two**

### **Major Medical Insurance Benefits**

The Board recommends the following:

#### **A. HealthFlex Exchange**

The South Carolina Annual Conference has elected to participate in the HealthFlex Exchange, managed health care plan of Wespath Benefits and Investments for active participants and eligible dependents. The HealthFlex Exchange provides an array of plans to help the needs of our appointed clergy and eligible lay employees. HealthFlex Exchange offers participants the ability

to select between six medical, three dental, and three vision plans, and the ability to participant in health and dependent care reimbursement accounts. Plan summaries are located on the conference website at [umcsc.org/healthflex](http://umcsc.org/healthflex).

**B. Additional Information**

Additional information on medical, dental and vision plans is available from the Board of Pension and Health Benefits by visiting [umcsc.org/healthflex](http://umcsc.org/healthflex).

**Report Number Three  
Retiree Medical Primary Benefits**

**A. Post 65 Retirees**

The South Carolina Annual Conference of The United Methodist Church offers their post 65 retirees two group Medicare supplement or the ability to choose a custom Supplemental plan through the Retiree Benefits Choice™ through AmWINS Group Benefits. The two group medical plans offered are: The Standard Plan and the Humana Advantage Plan A custom option is also available and will be a hybrid Medicare Exchange by which a retiree can choose a plan from the Medicare Marketplace. There will be corresponding Rx options with the Standard Plan and the Humana Advantage Plan.

**B. Administrator**

AmWINS Group Benefits will be the administrator for the retiree benefit plans. AmWINS Group Benefits specializes in retiree benefit programs for companies, municipalities and religious organizations. AmWINS Group Benefits has over 700 retiree benefit clients nationally.

**C. Services Provided**

AmWINS Group Benefits will provide the following services for retirees of the South Carolina Annual Conference of The United Methodist Church.

- Retiree communications enrollment kit
- Group retiree meetings
- Retiree call center services
- Retiree website
- Billing and collecting of premiums
- Ongoing service and support for retirees

**D. Handbook**

A handbook explaining the provisions of Medicare is available from the Social Security Administration office or by visiting [medicare.gov](http://medicare.gov).

**Report Number Four  
Administrative Procedures**

**A. Enrollment**

Enrollment in HealthFlex, the group insurance plan of the South Carolina Annual Conference, must be made within the first thirty days of eligibility or the first day actively at work. Late enrollment or enrollment for January 1 of any year must be completed with Wespath Benefits & Investments during annual election, which is prior to November 30<sup>th</sup> of the preceding year. It should be noted, that any continuation, changes, or initiation of Flexible Spending Accounts (Medical Reimbursement or dependent care accounts) must be done during this time through

the open enrollment process and not on the ministerial support form. Health Savings Account amounts can be updated at any time (H2000, H2500, H5000 plans only).

## **B. Eligibility Requirements**

Eligibility requirements are also set forth in the *HealthFlex Administrative Manual* published by the Center for Health of Wespath Benefits & Investments, 1901 Chestnut Avenue, Glenview, IL 660025-1604.

## **C. Billing**

At the first of each month, the Board of Pension and Health Benefits will send premium statements to the salary-paying unit of the participants enrolled in the Conference Insurance Program and participants with Flexible Spending Accounts. Payments for group health premiums and Flexible Spending Accounts premiums shall be made on a monthly basis.

## **D. Cancellation of Coverage**

It is imperative that each church/charge remit to the Annual Conference the participant's portion of the Health Benefits withheld from the participants compensation on a monthly basis. **The Board of Pension and Health Benefits has instructed the benefits administrator to cancel the Insurance Coverage, Medical Reimbursement Accounts, and/or Dependent Care Accounts of any participant whose payroll withholdings are not paid by the end of the month for which the church/charge has been billed. Clergy whose accounts are 60 days in arrears will be subject to immediate cancellation. Once cancelled the participant's coverage cannot be reinstated until the next open enrollment period, and then only if the unpaid balance has been paid. Churches or salary paying units are responsible for withholding premiums and other Flexible Spending Accounts from the compensation of participants and remitting payment to the Annual Conference when billed.**

## **E. Ministers Serving in Eligible Extension Ministries**

It is required that all Conference Boards and Agencies, served by ministers and others eligible for group insurance participation, pay for the "institutional share" of the insured's premium. This provision shall apply to the District Superintendents, Conference Staff and those serving United Methodist agencies for whom the South Carolina Annual Conference has pension responsibility. In every case, the full cost of the group health premium must be paid by the insured, the employer, or through the combined payments of the insured and the employer. Premium payments shall be made in accordance with the instructions printed on the monthly "Statement of Account". Premium payments are due at the first of the month for which the participant is billed.

## **F. Applications for Enrollment**

Applications for enrollment in the Conference Insurance Program are available from the Board of Pension and Health Benefits, 4908 Colonial Drive, Columbia, SC 29203. The changed enrollment form must be completed and in the hands of the benefits administrator within 30 days from the date of eligibility. If not, the applicant will be ineligible until the next following enrollment period.

## **G. Board Oversight**

The Board of Pension and Health Benefits is charged with oversight of the group insurance program of the South Carolina Annual Conference, the benefits of which program are outlined in the reports of the Board submitted to the Annual Conference. The Annual Conference approves the group insurance budget of the

Board of Pension and Health Benefits. The Board is authorized to negotiate and contract with carriers or the Hospitalization and Medical Expense Program Administrator to maintain the level of benefits for the eligible participants, as defined by the Annual Conference.

**H. Plan of First Refusal**

The group health plan of the South Carolina Annual Conference (Conference Plan) shall be the plan of first refusal for covering dependents of clergy appointed to local churches in the Conference. Where covered clergy wish to cover their dependents, the local church will seek to cover such dependents through the Conference Plan, rather than purchasing outside health insurance. Local churches may be excused from this requirement in cases where such dependents may be covered through the employer of a covered clergyperson’s spouse, or through a governmental plan, such as an SCHIP, and in cases of demonstrable financial hardship.

