

Upper New York Conference (374) 2021 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 2021

| | |
|---|-------------|
| Clergy Retirement Security Program (CRSP) DB | \$1,608,465 |
| Clergy Retirement Security Program (CRSP) DC | \$470,000 |
| Ministerial Pension Plan (MPP) | \$0 |
| Pre-82 Plan (Pre-82) | \$0 |
| United Methodist Personal Investment Plan (UMPIP) Lay | \$164,000 |
| United Methodist Personal Investment Plan (UMPIP) Clergy | \$119,000 |
| Other Defined Contribution (DC) Obligations | \$136,000 |
| Other Defined Benefit (DB) Obligations | \$32,392 |
| Health—Active Participants | \$4,576,605 |
| Health—Additional Sponsored Coverage | \$30,164 |
| Post-Retirement Medical (PRM) | \$1,690,801 |
| Comprehensive Protection Plan (CPP) | \$503,402 |

Ongoing Funding Contributions

| | |
|--------------------------------------|-------------|
| Pre-82 Plan (Pre-82) | \$0 |
| Post-Retirement Medical (PRM) | \$1,538,775 |

Upper New York Conference (374) 2021 Comprehensive Benefit Funding Plan

| | | |
|---|---------------|------------|
| Conference Benefit Officer (or equivalent) | Susan Latessa | 08/04/2020 |
| Conference Treasurer | Robert Flask | 08/05/2020 |
| Conference Board of Pension Chair | Mary Rublee | 08/05/2020 |
| Council on Finance and Administration Chair | Robert Flask | 08/05/2020 |



Opinion on **Upper New York Conference 2021** 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

Upper New York Conference (374) 2021 Comprehensive Benefit Funding Plan

Accounts

| Wespath Accounts | | Market Value as of 12/31/2018 | Market Value as of 12/31/2019 | |
|---------------------------------|---------------------------------|--|--|--------|
| DEPOSIT ACCOUNT | | \$1,374,409 | \$666,159 | |
| Pre-82 designated assets | \$0 | Investment Objective | Short-term | |
| PRM designated assets | \$0 | Actual Allocation | Equity | 24.92% |
| | | | Fixed | 10.02% |
| | | | Short-term | 65.06% |
| <hr/> | | | | |
| PENSION RESERVE FUND | | \$5,836 | \$7,066 | |
| Pre-82 designated assets | \$0 | Investment Objective | Intermediate-term | |
| PRM designated assets | \$0 | Actual Allocation | Equity | 65.00% |
| | | | Fixed | 35.00% |
| | | | Short-term | 0.00% |
| <hr/> | | | | |
| \$ | RETIREMENT CLERGY BENEFITS FUND | \$18,773,253 | \$20,952,160 | |
| Pre-82 designated assets | \$5,000,000 | Investment Objective | Long-term | |
| PRM designated assets | \$2,115,965 | Actual Allocation | Equity | 64.96% |
| | | | Fixed | 34.98% |
| | | | Short-term | 0.06% |
| <hr/> | | | | |
| UNY BENEFITS FUND | | \$8,827,709 | \$10,412,757 | |
| Pre-82 designated assets | \$0 | Investment Objective | Long-term | |
| PRM designated assets | \$0 | Actual Allocation | Equity | 47.52% |
| | | | Fixed | 52.48% |
| | | | Short-term | 0.00% |

