

# Mountain Sky Conference (915) 2023 Comprehensive Benefit Funding Plan

This funding plan incorporates, to the best of our understanding, the plan sponsor's obligations and funding of the benefits provided to clergy and laity, as noted below.

It is understood by the signees that defined benefit plan liabilities [Pre-82 Plan, Ministerial Pension Plan (MPP) and Clergy Retirement Security Program Defined Benefit (CRSP DB) and other sponsored defined benefit plans] continue until the last benefit is paid to participants and their surviving spouses irrespective of the funding level of the plan. That is, even if the assets in the plan are larger than the liabilities in the plan, the plan sponsor still has a liability (obligation) and potential future contribution due to the plan.

## Benefit Obligations Summary

### Plan Contributions for 2023

<b>Clergy Retirement Security Program (CRSP) DB</b>	\$1,095,588
<b>Clergy Retirement Security Program (CRSP) DC</b>	\$423,000
<b>Ministerial Pension Plan (MPP)</b>	\$0
<b>Pre-82 Plan (Pre-82)</b>	\$0
<b>United Methodist Personal Investment Plan (UMPIP) Lay</b>	\$119,183
<b>United Methodist Personal Investment Plan (UMPIP) Clergy</b>	\$80,000
<b>Other Defined Contribution (DC) Obligations</b>	\$78,255
<b>Other Defined Benefit (DB) Obligations</b>	\$0
<b>Health—Active Participants</b>	\$2,328,461
<b>Health—Additional Sponsored Coverage</b>	\$0
<b>Post-Retirement Medical (PRM)</b>	\$689,579
<b>Comprehensive Protection Plan (CPP)</b>	\$445,000

### Ongoing Funding Contributions

<b>Pre-82 Plan (Pre-82)</b>	\$0
<b>Post-Retirement Medical (PRM)</b>	\$0

# Mountain Sky Conference (915) 2023 Comprehensive Benefit Funding Plan

Conference Benefit Officer (or equivalent)	Jana Collins	10/07/2022
Conference Treasurer	Angela Thomas	10/11/2022
Conference Board of Pension Chair	Kimal James	10/13/2022
Council on Finance and Administration Chair		



## Opinion on **Mountain Sky Conference 2023** Comprehensive Benefit Funding Plan

The funding plan meets the standards for a Pre-82 funding plan as established by Wespath Benefits and Investments and the favorable opinion requirements for a funding plan. Note: The statement above and any written opinion provided by Wespath do not imply any representation as to the ability or probability of the applicable plan sponsor to fulfill the obligations included in the funding plan.

*Wespath Benefits and Investments*

Wespath Benefits and Investments  
1901 W Chestnut Ave  
Glenview, IL 60025

# Mountain Sky Conference (915) 2023 Comprehensive Benefit Funding Plan

## Accounts

<b>Wespath Accounts</b>		<b>Market Value as of 12/31/2020</b>	<b>Market Value as of 12/31/2021</b>	
ACTIVE HEALTHCARE		\$14,091	\$224,457	
<b>Pre-82 designated assets</b>	\$0	<b>Investment Objective</b>	Intermediate-term	
<b>PRM designated assets</b>	\$0	<b>Actual Allocation</b>	Equity	36.91%
			Fixed	19.87%
			Short-term	43.22%
<hr/>				
DEFINED BENEFIT RESERVE		\$7,107,011	\$7,729,203	
<b>Pre-82 designated assets</b>	\$0	<b>Investment Objective</b>	Long-term	
<b>PRM designated assets</b>	\$0	<b>Actual Allocation</b>	Equity	65.00%
			Fixed	35.00%
			Short-term	0.00%
<hr/>				
DEPOSIT ACCOUNT		\$278,155	\$739,253	
<b>Pre-82 designated assets</b>	\$0	<b>Investment Objective</b>	Short-term	
<b>PRM designated assets</b>	\$0	<b>Actual Allocation</b>	Equity	39.94%
			Fixed	21.51%
			Short-term	38.55%
<hr/>				
MOUNTAIN SKY SUPERANNUATE ACCT		\$36,142	\$41,245	
<b>Pre-82 designated assets</b>	\$0	<b>Investment Objective</b>	Long-term	
<b>PRM designated assets</b>	\$0	<b>Actual Allocation</b>	Equity	65.00%
			Fixed	35.00%
			Short-term	0.00%
<hr/>				
<b>\$</b>	RETIREE HEALTHCARE	\$13,416,865	\$14,591,461	
	<b>Pre-82 designated assets</b>	\$0	<b>Investment Objective</b>	Long-term
	<b>PRM designated assets</b>	\$14,591,461	<b>Actual Allocation</b>	Equity
				65.00%
			Fixed	35.00%
			Short-term	0.00%