**Report Number Five  
Group Health Insurance Operating Budget**

| <b>Requirements</b>                 | <b>2024 Budgeted</b> | <b>2025 Estimated</b> |
|-------------------------------------|----------------------|-----------------------|
| Active & Non-Medicare Retiree Group | \$9,071,988          | \$7,394,616           |
| Medicare Eligible Retiree Group     | \$766,335            | \$706,510             |
| Other Unfunded Benefit Obligations* | \$200,000            | \$100,000             |
| <b>Total Estimated Requirements</b> | <b>\$10,038,323</b>  | <b>\$8,201,126</b>    |
| <br>                                |                      |                       |
| <b>Estimated Income</b>             |                      |                       |
| Billing to Salary Paying Units      | \$8,265,276          | \$7,048,104           |
| Apportioned to Churches             | \$200,000            | \$100,000             |
| HMEP Fund Investments               | \$806,712            | \$346,512             |
| Retiree Medical Investments         | \$766,335            | \$706,510             |
| <b>Total Estimated Income</b>       | <b>\$10,038,323</b>  | <b>\$8,201,126</b>    |

\*to be apportioned.

**Report Number Six  
2025 Group Health Costs**

The Board of Pension & Health Benefits makes the following recommendation for action by the 2024 South Carolina Annual Conference.

**1. Billing**

The sum of \$7,048,104 be billed to the local church/charge and salary paying units for the Conference Insurance Program in 2025.

**2. Apportionment Request**

The Board of Pension & Health Benefits requests an apportionment of 100,000 for unfunded benefits such as, Transitional Pension Funding, Grants for incapacitated and/or suspended participants.



### 3. Premium Payments effective January 1, 2025

Active personal group insurance health premiums for eligible active clergy/survivor/conference lay employee categories (Categories delineated in A.1, A.2, A.3, A.4, and A.8 or Report Number One) shall be funded as shown below:

#### a. Health Benefit Fee

Churches/Charges who have an eligible appointed clergy/lay participants (see report Number One A.1) will be billed a health benefit fee of \$1,150.00 per month or \$13,800.00 annually. This fee *is an increase of \$75 per month or \$900 per year from 2024.*

- i. **This fee will be billed regardless of the clergy person/eligible participant's enrollment in coverage or waiving coverage.**

#### b. Premium Credit

The Premium Credit toward the HealthFlex Exchange according to coverage tier as shown below.

- i. Premium Credit for Participant Only coverage is expected to be \$1,007 per month (\$12,084 annually).
- ii. Premium Credit for Participant + one dependent coverage is expected to be \$1,858 per month (\$22,296 annually).
- iii. Premium Credit for Participant plus family coverage is expected to be \$2,468 per month (\$29,616 annually).

### 4. Total Premiums

Total Premiums for the 2025 HealthFlex Exchange Plans are outline in the table below:

| <b>Plan</b> | <b>Participant</b> | <b>Participant +1</b> | <b>Participant + Family</b> |
|-------------|--------------------|-----------------------|-----------------------------|
| B1000       | \$1,366            | \$2,595               | \$3,552                     |
| C2000       | \$1,311            | \$2,492               | \$3,410                     |
| C3000       | \$1,142            | \$2,170               | \$2,969                     |
| H2000       | \$1,279            | \$2,429               | \$3,324                     |
| H2500       | \$1,098            | \$2,086               | \$2,855                     |
| H5000       | \$1,030            | \$1,958               | \$2,679                     |

### 5. Default Plan

If a participant fails to make an election during the annual election (open enrollment) period or within thirty (30) days of becoming newly eligible, that participant and any covered dependents will be automatically enrolled in the **H2000** plan. **Note: This does not constitute a recommendation by the Annual Conference; in fact, it may not the right plan for most participants, but is merely a plan default.**

### 6. Optional Coverages

Participants have the option to select expanded Vision (Vision Core is included) and Dental Coverages.

### 7. Dental Care Premiums

| <b>Plan</b>      | <b>Participant</b> | <b>Participant +1</b> | <b>Participant + Family</b> |
|------------------|--------------------|-----------------------|-----------------------------|
| Passive PPO 2000 | \$48               | \$96                  | \$144                       |
| Dental PPO       | \$39               | \$79                  | \$118                       |
| Dental HMO       | \$17               | \$31                  | \$54                        |

**8. Vision Care Premiums**

| <b>Plan</b>         | <b>Participant</b> | <b>Participant +1</b> | <b>Participant + Family</b> |
|---------------------|--------------------|-----------------------|-----------------------------|
| Vision Core         | \$0.00             | \$0.00                | \$0.00                      |
| Vision Full Service | \$9.00             | \$14.00               | \$22.00                     |
| Vision Premier      | \$15.00            | \$25.00               | \$40.00                     |

**9. Retiree (Retiree Spouse) Premiums Non Medicare**

- a. Rates for pre-65 retirees covered under HealthFlex would be the premium found in section 4 of this report reduced by the Defined Contributions for retirees. For those retired before July 1, 2015, the Defined Contribution would be \$200 for single Participants and for a couple with a participating spouse it would be \$400 per month under the provisions of Report Number One Paragraph A.5. For those retiring after July 1, 2015, the Defined Contribution would be \$100 for single Participants and for a couple with a participating spouse it would be \$200 per month under the provisions of Report Number One Paragraph A.5.

