

Comprehensive Protection Plan (CPP)

General Conference 2012 Changes— Impact on Participants/Plan Sponsors

The Comprehensive Protection Plan (CPP) is the mandatory long-term disability (LTD) and death benefit plan for eligible clergy of The United Methodist Church (UMC). Changes approved by General Conference 2012 (Petition 20430) are designed to strike the optimal balance between benefit adequacy and ensuring CPP's long-term sustainability through reduced costs. By modifying CPP, these changes also align the UMC's LTD and death benefit plan with comparable plans provided by other major U.S. denominations.

Changes are effective **January 1, 2013**. However, different implementation rules apply to clergy currently on long-term disability, currently retired or nearing retirement. *See details below.*

Key Changes at a Glance

Long-term disability changes encourage able clergy to return to productive work:

1. Enhanced return-to-work (RTW) program
2. Limit on mental nervous (MN) duration
3. Changes to LTD benefit duration schedule

Retiree death benefit changes address benefit eligibility and benefit amount.

Technical changes

Long-Term Disability

- 1) **Enhanced Return-to-Work (RTW) Program** to transition able clergy back to productive work on a part-time or full-time basis, as appropriate. Changes include: revised other income offset provisions, a plan sponsor/conference incentive and a participant disincentive.

Other Income Offset for part-time work—After the first 24 months on LTD, the income offset allows clergy to retain \$.50 of every \$1 of outside income earned while on LTD, up to a combined total of 100% of the individual's pre-disability income

Return-to-Work Incentives (conference/plan sponsor incentive and participant disincentive):

A personalized transition plan will be developed as part of the overall RTW program. The conference, the General Board of Pension and Health Benefits (General Board) and Unum (LTD claims administrator) will work together to identify an appropriate part-time, non-appointed transitional position, either through the annual conference or outside The United Methodist Church. The identified position must comply with limitations as defined by the individual's physician. Examples within ministry include: nursing home or hospital visits, tutoring and counseling.



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As an added incentive to encourage greater success in returning participants to productivity, the following will be put in place:

- **Conference Incentive (RTW grant)**—CPP will partner with conferences/plan sponsors to encourage their able clergy to return to productive work within the Church or outside the Connection.
 - Conferences/plan sponsors that help the disabled clergyperson return to work will receive a grant (reimbursement) for any salary the conference/plan sponsor pays to the participant for part-time employment during the RTW transitional period.
 - This grant is up to the lesser of 40% of the denominational average compensation (DAC) or 50% of the individual’s pre-LTD salary.
 - The grant will be credited to the conference/plan sponsor when either the clergyperson completes his or her RTW transition period or the individual’s CPP benefits terminate.
 - **Participant Disincentive:**
 - Participation in the RTW program is voluntary. However, clergy who refuse to participate in the formalized RTW program—and are otherwise able to return to work with a release from their physician—are subject to a 10% reduction in their LTD benefits.
 - **RTW Resources**—Conferences/plan sponsors can use enhanced tools and resources provided by the General Board and Unum to help individuals transition back to work. These resources include a toolkit, job bank and other supportive services.
- 2) Limit on Mental Nervous Duration** for long-term disability due to “treatable and returnable” mental nervous disorders, as defined by the American Psychiatric Association.
- 24-month limit on LTD benefits for “treatable and returnable” mental nervous disorders.
 - LTD benefits cease on **June 30 after the participant’s 24-month LTD period.**
- 3) Changes to LTD Benefit Duration Schedule** reduce LTD benefits on a graduated basis for clergy age 62 and older, consistent with federal Social Security Normal Retirement Age. The duration of LTD benefits shortens gradually, based on the participant’s age at the date of disability.

Age at Disability	Benefit Duration*
Less than age 62	To Social Security retirement age
Age 62	60 months
Age 63	48 months
Age 64	42 months
Age 65	36 months
Age 66	30 months
Age 67	24 months
Age 68	18 months
Age 69 and above	12 months or age 72, whichever is earlier

** Mental nervous limitation: 24 months or based on schedule, whichever is less*

Retiree Death Benefits

1) **Retiree Death Benefit Eligibility**—For clergy eligible for the Clergy Retirement Security Program (CRSP) or other retirement plans administered by the General Board: Increases the length of service requirement to qualify for death benefits to enrollment in CPP for 12 of the past 15 years*.

- Alternatively, clergy who have been active participants in CPP for a total of 25 years also are eligible for retiree death benefits. This eligibility rule was not changed by General Conference.

* **Please note:** The eligibility change applies to clergy who retire **January 1, 2013** or after; no change for clergy retired **December 31, 2012** or earlier. The eligibility change will be phased in with one-year increments—as highlighted in the table below—for clergy retiring from 2013 to 2019, to prevent older clergy who would qualify for the benefit under current rules from losing eligibility.

Retirement	CPP Enrollment for Retiree Death Benefit Eligibility
2013	6 of last 10 years
2014	7 of last 10 years
2015	8 of last 11 years
2016	9 of last 12 years
2017	10 of last 13 years
2018	11 of last 14 years
2019+	12 of last 15 years

2) Retiree Death Benefit Amount

- **For clergy currently retired as of December 31, 2012:**
 - No change in death benefit amount.
- **For clergy retiring on or after January 1, 2013:**
 - Changes death benefits to fixed-dollar amount as highlighted below, subject to periodic review.

Provision for Death	Benefit Amount 2013
Retiree	\$20,000
Retiree's spouse	\$15,000
Retiree's surviving spouse	\$10,000
Retiree's child	\$8,000

Technical Changes to CPP

The following changes and clarifications were approved by General Conference 2012:

- Full-time clergy earning less than 25% of the DAC are no longer eligible for CPP.
- Clergy on Special Arrangements earning very low compensation may receive LTD benefits less than 40% of the DAC.
- Clergy in UMC central conferences who are appointed to a U.S. annual conference or general agency are eligible to participate in CPP.
- Hypothetical (imputed) Social Security disability offset is applied at 12 months.
- Fraud or misrepresentation of disability results in immediate termination of LTD benefits.
- The default payment method for death benefits is a single lump-sum, rather than monthly payments.
- Surviving spouses are not restricted in designating beneficiaries.

More information about CPP and General Conference legislative changes is available at www.gbophb.org.



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