

EXHIBIT E
to
PLAN OF UNION
Mountain Sky Conference
of The United Methodist Church

Clergy Excellence Team Report



Mission Shaped Future

Rocky Mountain & Yellowstone Conferences

February 6, 2018

Executive Summary

Appointment Values Page 4

The cabinet's first priority is to discern the best fit of pastoral leader and congregation based on the mission, vision and needs of each congregation through a consultative process with congregations and pastoral leaders. All clergy members (Elders, Deacons, Associate members or those licensed to practice ministry) will be considered by the cabinet for appointment within the Mountain Sky Conference.

However, within the present consultative process, clergy will be able to a geographical preference (Rocky Mountain or Yellowstone) for up to 6 years. Elders or associate members could refuse an appointment outside of stated geographical preference without waiving right to a full-time appointment, while recognizing this limitation decreases likelihood of an appointment being the best missional and/or personal match. This limited conference-bound itineracy option will expire in June 2024.

Minimum Compensation Standards Page 8

Recognizing the high costs of seminary education, the MSF Clergy Excellence Team proposes a two-tiered minimum salary standard with one tier for ordained clergy and associate members appointed to local congregations and a second tier for licensed local pastors appointed to local congregations, effective January 1, 2019. In addition, it is proposed that the conference supports local pastors' education through payment of tuition from MEF for Course of Study.

The team is also proposing a minimum standard for clergy reimbursable account for professional expenses, pro-rated for less than full-time appointments/assignments. This will be a new standard not currently mandated by either conference but is similar to other conferences outside of the area.

Also proposed is a contextual housing allowance standard based on local housing costs within a community.

Pension Recommendations Page 14

Pre-82 and MPP plans do not change with the new conference. It is expected that the billing to each church or charge for CRSP will not exceed 13.5% of plan compensation in the new conference. This will be confirmed after the new plan compensation for eligible clergy is established. With the creation of a new conference, it is recommended that the UMPIP contribution for eligible ½ time clergy be the same percentage of plan compensation as the CRSP contribution.

It is recommended that the new conference make ¾ time local pastors eligible to enroll in CPP. This would add approximately five (5) local pastors currently appointed in the Yellowstone Conference.

Health Insurance Recommendations Page 17

The Healthflex plans for active clergy will remain the same in the new conference; however, Rocky Mountain Conference participants will now be covered by Blue Cross Blue Shield rather than United HealthCare. Effective 1/1/2019, Yellowstone Conference participants will no longer be required to contribute to their HealthFlex premium. Retired healthcare options will remain the same in each conference through 12/31/2019 with some changes to stipends occurring in 2020.

Parsonage Standards Recommendations separate document

The proposed Clergy Housing and Parsonage Standards takes the recently updated policies from both Conferences and combines them into one very organized and complete document. The YAC Standards book has been updated to use 2016 Discipline references and will work well all across The Mountain Sky area. It is easy to understand and follow for clergy and lay committees. It provides standards and check lists so there is clear understanding of housing covenants. The handbook is available for review in a separate document.

Moving Expenses Proposed Legislation Page 19

The moving expenses legislation proposed brings into alignment the two conferences by elevating the standard to current Rocky Mountain standards for full-time and ¾-time moves, which is considerably greater benefit than currently provided by Yellowstone. Pastors moving to less than ¾-time appointments will receive \$2000 reimbursement for moving expenses. Each charge, ¾-time or above, will pay \$500 to the conference (current Rocky Mountain procedure), but ½-time or less will not be charged.

Toward A Christian Practice of Appointment-making in the Mountain Sky Area

Our Purpose and Desired Outcomes:

Appointing pastors to churches and their communities is one of the primary reasons for the Mountain Sky Area Cabinet to exist. It may be the most important way we help promote Beloved Community within the connection and participate in Christ's mission to a hungry and hurting world.

Desired Outcomes

- Vital churches engaged with their communities,
- Lives changed, and
- New places for new people: more, younger, more diverse.

Appointment Values

We believe that the Spirit of God moves through the appointment making process. It is not invested in any person or persons but is the result of the interaction and relationships of the appointment making process.

- Prayer is a primary means of discerning the leading of God in appointment making.
- Scriptural wisdom, images and metaphors will be used to inform our understanding of appointments.
 - Telling the truth in love with elected and appointed spiritual leaders and churches is important for meaningful appointments.

It is our desire to appoint the best possible spiritual leadership to each ministry setting. We lift up the following values for appointment making within a process of spiritual discernment.