**10. Covered Participants with Negotiated Service, Compensation, & Benefits**

The estimated 2025 monthly group health insurance premiums for persons with negotiated service, compensation and benefits, Deacons in Full Connection employed full time, full-time Diaconal Ministers and full-time Lay Employees of local churches, premium for all the plans above and the church or plan sponsor will be billed the entire premium for dental and vision benefits (7-8) and the entire rate for health coverage (section 12). The cost sharing between the participant and the church or plan sponsor will be determined by the church or plan sponsor. Enrollment must be made within 30 days of new hire status, or 60 days prior to January 1, 2025.

**11. Board of Pension & Health Benefit Authority**

It is recommended that the South Carolina Annual Conference delegate to the South Carolina Annual Conference Board of Pension & Health Benefits the authority to adjust rates and plan designs to meet the requirements of the Patient Protection and Affordable Care Act.

**12. 2025 HealthFlex Exchange Rates**

**Proposed Monthly HealthFlex Rate Summary for  
Itinerant Clergy, Deacons Employed by the Annual Conference, Conference  
Lay Employees,  
Non-retired Supply Pastors (lay persons; and clergy of other denominations),  
Deacons appointed as pastor in charge.**

| <b>Plan Elected</b> | <b>Participant</b> | <b>Participant +1</b> | <b>Participant + Family</b> |
|---------------------|--------------------|-----------------------|-----------------------------|
| B1000               | \$359              | \$737                 | \$1,084                     |
| C2000               | \$304              | \$634                 | \$942                       |
| C3000               | \$135              | \$312                 | \$501                       |
| H2000               | \$272              | \$571                 | \$856                       |
| H2500               | \$91               | \$228                 | \$387                       |
| H5000               | \$23               | \$100                 | \$211                       |

**Proposed Monthly HealthFlex Rate Summary\*  
for**

**Deacons with Negotiated Service, Compensation, & Benefits; Lay Employees  
of Local Church**

\*Full Amount Billed to the Local Church/Plan Sponsor.

Actual Cost to participant is negotiated between participant and church/plan sponsor.

| <b>Plan Elected</b> | <b>Participant</b> | <b>Participant +1</b> | <b>Participant + Family</b> |
|---------------------|--------------------|-----------------------|-----------------------------|
| B1000               | \$1,298            | \$2,465               | \$3,374                     |
| C2000               | \$1,245            | \$2,367               | \$3,240                     |
| C3000               | \$1,085            | \$2,062               | \$2,821                     |
| H2000               | \$1,215            | \$2,308               | \$3,158                     |
| H2500               | \$1,043            | \$1,982               | \$2,712                     |
| H5000               | \$979              | \$1,860               | \$2,545                     |

13. **Future Years Health Benefit Premium Increase:** As most are aware, the cost of healthcare in the United States continues to rise at a rapid pace. While efforts are being made to reduce the cost to local church and participants in the plan, the Board of Pension and Health expects rates to continue to rise as well. **2026 rates are expected to rise by a minimum of 5% for both the health fee and personal portion of the participants.**

**THE BOARD OF PENSION AND HEALTH BENEFITS  
WELFARE PLAN SECTION**

**Report Number One**

**Welfare Plan Structure**

The welfare plan made available to South Carolina Conference clergy is the Comprehensive Protection Plan (“CPP”) sponsored by Wespath.

The CPP disability benefits are as follows:

- Clergy disabled on or after January 1, 2002, the CPP disability benefit equals 70 percent of Plan Compensation, with compensation capped at 200 percent of the DAC (Denominational Average Compensation.)
- Clergy disabled prior to January 1, 2002, will continue to receive the same CPP disability benefit per the plan document in-force at the time of their disability claim originated.

The following generally describes the death benefit amounts payable under the CPP to eligible participants and their beneficiaries.

**Active Participant Death Benefits:** payable upon the death of an eligible active CPP participant, as follows:

- Participant: \$50,000, payable in 12 monthly installments or one lump sum
- Spouse of active participant: 20% of DAC (Denominational Average Compensation) in the year of death
- Surviving spouse of active participant: 15% of DAC in the year of death
- Child of active participant: 10% of DAC in the year of death
- Annual surviving spouse annuity benefit of 20% of DAC, less the annuity benefit payable from CRSP.

- Annual surviving child benefit of 10% of DAC, payable in 12 monthly installments (for those age 17 and younger; benefits are paid through the month in which the child attains age 18)
- Annual surviving child educational benefit up to 20% of DAC, payable in equal installments (for those age 18 through 24 and attending school full-time)

**Retired Participant Death Benefits:** to be eligible for death benefits in retirement, a clergyperson must have been covered in CPP for a specified number of years. The 2012 General Conference approved a change to the CPP program which increases the length of service requirement for retirees. Retirees with 25 or more years of enrollment in CPP are eligible for the death benefits in retirement, and the eligibility for those with fewer than 25 years in CPP is phased in with one-year increments, as detailed on the following table. \*\*Those who retire under the 20-year rule are ineligible for CPP Death Benefit.

| <b>Retirement Year</b> | <b>CPP Enrollment Requirement for Death Benefit Eligibility</b> |
|------------------------|---|
| 2013                   | 6 of last 10 years  |
| 2014                   | 7 of last 10 years  |
| 2015                   | 8 of last 11 years  |
| 2016                   | 9 of last 12 years  |
| 2017                   | 10 of last 13 years   |
| 2018                   | 11 of last 14 years   |
| 2019+                  | 12 of last 15 years   |

The Death Benefit amounts associated with retired participants are detailed in the following table:

| <b>Plan Provision</b>   | <b>Clergy Who Retire Before January 1, 2013</b> | <b>Clergy Who Retire January 1, 2013 or later</b> |
|---|---|---|
| Death of retired participant  | 30% of DAC in year of death                     | \$21,400  |
| Death of retiree's spouse   | 20% of DAC in year of death                     | \$16,100  |
| Death of retiree's surviving spouse                                 | 15% of DAC in year of death                     | \$10,800  |
| Death of retiree's child  | 10% of DAC in year of death                     | \$8,600   |
| Annual surviving child benefit, payable in 12 mo. Installments      | 10% of DAC                                      | 10% of DAC  |
| Annual surviving child educational benefit, payable in installments | 20% of DAC                                      | 20% of DAC  |

**Denominational Average Compensation**

Several of the pension and welfare plans incorporate the Denomination Average Compensation ("DAC") into the formula for determining the plan benefit. As reported by Wespath, the DAC is projected to increase from 2024 to 2025 as follows: The 2024 DAC is **\$78,292**. The 2025 DAC is **\$80,297**.

