

Upper New York Conference (374) 2023 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 2023

Clergy Retirement Security Program (CRSP) DB	\$1,380,339
Clergy Retirement Security Program (CRSP) DC	\$488,988
Ministerial Pension Plan (MPP)	\$0
Pre-82 Plan (Pre-82)	\$0
United Methodist Personal Investment Plan (UMPIP) Lay	\$254,613
United Methodist Personal Investment Plan (UMPIP) Clergy	\$122,597
Other Defined Contribution (DC) Obligations	\$101,000
Other Defined Benefit (DB) Obligations	\$13,655
Health—Active Participants	\$3,150,818
Health—Additional Sponsored Coverage	\$30,111
Post-Retirement Medical (PRM)	\$1,688,300
Comprehensive Protection Plan (CPP)	\$472,158

Ongoing Funding Contributions

Pre-82 Plan (Pre-82)	\$0
Post-Retirement Medical (PRM)	\$1,685,359

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Conference Benefit Officer (or equivalent)	Susan Latessa	07/05/2022
Conference Treasurer	Robert Flask	06/29/2022
Conference Board of Pension Chair	Sara Baron	07/05/2022
Council on Finance and Administration Chair		



Opinion on **Upper New York Conference 2023** 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) 2023 Comprehensive Benefit Funding Plan

Accounts

Wespath Accounts

		Market Value as of 12/31/2020	Market Value as of 12/31/2021	
DEPOSIT ACCOUNT		\$1,190,342	\$2,733,009	
Pre-82 designated assets	\$0	Investment Objective	Short-term	
PRM designated assets	\$0	Actual Allocation	Equity	11.36%
			Fixed	4.70%
			Short-term	83.94%
<hr/>				
PENSION RESERVE FUND		\$8,353	\$9,084	
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/>				
\$	RETIREED CLERGY BENEFITS FUND	\$23,091,381	\$23,503,184	
Pre-82 designated assets	\$5,000,000	Investment Objective	Long-term	
PRM designated assets	\$5,212,834	Actual Allocation	Equity	64.96%
			Fixed	34.98%
			Short-term	0.06%
<hr/>				
STECHEER FUND		\$711,638	\$763,738	
Pre-82 designated assets	\$0	Investment Objective	Intermediate-term	
PRM designated assets	\$0	Actual Allocation	Equity	53.37%
			Fixed	46.63%
			Short-term	0.00%
<hr/>				
UNY BENEFITS FUND		\$12,033,812	\$12,788,150	
Pre-82 designated assets	\$0	Investment Objective	Long-term	
PRM designated assets	\$0	Actual Allocation	Equity	49.75%
			Fixed	50.25%
			Short-term	0.00%

**Upper New York Conference (374)
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§ *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) 2023 Comprehensive Benefit Funding Plan

Incoming Money

Primary Sources

Estimated amount for 2023

Apportionments

\$1,129,017

Annual Apportionment \$1,129,017

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) 2023 Comprehensive Benefit Funding Plan

Allocate Funding Sources to Benefit Obligations

Funding Sources		Deposit Account	Pension Reserve Fund	Retired Clergy Benefits Fund	Stecher Fund	Uny Benefits Fund
Available Balance		\$2,733,009	\$9,084	\$13,290,350	\$763,738	\$12,788,150
Total Allocated		\$38,655	\$0	\$2,498,593	\$0	\$0
Remaining Balance		\$2,694,354	\$9,084	\$10,791,757	\$763,738	\$12,788,150
Plan Contributions for 2023						
CRSP DB	\$1,380,339					
CRSP DC	\$488,988					
MPP						
Pre-82						
UMPIP Lay	\$254,613					
UMPIP Clergy	\$122,597					
Retiree Emergency Fund	\$25,000	\$25,000				
Retiree Moving Expense	\$40,000					
UMLife LTD and Death Benefit for Lay Employees	\$36,000					
Special Grants	\$13,655	\$13,655				
Health Active	\$3,150,818					
Health Additional	\$30,111					
Post-Retirement Medical	\$1,688,300			\$813,234		
CPP	\$472,158					
Ongoing Funding Contributions						
Pre-82						
Post-Retirement Medical	\$1,685,359			\$1,685,359		

