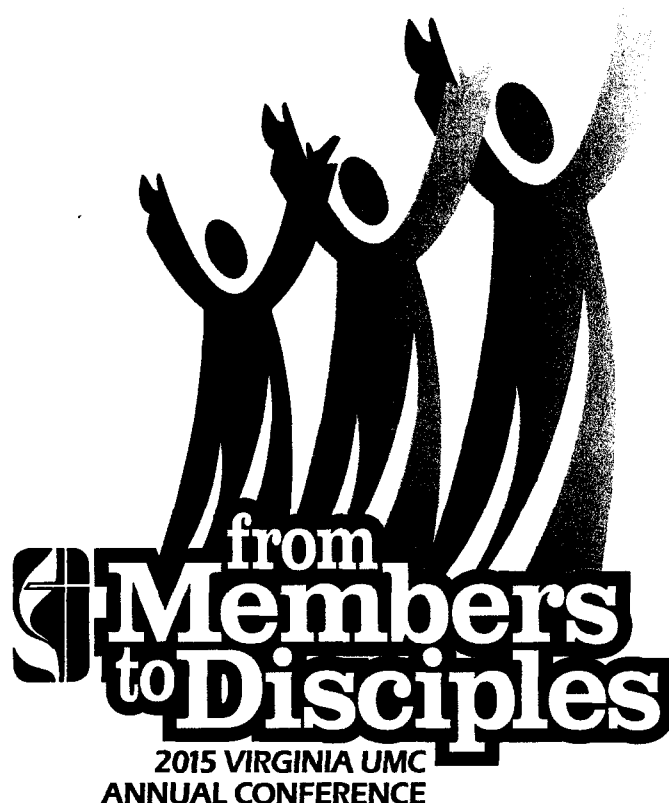


JOURNAL

of the
Virginia Annual Conference

THE UNITED METHODIST CHURCH

2015



233rd Session
Richmond Area
Southeastern Jurisdiction

IX. REPORTS OF CONFERENCE BOARDS AND AGENCIES

For 2016, the Virginia Conference has an expected required contribution to the Comprehensive Protection Plan of \$1,595,590, which is anticipated to be funded by direct billing to local churches. The anticipated average increase in future years is expected to be approximately 2% per year, consistent with the expected rate of increase in overall compensation.

United Methodist Personal Investment Plan (UMPIP) for Lay and Clergy

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 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.

Other Conference Benefit Obligations: Defined Contribution (DC) Type

DC Plan Overview: The Virginia Conference currently offers a supplemental life insurance plan made available to clergy who are enrolled in the Comprehensive Protection Plan. The funding obligation for 2016 is anticipated to be \$214,000, with the funding sources to be direct billing to local churches.

Conclusion:

The 2016 Comprehensive Benefit Funding Plan and the above summary document incorporates, to the best of our understanding, the Virginia Conference's obligations and funding requirements of the benefits provided to the clergy and laity of the Virginia Conference.

Recommendation 8: 2016 Housing Allowance/Exclusion

Resolutions Relating to Rental/Housing Allowances for Retired, Disabled, or Former Clergypersons of the Virginia Conference

The Virginia Conference (the "Conference") adopts the following resolutions relating to rental/housing allowances for active, retired, terminated or disabled clergypersons of the Conference:

WHEREAS, the religious denomination known as The United Methodist Church (the "Church"), of which this Conference is a part, has in the past functioned and continues to function through ministers of the gospel (within the meaning of Internal Revenue Code section 107) who were or are duly ordained, commissioned or licensed ministers of the Church ("Clergypersons");

WHEREAS, the practice of the Church and of this Conference was and is to provide active Clergypersons with a parsonage or a rental/housing allowance as part of their gross compensation;

WHEREAS, pensions or other amounts paid to active, retired, terminated and disabled Clergypersons are considered to be deferred compensation and are paid to active, retired, terminated and disabled Clergypersons in consideration of previous active service; and

WHEREAS, the Internal Revenue Service has recognized the Conference (or its predecessors) as an appropriate organization to designate a rental/housing allowance for Clergypersons who are or were members of this Conference and are eligible to receive such deferred compensation;

NOW, THEREFORE, BE IT RESOLVED:

THAT an amount equal to 100% of the pension, severance or disability payments received from plans authorized under *The Book of Discipline* of The United Methodist Church (the "*Discipline*"), which includes all such payments from the General Board of Pension and Health Benefits ("GBOPHB"), during the period January 1, 2016 through December 31, 2016 by each active, retired, terminated or disabled clergyperson who is or was a member of the Conference, or its predecessors, be and hereby is designated as a rental/housing allowance for each such clergyperson; and

THAT the pension, severance or disability payments to which this rental/housing allowance designation applies will be any pension, severance or disability payments from plans, annuities or funds authorized under the *Discipline*, including such payments from the GBOPHB and from a commercial annuity company that provides an annuity arising from benefits accrued under a GBOPHB plan, annuity or fund authorized under the *Discipline*, that result from any service a clergyperson rendered to this Conference or that an active, a retired, a terminated or a disabled clergyperson of this Conference rendered to any local church, annual conference of the Church, general agency of the Church, other institution of the Church, former denomination that is now a part of the Church or any other employer that employed the clergyperson to perform services related to the ministry of the Church, or its predecessors, and that elected to make contributions to, or accrue a benefit under, such a plan, annuity or fund for such an active, retired, terminated, or disabled clergyperson's pension, severance, or disability plan benefit as part of his or her gross compensation.

NOTE: The rental/housing allowance that may be excluded from a clergyperson's gross income in any year for federal (and, in most cases, state) income tax purposes is limited under Internal Revenue Code section 107(2), and regulations thereunder, to the least of: (a) the amount of the rental/housing allowance designated by the clergyperson's employer or other appropriate body of the Church (such as this Conference in the foregoing resolutions) for such year; (b) the amount actually expended by the clergyperson to rent or provide a home in such year; or (c) the fair rental value of the home, including furnishings and appurtenances (such as a garage), plus the cost of utilities in such year. Each clergyperson or former clergyperson is urged to consult with his or her own tax advisor to determine what deferred compensation is eligible to be claimed as a housing allowance exclusion.

Robert G. Sanford, Jr., Chair