

Iowa Conference (150) 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

Clergy Retirement Security Program (CRSP) DB	\$1,717,443
Clergy Retirement Security Program (CRSP) DC	\$622,295
Ministerial Pension Plan (MPP)	\$0
Pre-82 Plan (Pre-82)	\$0
United Methodist Personal Investment Plan (UMPIP) Lay	\$113,358
United Methodist Personal Investment Plan (UMPIP) Clergy	\$12,704
Other Defined Contribution (DC) Obligations	\$501,255
Other Defined Benefit (DB) Obligations	\$0
Health—Active Participants	\$6,453,758
Health—Additional Sponsored Coverage	\$179,182
Post-Retirement Medical (PRM)	\$552,388
Comprehensive Protection Plan (CPP)	\$622,295

Ongoing Funding Contributions

Pre-82 Plan (Pre-82)	\$0
Post-Retirement Medical (PRM)	\$0

Iowa Conference (150) 2023 Comprehensive Benefit Funding Plan

Conference Benefit Officer (or equivalent)	Joni Mardesen	08/02/2022
Conference Treasurer	Margaret Biggs	08/02/2022
Conference Board of Pension Chair	David Peterson	08/31/2022
Council on Finance and Administration Chair		



Opinion on **Iowa 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

Iowa Conference (150) 2023 Comprehensive Benefit Funding Plan

Accounts

Wespath Accounts		Market Value as of 12/31/2020	Market Value as of 12/31/2021	
B O P OPERATING		\$14,805,528	\$16,887,819	
Pre-82 designated assets	\$0	Investment Objective	Long-term	
PRM designated assets	\$0	Actual Allocation	Equity	74.91%
			Fixed	25.09%
			Short-term	0.00%
<hr/>				
DEPOSIT ACCOUNT		\$311,894	\$64,126	
Pre-82 designated assets	\$0	Investment Objective	Short-term	
PRM designated assets	\$0	Actual Allocation	Equity	0.00%
			Fixed	0.00%
			Short-term	100.00%
<hr/>				
\$	PERMANENT FUND	\$10,438,189	\$11,675,130	
Pre-82 designated assets	\$3,337,565	Investment Objective	Long-term	
PRM designated assets	\$0	Actual Allocation	Equity	75.19%
			Fixed	24.81%
			Short-term	0.00%
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\$	RETIREEES BENEFIT FUND	\$24,072,399	\$26,926,640	
Pre-82 designated assets	\$14,926,640	Investment Objective	Long-term	
PRM designated assets	\$0	Actual Allocation	Equity	75.22%
			Fixed	24.78%
			Short-term	0.00%
<hr/>				
\$	RETIREEES MEDICAL BENEFIT RESER	\$15,493,978	\$17,304,904	
Pre-82 designated assets	\$0	Investment Objective	Long-term	
PRM designated assets	\$17,304,904	Actual Allocation	Equity	74.49%
			Fixed	25.51%
			Short-term	0.00%

Iowa Conference (150) 2023 Comprehensive Benefit Funding Plan

Non-Wespath Accounts	Market Value as of 12/31/2020	Market Value as of 12/31/2021
Bankers Trust Checking Acct	\$2,256,298	\$1,439,833
Pre-82 designated assets	\$0	Investment Objective
PRM designated assets	\$0	Actual Allocation
		Equity 0.00%
		Fixed 0.00%
		Short-term 100.00%

\$ *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.*

Iowa Conference (150) 2023 Comprehensive Benefit Funding Plan

Incoming Money

Primary Sources

Estimated amount for 2023

Apportionments \$6,224,343

Annual Apportionment \$6,224,343

x Expected Collection Percentage 100.00%

Direct Billing

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

Iowa Conference (150) 2023 Comprehensive Benefit Funding Plan

Allocate Funding Sources to Benefit Obligations

Funding Sources		B O P Operating	Deposit Account	Permanent Fund	Retirees Benefit Fund	Bankers Trust Checking Acct
Available Balance		\$16,887,819	\$64,126	\$8,337,565	\$12,000,000	\$1,439,833
Total Allocated		\$40,525	\$0	\$0	\$0	\$0
Remaining Balance		\$16,847,294	\$64,126	\$8,337,565	\$12,000,000	\$1,439,833
Plan Contributions for 2023						
CRSP DB	\$1,717,443					
CRSP DC	\$622,295					
MPP						
Pre-82						
UMPIP Lay	\$113,358					
UMPIP Clergy	\$12,704					
Clergy Moving Expenses	\$412,000					
Employee Assistance Pr ogram	\$20,525	\$20,525				
UMLife Options for Conf erence lay staff - premiu	\$48,730					
Virgin Health Miles Rew ards for all participants -	\$20,000	\$20,000				
Health Active	\$6,453,758					
Health Additional	\$179,182					
Post-Retirement Medical	\$552,388					
CPP	\$622,295					
Ongoing Funding Contributions						
Pre-82						
Post-Retirement Medical	\$0					