Connectional Vision

- We see each appointment as part of a whole pattern of serving the conference and fulfilling the mission of the Church to make disciples of Jesus Christ for the transformation of the world.
- We see each appointment as addressing the needs of the present and as a preparation for the future.
- We will be open to new configurations of spiritual leadership and ministry.

Local Congregations

- The mission and vision of the local church is the primary consideration for identifying the qualities and characteristics of leadership to be appointed. The context of the local church will inform the conversations regarding the leadership needed not only for the local church but also the circuit, parish, wider community, etc.
- Listening to the elected and appointed spiritual leaders, churches and communities is a primary means of gathering appointment information.
- We see each appointment as a covenant between the appointed spiritual leader(s) and the spiritual leader(s) of the local church represented by the local church Staff/Parish Relations Committee, and the Cabinet.
- The appropriate level of leadership for a local congregation will be congruent with the congregation's ability to financially support minister, mission and ministries.
- Local congregations will normally thrive on longer appointments when there is a good match.
- The appointment covenant year is July 1st to June 30th, but special circumstances are considered as they arise.
- We entrust the spiritual livelihood of the congregation to the appointed spiritual leader.

Cabinet Teamwork

- The Appointive Cabinet works together as a team.
- The District Superintendents, in collaboration with the Director of Mission and Ministry and Director of Congregational Vitality, extend the office of the Bishop.
- Information shared with one member of the Appointive Cabinet related to pastoral effectiveness is shared with the whole cabinet.
- Honest sharing and truth telling will mark cabinet conversations.
- We trust each District Superintendent to know the needs for ministry in his/her district.
- District Superintendents are committed to the overall health and vitality of the area, not just their own district.

Transformation In Each Ministry Setting

- We approach each appointment with the expectation of mutual transformation of the congregation, appointed spiritual leader and all creation.
- We expect appointed spiritual leaders to be listening, learning leaders.
- We acknowledge that sometimes the clergy leader may need to take strong action to help a church move towards health and wholeness. We will not default to blaming every

church conflict on “pilot error.” We will support the pastor and the church in taking steps towards health and wholeness.

- We work with spiritual leaders to identify their growing edges and offer recommendations for growth and development.

Justice In Appointment-Making

- We will prepare congregations to welcome spiritual leaders regardless of gender, race, age, or marital/family status.
- Cross-racial appointments are an expression of being “One People of God”.
- We make appointments based on pastoral qualities and not gender, race, age, or marital/family status, knowing that all appointments are an expression of being one people of God.
- A normal progression for appointment consideration typically begins with Elders, Provisional Elders, Associate Members, Deacons, Provisional Deacons, Local Pastors full and part time, Certified Lay ministers and Lay Supply preachers, but the bishop and cabinet are free to deal with the order of appointments as needed.

As We Transition Toward a Single Mountain Sky Conference

- As a sign of our support for the ongoing work of the Mission Shaped Future teams and other conference leaders and in recognition that we are stronger together than we are apart, the Cabinets of the Yellowstone and Rocky Mountain Conferences now meet and act as a single body – the Mountain Sky Area Joint Cabinet – under the direction of our Episcopal leader, Bishop Karen Oliveto.
- Upon the date of the formation of a new conference, all present conference members of the Rocky Mountain and Yellowstone conference will become members of the newly created conference. All service records recorded in the Annual Journals of the two conferences and other clergy records shall be recorded reflecting this action.
- The cabinet’s first priority is to discern the best fit of pastoral leader and congregation based on the mission, vision and needs of each congregation through the consultative process in place. Upon adoption of a plan to create a new conference by the annual conferences, all clergy members (Elders, Deacons, Associate members or those licensed to practice ministry) will be considered by the cabinet for appointment within the Mountain Sky Area. However, the present consultative process will also include a potential designation of present conference bounds geographical preference. The effective date is designated as the date the new conference takes effect.
 - Upon the creation of a new conference, clergy persons will be given the opportunity to designate geographical preferences through July 2021, including:
 - i. Fully itinerant within the Mountain Sky Conference, recognizing this increases the likelihood of an appointment to a better missional and/or personal match,