Upper New York Conference (374)
2021 Comprehensive Benefit Funding Plan

§ *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.*

Upper New York Conference (374) 2021 Comprehensive Benefit Funding Plan

Incoming Money

Primary Sources

Estimated amount for 2021

Apportionments \$1,419,967

Annual Apportionment \$1,419,967

x Expected Collection Percentage 100.00%

Direct Billing

Other Sources

Participant Contributions

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

Upper New York Conference (374) 2021 Comprehensive Benefit Funding Plan

Allocate Funding Sources to Benefit Obligations

| Funding Sources | | Deposit Account | Pension Reserve Fund | Retired Clergy Benefits Fund | Uny Benefits Fund | Apportionments |
|--|-------------|-----------------|----------------------|------------------------------|-------------------|----------------|
| Available Balance | | \$666,159 | \$7,066 | \$13,836,195 | \$10,412,757 | \$1,419,967 |
| Total Allocated | | \$87,556 | \$0 | \$3,229,576 | \$963,412 | \$1,417,394 |
| Remaining Balance | | \$578,603 | \$7,066 | \$10,606,619 | \$9,449,345 | \$2,573 |
| Plan Contributions for 2021 | | | | | | |
| CRSP DB | \$1,608,465 | | | | | \$144,762 |
| CRSP DC | \$470,000 | | | | | \$42,030 |
| MPP | | | | | | |
| Pre-82 | \$0 | | | | | |
| UMPIP Lay | \$164,000 | | | | | \$164,000 |
| UMPIP Clergy | \$119,000 | | | | | |
| Dental Insurance | \$0 | | | | | |
| Retiree Emergency Fund | \$25,000 | \$25,000 | | | | |
| Retiree Moving Expense | \$75,000 | | | | | \$75,000 |
| UMLife LTD and Death Benefit for Lay Employees | \$36,000 | | | | | \$36,000 |
| Special Grants | \$32,392 | \$32,392 | | | | |
| Health Active | \$4,576,605 | | | | \$460,010 | \$955,602 |
| Health Additional | \$30,164 | \$30,164 | | | | |
| Post-Retirement Medical | \$1,690,801 | | | \$1,690,801 | | |
| CPP | \$503,402 | | | | \$503,402 | |
| Ongoing Funding Contributions | | | | | | |
| Pre-82 | \$0 | | | | | |
| Post-Retirement Medical | \$1,538,775 | | | \$1,538,775 | | |

Upper New York Conference (374) 2021 Comprehensive Benefit Funding Plan

Allocate Funding Sources to Benefit Obligations

| Funding Sources | | Direct Billing | Participant Contributions | Pre-82 Outside Assets | Prm In-Plan & Outside Assets |
|--|-------------|----------------|---------------------------|-----------------------|------------------------------|
| Available Balance | | | | \$5,000,000 | \$2,033,604 |
| Total Allocated | | \$4,919,953 | \$251,713 | \$0 | \$0 |
| Remaining Balance | | | | \$5,000,000 | \$2,033,604 |
| Plan Contributions for 2021 | | | | | |
| CRSP DB | \$1,608,465 | \$1,463,703 | | | |
| CRSP DC | \$470,000 | \$427,970 | | | |
| MPP | | | | | |
| Pre-82 | \$0 | | | | |
| UMPIP Lay | \$164,000 | | | | |
| UMPIP Clergy | \$119,000 | \$119,000 | | | |
| Dental Insurance | \$0 | | | | |
| Retiree Emergency Fund | \$25,000 | | | | |
| Retiree Moving Expense | \$75,000 | | | | |
| UMLife LTD and Death Benefit for Lay Employees | \$36,000 | | | | |
| Special Grants | \$32,392 | | | | |
| Health Active | \$4,576,605 | \$2,909,280 | \$251,713 | | |
| Health Additional | \$30,164 | | | | |
| Post-Retirement Medical | \$1,690,801 | | | | |
| CPP | \$503,402 | | | | |
| Ongoing Funding Contributions | | | | | |
| Pre-82 | \$0 | | | | |
| Post-Retirement Medical | \$1,538,775 | | | | |

Upper New York Conference (374) 2021 Comprehensive Benefit Funding Plan

| Plan Contributions for 2021 | | Funding Needed |
|--|-------------|----------------|
| CRSP DB | \$1,608,465 | \$0 |
| CRSP DC | \$470,000 | \$0 |
| MPP | | \$0 |
| Pre-82 | \$0 | \$0 |
| UMPIP Lay | \$164,000 | \$0 |
| UMPIP Clergy | \$119,000 | \$0 |
| Retiree Moving Expense | \$75,000 | \$0 |
| Dental Insurance | \$0 | \$0 |
| UMLife LTD and Death Benefit for Lay Employees | \$36,000 | \$0 |
| Retiree Emergency Fund | \$25,000 | \$0 |
| Special Grants | \$32,392 | \$0 |
| Health Active | \$4,576,605 | \$0 |
| Health Additional | \$30,164 | \$0 |
| Post-Retirement Medical | \$1,690,801 | \$0 |
| CPP | \$503,402 | \$0 |

| Ongoing Funding Contribution for 2021 | | Funding Needed |
|---------------------------------------|-------------|----------------|
| Pre-82 | \$0 | \$0 |
| Post-Retirement Medical | \$1,538,775 | \$0 |

Upper New York Conference (374) 2021 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

| | Final |
|---|--------------|
| Eligibility requirement | 75%+ |
| Conference Full Time Equivalents (FTE) | 294.00 |
| CRSP Defined Benefit (DB) | |
| Required contribution for 2021 | \$1,608,465 |
| CRSP Defined Contribution (DC) | |
| Expected average future annual increases | 2.00% |
| Estimated contribution for 2021 | \$470,000 |

Rationale for each change

Adjusting to be closer to our most recent actual costs.

