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To: Michigan Conference Clergy/Local Church Treasurers/District Offices
From: Rev Donald J Emmert
Director of Conference Benefits & HR 
Date: January 22, 2019
Re: 2019 Benefits Ministry Shares

I am writing with an update regarding the highly anticipated Benefits Ministry Shares monthly billing statement scheduled to begin this month for all churches of the Michigan Conference. Unfortunately, due to a delay in the production of the new billing system specific to Benefits Ministry Shares we will all have to wait a little longer to begin making payments. The current projection is that the first statement will arrive within the first couple of weeks of February. This initial statement will include the amounts due for both January and February. January is not a month of Jubilee so please remit the total of both months. Beginning in March we expect to settle into a regular monthly routine.

Over the past several months, the Conference Benefits Office has received a number of inquiries regarding Benefits Ministry Shares. In lieu of January's statement, below is a Q&A to provide additional information and clarification.

Q: What are Benefits Ministry Shares? Where is my 2019 pension apportionment number?

A: Benefits Ministry Shares is the new billing structure which incorporates the previous West Michigan CRSP/ CPP direct bill and the Detroit pension apportionment. Benefits Ministry Shares is a connectional ministry shared by all which provides funding for; clergy retirement plan contributions, welfare plan premiums (disability & death), and all expenses related to the Conference Board of Pension & Health Benefits and the Conference Benefits Office.

Q: So does that mean the CRSP/ CPP direct bill is included in the Benefits Ministry Shares?

A: Yes...Below is a further breakdown how Benefits Ministry Shares is funding benefits-related conference liabilities.

- 1) Conference clergy contributions to the Clergy Retirement Security Program Defined Contribution (CRSP DC), and UMPIP for 1/4x appointed clergy.**
- 2) Comprehensive Protection Plan (CPP) disability/death premiums and UMLifeOptions disability/life insurance for eligible appointed clergy.**
- 3) All annual expenses related to the Conference Benefits Office and Conference Board of Pension & Health Benefits.**
- 4) Partial Conference payment (approx. \$1M) toward annual amount due for CRSP Defined Benefit (CRSP DB) liability. Total CRSP DB due in 2019 will be \$2,873,999.**

Q: How are Benefits Ministry Shares calculated?

A: Benefits Ministry Shares are based on appointment status and clergy compensation as described on the 2019 Clergy Compensation Recommendation Report. Related notes...

- 1) In a multiple point charge, every church will receive a separate monthly statement based on the share it pays for clergy compensation.**

- 2) *In a multiple point charge, the percentage used in the calculation is based on the clergy person's appointment status. For example, if a 2,3, or 4-point charge results in a full time appointment, the percentage used to calculate Benefits Ministry Shares for each church will be the full time percentage of 12%.*
- 3) *Benefits Ministry Shares are calculated for Less Than Full Time appointments, Retiree appointments and District Superintendent Assignments (DSA) at a reduced percentage rate.*

Q: Why are Retiree appointments and DSA's included? It does not seem fair since an appointed retiree or assigned person is not receiving pension contributions and/or enrolled in a disability plan.

A: *This is why the Benefits Ministry Shares are calculated using different percentage levels based on status. The portion of the Benefits Ministry Shares directly related to the funding of CRSP DC/ CPP/ UMLife Options is removed in these situations. The remaining portions are related to the conference's annual liabilities which are shared by all. Related note... In many conferences, most of these annual expenses are incorporated into the conference common budget and apportioned. In the Michigan Conference, they are subtracted from the common budget and funded instead through Benefits Ministry Shares.*

Q: My church will pay less in 2019 for Benefits Ministry Shares than it did in 2018 for the CRSP/ CPP direct bill? Did you cut my pension benefits?

A: *No. Benefit level contributions remain the same per the Denomination and Conference plan adoption agreements. Churches that paid 15% in 2018 experience a decrease this year based on 2019 projected expenses.*

Q: My church is paying significantly more in 2019 compared to our 2018 pension apportionment. What happened and what are you going to do about it?

A: *This is primarily a result from the change in billing structure from a grade figure to a straight percentage of clergy compensation. The increase is further amplified in 2019 because pension apportionments were previously based on prior year statistical reports. Thus, the pension apportionment grade figure included a year lag in compensation which will not be reflected in subsequent years. Related notes...*

- 1) *Once we get through the sticker shock of 2019, the straight percentage calculation for Benefits Ministry Shares should become a preferred method since it will be able to reflect changes of appointment status and/or compensation in real time instead of having to wait 2-6 months. [This assumes the Benefits Office receives correct and adjusted compensation reports in a timely manner.]*
- 2) *The Benefits Ministry Share percentage is reviewed on an annual basis and based on projected expenses for the coming year. The 2020 projection is to remain at 12% of compensation for a full time appointment.*
- 3) *The following does not answer the question, "What have you done for me lately?" but it is appropriate to state that in 2006 the base percentage for the West Michigan Conference direct bill was 15% of compensation. The comparative base percentage for the Detroit Conference pension apportionment was 12.5% of compensation. I suggest that to be able to sustain and administer comparable conference benefits thirteen years later at a comparable expense is a rare and positive achievement.*

Last note... We ask that you review your Benefits Ministry Shares statement when it finally arrives. If you have questions or believe there is a discrepancy in the amount billed, please do not ignore it. Rather, contact the Benefits office at

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God bless you.
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