# Mountain Sky Conference (915) 2023 Comprehensive Benefit Funding Plan

<b>Non-Wespath Accounts</b>	<b>Market Value as of 12/31/2020</b>	<b>Market Value as of 12/31/2021</b>
\$ WFB Pension/Health Account	\$200,000	\$200,000
<b>Pre-82 designated assets</b>	\$0	<b>Investment Objective</b>
<b>PRM designated assets</b>	\$200,000	<b>Actual Allocation</b>
		Short-term
		Equity 0.00%
		Fixed 0.00%
		Short-term 100.00%

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\$ *A portion of this account has been designated as plan assets. The allocated amounts will be shown separately on the Allocation screen and will not be included in the Market Value for this account.*

# Mountain Sky Conference (915) 2023 Comprehensive Benefit Funding Plan

## Incoming Money

### Primary Sources

Estimated amount for 2023

Direct Billing

### Other Sources

Conference Operating Budget

*Refer to the following "Allocate Funding Sources" pages for actual amounts allocated from the above funding sources.*

## Mountain Sky Conference (915) 2023 Comprehensive Benefit Funding Plan

### Allocate Funding Sources to Benefit Obligations

Funding Sources		Active Healthcare	Defined Benefit Reserve	Deposit Account	Mountain Sky Superannuate Acc	Direct Billing
<b>Available Balance</b>		\$224,457	\$7,729,203	\$739,253	\$41,245	
<b>Total Allocated</b>		\$0	\$707,579	\$1,500	\$0	\$4,548,926
<b>Remaining Balance</b>		\$224,457	\$7,021,624	\$737,753	\$41,245	
<b>Plan Contributions for 2023</b>						
CRSP DB	\$1,095,588					\$1,095,588
CRSP DC	\$423,000					\$423,000
MPP						
Pre-82						
UMPIP Lay	\$119,183					\$119,183
UMPIP Clergy	\$80,000					\$80,000
Accidental Death and Dismemberment for Lay Staff	\$1,061					
HRA for active HealthFlex participants	\$47,463					\$47,463
Moving for Clergy upon retirement	\$18,000		\$18,000			
UNUM for Active and Retired Lay Staff	\$10,231					\$10,231
UNUM Subsidy for retired clergy	\$1,500			\$1,500		
Health Active	\$2,328,461					\$2,328,461
Health Additional						
Post-Retirement Medical	\$689,579		\$689,579			
CPP	\$445,000					\$445,000
<b>Ongoing Funding Contributions</b>						
Pre-82						
Post-Retirement Medical	\$0					

# Mountain Sky Conference (915) 2023 Comprehensive Benefit Funding Plan

## Allocate Funding Sources to Benefit Obligations

Funding Sources		Conference Operating Budget	Pre-82 Surplus	Prm In-Plan & Outside Assets
<b>Available Balance</b>			\$13,642,357	\$14,791,461
<b>Total Allocated</b>		\$1,061	\$0	\$0
<b>Remaining Balance</b>			\$13,642,357	\$14,791,461
<b>Plan Contributions for 2023</b>				
CRSP DB	\$1,095,588			
CRSP DC	\$423,000			
MPP				
Pre-82				
UMPIP Lay	\$119,183			
UMPIP Clergy	\$80,000			
Accidental Death and Dismemberment for Lay Staff	\$1,061	\$1,061		
HRA for active HealthFlex participants	\$47,463			
Moving for Clergy upon retirement	\$18,000			
UNUM for Active and Retired Lay Staff	\$10,231			
UNUM Subsidy for retired clergy	\$1,500			
Health Active	\$2,328,461			
Health Additional				
Post-Retirement Medical	\$689,579			
CPP	\$445,000			
<b>Ongoing Funding Contributions</b>				
Pre-82				
Post-Retirement Medical	\$0			