## South Carolina Conference (741) 2025 Comprehensive Benefit Funding Plan

This funding plan incorporates, to the best of our understanding, the plan sponsor's obligations and funding of the benefits provided to clergy and laity, as noted below.

It is understood by the signees that defined benefit plan liabilities [Pre-82 Plan, Ministerial Pension Plan (MPP) and Clergy Retirement Security Program Defined Benefit (CRSP DB) and other sponsored defined benefit plans] continue until the last benefit is paid to participants and their surviving spouses irrespective of the funding level of the plan. That is, even if the assets in the plan are larger than the liabilities in the plan, the plan sponsor still has a liability (obligation) and potential future contribution due to the plan.

### Benefit Obligations Summary

#### Plan Contributions for 2025

|  |             |
|--|-------------|
| Clergy Retirement Security Program (CRSP) DB             | \$2,104,702 |
| Clergy Retirement Security Program (CRSP) DC             | \$878,838   |
| Ministerial Pension Plan (MPP)                           | \$0         |
| Pre-82 Plan (Pre-82)                                     | \$0         |
| United Methodist Personal Investment Plan (UMPIP) Lay    | \$116,706   |
| United Methodist Personal Investment Plan (UMPIP) Clergy | \$243,743   |
| Other Defined Contribution (DC) Obligations              | \$26,360    |
| Other Defined Benefit (DB) Obligations                   | \$0         |
| Health-Active Participants                               | \$7,206,000 |
| Health-Additional Sponsored Coverage                     | \$368,739   |
| Post-Retirement Medical (PRM)                            | \$1,022,143 |
| Comprehensive Protection Plan (CPP)                      | \$964,704   |

#### Ongoing Funding Contributions

|                               |     |
|-------------------------------|-----|
| Pre-82 Plan (Pre-82)          | \$0 |
| Post-Retirement Medical (PRM) | \$0 |

# South Carolina Conference (741) 2025 Comprehensive Benefit Funding Plan

|   |                       |            |
|---|-----------------------|------------|
| Conference Benefit Officer (or equivalent)  | Chris Lollis          | 04/15/2024 |
| Conference Treasurer                        | E.G. Westbury         | 04/16/2024 |
| Conference Board of Pension Chair           | Valerie Brooks-Madden | 04/17/2024 |
| Council on Finance and Administration Chair |                       |            |



## Opinion on **South Carolina Conference 2025** Comprehensive Benefit Funding Plan

The funding plan meets the standards for a Pre-82 funding plan as established by Wespath Benefits and Investments and the favorable opinion requirements for a funding plan. Note: The statement above and any written opinion provided by Wespath do not imply any representation as to the ability or probability of the applicable plan sponsor to fulfill the obligations included in the funding plan.

### *Wespath Benefits and Investments*

Wespath Benefits and Investments  
1901 W Chestnut Ave  
Glenview, IL 60025

# South Carolina Conference (741) 2025 Comprehensive Benefit Funding Plan

## Accounts

| <b>Wespath Accounts</b>         |                     | <b>Market Value<br/>as of 12/31/2022</b> | <b>Market Value<br/>as of 12/31/2023</b> |        |
|---------------------------------|---------------------|--|--|--------|
| DEPOSIT ACCOUNT                 |                     | \$14,311,662                             | \$19,716,772                             |        |
| <b>Pre-82 designated assets</b> | \$0                 | <b>Investment Objective</b>              | Intermediate-term                        |        |
| <b>PRM designated assets</b>    | \$0                 | <b>Actual Allocation</b>                 | Equity                                   | 54.62% |
|                                 |                     |  | Fixed                                    | 29.41% |
|                                 |                     |  | Short-term                               | 15.97% |
| <hr/>                           |                     |  |  |        |
| H M E P ACCOUNT                 |                     | \$18,962,147                             | \$20,187,776                             |        |
| <b>Pre-82 designated assets</b> | \$0                 | <b>Investment Objective</b>              | Intermediate-term                        |        |
| <b>PRM designated assets</b>    | \$0                 | <b>Actual Allocation</b>                 | Equity                                   | 56.38% |
|                                 |                     |  | Fixed                                    | 30.36% |
|                                 |                     |  | Short-term                               | 13.26% |
| <hr/>                           |                     |  |  |        |
| <b>\$</b>                       | RETIREE HEALTH CARE | \$22,812,860                             | \$26,015,086                             |        |
| <b>Pre-82 designated assets</b> | \$0                 | <b>Investment Objective</b>              | Intermediate-term                        |        |
| <b>PRM designated assets</b>    | \$26,015,086        | <b>Actual Allocation</b>                 | Equity                                   | 65.00% |
|                                 |                     |  | Fixed                                    | 35.00% |
|                                 |                     |  | Short-term                               | 0.00%  |
| <hr/>                           |                     |  |  |        |
| SOUTH CAROLINA SUPERANNUATE     |                     | \$1,076,508                              | \$1,239,156                              |        |
| <b>Pre-82 designated assets</b> | \$0                 | <b>Investment Objective</b>              | Long-term                                |        |
| <b>PRM designated assets</b>    | \$0                 | <b>Actual Allocation</b>                 | Equity                                   | 65.00% |
|                                 |                     |  | Fixed                                    | 35.00% |
|                                 |                     |  | Short-term                               | 0.00%  |

