

urban transitional communities as described in ¶212 of the *2012 Book of Discipline* and consistent with the Annual Conference's urban ministry strategic plan in accordance with ¶2549.7. Property includes the assets of the church along with the church site and the parsonage.

LA 18

MERGER OF SALTILLO UMC AND OLD SALTILLO UMC— EAST DISTRICT

FROM: North Texas Conference Board of Trustees

BACKGROUND: Because only a small number of members remain at the Saltillo UMC, they agreed that they cannot continue to operate as a separate church. Members of both churches conclude that now is the time to merge into one congregation. The membership of the Saltillo congregation has merged with the Old Saltillo congregation.

LEGISLATION: The North Texas Conference Board of Trustees recommends the merger of these two congregations. The Conference Trustees, the Saltillo congregation and the Old Saltillo congregation have agreed to the merger. The Conference Trustees recommends that the merged church sell the Saltillo property and incorporate the proceeds of the sale with their funds and property.

LA 19

RESOLUTION TO DESIGNATE RENTAL HOUSING ALLOWANCES FOR RETIRED OR DISABLED CLERGYPERSONS OF THE NORTH TEXAS CONFERENCE

FROM: Board of Pension and Health Benefits

BACKGROUND: To be in compliance with Internal Revenue Service Revenue Ruling 75-22, 1975-1,49, as it relates to clergy housing, the North Texas Conference (the "Conference") adopts the following resolutions relating to rental/housing allowances for active, retired, or disabled clergypersons of the Conference:

LEGISLATION: WHEREAS, the religious denomination known as The United Methodist Church (the "Church"), of which the North Texas 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"); and

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; and

WHEREAS, pensions or other amounts paid to active, retired and disabled Clergypersons are considered to be deferred compensation and are paid to active, retired 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 General Board of Pension and Health Benefits ("GBOPHB"), during the year 2016 by each active, retired, or disabled Clergyperson 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 Clergyperson; and

THAT the pension 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 GBOPHB and from a commercial annuity company that provides an annuity arising from benefits accrued under a GBOPHB plan, annuity, or fund authorized under the *Discipline*, that result from any service a Clergyperson rendered to this Conference or that an active, a retired, or a disabled Clergyperson 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 Clergyperson 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 Clergyperson's pension or disability as part of his or her gross compensation.

NOTE: The rental/housing allowance that may be excluded from a Clergyperson's gross income in any year for federal income tax purposes is limited under Internal Revenue Code section 107 (2) and regulations there under to the least of: (1) the amount of the rental/housing allowance designated by the Clergyperson'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 Clergyperson 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.

LA 20

PRE-1982 SERVICE YEAR RATE FOR 2015

FROM: Board of Pension and Health Benefits

BACKGROUND: Paragraph 1506.7 of the 2012 *Discipline* states that the responsibility for past service annuity rate for ministerial service rendered before 1982 be determined by each annual conference. Legislation passed at the 2012 General Conference removed the wording from Paragraph 1506.7 requiring the Past Service Rate increases be a minimum of .8% based on