Upper New York Conference (374) 2023 Comprehensive Benefit Funding Plan

Allocate Funding Sources to Benefit Obligations

Funding Sources		Apportionments	Direct Billing	Participant Contributions	Pre-82 Surplus	Pre-82 Outside Assets
Available Balance		\$1,129,017			\$5,764,737	\$5,000,000
Total Allocated		\$1,129,017	\$5,564,132	\$157,541	\$0	\$0
Remaining Balance		\$0			\$5,764,737	\$5,000,000
Plan Contributions for 2023						
CRSP DB	\$1,380,339	\$124,231	\$1,256,108			
CRSP DC	\$488,988	\$44,009	\$444,979			
MPP						
Pre-82						
UMPIP Lay	\$254,613	\$254,613				
UMPIP Clergy	\$122,597		\$122,597			
Retiree Emergency Fund	\$25,000					
Retiree Moving Expense	\$40,000	\$40,000				
UMLife LTD and Death Benefit for Lay Employees	\$36,000	\$36,000				
Special Grants	\$13,655					
Health Active	\$3,150,818	\$630,164	\$2,363,113	\$157,541		
Health Additional	\$30,111		\$30,111			
Post-Retirement Medical	\$1,688,300		\$875,066			
CPP	\$472,158		\$472,158			
Ongoing Funding Contributions						
Pre-82						
Post-Retirement Medical	\$1,685,359					

Upper New York Conference (374) 2023 Comprehensive Benefit Funding Plan

Allocate Funding Sources to Benefit Obligations

Funding Sources		Prm In-Plan & Outside Assets
Available Balance		\$5,212,834
Total Allocated		\$0
Remaining Balance		\$5,212,834
Plan Contributions for 2023		
CRSP DB	\$1,380,339	
CRSP DC	\$488,988	
MPP		
Pre-82		
UMPIP Lay	\$254,613	
UMPIP Clergy	\$122,597	
Retiree Emergency Fund	\$25,000	
Retiree Moving Expense	\$40,000	
UMLife LTD and Death Benefit for Lay Employees	\$36,000	
Special Grants	\$13,655	
Health Active	\$3,150,818	
Health Additional	\$30,111	
Post-Retirement Medical	\$1,688,300	
CPP	\$472,158	
Ongoing Funding Contributions		
Pre-82		
Post-Retirement Medical	\$1,685,359	

Upper New York Conference (374) 2023 Comprehensive Benefit Funding Plan

Plan Contributions for 2023		Funding Needed
CRSP DB	\$1,380,339	\$0
CRSP DC	\$488,988	\$0
MPP		\$0
Pre-82		\$0
UMPIP Lay	\$254,613	\$0
UMPIP Clergy	\$122,597	\$0
Retiree Moving Expense	\$40,000	\$0
Retiree Emergency Fund	\$25,000	\$0
UMLife LTD and Death Benefit for Lay Employees	\$36,000	\$0
Special Grants	\$13,655	\$0
Health Active	\$3,150,818	\$0
Health Additional	\$30,111	\$0
Post-Retirement Medical	\$1,688,300	\$0
CPP	\$472,158	\$0

Ongoing Funding Contribution for 2023		Funding Needed
Pre-82		
Post-Retirement Medical	\$1,685,359	\$0

Upper New York Conference (374) 2023 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)	270.25
CRSP Defined Benefit (DB)	
Required contribution for 2023	\$1,380,339
CRSP Defined Contribution (DC)	
Expected average future annual increases	2.00%
Estimated contribution for 2023	\$488,988

CRSP DB Denominational Information as of 1/1/2021

Total plan liability	\$(2,134,736,431)
Total plan assets	\$2,520,654,197
Total plan funded status	\$385,917,766
Total plan funded ratio	118%
Plan sponsor's liability percentage	2.0971%

Upper New York Conference (374) 2023 Comprehensive Benefit Funding Plan

Key Actuarial Assumptions Used in CRSP DB Cost Calculations

Discount rate	7.00%
Future Denominational Average Compensation (DAC) increases	2.00%
COLA increases for actives	2.00%
Mortality	Pri-2012 TQ Adj, generational projection using MP2020

Calculated values are based upon the assumptions and methods documented in the actuarial valuation report issued in September, 2021.

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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 2023	\$0

MPP Denominational Annuities Information as of 1/1/2021

Total MPP annuities liability	\$(3,630,817,808)
Total plan assets	\$4,439,554,422
Total plan funded status	\$808,736,614
Total plan funded ratio	122%
Plan sponsor's liability percentage	2.7491%

Future MPP Denominational Annuitants Information as of 1/1/2021

Total participant account balances	\$3,437,346,240
Plan sponsor's participant account balances	\$65,392,712

Key Actuarial Assumptions Used in MPP Annuities Cost Calculations

Discount rate	6.25%
Benefit increases	Based on increases selected by participant
Mortality	Pri-2012 TQ Adj, generational projection using MP2020

Calculated values are based upon the assumptions and methods documented in the actuarial valuation report issued in September, 2021.