## Mountain Sky Conference (915) 2023 Comprehensive Benefit Funding Plan

Plan Contributions for 2023		Funding Needed
CRSP DB	\$1,095,588	\$0
CRSP DC	\$423,000	\$0
MPP		\$0
Pre-82		\$0
UMPIP Lay	\$119,183	\$0
UMPIP Clergy	\$80,000	\$0
HRA for active HealthFlex participants	\$47,463	\$0
Moving for Clergy upon retirement	\$18,000	\$0
UNUM Subsidy for retired clergy	\$1,500	\$0
Accidental Death and Dismemberment for Lay Staff	\$1,061	\$0
UNUM for Active and Retired Lay Staff	\$10,231	\$0
Health Active	\$2,328,461	\$0
Health Additional		\$0
Post-Retirement Medical	\$689,579	\$0
CPP	\$445,000	\$0

Ongoing Funding Contribution for 2023		Funding Needed
Pre-82		
Post-Retirement Medical	\$0	\$0



# Mountain Sky Conference (915) 2023 Comprehensive Benefit Funding Plan

## Clergy Retirement Security Program (CRSP)

**Plan Overview:** The Clergy Retirement Security Program (CRSP) is an Internal Revenue Code section 403(b) retirement program providing lifetime income and account flexibility designed for those who serve as clergy of The United Methodist Church. The plan is designed to provide participants with one portion of their overall retirement benefits. CRSP replaced the Ministerial Pension Plan (MPP) effective January 1, 2007.

CRSP consists of two components:

- A defined benefit (DB) plan--provides a monthly benefit at retirement based upon years of credited service to the Church
- A defined contribution (DC) plan--provides a retirement account balance established and funded by the annual conferences

### Elections and Estimates

	<b>Final</b>
<b>Eligibility requirement</b>	75%+
<b>Conference Full Time Equivalents (FTE)</b>	214.50
<b>CRSP Defined Benefit (DB)</b>	
Required contribution for 2023	\$1,095,588
<b>CRSP Defined Contribution (DC)</b>	
Expected average future annual increases	2.00%
Estimated contribution for 2023	\$423,000

### Rationale for each change

Adjusted based on most recent cost data.

### CRSP DB Denominational Information as of 1/1/2021

Total plan liability	\$(2,134,736,431)
Total plan assets	\$2,520,654,197
Total plan funded status	\$385,917,766
Total plan funded ratio	118%
Plan sponsor's liability percentage	1.4174%

# Mountain Sky Conference (915) 2023 Comprehensive Benefit Funding Plan

## Key Actuarial Assumptions Used in CRSP DB Cost Calculations

Discount rate	7.00%
Future Denominational Average Compensation (DAC) increases	2.00%
COLA increases for actives	2.00%
Mortality	Pri-2012 TQ Adj, generational projection using MP2020

*Calculated values are based upon the assumptions and methods documented in the actuarial valuation report issued in September, 2021.*

# Mountain Sky Conference (915) 2023 Comprehensive Benefit Funding Plan

## Ministerial Pension Plan (MPP)

**Plan Overview:** Supplement Three to the Clergy Retirement Security Program (CRSP), also known as the Ministerial Pension Plan (MPP) provides clergy with a pension benefit for their years of ministry with The United Methodist Church from 1982 through 2006. MPP is an Internal Revenue Code section 403(b) retirement plan. MPP requires that exactly 65% of the account balance must be annuitized when it is to be distributed. The remainder may be rolled over to UMPIP, another qualified plan or an IRA, or paid in a lump sum.