Iowa Conference (150) 2023 Comprehensive Benefit Funding Plan

Allocate Funding Sources to Benefit Obligations

Funding Sources		Apportionments	Direct Billing	Pre-82 Surplus	Pre-82 Outside Assets	Prm In-Plan & Outside Assets
Available Balance		\$6,224,343		\$6,869,184	\$18,264,205	\$17,304,904
Total Allocated		\$412,000	\$9,769,765	\$0	\$0	\$552,388
Remaining Balance		\$5,812,343		\$6,869,184	\$18,264,205	\$16,752,516
Plan Contributions for 2023						
CRSP DB	\$1,717,443		\$1,717,443			
CRSP DC	\$622,295		\$622,295			
MPP						
Pre-82						
UMPIP Lay	\$113,358		\$113,358			
UMPIP Clergy	\$12,704		\$12,704			
Clergy Moving Expenses	\$412,000	\$412,000				
Employee Assistance Program	\$20,525					
UMLife Options for Conference lay staff - premium	\$48,730		\$48,730			
Virgin Health Miles Rewards for all participants -	\$20,000					
Health Active	\$6,453,758		\$6,453,758			
Health Additional	\$179,182		\$179,182			
Post-Retirement Medical	\$552,388					\$552,388
CPP	\$622,295		\$622,295			
Ongoing Funding Contributions						
Pre-82						
Post-Retirement Medical	\$0					

Iowa Conference (150) 2023 Comprehensive Benefit Funding Plan

Plan Contributions for 2023		Funding Needed
CRSP DB	\$1,717,443	\$0
CRSP DC	\$622,295	\$0
MPP		\$0
Pre-82		\$0
UMPIP Lay	\$113,358	\$0
UMPIP Clergy	\$12,704	\$0
Virgin Health Miles Rewards for all participants -	\$20,000	\$0
Clergy Moving Expenses	\$412,000	\$0
UMLife Options for Conference lay staff - premium	\$48,730	\$0
Employee Assistance Program	\$20,525	\$0
Health Active	\$6,453,758	\$0
Health Additional	\$179,182	\$0
Post-Retirement Medical	\$552,388	\$0
CPP	\$622,295	\$0

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

Iowa Conference (150) 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

	Final
Eligibility requirement	50%+
Conference Full Time Equivalents (FTE)	336.25
CRSP Defined Benefit (DB)	
Required contribution for 2023	\$1,717,443
CRSP Defined Contribution (DC)	
Expected average future annual increases	1.00%
Estimated contribution for 2023	\$622,295

Rationale for each change

It is expected that the number of clergy eligible for CRSP will remain steady at best in the Iowa Conference but more likely to decrease, therefore, decreasing the DC contribution.

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	2.3097%

Iowa Conference (150) 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.

Iowa Conference (150) 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	2.5033%

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

Total participant account balances	\$3,437,346,240
Plan sponsor's participant account balances	\$73,179,005

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.

Iowa Conference (150) 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

	Final
Past Service Rate (PSR)	735
Estimated PSR cost-of-living increase	1.75%
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

Voted by our BOP to increase the PSR to assist our clergy with the increased cost of living and approved at the annual meeting.

Iowa Conference (150) 2023 Comprehensive Benefit Funding Plan

Funding Plan Contribution

Funding plan liability as of 1/1/2021	\$(42,447,670)
Total of in-plan and outside assets	\$64,880,348
Funded status	\$22,432,678
Funded ratio	153%
Funded status projection as of 12/31/2022	\$24,968,131
Proposed ongoing funding contribution for 2023	\$0

Funding strategy

There is no minimum contribution required and the Iowa BOP holds Pre-82 reserves in Wespath accounts if contributions would be necessary.

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.