Upper New York Conference (374) 2023 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)	658
Estimated PSR cost-of-living increase	1.00%
Contingent Annuitant Percentage (CA%)	75 %
Discount rate	5.5000%
Minimum contribution for 2023	\$0
Advanced funding contribution for 2023 payable in 2022	\$0

Funding Plan Contribution

Funding plan liability as of 1/1/2021	\$(47,945,886)
Total of in-plan and outside assets	\$57,262,252
Funded status	\$9,316,366
Funded ratio	119%
Funded status projection as of 12/31/2022	\$10,369,348
Proposed ongoing funding contribution for 2023	\$0

Upper New York Conference (374) 2023 Comprehensive Benefit Funding Plan

Pre-82 Denominational information as of 1/1/2021

Total plan liability	\$(1,773,713,538)
Total plan assets	\$1,977,157,868
Total plan funded status	\$203,444,330
Total plan funded ratio	111%

Calculated values are based upon the assumptions and methods documented in the actuarial valuation report issued in September, 2021.

**Upper New York Conference (374)
2023 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 2021	\$2,857,885
Budgeted annual plan benefit cost for 2022	\$3,000,779
Projected annual plan benefit cost for 2023	\$3,150,818
Expected average future annual increases	5.00%

Upper New York Conference (374) 2023 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 12/31/2020	Estimated obligation as of 12/31/2021
Clergy or lay on disability (including pending disability)	\$104,544	\$159,320
Surviving spouses or children of deceased active participants	\$0	\$0
Total	\$104,544	\$159,320

Annual cost calculation

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

Total estimated obligation as of 12/31/2021		\$159,320
Average number of years of remaining coverage	÷	5.8333
Estimated annual cost as of 12/31/2021	=	\$27,312
Expected average future annual increases	x	5.00%
Projected annual cost as of 12/31/2023	=	\$30,111

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Post-Retirement Medical (PRM)

Valuation

The most recent actuarial valuation was provided by Towers Watson as of 12/31/2021.
Per *The Book of Discipline*, your next PRM biennial actuarial valuation is required as of 12/31/2023.

PRM Actuarial Valuation as of 12/31/2021

Valuation report (in-plan) assets	\$0
EPBO net plan sponsor cost	\$29,472,936
APBO net plan sponsor cost	\$24,101,637
Service cost net plan sponsor cost	\$740,919
Annual plan benefit cost	\$1,622,741
Intention regarding PRM	Retain current plan benefit

Participant counts by category	
Active participants	235
Active dependents	163
Retirees	363
Surviving spouses	81
Dependents of retired participants	179
Total participants	1,021

Key actuarial assumptions	
Census date	01/01/2021
Discount rate	2.55%
Expected return on assets	0.00%
Valuation year medical trend or inflation rate	6.00%
Ultimate medical trend or inflation rate	5.00%
Fiscal year for ultimate medical trend	2027

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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 2023	\$1,688,300

Funding Plan Contribution

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

Net PRM assets		\$5,212,834
APBO net plan sponsor cost	-	\$24,101,637
Funded status	=	\$(18,888,803)
Number of annual payments	÷	20
Portion of funded status payable (\$0 if Funded status ≥ \$0)	=	\$944,440
Funding plan service cost (\$0 if Net PRM assets ≥ EPBO)	+	\$740,919
Ongoing funding contribution for 2023	=	\$1,685,359

Upper New York Conference (374) 2023 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 2023	\$472,158

Upper New York Conference (374) 2023 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 2023	\$254,613

Rationale for each change

Adjusted to actual

United Methodist Personal Investment Plan (UMPIP) Clergy

Elections and Estimates

	Final
Expected average future annual increases	1.50%
Estimated contribution for 2023	\$122,597

Upper New York Conference (374) 2023 Comprehensive Benefit Funding Plan

Other Defined Contribution (DC) Obligations

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

Description
Retiree Emergency Fund

	Final
Expected average future annual increases	0.00%
Estimated contribution for 2023	\$25,000

Name	Estimated annual contribution
Retiree Moving Expense	\$40,000

Description
Retiree Moving Expense

	Final
Expected average future annual increases	0.00%
Estimated contribution for 2023	\$40,000

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 2023	\$36,000

Upper New York Conference (374) 2023 Comprehensive Benefit Funding Plan

Other Defined Benefit (DB) Obligations

Name	Estimated annual contribution
Special Grants	\$13,655

Description

Special Grants (Granted by former CBOPHB)

	Final
Expected average future annual increases	2.00%
Estimated contribution for 2023	\$13,655
Discount rate	0.00%
Estimated amount of liability	\$134,000
Total plan assets	\$200,000