

# **2025 REQUIRED CLERGY PENSION, HEALTH INSURANCE, AND DEATH AND DISABILITY BENEFITS**

DATE: September 20, 2024  
TO: North Texas Conference United Methodist Churches  
FROM: Jeffrey Pehl, Treasurer/CFO/CBO  
SUBJECT: 2025 Required Clergy Pension, Health Insurance, and Death and Disability Benefits

Assuming ratification, on January 1, 2025, we will be officially the Horizon Texas Conference of the UMC rather than the North Texas Conference. As part of the unification plan that was approved at the North Texas Annual Conference in June, 2024, some changes have been made with required benefits. These changes enable all three legacy conferences-North Texas, Central Texas, and Northwest Texas-to align benefits and costs in 2025. A summary of changes is below.

## **PENSION BENEFIT (Clergy Retirement Security Program-CRSP)**

### **(annual Defined Benefit cost of \$5400 annually or \$450 monthly plus 3% of Pension Plan Compensation)**

- The CRSP Defined Benefit contribution for 2025 will be \$5400 annually (\$450 monthly) plus 3% of pension plan compensation (the Defined Contribution portion).
- Pension Plan Compensation is comprised of cash compensation plus total housing. If a parsonage is provided, multiply the total compensation (salary plus housing exclusion plus church-paid utilities) by 1.25 to get the Pension Plan Compensation amount.
- This pension is a required benefit paid by the local church for all full-time appointed clergy including elders, deacons, local pastors, and provisional members.
- In addition, pension should be paid by the local church for appointed elders, deacons, and local pastors serving at least half-time but less than full-time; however, less than full-time appointees have the option to waive participation in the pension plan. The appointee must have a notarized signature on an original waiver which must be mailed to the conference.

## **HEALTH INSURANCE BENEFIT (Through HealthFlex)**

### **(annual cost of \$12,900 or \$1,075 monthly)**

- The annual amount available for each qualified clergy is \$12,900 (\$1,075 monthly).
- This amount plus any other medical, dental, vision, health savings accounts, etc. selected by the clergy will be direct billed to the local church. This may involve clergy and churches making a salary reduction if the monthly cost exceeds \$1,075.
- If a clergyperson does not select a health plan upon initial enrollment, the Employee Only H2500 with HSA (Health Savings Account) will be the default plan for 2025.
- The appointee's health insurance premium is a required benefit paid by the local church for all full-time appointed clergy including elders, deacons, provisional members, and full-time local pastors.
- Part-time and student local pastors are not eligible for conference health insurance.
- The required benefit amount paid by the local church is not tied to any specific HealthFlex medical plan, of which there are six choices.

## **DEATH AND DISABILITY BENEFIT (CPP) BENEFIT**

### **(3% of Pension Plan Compensation—salary plus housing or percentage for parsonage)**

- The required CPP rate is 3% of pension plan compensation, similar to CRSP Defined Contribution.
- The North Texas Conference has always offered the Wespeth administered death and disability benefit. Previously, this has been apportioned to all the churches.
- In the Horizon Texas Conference, this benefit will no longer be apportioned but direct billed to the qualified clergy's church.
- Qualified clergy are all fulltime and three-quarter time clergy appointed to a conference responsible appointment.

## **LOOKING AHEAD**

- The Horizon Texas Conference will be updating billing and collection of bills through its financial system, Shelby. Eventually, payments will be collected through ACH rather than the current NTC systems.