Most of our full-time active and retired clergy participate in defined benefit (DB, or traditional pension) plans. Our plans were funded by the Annual Conference and are administered by the General Board of Pension and Health Benefits. The Tennessee Conference’s retirement plans are projected to be funded at 109% - 113% in 2017.

The Annual Conference, this Board and their predecessors have been good stewards of the funds entrusted to us. As a result, the Tennessee Conference has pension reserves that should protect our retirees well into the future.

We are blessed that we can fund part of our current pension obligations from earnings on our reserves. For 2017, we have requested apportionment funding to cover only 35% or our expected pension obligations. The remaining 65% will be funded through withdrawals from the Conference’s Pension reserves. This is part of a 10-year plan being developed by CFA to reduce the church’s apportionments by drawing down accumulated reserves.

The 2017 Comprehensive Benefit Funding Plan has been prepared and submitted to the General Board of Pension and Health Benefits as required by the Book of Discipline (2012), ¶1506.6. We have sufficient projected revenues and reserves to fully fund all the Conference’s benefit obligations for the foreseeable future.

Years ago, the Conference Board of Pensions set a goal to maintain our Pre-82 Plan past service rate (PSR) at a minimum of 1.0% of conference average compensation (CAC). We recommend a past service rate of $692 for pre-1982 service years for 2017. This represents a 1.5% increase over the 2016 rate ($682) and is 1.045% of the CAC.

The board expresses its thanks to hard work of Jim Allen and Melinda Parker, who ensure the smooth working of our benefits plans and support of our retirees. Assistant Benefits Officer Melinda Parker organized the Board of Pensions’ annual Pre-Retirement Planning Seminar at Blakemore United Methodist Church on February 25, 2016, and at First UMC in Jackson TN on February 26. All clergy who were eligible to retire in the next five years were invited to attend. Jim Allen led a workshop on Clergy Taxes Using TurboTax, sponsored by our United Methodist Foundation.

Finally, let me express my thanks to the members of the Board of Pensions whose terms will end this year. You have all been fair-minded individuals who assured that our retirees were cared for appropriately. Let me add a special thanks to Garland Honeycutt, who preceded me as Chair of the Board of Pensions. His passion and excellence were an inspiration; his guidance will be appreciated by this board for years to come.
REMINDE RS

1) The General Board of Pension and Health Benefits offers a long term care plan and optional (additional) life insurance for qualified participants.

2) The Conference can provide grave markers for deceased United Methodist clergy. Requests should be made to the Office of Administrative Services.

REQUEST FOR ACTION BY ANNUAL CONFERENCE

The Board of Pensions recommends that the annual conference approve the following:

1. The 2017 Tennessee Conference Comprehensive Benefit Funding Plan.


3. Should General Conference approve changes to the clergy benefit plans, which could take effect prior to our 2017 Annual Conference, authorize our Conference Board of Pensions to consider and approve those changes on behalf of the Tennessee Conference.

TO BE ADDED LATER:

2017 Comprehensive Benefit Funding Plan

Board of Pensions Supplement Report
(Deaths, Grants & Incapacity Leave)