CRSP DB Denominational Information as of 1/1/2019

| | |
|-------------------------------------|-------------------|
| Total plan liability | \$(1,913,258,514) |
| Total plan assets | \$2,049,273,913 |
| Total plan funded status | \$136,015,399 |
| Total plan funded ratio | 107% |
| Plan sponsor's liability percentage | 2.1178% |

Upper New York Conference (374) 2021 Comprehensive Benefit Funding Plan

Key Actuarial Assumptions Used in CRSP DB Cost Calculations

| | |
|--|---|
| Discount rate | 7.00% |
| Future Denominational Average Compensation (DAC) increases | 2.50% |
| COLA increases for actives | 2.00% |
| Mortality | RP2014, generational projection using MP2016 |

Calculated values are based upon the assumptions and methods documented in the actuarial valuation report issued in September, 2019.

Upper New York Conference (374) 2021 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 2021 | \$0 |

MPP Denominational Annuities Information as of 1/1/2019

| | |
|-------------------------------------|-------------------|
| Total MPP annuities liability | \$(3,718,398,163) |
| Total plan assets | \$3,997,635,453 |
| Total plan funded status | \$279,237,290 |
| Total plan funded ratio | 108% |
| Plan sponsor's liability percentage | 2.8051% |

Future MPP Denominational Annuitants Information as of 1/1/2019

| | |
|---|-----------------|
| Total participant account balances | \$3,231,280,101 |
| Plan sponsor's participant account balances | \$64,923,279 |

Key Actuarial Assumptions Used in MPP Annuities Cost Calculations

| | |
|-------------------|--|
| Discount rate | 6.00% |
| Benefit increases | Based on increases selected by participant |
| Mortality | RP2014, generational projection using MP2016 |

Calculated values are based upon the assumptions and methods documented in the actuarial valuation report issued in September, 2019.

Upper New York Conference (374) 2021 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

| | Final |
|--|--------------|
| Past Service Rate (PSR) | 645 |
| Estimated PSR cost-of-living increase | 2.00% |
| Contingent Annuitant Percentage (CA%) | 75 % |
| Discount rate | 6.3750% |
| Minimum contribution for 2021 | \$0 |
| Advanced funding contribution for 2021 payable in 2020 | \$0 |

Rationale for each change

CBOPHB voted to keep PSR the same.

Upper New York Conference (374) 2021 Comprehensive Benefit Funding Plan

Funding Plan Contribution

| | |
|--|----------------|
| Funding plan liability as of 1/1/2019 | \$(53,496,413) |
| Total of in-plan and outside assets | \$59,840,292 |
| Funded status | \$6,343,879 |
| Funded ratio | 112% |
| Funded status projection as of 12/31/2020 | \$7,178,505 |
| Proposed ongoing funding contribution for 2021 | \$0 |

Funding strategy

Not increasing PSR

Pre-82 Denominational information as of 1/1/2019

| | |
|--------------------------|-------------------|
| Total plan liability | \$(1,925,705,840) |
| Total plan assets | \$2,041,249,221 |
| Total plan funded status | \$115,543,381 |
| Total plan funded ratio | 106% |

Calculated values are based upon the assumptions and methods documented in the actuarial valuation report issued in September, 2019.

Upper New York Conference (374) 2021 Comprehensive Benefit Funding Plan

Health—Active Participants

Elections and Estimates

| | Final |
|--|--------------------------|
| Health plan offered to actives | Self-Funded - HealthFlex |
| Actual annual plan benefit cost paid in 2019 | \$4,151,115 |
| Budgeted annual plan benefit cost for 2020 | \$4,358,671 |
| Projected annual plan benefit cost for 2021 | \$4,576,605 |
| Expected average future annual increases | 5.00% |

Upper New York Conference (374) 2021 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 as of 12/31/2018 | Estimated obligation as of 12/31/2019 |
|---|--|--|
| Clergy or lay on disability (including pending disability) | \$450,483 | \$102,600 |
| Surviving spouses or children of deceased active participants | \$0 | \$0 |
| Total | \$450,483 | \$102,600 |

Annual cost calculation

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

| | | |
|---|---|-----------|
| Total estimated obligation as of 12/31/2019 | | \$102,600 |
| Average number of years of remaining coverage | ÷ | 3.7500 |
| Estimated annual cost as of 12/31/2019 | = | \$27,360 |
| Expected average future annual increases | x | 5.00% |
| Projected annual cost as of 12/31/2021 | = | \$30,164 |

Upper New York Conference (374) 2021 Comprehensive Benefit Funding Plan

Post-Retirement Medical (PRM)

Valuation

The most recent actuarial valuation was provided by Towers Watson as of 12/31/2018.

Per *The Book of Discipline*, your next PRM biennial actuarial valuation is required as of 12/31/2020.