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- ii. Itineracy limited to bounds of current Yellowstone or Rocky Mountain Conferences, without elders or associate members waiving right to a full-time appointment, recognizing this decreases likelihood of an appointment being the best missional and/or personal match, or
 - iii. Itineracy limited to smaller geographic area, recognizing this could waive an elder's right to a full-time appointment, or significantly decrease the options of appointments that could be offered (this option is currently expressed through the 'limited itineracy' form).
 - o By December 1, 2020, clergy will be given a second opportunity to designate geographic preferences for the following quadrennium (2021-2024).
- Until the formation of the new annual conference, the cabinet will continue to consider appointing pastors across conference lines as of July 1, 2018.
 - Special circumstances may be taken under consideration, including family concerns, employments of spouse, children need, medical conditions and other personal circumstances; but the bishop reserves the authority to make and fix all appointments. (2016 BOD 425.1). The members of the cabinet shall work with the bishop in the appointment process. (2016 BOD 426-430)
 - During the time of transition, the cabinet will take under consideration appointment for which the service in certain geographical regions would cause a hardship to either the clergy person and/or family.

Mountain Sky Area Joint Cabinet
February 6, 2018

Proposed Minimum Compensation Standards

Goals of the MSF Clergy Excellence Minimum Compensation Standards Proposal

- Provide for the financial needs of appointed/assigned pastoral leaders and their families appropriate for the responsibilities of the particular appointment/assignment so the pastoral leader may effectively lead the congregation and serve the surrounding community in the present season and sustain effective ministry into the future.
- Acknowledge changing financial concerns of local congregations by seeking to minimize any large discontinuous increases in financial obligations of congregations' due to change in minimum compensation policy and allowing for flexibility in how minimum compensation standards are changed year to year.
- Acknowledge financial pressures incurred on families of ordained clergy by the rising costs of seminary education while also providing from conference funds for some of related costs of Course of Study for licensed local pastors.

Minimum Cash Salary Standards

The MSF Clergy Excellence Team proposes a two-tiered minimum salary standard with one tier for ordained clergy appointed to local congregations and a second tier for licensed local pastors assigned to local congregations, effective January 1, 2019:

Conference Relationship	Full-Time	3/4-Time	1/2-Time	1/4-Time
Ordained & Assoc. Members (EE / PE / OE / FD / PD / AM)	\$36,558.00	\$27,418.50	\$18,279.00	\$9,139.50
Licensed Local Pastor	\$33,000.00	\$24,750.00	\$16,500.00	\$8,250.00
Supply / Retired	-	-	-	-

- Minimum Cash Salary for ordained clergy and associate members (\$36,558) is based on 2018 minimum salary in RMC for all full-time pastors.
- Minimum Cash Salary for Licensed Local Pastors is based on 2018 minimum salary in YC for a licensed local pastor with 5 years' service.
- Yearly increases, if any, would be recommended by the Leadership Team, taking into consideration changes in Conference Average Compensation (CAC) and government Cost of Living figures (COLA), and approved at annual conference.

- In spite of potential decrease in minimum salary standard for some local pastor assignments, congregations would be expected to maintain current cash salary during the tenure of current pastor.
- Congregations not in compliance with the minimum compensation standards upon the passing of the new standard would be allowed three years or the next appointment change, whichever comes first, to raise compensation to meet the new standards.

Rationale for Proposal

While there is no difference between ordained clergy and license local pastors' service or expectations for service, even considering cost of Course of Study, there is often a significantly greater debt load for pastors who have earned an M.Div. required for ordination, that should be considered. Also, within this proposal is a greater financial responsibility of the conference to help offset cost of Course of Study for licensed local pastors.

A review of conferences of similar size confirm this proposal is aligned with standard practice. A questionnaire was sent to the nine annual conferences closest in size to Rocky Mountain and Yellowstone combined. Of the seven that responded, six have a tiered minimum compensation standard based on ordination/license status.

Analysis of Impact

Current cash salaries (mostly 2017 data) were compared with the new standards to determine potential impact the new standard would have on local congregations. Between the two conferences, approximately 12 to 15 of churches may require an increase in present compensation to meet new minimum cash salary standards. As pastors are allowed to adjust IRS housing exclusion at their discretion for beneficial tax benefits, some appointments listed as being impacted may not need to adjust compensation upward in order to meet the standards.

The next two tables show averages for each conference according to Conference Relationship and Appointment Time. The third table compares the averages of each conference.