## South Carolina Conference (741) 2025 Comprehensive Benefit Funding Plan

### Non-Wespath Accounts

|   |     | Market Value<br>as of 12/31/2022 | Market Value<br>as of 12/31/2023 |         |
|---|-----|----------------------------------|----------------------------------|---------|
| AC Trustees Held Unfunded Pension - Merrill Lynch |     | \$0                              | \$299,000                        |         |
| <b>Pre-82 designated assets</b>                   | \$0 | <b>Investment Objective</b>      | Short-term                       |         |
| <b>PRM designated assets</b>                      | \$0 | <b>Actual Allocation</b>         | Equity                           | 0.00%   |
|   |     |                                  | Fixed                            | 0.00%   |
|   |     |                                  | Short-term                       | 100.00% |
| <hr/>   |     |                                  |                                  |         |
| Health Insurance Conference Held                  |     | \$0                              | \$1,076,007                      |         |
| <b>Pre-82 designated assets</b>                   | \$0 | <b>Investment Objective</b>      | Short-term                       |         |
| <b>PRM designated assets</b>                      | \$0 | <b>Actual Allocation</b>         | Equity                           | 0.00%   |
|   |     |                                  | Fixed                            | 0.00%   |
|   |     |                                  | Short-term                       | 100.00% |
| <hr/>   |     |                                  |                                  |         |
| Pension Fund Conference Held                      |     | \$0                              | \$586,308                        |         |
| <b>Pre-82 designated assets</b>                   | \$0 | <b>Investment Objective</b>      | Short-term                       |         |
| <b>PRM designated assets</b>                      | \$0 | <b>Actual Allocation</b>         | Equity                           | 0.00%   |
|   |     |                                  | Fixed                            | 0.00%   |
|   |     |                                  | Short-term                       | 100.00% |

\$ *A portion of this account has been designated as plan assets. The allocated amounts will be shown separately on the Allocation screen and will not be included in the Market Value for this account.*



# South Carolina Conference (741) 2025 Comprehensive Benefit Funding Plan

## Incoming Money

### Primary Sources

**Estimated amount for 2025**

|                |  |          |
|----------------|--|----------|
| Apportionments |  | \$88,000 |
|----------------|--|----------|

|                      |           |
|----------------------|-----------|
| Annual Apportionment | \$100,000 |
|----------------------|-----------|

|                                  |        |
|----------------------------------|--------|
| x Expected Collection Percentage | 88.00% |
|----------------------------------|--------|

Direct Billing

*Refer to the following "Allocate Funding Sources" pages for actual amounts allocated from the above funding sources.*

## South Carolina Conference (741) 2025 Comprehensive Benefit Funding Plan

### Allocate Funding Sources to Benefit Obligations

| Funding Sources                            |             | Deposit Account | H M E P Account | South Carolina Superannuate | Ac Trustees Held Unfunded Pe | Health Insurance Confer |
|--|-------------|-----------------|-----------------|-----------------------------|------------------------------|-------------------------|
| <b>Available Balance</b>                   |             | \$19,716,772    | \$20,187,776    | \$1,239,156                 | \$299,000                    | \$1,076,007             |
| <b>Total Allocated</b>                     |             | \$0             | \$346,512       | \$0                         | \$0                          | \$0                     |
| <b>Remaining Balance</b>                   |             | \$19,716,772    | \$19,841,264    | \$1,239,156                 | \$299,000                    | \$1,076,007             |
| <b>Plan Contributions for 2025</b>         |             |                 |                 |                             |                              |                         |
| CRSP DB                                    | \$2,104,702 |                 |                 |                             |                              |                         |
| CRSP DC                                    | \$878,838   |                 |                 |                             |                              |                         |
| MPP  |             |                 |                 |                             |                              |                         |
| Pre-82                                     |             |                 |                 |                             |                              |                         |
| UMPIP Lay                                  | \$116,706   |                 |                 |                             |                              |                         |
| UMPIP Clergy                               | \$243,743   |                 |                 |                             |                              |                         |
| Conference Lay Employee Death & Disability | \$15,372    |                 |                 |                             |                              |                         |
| Death Benefits for Retired Lay Employees.  | \$10,988    |                 |                 |                             |                              |                         |
| Health Active                              | \$7,206,000 |                 | \$346,512       |                             |                              |                         |
| Health Additional                          | \$368,739   |                 |                 |                             |                              |                         |
| Post-Retirement Medical                    | \$1,022,143 |                 |                 |                             |                              |                         |
| CPP  | \$964,704   |                 |                 |                             |                              |                         |
| <b>Ongoing Funding Contributions</b>       |             |                 |                 |                             |                              |                         |
| Pre-82                                     |             |                 |                 |                             |                              |                         |
| Post-Retirement Medical                    | \$0         |                 |                 |                             |                              |                         |