PRM Actuarial Valuation as of 12/31/2018

| | |
|------------------------------------|-----------------------------|
| Valuation report (in-plan) assets | \$0 |
| EPBO net plan sponsor cost | \$26,273,821 |
| APBO net plan sponsor cost | \$21,833,147 |
| Service cost net plan sponsor cost | \$548,798 |
| Annual plan benefit cost | \$1,593,280 |
| Intention regarding PRM | Retain current plan benefit |

| Participant counts by category | |
|---------------------------------------|--------------|
| Active participants | 260 |
| Active dependents | 174 |
| Retirees | 335 |
| Surviving spouses | 93 |
| Dependents of retired participants | 173 |
| Total participants | 1,035 |

| Key actuarial assumptions | |
|--|------------|
| Census date | 01/01/2019 |
| Discount rate | 4.05% |
| Expected return on assets | 0.00% |
| Valuation year medical trend or inflation rate | 7.00% |
| Ultimate medical trend or inflation rate | 5.00% |
| Fiscal year for ultimate medical trend | 2027 |

Upper New York Conference (374) 2021 Comprehensive Benefit Funding Plan

Elections and Estimates

Description of Benefit

Each eligible person over age 65 receives an HRA of 3.33 percent of the fully funded amount per year of service up to a maximum of 30 years. The fully funded amount is \$2,678.

| | Final |
|---|--------------|
| Health plan benefit offered to retirees | Via Benefits |
| Expected average future annual increases | 2.00% |
| Projected annual plan benefit cost as of 2021 | \$1,690,801 |

Funding Plan Contribution

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

| | | |
|---|---|----------------|
| Net PRM assets | | \$2,033,604 |
| APBO net plan sponsor cost | - | \$21,833,147 |
| Funded status | = | \$(19,799,543) |
| Number of annual payments | ÷ | 20 |
| Portion of funded status payable (\$0 if Funded status ≥ \$0) | = | \$989,977 |
| Funding plan service cost (\$0 if Net PRM assets ≥ EPBO) | + | \$548,798 |
| Ongoing funding contribution for 2021 | = | \$1,538,775 |

Rationale for each change

Assets designated per Wespath recommendation

Upper New York Conference (374) 2021 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 UPPER NEW YORK contains its elections to cover or not to cover categories mentioned above.

Elections and Estimates

| | Final |
|--|--------------|
| Expected average future annual increases | 2.00% |
| Estimated premium for 2021 | \$503,402 |

Upper New York Conference (374) 2021 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 | 2.00% |
| Estimated contribution for 2021 | \$164,000 |

United Methodist Personal Investment Plan (UMPIP) Clergy

Elections and Estimates

| | Final |
|--|--------------|
| Expected average future annual increases | 1.50% |
| Estimated contribution for 2021 | \$119,000 |

Rationale for each change

Adjusted for current billing level

Upper New York Conference (374) 2021 Comprehensive Benefit Funding Plan

Other Defined Contribution (DC) Obligations

| Name | Estimated annual contribution |
|------------------|--------------------------------------|
| Dental Insurance | \$0 |

Description

UNY will no longer be offering outside dental because we are moving to the HealthFlex Exchange which is inclusive of it's own dental options. It is not offered to anyone outside of the Exchange and the default is No Coverage.

| | Final |
|--|--------------|
| Expected average future annual increases | 0.00% |
| Estimated contribution for 2021 | \$0 |

Rationale for each change

Dental offered through HealthFlex Exchange in 2021

| Name | Estimated annual contribution |
|------------------------|--------------------------------------|
| Retiree Emergency Fund | \$25,000 |

Description

Retiree Emergency Fund

| | Final |
|--|--------------|
| Expected average future annual increases | 0.00% |
| Estimated contribution for 2021 | \$25,000 |

| Name | Estimated annual contribution |
|------------------------|--------------------------------------|
| Retiree Moving Expense | \$75,000 |

Description

Retiree Moving Expense

| | Final |
|--|--------------|
| Expected average future annual increases | 0.00% |
| Estimated contribution for 2021 | \$75,000 |

Upper New York Conference (374) 2021 Comprehensive Benefit Funding Plan

| Name | Estimated annual contribution |
|--|--------------------------------------|
| UMLife LTD and Death Benefit for Lay Employees | \$36,000 |

Description

UMLife LTD and Death Benefit for Lay Employees

| | Final |
|--|--------------|
| Expected average future annual increases | 0.00% |
| Estimated contribution for 2021 | \$36,000 |

Upper New York Conference (374) 2021 Comprehensive Benefit Funding Plan

Other Defined Benefit (DB) Obligations

| Name | Estimated annual contribution |
|----------------|-------------------------------|
| Special Grants | \$32,392 |

Description

Special Grants (Granted by former CBOPHB)

| | Final |
|--|-----------|
| Expected average future annual increases | 2.00% |
| Estimated contribution for 2021 | \$32,392 |
| Discount rate | 4.00% |
| Estimated amount of liability | \$178,000 |
| Total plan assets | \$214,326 |

Rationale for each change

Changed for accuracy

Life event - ppt(s) no longer receiving grant