Conference Relationship	Appointment Time					Grand Total
	0.25	0.5	0.75	Full-Time	(blank)	
AM				\$39,554.00		\$39,554.00
FE/PE/OE			\$33,423.33	\$43,111.83		\$42,231.06
License	\$11,536.00	\$18,237.33	\$28,620.00	\$34,363.50	\$ -	\$26,094.32
Supply/Retired	\$17,154.50		\$29,357.50	\$45,447.00	\$9,693.25	\$17,724.76
Grand Total	\$14,345.25	\$18,237.33	\$29,965.36	\$41,288.24	\$8,947.62	\$31,209.93

Average Cash Salary, Rocky Mountain Conference

Conference Relationship	Appointment Time					Grand Total
	0.00	0.25	0.5	0.75	Full-Time	
AM					\$39,122.46	\$39,122.46
FE/PE/OE/FD/PD		\$7,220.00	\$22,385.20	\$35,392.66	\$47,952.64	\$43,089.18
License	\$5,125.00	\$7,672.00	\$23,468.46	\$28,758.10	\$40,114.81	\$24,581.17
Supply/Retired	\$2,400.00	\$9,581.58	\$16,959.69	\$27,758.40	\$45,414.17	\$20,509.86
Grand Total	\$3,308.33	\$8,390.63	\$20,870.08	\$31,165.07	\$46,787.69	\$34,934.35

Comparison of Average Cash Salary

Conference	Appointment Time					Grand Total
	0.0(blank)	0.25	0.5	0.75	Full-Time	
Yellowstone	\$8,947.62	\$14,345.25	\$18,237.33	\$29,965.36	\$41,288.24	\$31,209.93
Rocky Mountain	\$3,308.33	\$8,390.63	\$20,870.08	\$31,165.07	\$46,787.69	\$34,934.35

The table below is a summary of Yellowstone’s current compensation figures (mostly 2017) compared to the new minimum standard. According to this table, of the 76 appointments listed, there are 14 appointments that would not meet standards. There are actually 12 appointments that would not meet standards. As mentioned, some may actually meet standards if examined more closely due to shifts in IRS Housing Exclusion by pastor. Of these 12, six are licensed local pastors.

Salary +/- of Minimum Standard, Yellowstone

+/- of Minimum	0.25	0.5	0.75	1	(blank)	Grand Total
-\$4000 to -\$2000		1		3		4
-2000 to \$0	1		1	8		10
\$0 to \$4000	1	1	1	10	7	20
\$4000 to \$8000	1	1	5	9		16
\$8000 to \$12,000			1	5		6
\$12,000 to \$16,000			1	2	2	5
\$16,000 to \$20,000	2			1		3
\$20,000 to \$24,000			1		4	5

+/- of Minimum	0.25	0.5	0.75	1	(blank)	Grand Total
\$28,000 to \$32,000				1		1
\$32,000 to \$36,000			3			3
\$36,000 to \$40,000				1		1
\$40,000 to \$44,000			1			1
\$44,000 to \$48,000				1		1
Grand Total	5	3	14	41	13	76

As this proposed minimum standard is based on the Rocky Mountain Conference minimum compensation standard, there are 9 licensed local pastors whose salaries may be at the RMC minimum compensation but would be above the new standard. The concern is that churches, seeing the new standard, would reduce the salary of the current pastor. By policy, this will be prohibited until a pastoral change occurs so no licensed local pastor will receive a decrease in her/his current appointment.

Reimbursable Expense Account, Continuing Education & Course of Study

The MSF Clergy Excellence Team is proposing a minimum standard for clergy reimbursable account for professional expenses of **\$3000 for a full-time appointment/assignment, pro-rated for less than full-time appointments/assignments.** This will be a new standard not currently mandated by either conference but is similar to other conferences.

In addition to congregations providing funds for professional expenses including continuing education, the MSF Clergy Excellence team is proposing the conference supports Licensed Local Pastors' continuing education by providing funds for full tuition each year for **Course of Study through Ministerial Education Funds.**

	Full-Time	3/4-Time	1/2-Time	1/4-Time
Professional Expenses Minimum Standard	\$3,000	\$2,250	\$1,500	\$750

- While a minimum standard would be set conference-wide, S/PPRC's and church leadership in consultation with the cabinet is encouraged to consider the unique geographical needs of the particular ministry setting, especially with regard to travel or continuing education needs of the pastor (e.g. extra support for licensed local pastor to attend Course of Study)

- As is the general practice today, funds would not have to be separately accounted for different categories (e.g. continuing ed., travel, professional associations, etc.) but all professional expenses approved by IRS guidelines, including continuing education, could be reimbursed from the professional expenses reimbursable account.
- As is expected now, churches are strongly encouraged to annual approve guidelines for the administration of the reimbursable account in accordance with IRS guidelines.