## South Carolina Conference (741) 2025 Comprehensive Benefit Funding Plan

### Allocate Funding Sources to Benefit Obligations

| Funding Sources                                |             | Pension Fund<br>Conference Held | Apportionments | Direct<br>Billing | Pre-82<br>Surplus | Prm In-Plan &<br>Outside Assets |
|--|-------------|---------------------------------|----------------|-------------------|-------------------|---------------------------------|
| <b>Available Balance</b>                       |             | \$586,308                       | \$88,000       |                   | \$21,827,965      | \$26,015,086                    |
| <b>Total Allocated</b>                         |             | \$0                             | \$0            | \$9,458,578       | \$2,104,702       | \$1,022,143                     |
| <b>Remaining Balance</b>                       |             | \$586,308                       | \$88,000       |                   | \$19,723,263      | \$24,992,943                    |
| <b>Plan Contributions for 2025</b>             |             |                                 |                |                   |                   |                                 |
| CRSP DB  | \$2,104,702 |                                 |                |                   | \$2,104,702       |                                 |
| CRSP DC  | \$878,838   |                                 |                | \$878,838         |                   |                                 |
| MPP  |             |                                 |                |                   |                   |                                 |
| Pre-82   |             |                                 |                |                   |                   |                                 |
| UMPIP Lay                                      | \$116,706   |                                 |                | \$116,706         |                   |                                 |
| UMPIP Clergy                                   | \$243,743   |                                 |                | \$243,743         |                   |                                 |
| Conference Lay Employ<br>ee Death & Disability | \$15,372    |                                 |                | \$15,372          |                   |                                 |
| Death Benefits for Retire<br>d Lay Employees.  | \$10,988    |                                 |                | \$10,988          |                   |                                 |
| Health Active                                  | \$7,206,000 |                                 |                | \$6,859,488       |                   |                                 |
| Health Additional                              | \$368,739   |                                 |                | \$368,739         |                   |                                 |
| Post-Retirement Medical                        | \$1,022,143 |                                 |                |                   |                   | \$1,022,143                     |
| CPP  | \$964,704   |                                 |                | \$964,704         |                   |                                 |
| <b>Ongoing Funding Contributions</b>           |             |                                 |                |                   |                   |                                 |
| Pre-82   |             |                                 |                |                   |                   |                                 |
| Post-Retirement Medical                        | \$0         |                                 |                |                   |                   |                                 |

## South Carolina Conference (741) 2025 Comprehensive Benefit Funding Plan

| Plan Contributions for 2025                |             | Funding Needed |
|--|-------------|----------------|
| CRSP DB                                    | \$2,104,702 | \$0            |
| CRSP DC                                    | \$878,838   | \$0            |
| MPP  |             | \$0            |
| Pre-82                                     |             | \$0            |
| UMPIP Lay                                  | \$116,706   | \$0            |
| UMPIP Clergy                               | \$243,743   | \$0            |
| Death Benefits for Retired Lay Employees.  | \$10,988    | \$0            |
| Conference Lay Employee Death & Disability | \$15,372    | \$0            |
| Health Active                              | \$7,206,000 | \$0            |
| Health Additional                          | \$368,739   | \$0            |
| Post-Retirement Medical                    | \$1,022,143 | \$0            |
| CPP  | \$964,704   | \$0            |

| Ongoing Funding Contribution for 2025 |     | Funding Needed |
|---------------------------------------|-----|----------------|
| Pre-82                                |     |                |
| Post-Retirement Medical               | \$0 | \$0            |

# South Carolina Conference (741) 2025 Comprehensive Benefit Funding Plan

## Clergy Retirement Security Program (CRSP)

**Plan Overview:** The Clergy Retirement Security Program (CRSP) is an Internal Revenue Code section 403(b) retirement program providing lifetime income and account flexibility designed for those who serve as clergy of The United Methodist Church. The plan is designed to provide participants with one portion of their overall retirement benefits. CRSP replaced the Ministerial Pension Plan (MPP) effective January 1, 2007.

CRSP consists of two components:

- A defined benefit (DB) plan--provides a monthly benefit at retirement based upon years of credited service to the Church
- A defined contribution (DC) plan--provides a retirement account balance established and funded by the annual conferences

### Elections and Estimates

|  | <b>Final</b> |
|--|--------------|
| <b>Eligibility requirement</b>               | 100%         |
| <b>Conference Full Time Equivalent (FTE)</b> | 401.00       |
| <b>CRSP Defined Benefit (DB)</b>             |              |
| Required contribution for 2025               | \$2,104,702  |
| <b>CRSP Defined Contribution (DC)</b>        |              |
| Expected average future annual increases     | -10.00%      |
| Estimated contribution for 2025              | \$878,838    |

### Rationale for each change

Reduction in requirement is due to separating churches. Separations continue due to usage of paragraph 2549, thus resulting in future decreased obligations.

### CRSP DB Denominational Information as of 1/1/2023

|                                     |                   |
|-------------------------------------|-------------------|
| Total plan liability                | \$(2,419,203,927) |
| Total plan assets                   | \$2,956,861,167   |
| Total plan funded status            | \$537,657,240     |
| Total plan funded ratio             | 122%              |
| Plan sponsor's liability percentage | 2.7801%           |

## South Carolina Conference (741) 2025 Comprehensive Benefit Funding Plan

### Key Actuarial Assumptions Used in CRSP DB Cost Calculations

|  |  |
|--|--|
| Discount rate  | 7.00%  |
| Future Denominational Average Compensation (DAC) increases | 2.00%  |
| COLA increases for actives                                 | 2.00%  |
| Mortality  | Pri-2012 TQ Adj, generational<br>projection using MP2020 |

*Calculated values are based upon the assumptions and methods documented in the actuarial valuation report issued in September, 2023.*

# South Carolina Conference (741) 2025 Comprehensive Benefit Funding Plan

## Ministerial Pension Plan (MPP)

**Plan Overview:** Supplement Three to the Clergy Retirement Security Program (CRSP), also known as the Ministerial Pension Plan (MPP) provides clergy with a pension benefit for their years of ministry with The United Methodist Church from 1982 through 2006. MPP is an Internal Revenue Code section 403(b) retirement plan. MPP requires that exactly 65% of the account balance must be annuitized when it is to be distributed. The remainder may be rolled over to UMPIP, another qualified plan or an IRA, or paid in a lump sum.