### Elections and Estimates

	Final
Required contributions for 2023	\$0

### MPP Denominational Annuities Information as of 1/1/2021

Total MPP annuities liability	\$(3,630,817,808)
Total plan assets	\$4,439,554,422
Total plan funded status	\$808,736,614
Total plan funded ratio	122%
Plan sponsor's liability percentage	1.3926%

### Future MPP Denominational Annuitants Information as of 1/1/2021

Total participant account balances	\$3,437,346,240
Plan sponsor's participant account balances	\$35,199,087

### Key Actuarial Assumptions Used in MPP Annuities Cost Calculations

Discount rate	6.25%
Benefit increases	Based on increases selected by participant
Mortality	Pri-2012 TQ Adj, generational projection using MP2020

*Calculated values are based upon the assumptions and methods documented in the actuarial valuation report issued in September, 2021.*

# Mountain Sky Conference (915) 2023 Comprehensive Benefit Funding Plan

## Pre-82 Plan (Pre-82)

**Plan Overview:** Supplement One to the Clergy Retirement Security Program (CRSP), also known as the Pre-82 Plan, provides clergy with a pension benefit for their years of ministry with The United Methodist Church prior to 1982. The Pre-82 Plan was replaced by MPP effective January 1, 1982. If a clergyperson retires within the conference (and does not terminate), the minimum benefit payable is based on two factors:

- 1) Years of service with pension credit--approved by each conference on the recommendation of the Conference Board of Pensions (CBOP) in accordance with plan provisions and The Book of Discipline.
- 2) The conference pension rate (past service rate)--the dollar amount chosen by the conference as the amount payable for each approved year of service with pension credit (may change from year to year).

The number of years of service with pension credit is multiplied by the PSR, and the product is the minimum annual benefit payable to those clergy eligible for Pre-82 Plan benefits. In certain situations, the benefit received from the Pre-82 plan may vary based on the applicability of what is referred to as Defined Benefit Service Money (DBSM), which is the defined contribution feature of the Pre-1982 Plan. At the time that a participant retires, the DBSM account is converted to a life-based benefit. At that point, the clergy's benefit is the greater of the PSR benefit or DBSM benefit. If the conference increases the PSR, the clergy's benefit is recalculated; however the DBSM-based benefit does not change.

### Elections and Estimates

	<b>Final</b>
Past Service Rate (PSR)	662/662
Estimated PSR cost-of-living increase	3.00%
Contingent Annuitant Percentage (CA%)	70 %
Discount rate	5.5000%
Minimum contribution for 2023	\$0
Advanced funding contribution for 2023 payable in 2022	\$0

### Rationale for each change

Please also prove a valuation based on PSR of 630 YAC / 662 RMC, and based on 660 YAC / 662 RMC. That will be 3 calcs. Let me know if you have questions or need more information.

## Mountain Sky Conference (915) 2023 Comprehensive Benefit Funding Plan

### Funding Plan Contribution

Funding plan liability as of 1/1/2021	\$(25,862,491)
Total of in-plan and outside assets	\$38,840,926
Funded status	\$12,978,435
Funded ratio	150%
Funded status projection as of 12/31/2022	\$12,017,148
Proposed ongoing funding contribution for 2023	\$0

### Pre-82 Denominational information as of 1/1/2021

Total plan liability	\$(1,773,713,538)
Total plan assets	\$1,977,157,868
Total plan funded status	\$203,444,330
Total plan funded ratio	111%

*Calculated values are based upon the assumptions and methods documented in the actuarial valuation report issued in September, 2021.*

# Mountain Sky Conference (915) 2023 Comprehensive Benefit Funding Plan

## Health—Active Participants

### Elections and Estimates

	<b>Final</b>
Health plan offered to actives	Self-Funded - HealthFlex
Actual annual plan benefit cost paid in 2021	\$2,033,768
Budgeted annual plan benefit cost for 2022	\$2,176,132
Projected annual plan benefit cost for 2023	\$2,328,461
Expected average future annual increases	7.00%

# Mountain Sky Conference (915) 2023 Comprehensive Benefit Funding Plan

## Health—Additional Sponsored Coverage

Categories of participants who are provided health benefit coverage during periods of non-employment. Without plan sponsor-funded premiums, these participants would not be provided coverage or benefits.

