



Impact of Termination of Clergy Membership on Benefits

Example Benefit Comparison



Age 50 clergy person who terminates conference membership 7/1/2018



Age 50 clergy person who remains in the UMC and retires 7/1/2033 at age 65

Pension at Benefit Commencement

	Termination	Retirement
Initial CRSP DB* annual pension, for service 1/1/07 through 7/1/18	\$ 7,907	\$ 12,785

Benefit Amount Totals

For Lives of Participants and Spouses

	Termination	Retirement
Clergy DB over 20 years, 7/1/2033 through 7/1/2053 for service 1/1/07 through 7/1/18	\$158,140	\$313,759
Surviving spouse DB for 5 years at 70% of clergy benefit	27,675	69,900
Clergy retiree death benefit for death in 2053	0	24,380
Surviving spouse retiree death benefit for death in 2058	0	12,434
Total Pension and Death Benefits for Clergy and Spouse	185,815	420,473
HRA contributions for 20 years, retired clergy person	0	48,000
HRA contributions for 5 years, surviving spouse	0	12,000
Total Pension, Death Benefits and Health Insurance Support	\$ 185,815	\$ 480,473

KEYWORDS

- **CRSP (Clergy Retirement Security Program)**—retirement plan for U.S. clergy (2007 through present)
- **DB (defined benefit)**—monthly retirement income for life
- **DC (defined contribution)**—retirement account balance
- **HRA (health reimbursement account)**—employer-funded tax-free account for out-of-pocket medical expenses and individual health insurance premiums (often used by conferences for retiree health benefits)

Assumptions

- Denominational Average Compensation (DAC) increases 2.5% annually, per CRSP actuarial valuation assumption, from 2018 through 2033
- CRSP DB benefits start 7/1/2033 for both participants
- Retired clergy person elects default 2% annual increase
- Both participants have default benefit for married clergy—Joint Life & 70% Survivor
- Joint Life 70% Survivor benefit reduces clergy benefit by 15% from Single Life
- Both participants die in June 2053, after 20 years of DB payments
- Both surviving spouses die in June 2058, after 5 years of DB payments
- Retired clergy person meets eligibility requirements for Comprehensive Protection Plan (CPP) retiree death benefit
- The conference provides retiree health benefits of \$200/month HRA for retired clergy and the same amount for surviving spouses

*CRSP DB pension in this example is only for the years of CRSP service both participants had in common: 1/1/2007 through 7/1/2018

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Retirement Benefits

Clergy Retirement Security Program (CRSP)—service from 2007 through present

	Termination	Retirement
Lifetime monthly income from Defined Benefit* (DB)	Based on Denominational Average Compensation (DAC) at time of termination	Based on DAC when granted Retired relationship by the conference
	No benefit increases funded by plan	2% annual increases funded by plan
	Spouse benefit funded by reduction of clergy benefit	Spouse benefit for 2007–2013 service funded by plan
Commencement of Defined Benefit	Earliest benefit start is age 62	Could begin earlier than age 62 if clergyperson has 30 years' service

*Clergy whose conference relationship terminated under ¶1360.2, Withdrawal from the Ordained Ministerial Office, may transfer the actuarial equivalent of their accrued Defined Benefit to their CRSP defined contribution (DC) account. In that event, the lifetime income statements in the “Termination” column do not apply. Instead the terminated clergyperson has only a CRSP DC account for service under CRSP.

Ministerial Pension Plan (MPP)—service from 1982 through 2006

	Termination	Retirement
Commencement of Lifetime Benefit	Earliest benefit start is age 62	Could begin earlier than age 62 if clergyperson has 30 years service

Pre-1982 Plan—service through 1981

	Termination	Retirement
Past Service Rate (PSR) (benefit level)	PSR does not increase from PSR at time of termination	PSR increases per annual conference action

Death Benefits

	Termination	Retirement
Retiree Death Benefit	Not applicable	Currently \$20,400 if eligible
Surviving Spouse or Spouse Death Benefit	Not applicable	Currently \$10,200 or \$15,300 respectively for eligible clergy

Retiree Health Benefits

	Termination	Retirement
Retiree Health Care	None	Varies by conference

Eligibility for retiree health benefits and the benefits themselves differ widely from conference to conference, including several with no retiree health benefits. For conferences that continue to offer support for health insurance for retired clergy, we are not aware of any who extend the benefit to clergy who terminate conference membership prior to retirement.