Iowa Conference (150) 2023 Comprehensive Benefit Funding Plan

Health—Active Participants

Elections and Estimates

	Final
Health plan offered to actives	Insurance
Actual annual plan benefit cost paid in 2021	\$6,146,436
Budgeted annual plan benefit cost for 2022	\$6,453,758
Projected annual plan benefit cost for 2023	\$6,453,758
Expected average future annual increases	2.00%

Rationale for each change

Wellmark Blue Cross/Blue Shield has committed to a 0% premium increase to the plan in 2023

Iowa Conference (150) 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)
<input checked="" type="checkbox"/> Surviving spouses or children of deceased active participants
<input checked="" type="checkbox"/> Any other leave / arrangements that provide additional coverage

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)	\$1,119,456	\$839,310
Surviving spouses or children of deceased active participants	\$184,140	\$489,402
Any other leave / arrangements that provide additional coverage	\$0	\$0
Total	\$1,303,596	\$1,328,712

Annual cost calculation

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

Total estimated obligation as of 12/31/2021		\$1,328,712
Average number of years of remaining coverage	÷	7.7150
Estimated annual cost as of 12/31/2021	=	\$172,224
Expected average future annual increases	x	2.00%
Projected annual cost as of 12/31/2023	=	\$179,182

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Post-Retirement Medical (PRM)

Valuation

The most recent actuarial valuation was provided by 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	\$5,508,189
APBO net plan sponsor cost	\$5,141,990
Service cost net plan sponsor cost	\$57,656
Annual plan benefit cost	\$552,388
Intention regarding PRM	Retain current plan benefit

Participant counts by category	
Active participants	314
Active dependents	230
Retirees	374
Surviving spouses	96
Dependents of retired participants	216
Total participants	1,230

Key actuarial assumptions	
Census date	12/31/2021
Discount rate	2.05%
Expected return on assets	0.00%
Valuation year medical trend or inflation rate	0.00%
Ultimate medical trend or inflation rate	0.00%
Fiscal year for ultimate medical trend	2020

Iowa Conference (150) 2023 Comprehensive Benefit Funding Plan

Elections and Estimates

Description of Benefit

Participants retired before 7/1/11 will receive a monthly HRA contribution of \$100 for their lifetime. Participants retired following 7/1/11 receive a total HRA contribution of \$4,200 paid out over 5 1/2 years. The step-down plan is as follows: 18 mos. of \$100/mo; 12 mos. of \$80/mo; 12 mos. of \$60/mo; 12 mos. of \$40/mo; 12 mos. of \$20/mo = \$4,200

	Final
Health plan benefit offered to retirees	Stipend
Expected average future annual increases	0.00%
Projected annual plan benefit cost as of 2023	\$552,388

Funding Plan Contribution

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

Net PRM assets		\$16,752,516
APBO net plan sponsor cost	-	\$5,141,990
Funded status	=	\$11,610,526
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

Iowa Conference (150) 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 IOWA contains its elections to cover or not to cover categories mentioned above.

Elections and Estimates

	Final
Expected average future annual increases	2.00%
Estimated premium for 2023	\$622,295

Rationale for each change

Fewer full-time and 3/4 time clergy have lowered the CPP premium for Iowa

Iowa Conference (150) 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

	Final
Expected average future annual increases	3.00%
Estimated contribution for 2023	\$113,358

Rationale for each change

After several years of no salary increases for Director Level and above, all Iowa staff received a 3% increase in 2022, and we have budgeted for a 3% increase in 2023.

United Methodist Personal Investment Plan (UMPIP) Clergy

Elections and Estimates

	Final
Expected average future annual increases	2.00%
Estimated contribution for 2023	\$12,704

Rationale for each change

Adjustment for increased number of 25% pastors eligible for UMPIP

Iowa Conference (150) 2023 Comprehensive Benefit Funding Plan

Other Defined Contribution (DC) Obligations

Name	Estimated annual contribution
Clergy Moving Expenses	\$412,000

Description

Clergy Moving Expenses

	Final
Expected average future annual increases	0.00%
Estimated contribution for 2023	\$412,000

Name	Estimated annual contribution
Employee Assistance Program	\$20,525

Description

This program is offered to all active and retired clergy, lay staff with the Conference, and their families.

	Final
Expected average future annual increases	0.00%
Estimated contribution for 2023	\$20,525

Rationale for each change

Based on our current number of active clergy, retirees, and lay staff, there would be a small decrease compared to previous years.

Name	Estimated annual contribution
UMLife Options for Conference lay staff - premium	\$48,730

Description

UMLife Options for Conference lay staff - premium payments

	Final
Expected average future annual increases	2.00%
Estimated contribution for 2023	\$48,730

Rationale for each change

Planned staff retirements will result in small changes to the overall 2023 premium

Iowa Conference (150) 2023 Comprehensive Benefit Funding Plan

Name	Estimated annual contribution
Virgin Health Miles Rewards for all participants -	\$20,000

Description

Virgin Health Miles Rewards for all participants - clergy, conference staff, lay employees of local churches

	Final
Expected average future annual increases	0.00%
Estimated contribution for 2023	\$20,000