

Board of Pensions Webinar Q&A Responses

Question: Can you send out the presentation to all of us that were on today?

Answer: The video presentation and the PowerPoint slides are posted on the Board of Pensions section of the UFMCC website.

<http://mccchurch.org/how-we-work/board-of-pensions>

Question: Are clergy required to contribute to the pension fund during their tenure?

Answer: No, clergy are no longer required (or even allowed) to contribute as individuals.

Question: Some of the Board of Pensions income changed because the clergy stopped contributing, correct?

Answer: Yes, that is correct. In 2012, the Board of Pensions eliminated the requirement that individual clergy contribute \$120 per year. This was done for a number of reasons including:

- The desire to make the plan a 100% benefit to the clergy.
- The desire to simplify the plan and the enrollment process (all clergy are now automatically enrolled in their fifth year.
- The desire to make the plan more equitable: some clergy had churches that paid the \$120 individual contribution for them, others did not.

Question: Before the changes in 2012, I made contributions to the fund. Does that affect my pension payment in the future?

Answer: Yes, anyone who made individual clergy contributions prior 2012 will be given credit for those contributions as a part of the calculation that is done upon retirement to determine your payout amount.

Question: How many people are on this webinar?

Answer. 35

Question: I have no idea if other people have questions because they do not appear to be showing up? Was this by design?

Answer: Yes, the webinar did not plan to make the questions visible to the group.

Question: Could you share a scenario of how assessments would go up per month for a say 100-member church?

Answer: The increase progression for a 100-member church (current rate is \$.75 per month, per member, paid quarterly):

Rate	Monthly	Quarterly
\$.75	\$75	\$225
\$1.00	\$100	\$300
\$1.25	\$125	\$375
\$1.50	\$150	\$450
\$1.75	\$175	\$525

Question: Contributions are not coming in from churches on anyone's behalf but as an obligation to the pension for all clergy, correct?

Answer: Yes, the money goes into the overall fund and each clergy person's stipend is drawn from that overall fund. Said another way, a clergyperson's church is not making contributions on behalf of their own pastor. Instead, every church contributes into the one overall fund that supports all our pastors/clergy. Additionally, because our Pension Fund is not currently large enough to provide for a clergyperson's sole retirement plan, the Board of Pensions recommends additional retirement funds be paid to Clergy through other types of options (like a 403(b)).

Question: Does this cover all clergy serving in the United States?

Answer: This plan covers US clergy with an active and approved AAA ministry from the UFMCC Office of Formation and Leadership Development (OFLD).

Question: Do lay pastors serving in the same role also get a pension?

Answer: Only those with certified AAA ministries (by the OFLD) pastors qualify for enrollment into the UFMCC Board of Pensions Fund (USA).

Question: Taking into account that some churches are financially challenged, why only a .25 cent increase over 4 years compared to a .50 increase over 2 years thus taking you to the every 5 year adjustment starting 2020?

Answer: We realize some congregations are facing financial challenges which they may need to address with UFMCC. Still, we are faced with the charge of ensuring financial stability, competing with other denominational plans, and the continued growth of payouts for the clergy. The proposed increase of \$.25 per year until we reach the rate of \$1.75 per member, per month, paid quarterly will help us address these challenges.

Question: How many US Clergy are there?

Answer: 228

Question: Are other funding options being considered to address both Volunteer Clergy and MCC Clergy serving in non-MCC Church (contributors) settings?

Answer: Volunteer Clergy in AAA ministries are included in this retirement stipend plan. Any MCC clergy in AAA ministry, if actively serving, even in non-MCC Church settings (e.g., serving as a chaplain, working for a UCC congregation, etc.), are eligible for the retirement stipend. The Board of Pensions is currently reviewing how to adapt given this growing group of MCC Clergy.

Question: Is there a possibility that each clergy person could receive a yearly statement about the status of the pension and projected retirement amount?

Answer: An annual status of the pension fund is available on the BOP webpage along with the minutes of our Annual Meetings. Because of the complicated calculation which is applied at the time of retirement and based on a number of variables, it is not possible to provide annual retirement projections. What is possible is to know the value of your retirement if taken as an annuity, rather than a lump sum. Upon retirement, the Plan guarantees each clergy person will receive \$6 per month, per year served. So, a clergy person who served 10 years would receive \$60 per month, 20 years \$120 per month, etc.

Question: Is there a specific retirement age in the US, or can clergy work until they wish to retire?

Answer: There is no requirement to discontinue serving as an active pastor at a specific age, however pastors are required to “cash out” of the Pension Fund by 70.5 years of age. We also note that retirement of your Clergy Credentials in MCC (which is handled by OFLD) is a separate process from retiring with the Board of Pensions. One could retire credentials without “cashing out” or vice versa.

Question: According to the Minutes of the March 31, 2016 Governing Board Meeting, the Governing Board voted to not bring this matter before the General Conference 2016. Was it the recommendation from the BOP to pursue this issue at General Conference when we were in Business Session? I feel that this process should have been handled at General Conference. Can you, the BOP, speak to what was requested of the Governing Board?

Answer: The Governing Board voted to delay this recommendation from the BOP until now because of the already full slate of items for General Conference in Victoria (chiefly the Moderator election and the vote on the new Statement of Faith). Given the circumstances, the Board of Pensions was agreeable to the delay.

Question: How many are currently in the pipeline getting ready to retire and about how much money is in the fund?

Answer:
2017 – 36
2018 – 9
2019 - 8

The fund balance of February 28, 2017 - \$2,657,379.

Question: Do you foresee any challenges in the implementation of this increase? It seems like a “no-brainer.”

Because we must do this as a General Conference, and that requires voting from around the world, some of the challenges include making sure those in other countries understand the issues correctly, understand that it applies only to U.S. churches and U.S. AAA Clergy, and that we are able to address their questions in advance of the vote. Additionally, translating all of the pertinent materials into the multiple languages required, will take added time and money.

Question: Are all churches currently up to date on their pension payments?

Answer: No, 23 Churches are behind and 3 church have made payment arrangements.

Question: Is it possible to remove the annuity option and just offer a cash payout? My understanding from the meeting at GC was that the annuities cost the Pension Fund more than the cash payouts.

Answer: First, it is correct that annuities cost more as the Board of Pensions also has to pay for the Insurance Policy that guarantees the annuity will continue to pay throughout the clergyperson’s lifetime (the annuity option does not allow for the Pension payments to be transferred to a spouse or other surviving family member). Removing the annuity option is not currently possible. Individuals are encouraged to consider the cash payout because they (and their family) have access and control over their money immediately and in the future.

Question: Will a quorum be required when doing the virtual vote?

Answer: Yes, the same rules apply when conducting a virtual vote as a vote held in-person at general conference.

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Answer: Yes, the same rules apply when conducting a virtual vote as a vote held in-person at general conference, so there must be a quorum.

Question: Will the vote be required to pass in both the clergy and lay delegate houses?

Answer: Yes, to be approved the vote must pass in both houses.

Question: Is it possible that the vote could pass in house, but not in the other similar to the Moderator vote at general conference.

Answer: Yes, to be approved the vote must pass in both houses.