Analysis of Impact

Current averages of reimbursement accounts for professional expenses of each conference are listed below. The \$3,000 standard for full-time appointments/assignments is 53% of Yellowstone's Conference average and 70% of Rocky Mountain's average.

Average Reimbursable Professional Expense Account

CONFERENCE	Appointment Time					Overall Avg.
	0.0% / blank	25.0%	50.0%	75.0%	100.0%	
Yellowstone	\$3,150	\$4,618.75	\$3,500.00	\$4,851.43	\$5,630.54	\$5,097.75
Rocky Mountain	\$500.00	\$1,735.07	\$2,687.70	\$4,049.98	\$4,288.53	\$3,595.81

A comparison of the minimum standard proposal with current figures reveals that 9 churches in Yellowstone and 100 churches in Rocky Mountain would need to increase the reimbursable account to meet the standard.

Professional Reimbursements +/- of Standard, Yellowstone

	Appointment Time					Grand Total
	0.25	0.5	0.75	1	(blank)	
-\$3000 to -\$1501			1	1		2
-\$1500 to -\$1	1			6		7
\$0 to \$1499	1	1		6	8	16
\$1500 to \$2999		2	5	14	1	22
\$3000 to \$4499			1	5	2	8
\$4500 to \$5999	2		4	4	2	12
\$6000 to \$7499			3	3		6
\$7500 to \$8999	1			1		2
9000-10499				1		1
Grand Total	5	3	14	41	13	76

Professional Reimbursements +/- of Standard, Rocky Mountain

	Appointment Time					Grand Total
	0.25	0.5	0.75	1	(blank)	
-\$4000 to -\$2000				4	8	12
-\$2000 to \$0		11	16	6	49	82
\$0 to \$2000	5	10	10	11	49	85
\$2000 to \$4000	1	3	14	5	26	49
\$4000 to \$6000		3	5	1	8	17
\$6000 to \$8000		2	2		4	8
\$8000 to \$10,000		1		1	2	4
\$10,000 to \$12,000			1		3	4
\$12,000 to \$14,000				2	1	3
\$18,000 to \$20,000				1		1
Grand Total:	6	30	48	31	150	265

Cost estimate of the proposal for conference to pay for course of study tuition is still in process and will need to be presented later.

Housing Allowance Minimum Standard

With the large geographic area of the new conference and the associated differences in housing costs, it is problematic to set a single monetary standard for a housing allowance if a church chooses not to offer a parsonage. Therefore, the Clergy Excellence Team is proposing a qualitative standard:

A charge offering a housing allowance for a full-time appointment must provide for the cost of the purchase, financing, and utilities of a three-bedroom two-bath single-family home in the community of the appointment.

If required by the District Superintendent, the charge must provide a documented estimate of this amount through local research (e.g. estimates provided by a real estate agent or other professional familiar with housing costs in the area).

MSF Clergy Excellence Team
February 6, 2018

Overview of Pension Plan Recommendations

With the creation of a new conference by combining the existing Rocky Mountain and Yellowstone Conferences, certain aspects of the clergy pension plans will be combined, and certain elements will remain separate. This document summarizes the proposal for pension arrangements for the new Mountain Sky Conference.

Pre-82 Plan

The Pre-82 Plan is a defined benefit plan that provides benefits to clergy for service before 1982. The benefit payment is based on years of service multiplied by a Past Service Rate (PSR) that is specified by each conference. The PSR may be increased annually. Rocky Mountain's 2018 PSR is \$593; Yellowstone's 2018 PSR is \$474. When conferences join together, Wespeth Benefits and Investments allows each conference to maintain its separate PSR, and we recommend that the new conference maintain separate PSRs. Future increases in the PSR will be proposed to the new Annual Conference by the new Conference Board of Pension and Health Benefits. As of January 1, 2017, Rocky Mountain's Pre-82 Plan was funded at 137%, and Yellowstone's Pre-82 Plan was funded at 141%.

Neither the Rocky Mountain Conference nor the Yellowstone Conference is currently making annual contributions to the Pre-82 Plan.

We expect that there will be no change in the Pre-82 Plan with the creation of a new conference.

