

	<u>2018 Actual</u>	<u>2019 Actual</u>	<u>2019 Budget</u>	<u>2020 Budget</u>	<u>2021 Budget</u>	<u>% Change</u>
Expenses						
83200 Insurance-Medical Leave	\$33,624.00	\$32,300.00	\$55,000.00	\$55,000.00	\$52,000.00	
83250 Insurance-Supplement	\$7,859.00	\$9,530.00	\$30,000.00	\$25,000.00	\$22,800.00	
Total Health Insurance Expenses	\$41,483.00	\$41,830.00	\$85,000.00	\$80,000.00	\$74,800.00	
78400 Actuarial Services Retiree Medical	\$9,500.00	\$14,500.00	\$16,000.00	\$16,000.00	\$16,000.00	
83350 Insurance-Retiree Current Year	\$269,308.38	\$304,181.30	\$350,000.00	\$330,000.00	\$330,000.00	
83450 Pcori Expense	\$411.08	\$433.65	\$700.00	\$700.00	\$700.00	
99900 Insurance-Retiree Med for New Entr	\$215,000.00	\$215,000.00	\$215,000.00	\$215,000.00	\$215,000.00	
Total Retiree Health	\$494,219.46	\$534,114.95	\$581,700.00	\$561,700.00	\$561,700.00	
Total Net Program and Events	\$1,375,079.02	\$1,427,013.42	\$1,556,800.00	\$1,540,200.00	\$1,533,200.00	-0.45%

LEGISLATIVE ITEM #5

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 Wespeth during the year 2021 by each active, retired, 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 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 Wespeth and from a commercial annuity company that provides an annuity arising from benefits accrued under a Wespeth 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 there under 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.

LEGISLATIVE

ITEM #6 PRE-1982 SERVICE YEAR RATE FOR 2021

FROM: Board of Pension and Health Benefits

BACKGROUND: Paragraph 1506.7 of the 2016 *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 the Conference Average Compensation (CAC). Furthermore, General Conference 2012 passed legislation requiring full funding of any Past Service Rate increases by December 31 of the year preceding the proposed increase. In order to provide an increase in retirement benefits that keeps pace with inflation, the North Texas Conference Board of Pension and Health Benefits is recommending the adoption of the percentage increase known as the “Cost-of-Living Adjustment” (COLA) as published by the Social Security Administration as the established rate for the annual increase in the Past Service Rate with a cap of 4%. The cap can be increased on recommendation of the Board of Pension and Health Benefits and approval by the Annual Conference.

At its fall meeting, The Board of Pension and Health Benefits recommended the application of the COLA rate be applied for an increase of 1.6% for 2021 bringing the rate to \$815.00. The board revisited the Pre-82 Funding recommendation at its March 2020 meeting, and in light of the pandemic, increasing economic uncertainty, the disruption of a delayed General Conference, and the unknown long term effects of legislation coming before the delayed General Conference, the Board recommended the application of the COLA rate be suspended for 2021, leaving the current rate of \$802.00 in place for the coming year. The board also recommended that the Pre-82 service rate for 2022 take this temporary suspension of the planned increase that would have been applied in 2021 into the recommendation for the rate based on the 2022 COLA such that the total amount recommended for 2022 includes both the 2021 and the 2022 COLA adjustments combined, if possible.