<input checked="" type="checkbox"/> Clergy or lay on disability (including pending disability)
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### Coverage Obligations

Covered Category	Estimated obligation as of 12/31/2020	Estimated obligation as of 12/31/2021
Clergy or lay on disability (including pending disability)	\$0	\$0
<b>Total</b>	<b>\$0</b>	<b>\$0</b>

### Annual cost calculation

*The following calculations are not a present value of future costs.*

Total estimated obligation as of 12/31/2021		\$0
Average number of years of remaining coverage	÷	0.0000
Estimated annual cost as of 12/31/2021	=	\$0
Expected average future annual increases	x	7.00%
Projected annual cost as of 12/31/2023	=	\$0

# Mountain Sky Conference (915) 2023 Comprehensive Benefit Funding Plan

## Post-Retirement Medical (PRM)

### Valuation

The most recent actuarial valuation was provided by Willis Towers Watson as of 12/31/2021.  
Per *The Book of Discipline*, your next PRM biennial actuarial valuation is required as of 12/31/2023.

### PRM Actuarial Valuation as of 12/31/2021

Valuation report (in-plan) assets	\$0
EPBO net plan sponsor cost	\$13,842,887
APBO net plan sponsor cost	\$10,928,815
Service cost net plan sponsor cost	\$405,304
Annual plan benefit cost	\$703,580
Intention regarding PRM	Retain current plan benefit

<b>Participant counts by category</b>	
Active participants	192
Active dependents	130
Retirees	211
Surviving spouses	42
Dependents of retired participants	65
<b>Total participants</b>	<b>640</b>

<b>Key actuarial assumptions</b>	
Census date	01/01/2021
Discount rate	2.25%
Expected return on assets	6.50%
Valuation year medical trend or inflation rate	6.50%
Ultimate medical trend or inflation rate	5.00%
Fiscal year for ultimate medical trend	2027



# Mountain Sky Conference (915) 2023 Comprehensive Benefit Funding Plan

## Elections and Estimates

### Description of Benefit

We offer an HRA for eligible retirees, spouses and surviving spouses. The amount is \$1,800/year for retirees with 20+ years of Pre-82 service, \$1,500/year for retirees with 20+ years of Yellowstone Conference service, and \$1,200/year for all others. Clergy who retire prior to age 65 and remain on HealthFlex receive a Conference subsidy of 20% of their applicable HealthFlex rate. We have 4 now.

	<b>Final</b>
Health plan benefit offered to retirees	Via Benefits
Expected average future annual increases	-1.00%
Projected annual plan benefit cost as of 2023	\$689,579

### Funding Plan Contribution

*The following calculations are not a present value of future costs.*

Net PRM assets		\$14,791,461
APBO net plan sponsor cost	-	\$10,928,815
Funded status	=	\$3,862,646
Portion of funded status payable (\$0 if Funded status ≥ \$0)		\$0
Funding plan service cost (\$0 if Net PRM assets ≥ EPBO)	+	\$0
Ongoing funding contribution for 2023	=	\$0

Subsequent to the actuarial work performed in preparation for 2023 funding, the Conference Board of Pension and Health Benefits approved increases as follows:

Retirees with 20+ years of Pre-82 service will receive \$1,908/year  
 Retirees with 20+ years of Yellowstone Conference service will receive \$1,590/year  
 All other eligible participants will receive \$1,272/year

The projected annual benefit cost was increased slightly to account for the change in rates prior to complete the CBFP.