Ministerial Pension Plan

The Ministerial Pension Plan (MPP) provides benefits to clergy for years of service from 1982 through 2006. Upon retirement, 65% of the clergyperson's MPP account balance is annuitized, meaning that MPP has elements of both a defined benefit and a defined contribution pension plan. MPP is a denominational plan, and the eligibility and benefit calculation is the same for all conferences. As of January 1, 2017 MPP was funded at 105% for all United Methodist Conferences.

Neither the Rocky Mountain Conference nor the Yellowstone Conference is currently making annual contributions to MPP.

We expect no change to MPP benefits with the creation of a new conference.

Clergy Retirement Security Program

The Clergy Retirement Security Program (CRSP) is the current denominational pension plan and provides benefits to clergy for years of service beginning January 1, 2007. CRSP has a defined benefit component and a defined contribution component.

The calculation of the CRSP defined benefit payment is based on years of service and is the same for all conferences. As of January 1, 2017, the CRSP defined benefit plan was funded at 107% for all United Methodist Conferences.

The CRSP defined contribution is a 2% of plan compensation non-matching contribution from the church or charge. An additional 1% is contributed as a match if the clergyperson personally contributes at least 1% of plan compensation to the United Methodist Personal Investment Plan (UMPIP).

All eligible full-time clergy are covered under CRSP. Effective January 1, 2014, conferences were given the ability to decide whether to cover clergy serving $\frac{3}{4}$ time and $\frac{1}{2}$ time under CRSP. Both Rocky Mountain and Yellowstone made $\frac{3}{4}$ time clergy eligible for CRSP; and decided that $\frac{1}{2}$ time clergy would be ineligible for CRSP.

Both the Rocky Mountain Conference and the Yellowstone Conference make annual contributions to CRSP. Rocky Mountain funds its contributions by billing each church or charge 13.5% of plan compensation for each eligible clergy. Yellowstone funds its contributions by billing each church or charge 15% of plan compensation for each eligible clergy.

With the creation of a new conference, we expect the billing to each church or charge for CRSP will not exceed 13.5% of plan compensation. We will confirm the billing percentage after plan compensation for eligible clergy is established.

United Methodist Personal Investment Plan

The United Methodist Personal Investment Plan (UMPIP) is a 403(b) defined contribution retirement savings plan. In 2014, when Rocky Mountain and Yellowstone decided that $\frac{1}{2}$ time clergy would not be eligible for CRSP, both conferences implemented a mandatory contribution from the church or charge to the clergyperson's UMPIP account for $\frac{1}{2}$ time clergy. In Rocky Mountain the contribution is 13.5% of plan compensation; in Yellowstone it is 15% of plan compensation.

With the creation of a new conference, we recommend that the UMPIP contribution for eligible $\frac{1}{2}$ time clergy be the same percentage of plan compensation as the CRSP contribution.

Comprehensive Protection Plan

The Comprehensive Protection Plan (CPP) provides death, long-term disability and other welfare benefits for eligible clergy and their families. Generally, full-time and $\frac{3}{4}$ time clergy who meet the eligibility requirements participate in CPP. Effective January 1, 2017, conferences had the ability to decide whether to enroll $\frac{3}{4}$ time local pastors in CPP. Rocky Mountain elected to enroll $\frac{3}{4}$ time local pastors; Yellowstone decided to not enroll them. We recommend that a new conference make $\frac{3}{4}$ time local pastors eligible to enroll in CPP. This would add approximately five (5) local pastors currently appointed in the Yellowstone Conference.

Both the Rocky Mountain and Yellowstone Conferences bill each church or charge 3% of plan compensation for each eligible clergy for CPP.

At this time, we recommend combining pension plans as appropriate effective January 1, 2020.

MSF Clergy Excellence Team
January 9, 2018

Overview of Health Insurance Recommendations

Active Clergy/Lay HealthFlex Insurance

Currently both Yellowstone Conference and Rocky Mountain Conference offer the same 2 HealthFlex plans -- PPO B1000 (Preferred Provider Organization) and CDHP C2000 (Consumer Driven Health Plan). These plans will remain the same in the new conference; however, Rocky Mountain Conference participants will now be covered by Blue Cross Blue Shield rather than United HealthCare. Effective 1/1/2019, Yellowstone Conference participants will no longer be required to contribute to their HealthFlex premium.

The plans will remain mandatory for full time pastors and churches will be direct billed for the single coverage. 2019 rates are to be determined.

Retired Clergy/Lay/Surviving Spouse HealthCare

Through 12/31/2019, retiree healthcare will remain the same in each respective conference for participants currently retired.