### Elections and Estimates

|                                 | Final |
|---------------------------------|-------|
| Required contributions for 2025 | \$0   |

### MPP Denominational Annuities Information as of 1/1/2023

|                                     |                   |
|-------------------------------------|-------------------|
| Total MPP annuities liability       | \$(3,694,564,244) |
| Total plan assets                   | \$4,797,636,095   |
| Total plan funded status            | \$1,103,071,851   |
| Total plan funded ratio             | 130%              |
| Plan sponsor's liability percentage | 2.6109%           |

### Future MPP Denominational Annuitants Information as of 1/1/2023

|   |                 |
|---|-----------------|
| Total participant account balances          | \$2,289,954,084 |
| Plan sponsor's participant account balances | \$60,457,057    |

### Key Actuarial Assumptions Used in MPP Annuities Cost Calculations

|                   |   |
|-------------------|---|
| Discount rate     | 6.25%   |
| Benefit increases | Based on increases selected by participant            |
| Mortality         | Pri-2012 TQ Adj, generational projection using MP2020 |

*Calculated values are based upon the assumptions and methods documented in the actuarial valuation report issued in September, 2023.*

# South Carolina Conference (741) 2025 Comprehensive Benefit Funding Plan

## Pre-82 Plan (Pre-82)

**Plan Overview:** Supplement One to the Clergy Retirement Security Program (CRSP), also known as the Pre-82 Plan, provides clergy with a pension benefit for their years of ministry with The United Methodist Church prior to 1982. The Pre-82 Plan was replaced by MPP effective January 1, 1982. If a clergyperson retires within the conference (and does not terminate), the minimum benefit payable is based on two factors:

- 1) Years of service with pension credit--approved by each conference on the recommendation of the Conference Board of Pensions (CBOP) in accordance with plan provisions and The Book of Discipline.
- 2) The conference pension rate (past service rate)--the dollar amount chosen by the conference as the amount payable for each approved year of service with pension credit (may change from year to year).

The number of years of service with pension credit is multiplied by the PSR, and the product is the minimum annual benefit payable to those clergy eligible for Pre-82 Plan benefits. In certain situations, the benefit received from the Pre-82 plan may vary based on the applicability of what is referred to as Defined Benefit Service Money (DBSM), which is the defined contribution feature of the Pre-1982 Plan. At the time that a participant retires, the DBSM account is converted to a life-based benefit. At that point, the clergy's benefit is the greater of the PSR benefit or DBSM benefit. If the conference increases the PSR, the clergy's benefit is recalculated; however the DBSM-based benefit does not change.

### Elections and Estimates

|  | <b>Final</b> |
|--|--------------|
| Past Service Rate (PSR)                                | 987          |
| Estimated PSR cost-of-living increase                  | 2.00%        |
| Contingent Annuitant Percentage (CA%)                  | 75 %         |
| Discount rate  | 5.5000%      |
| Minimum contribution for 2025                          | \$0          |
| Advanced funding contribution for 2025 payable in 2024 | \$0          |

### Rationale for each change

Board of Pension voted to increase PSR by 12% for 2025.



## South Carolina Conference (741) 2025 Comprehensive Benefit Funding Plan

### Funding Plan Contribution

|  |                |
|--|----------------|
| Funding plan liability as of 1/1/2023          | \$(43,156,163) |
| Total of in-plan and outside assets            | \$74,017,376   |
| Funded status                                  | \$30,861,213   |
| Funded ratio                                   | 172%           |
| Funded status projection as of 12/31/2024      | \$28,182,116   |
| Proposed ongoing funding contribution for 2025 | \$0            |

### Funding strategy

Additional funding not necessary due to excess funding.

### Pre-82 Denominational information as of 1/1/2023

|                          |                   |
|--------------------------|-------------------|
| Total plan liability     | \$(1,537,988,875) |
| Total plan assets        | \$1,858,547,416   |
| Total plan funded status | \$320,558,541     |
| Total plan funded ratio  | 121%              |

*Calculated values are based upon the assumptions and methods documented in the actuarial valuation report issued in September, 2023.*

# South Carolina Conference (741) 2025 Comprehensive Benefit Funding Plan

## Health-Active Participants

### Elections and Estimates

|  | <b>Final</b>             |
|--|--------------------------|
| Health plan offered to actives               | Self-Funded - HealthFlex |
| Actual annual plan benefit cost paid in 2023 | \$7,059,720              |
| Budgeted annual plan benefit cost for 2024   | \$6,790,000              |
| Projected annual plan benefit cost for 2025  | \$7,206,000              |
| Expected average future annual increases     | 6.00%                    |

### Rationale for each change

2023 amount is actual paid. 2024 is projected cost with new census less 2023 separations. 2025 projected amount includes premium increase.

# South Carolina Conference (741) 2025 Comprehensive Benefit Funding Plan

## Health-Additional Sponsored Coverage

Categories of participants who are provided health benefit coverage during periods of non-employment. Without plan sponsor-funded premiums, these participants would not be provided coverage or benefits.

|                                     |   |
|-------------------------------------|---|
| <input checked="" type="checkbox"/> | Clergy or lay on disability (including pending disability)    |
| <input checked="" type="checkbox"/> | Surviving spouses or children of deceased active participants |

## Coverage Obligations

| Covered Category  | Estimated obligation<br>as of 12/31/2022 | Estimated obligation<br>as of 12/31/2023 |
|---|--|--|
| Clergy or lay on disability (including pending disability)    | \$623,392                                | \$380,730                                |
| Surviving spouses or children of deceased active participants | \$51,128                                 | \$39,320                                 |
| <b>Total</b>  | <b>\$674,520</b>                         | <b>\$420,050</b>                         |

## Annual cost calculation

*The following calculations are not a present value of future costs.*

|   |   |           |
|---|---|-----------|
| Total estimated obligation as of 12/31/2023   |   | \$420,050 |
| Average number of years of remaining coverage | ∴ | 1.2800    |
| Estimated annual cost as of 12/31/2023        | = | \$328,176 |
| Expected average future annual increases      | x | 6.00%     |
| Projected annual cost as of 12/31/2025        | = | \$368,739 |

# South Carolina Conference (741) 2025 Comprehensive Benefit Funding Plan

## Post-Retirement Medical (PRM)

### Valuation

The most recent actuarial valuation was provided by Willis Towers Watson as of 12/31/2023.  
Per *The Book of Discipline*, your next PRM biennial actuarial valuation is required as of 12/31/2025.