# Mountain Sky Conference (915) 2023 Comprehensive Benefit Funding Plan

## Comprehensive Protection Plan (CPP)

**Plan Overview:** The Comprehensive Protection Plan (CPP) provides death, long-term disability and other welfare benefits for eligible clergy of The United Methodist Church and their families. It is an Internal Revenue Code 414(e) "church plan" funded by plan sponsor insurance premiums. Generally, clergy are eligible to participate in CPP if they satisfy the eligibility requirements, including full-time appointment with plan compensation of at least 25% of the Denominational Average Compensation (DAC). Plan sponsors may elect to cover participants with three-quarter time appointments and/or to continue to cover clergy who, due to certain leaves or appointments, are not otherwise eligible to continue coverage.

The CPP adoption agreement executed by the MOUNTAIN SKY contains its elections to cover or not to cover categories mentioned above.

### Elections and Estimates

	<b>Final</b>
Expected average future annual increases	2.00%
Estimated premium for 2023	\$445,000

### Rationale for each change

Adjusted based on 12/2021 billing @ 2% annual increase rate.

# Mountain Sky Conference (915) 2023 Comprehensive Benefit Funding Plan

## United Methodist Personal Investment Plan (UMPIP)

**Plan Overview:** The United Methodist Personal Investment Plan (UMPIP) is an Internal Revenue Code section 403(b) defined contribution retirement savings plan for clergy and lay employees of The United Methodist Church and affiliated organizations. Participants may make before-tax, Roth and/or after-tax contributions through payroll deductions. Participant contributions, various optional plan sponsor contributions and investment earnings comprise the individual's retirement account balance.

## United Methodist Personal Investment Plan (UMPIP) Lay

### Elections and Estimates

	<b>Final</b>
Expected average future annual increases	3.00%
Estimated contribution for 2023	\$119,183

## United Methodist Personal Investment Plan (UMPIP) Clergy

### Elections and Estimates

	<b>Final</b>
Expected average future annual increases	2.00%
Estimated contribution for 2023	\$80,000

### Rationale for each change

Adjusted based on current expense activity and expected compensation increases.

# Mountain Sky Conference (915) 2023 Comprehensive Benefit Funding Plan

## Other Defined Contribution (DC) Obligations

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<b>Name</b>	<b>Estimated annual contribution</b>
Accidental Death and Dismemberment for Lay Staff	\$1,061

**Description**  
AD&D insurance for lay staff

	<b>Final</b>
Expected average future annual increases	2.00%
Estimated contribution for 2023	\$1,061

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<b>Name</b>	<b>Estimated annual contribution</b>
HRA for active HealthFlex participants	\$47,463

**Description**  
HealthFlex participants plus a spouse enrolled in HealthFlex are eligible for an HRA if they complete the Blueprint for Wellness. \$250 per person in 2020.

	<b>Final</b>
Expected average future annual increases	5.00%
Estimated contribution for 2023	\$47,463

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<b>Name</b>	<b>Estimated annual contribution</b>
Moving for Clergy upon retirement	\$18,000

**Description**  
The Conference pays for one retirement move, within five years after retirement.

	<b>Final</b>
Expected average future annual increases	2.00%
Estimated contribution for 2023	\$18,000

**Rationale for each change**  
Adjusted based on expected reductions in retiree moves in 2023.

# Mountain Sky Conference (915) 2023 Comprehensive Benefit Funding Plan

<b>Name</b>	<b>Estimated annual contribution</b>
UNUM Subsidy for retired clergy	\$1,500

**Description**

Certain retired clergy are grandfathered in to a Conference subsidy for a basic UNUM life insurance policy. No new clergy are added to this benefit and the cost decreases as clergy die.

	<b>Final</b>
Expected average future annual increases	0.00%
Estimated contribution for 2023	\$1,500

<b>Name</b>	<b>Estimated annual contribution</b>
UNUM for Active and Retired Lay Staff	\$10,231

**Description**

The Conference pays for life insurance benefits for active and retired lay staff.

	<b>Final</b>
Expected average future annual increases	2.00%
Estimated contribution for 2023	\$10,231