Effective 1/1/2020, all eligible Yellowstone clergy that have retired by 12/31/2019 will receive a new stipend amount, based on the following:

- 20+ years of service in Pre-82 = \$1,800/year
- Others with 20+ years of service = \$1,500/year
- Less than 20 years of service = \$1,200/year

Surviving spouses of Yellowstone clergy will receive the HRA, as they do under the current arrangement. Yellowstone participants retired prior to 1/1/2020 will continue to obtain their own Medicare supplement plan. Effective 1/1/2020 "One Exchange" will be the administrator of the HRA's.

Effective 1/1/2020

The health reimbursement amounts for Yellowstone clergy retiring 1/1/2020 or later will change as follows:

Retired clergy, lay and eligible spouses

20+ years of service in Pre-82 = \$1,800/year (per participant and eligible spouse)

· To be eligible for the retiree healthcare stipend, spouses must have been in the HealthFlex plan at least one (1) year prior to the clergy person's retirement.

All others regardless of years of service in Yellowstone will receive \$1,200/year (per participant and eligible spouse)

The health reimbursement amounts for Rocky Mountain retired clergy / lay will remain the same.

“One-Exchange” will be the HRA Administrator that clergy, lay and eligible spouses will use to determine the best Medicare supplement plan for them.

Stipend amounts will be reviewed at least every 2 years.

MSF Clergy Excellence Team
January 23, 2018

Moving Expenses Legislation

1.3 Council on Finance and Administration Moving Expense Reimbursement Policy

Note: Unless otherwise noted, all references are to the pastor's new appointment or assignment.

1.3.1 Within the Mountain Sky Conference Moving Expenses

Those appointed or assigned as either full-time pastors or $\frac{3}{4}$ time pastors in a local church of the Mountain Sky Conference, or those appointed to Conference staff, shall be entitled to the provision of the fund on the following basis:

1.3.1.1 Allowed:

1.3.1.1.1 Moving of furniture, personal property, and equipment not to exceed 16,000 pounds. This same allowance for clergy couples will not exceed 20,000 pounds. Cost of insurance at the regular rate of \$5.00 per pound (with a \$250.00 deductible) is included. Any change of deductible will be at the expense of the pastor making the move. However, a lump sum value for the entire shipment must be included at the time of shipment. Based on moving industry standards mattresses must be professionally packed, and the Conference will cover the cost of this packing. In addition, \$500 will be allowed for cartons and packing materials. All above this amount will be charged to the pastor making the move.

1.3.1.2 Not Allowed:

1.3.1.2.1 Professional packing or unpacking (with the exception of mattresses and the \$500 allowed for packing materials).

1.3.1.2.2 Costs for items requiring special handling (such as musical instruments).

1.3.1.2.3 Storage of any items other than transportation cost of moving furniture, personal property and equipment.

1.3.1.2.4 Cost of transportation of persons.

1.3.1.2.5 Appliance service.

1.3.1.3 Additional Procedures:

1.3.1.3.1 Certified weights and a detailed bill of lading are required for payment by the Conference Office.

1.3.1.3.2 One stop at the pastor's residence and one stop at the church will be allowed for pickup and delivery when necessary. Clergy couples, with multiple charge appointments, will be allowed an additional stop as necessary.

1.3.1.3.3 A recommended list of moving vendors will be maintained in the Conference Office. Payment of the Conference share of moves must be based on a bid accepted by the Conference Office. A minimum of two bids is required. The Conference is available to assist in arrangements for moving and will receive copies of the bids prior to the move. The District Superintendent and the clergy family will consult as to the requirements and needed assistance in the move. Claim for this benefit must be made within one year of appointment.

1.3.2 Those appointed or assigned as either half-time or one quarter time pastors within the boundaries of the Mountain Sky Conference shall be reimbursed by the Conference Office up to a maximum of \$2,000 after submitting itemized receipts for moving expenses. The request for reimbursement shall be signed by the pastor making the move and approved by the District Superintendent. All moving expenses in excess of the \$2,000 shall be the pastor's responsibility. Full-time and $\frac{3}{4}$ time pastors may also choose this option in lieu of previous provisions.

1.3.2.1 Moving expenses may include such items as truck rental, gasoline for the truck, food and lodging enroute, packing materials, and other necessary expenses.

