

Please Note: *The following proposal was approved by the Great Plains Conference Board of Trustees on Wednesday, May 22, 2019.*

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Proposed Formula and Procedure for the Calculation of Each Local Church's Pro Rata Share of Aggregate Unfunded Pension Obligations to the Annual Conference (§2553.4d)

For the purposes of disaffiliation as outlined in §2553.4d of the *Book of Discipline*, each congregation's pro rata share of the aggregate unfunded pension liability shall be determined as follows:

- 1) Calculate each church's share based upon of the aggregate three-year average of conference mission shares
 - a. The three-year average of Mission Shares is calculated by taking each congregation's apportioned amount for the most recent available year calculated as well as the two prior years' apportioned amounts, and dividing the number of years mission shares were assigned over the last three years (1 to 3 years)
 - b. The average calculated in 1.a above is then divided by the average of the total Mission Shares assigned over the past three years to calculate each church's percentage share of the three-year average total mission shares
 - c. The percentage share calculated in 1.b is then multiplied by 50% of the total unfunded pension obligation for the Great Plains Conference as provided by Wespath
- 2) Calculate each church's share based upon total current approved Plan Compensation as defined by CRSP plan documents as reported on the clergy compensation forms (pastor salaries plus housing benefits)
 - a. The total plan compensation for each congregation is the sum of the total amount of approved annual salary for all pastors appointed to the church, plus the total pastoral housing-related benefits
 - b. Total housing-related benefits shall be determined as:
 - i. In cases where the pastor lives in a parsonage provided by the church, the housing benefit will be calculated as 25% of approved annual salary
 - ii. In cases where the pastor is provided a housing allowance in lieu of a parsonage, the amount established on the compensation form as a housing allowance shall will be the total housing-related benefits.
 - c. The total plan compensation for all pastors serving the congregation shall be divided by the aggregate sum of all plan compensation for all clergy serving

local churches to calculate each church's percentage share of total plan compensation.

- d. The percentage share calculated in 2.c above shall be multiplied by 50% of the total unfunded pension obligation for the Great Plains Conference as provided by Wespath
- 3) The sum of #1 plus #2 above shall equal each church's share of the unfunded pension obligation.
- 4) In cases where either no mission shares have been assigned or no plan compensation has been established and approved, the extant factor shall be multiplied by two (2) to equal that church's share of the unfunded pension obligation.
- 5) Calculations of each church's share of the unfunded pension obligation shall be calculated and communicated to every congregation no later than 45 days following Wespath's September release of the liability amount containing update participant population data.
- 6) Should a congregation believe their calculation has been made in error, they may contact the Conference Treasurer to request an appeal no later than 30 days following the transmittal of their assigned unfunded pension liability amounts.
- 7) Any changes in assigned liability amounts must be approved by the Great Plains Conference Board of Trustees or its Executive Committee.