BIG pension plan change coming

Effective January 1, 2014
NOW

- All pastors under Clergy Retirement Security Program (CRSP)

- United Methodist Personal Investment Plan (UMPIIP) contributions optional
NEW

- Full and 75% time covered by CRSP
- 50% and 25% time covered by UMPIP church contributions
NEW

CRSP AND CHURCH CONTRIBUTIONS TO UMPIP WILL BOTH REQUIRE 1% MINIMUM PERSONAL CONTRIBUTION TO RECEIVE CHURCH MATCH
CRSP (Full and 75% time)

• 12.4% of compensation monthly premium

• Compensation =
  a. salary
  b. church paid pastor’s health premium
  c. plus parsonage value
  or housing allowance
DB AND DC COMPONENTS

• 9.4% CRSP Defined Benefit (DB)

• 3% CRSP Defined Contribution (DC)
No Personal UMPIP Contribution

- 2% credited to DC
Pastor contributes 1% to UMPIP

- 2% credited to DC
- 1% match credited to DC
- 1% or more credited to UMPIP
## CRSP Contributions Example

$37,978 salary, with parsonage

<table>
<thead>
<tr>
<th></th>
<th>Clergy Making No Personal Contribution</th>
<th>Clergy Making 1% or Greater Personal Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ANNUAL CLERGY CONTRIBUTION</strong></td>
<td>$0</td>
<td>$445 or more</td>
</tr>
<tr>
<td><strong>ANNUAL CHURCH CRSP-DC CONTRIBUT.</strong></td>
<td>$1,334 (3% of compensation)</td>
<td>$1,334 (3% of compensation)</td>
</tr>
<tr>
<td><strong>DEPOSITED IN CLERGY’S PENSION ACCOUNTS</strong></td>
<td>$889 (2% of compensation) No match.</td>
<td>$1,779 or more</td>
</tr>
<tr>
<td><strong>FORFEITED AMOUNT AVAILABLE FOR CRSP-DB OBLIGATIONS</strong></td>
<td>$445</td>
<td>$0</td>
</tr>
</tbody>
</table>
UMPIP Church Contributions
(1/2 and 1/4 time )

• 6% of compensation monthly premium

• Compensation =
  a. salary
  b. plus parsonage value or housing allowance
No Personal UMPIP Contribution

- 5% credited to UMPIP church contribution
Pastor contributes to UMPIP

- 5% credited to UMPIP church contribution
- 1% match credited to UMPIP church contribution
- 1% of more credited to UMPIP participant contribution
UMPIP Contributions Example

$20,000 compensation, no parsonage

<table>
<thead>
<tr>
<th></th>
<th>CLERGY MAKING NO PERSONAL CONTRIBUTION</th>
<th>CLERGY MAKING 1% OR GREATER PERSONAL CONTRIBUTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>ANNUAL CLERGY CONTRIBUTION</td>
<td>$0</td>
<td>$200 or more</td>
</tr>
<tr>
<td>ANNUAL CHURCH UMPIP CONTRIB.</td>
<td>$1,200 (6% of compensation)</td>
<td>$1,200 (6% of compensation)</td>
</tr>
<tr>
<td>DEPOSITED IN CLERGY'S UMPIP ACCOUNT</td>
<td>$1,000 (5% of compensation)</td>
<td>No match.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$1,400 or more</td>
</tr>
<tr>
<td>FORFEITED AMOUNT AVAILABLE FOR CRSP-DB OBLIGATIONS</td>
<td>$200</td>
<td>$0</td>
</tr>
</tbody>
</table>
How much to UMPIP?

- 1% is only a **minimum** to obtain a match
- Before-Tax and After-Tax Contribution Form available here
- May begin anytime
• Comprehensive Protection Plan (CPP) coverage and premiums remains the same
• 3% of compensation monthly premium for those covered