1.3.3 Other Moves

1.3.3.1 Pastors entering the retired relationship from full-time or $\frac{3}{4}$ time itinerant appointments shall be entitled to their moving expenses within the Conference one time. Retiree moves outside the Conference will be funded at a level not to exceed the average cost to the Conference of full-time and $\frac{3}{4}$ time retiree moves within the Conference for the last five years. Pastors entering the retired relationship from $\frac{1}{2}$ time or $\frac{1}{4}$ time appointments will be reimbursed up to \$2,000, per the provisions in section 1.3.2. These expenses will be paid from the Conference Moving Expense Fund. Claim for this benefit must be made within five years of the date of retirement.

1.3.3.2 If a pastor in retirement is reappointed, the clergy person is entitled to a conference paid move to the local church housing and then also to retirement housing upon completion of that appointment. These expenses will be paid from the Conference Moving Expense Fund, per the provisions in this petition.

1.3.3.3 Pastors entering the voluntary transition program from full-time or $\frac{3}{4}$ time itinerant appointments shall be entitled to their moving expenses within the Conference one time. Moves outside the Conference will be funded at a level not to exceed the average cost to the Conference of moves within the Conference for the last five years. Pastors entering the voluntary transition program from $\frac{1}{2}$ time or $\frac{1}{4}$ time appointments will be reimbursed up to \$2,000, per the provisions

in section 1.3.2. These expenses will be paid from the Conference Moving Expense Fund. Claim for this benefit must be made within one year of the effective date of the transition.

1.3.4 Out of Conference Expenses

1.3.4.1 Moving expenses of full-time or $\frac{3}{4}$ time pastors from outside the bounds of the Conference accepting their first appointment within the Mountain Sky Conference shall be eligible for a refund from the Conference Moving Expense Fund of up to \$3,000. Moving expenses of $\frac{1}{2}$ time or $\frac{1}{4}$ time pastors from outside the bounds of the Conference shall be eligible for a refund up to \$2,000, per the provisions in section 1.3.2. The refund shall be paid after providing itemized receipts for moving expenses.

1.3.5 Moving Expense Fund

1.3.5.1 The local charge will reimburse the Mountain Sky Conference \$500 for moving costs of each incoming full-time or $\frac{3}{4}$ time pastor, with each church pro-rated according to the level of appointment.

1.3.5.2 The local charge will be responsible for paying any pension contribution that is required due to moving expenses that are considered plan compensation to the pastor for pension calculation purposes. Each church will be pro-rated according to the level of appointment.

1.3.5.3 A surviving spouse of a pastor who is in active service at the time of the pastor's death shall be entitled to moving expenses as for a retired pastor. Claim for this benefit must be made within five years of the clergy's death.

1.3.5.2 The Conference Council on Finance and Administration shall be responsible for

administering the Moving Expense Fund and shall be authorized to make such adjustments within the structure of the plan as it deems necessary. The Conference Council on Finance and Administration shall bring this petition forward once every quadrennium. The Cabinet, with approval of the Conference Treasurer and President of the Council on Finance and Administration, may on a case-by-case basis make exceptions to these policies.

Effective Date: January 1, 2019

Explanation & Rationale

This petition is much more generous to YAC pastors who are full or $\frac{3}{4}$ time. It is very similar to what they currently have if they are $\frac{1}{2}$ time or $\frac{1}{4}$ time. (If they really like their current system of reimbursement, they may choose that system.) There is also \$500 available for cartons and packing materials for full-time and $\frac{3}{4}$ time pastors, which YAC pastors have not had before. But there is also a \$500 charge to churches for these moves. Because of the generosity of the new policy, this should eliminate the need of the pastor to ask the congregation for help meeting moving expenses.

$\frac{1}{2}$ time and $\frac{1}{4}$ time moves will not charge churches \$500.

Of the 30 moves in RMC, only 8 were less than FT and 7 were ¾ time. So the majority of the moves that are being reimbursed \$2K would be in YAC.

½ time and ¼ time moves fall under language that is consistent with the current YAC policy.

The \$3,000 for moving into the conference is slightly more than the five year average of \$2,831, but it makes it clear to everyone what is available.

There is no inclusion of the parsonage condition because it is dealt with under our Parsonage Standards. This allows the church to withhold from the pastor's last paycheck. (We are assuming there will be an incorporation of Parsonage Standards and so it need not be included here.)

This will not take effect until 1/1/19. This allows time for the Conference Office to find and qualify moving companies.

MSF Clergy Excellence Team
February 6, 2018