### PRM Actuarial Valuation as of 12/31/2023

|                                    |                             |
|------------------------------------|-----------------------------|
| Valuation report (in-plan) assets  | \$0                         |
| EPBO net plan sponsor cost         | \$14,491,364                |
| APBO net plan sponsor cost         | \$12,681,845                |
| Service cost net plan sponsor cost | \$446,144                   |
| Annual plan benefit cost           | \$1,022,143                 |
| Intention regarding PRM            | Retain current plan benefit |

| <b>Participant counts by category</b> |              |
|---------------------------------------|--------------|
| Active participants                   | 447          |
| Active dependents                     | 316          |
| Retirees                              | 251          |
| Surviving spouses                     | 68           |
| Dependents of retired participants    | 94           |
| <b>Total participants</b>             | <b>1,176</b> |

| <b>Key actuarial assumptions</b>               |            |
|--|------------|
| Census date                                    | 12/31/2023 |
| Discount rate                                  | 4.70%      |
| Expected return on assets                      | 0.00%      |
| Valuation year medical trend or inflation rate | 6.75%      |
| Ultimate medical trend or inflation rate       | 5.00%      |
| Fiscal year for ultimate medical trend         | 2031       |

## South Carolina Conference (741) 2025 Comprehensive Benefit Funding Plan

### Elections and Estimates

#### Description of Benefit

\$200/ month subsidy for those retirees and dependents retiring prior to 2016. Those retiring after 2015 would be a \$100 subsidy for each retiree and dependent.

|   | <b>Final</b> |
|---|--------------|
| Health plan benefit offered to retirees       | Stipend      |
| Expected average future annual increases      | 0.00%        |
| Projected annual plan benefit cost as of 2025 | \$1,022,143  |

### Funding Plan Contribution

*The following calculations are not a present value of future costs.*

|  |   |              |
|--|---|--------------|
| Net PRM assets   |   | \$24,992,943 |
| APBO net plan sponsor cost                                     | - | \$12,681,845 |
| Funded status  | = | \$12,311,098 |
| Portion of funded status payable (\$0 if Funded status ;: \$0) |   | \$0          |
| Funding plan service cost (\$0 if Net PRM assets ;: EPBO)      | + | \$0          |
| Ongoing funding contribution for 2025                          | = | \$0          |

# South Carolina Conference (741) 2025 Comprehensive Benefit Funding Plan

## Comprehensive Protection Plan (CPP)

**Plan Overview:** The Comprehensive Protection Plan (CPP) provides death, long-term disability and other welfare benefits for eligible clergy of The United Methodist Church and their families. It is an Internal Revenue Code 414(e) "church plan" funded by plan sponsor insurance premiums. Generally, clergy are eligible to participate in CPP if they satisfy the eligibility requirements, including full-time appointment with plan compensation of at least 25% of the Denominational Average Compensation (DAC). Plan sponsors may elect to cover participants with three-quarter time appointments and/or to continue to cover clergy who, due to certain leaves or appointments, are not otherwise eligible to continue coverage.

The CPP adoption agreement executed by the SOUTH CAROLINA contains its elections to cover or not to cover categories mentioned above.

### Elections and Estimates

|  | <b>Final</b> |
|--|--------------|
| Expected average future annual increases | 6.00%        |
| Estimated premium for 2025               | \$964,704    |

### Rationale for each change

Reduction in estimated premium due to separations.

# South Carolina Conference (741) 2025 Comprehensive Benefit Funding Plan

## United Methodist Personal Investment Plan (UMPIP)

**Plan Overview:** The United Methodist Personal Investment Plan (UMPIP) is an Internal Revenue Code section 403(b) defined contribution retirement savings plan for clergy and lay employees of The United Methodist Church and affiliated organizations. Participants may make before-tax, Roth and/or after-tax contributions through payroll deductions. Participant contributions, various optional plan sponsor contributions and investment earnings comprise the individual's retirement account balance.

## United Methodist Personal Investment Plan (UMPIP) Lay

### Elections and Estimates

|  | Final     |
|--|-----------|
| Expected average future annual increases | 1.00%     |
| Estimated contribution for 2025          | \$116,706 |

### Rationale for each change

Expected increase due to stable census with increased in salaries.

## United Methodist Personal Investment Plan (UMPIP) Clergy

### Elections and Estimates

|  | Final     |
|--|-----------|
| Expected average future annual increases | 10.00%    |
| Estimated contribution for 2025          | \$243,743 |

### Rationale for each change

Stable census and salary increases should drive the future increases.

# South Carolina Conference (741) 2025 Comprehensive Benefit Funding Plan

## Other Defined Contribution (DC) Obligations

---

| <b>Name</b>                                | <b>Estimated annual contribution</b> |
|--|--------------------------------------|
| Conference Lay Employee Death & Disability | \$15,372                             |

**Description**  
Conference Lay Employee Death & Disability

|  | <b>Final</b> |
|--|--------------|
| Expected average future annual increases | 1.00%        |
| Estimated contribution for 2025          | \$15,372     |

**Rationale for each change**  
Reduction due to new retirees.

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| <b>Name</b>                               | <b>Estimated annual contribution</b> |
|---|--------------------------------------|
| Death Benefits for Retired Lay Employees. | \$10,988                             |

**Description**  
Death Benefits for Pre BPP Retired Lay Employees.

|  | <b>Final</b> |
|--|--------------|
| Expected average future annual increases | 1.00%        |
| Estimated contribution for 2025          | \$10,988     |

**Rationale for each change**  
Increase due to new retirees.