



AUMCPBO—September 2019



**Wespath**

BENEFITS | INVESTMENTS

# Comprehensive Protection Plan Overview

# Agenda

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- Long Term Disability (LTD) Overview
- CPP Disability Application Process
- Death Benefits Overview
- Voluntary Transition Program Overview



# CPP Eligibility

# CPP Plan Eligibility

## Effective January 1, 2017

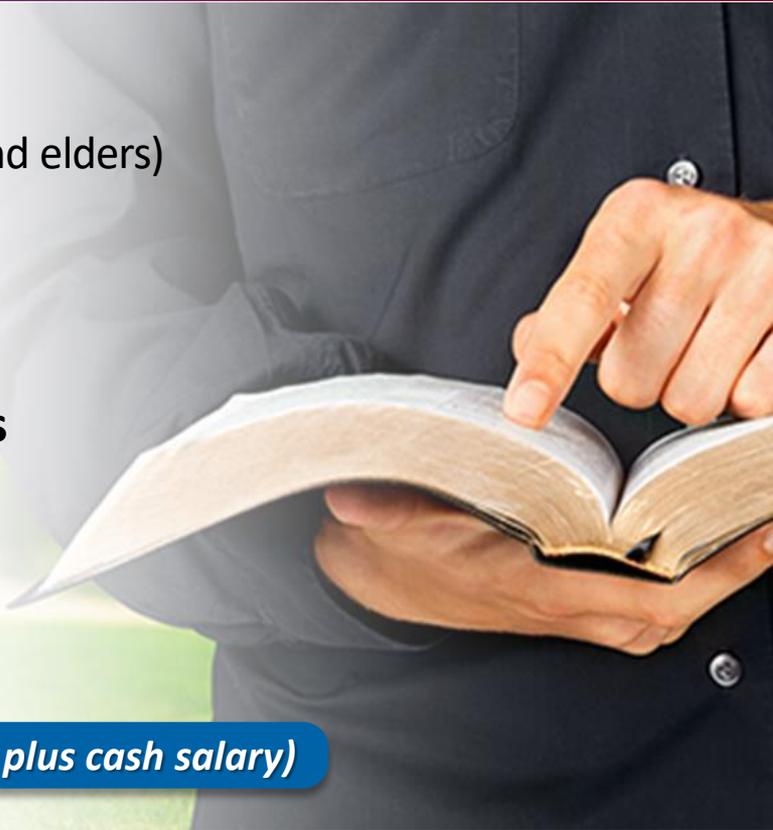
- Mandatory participation for eligible clergy
  - Serving full-time
  - Compensation at least 25% of DAC
- Not eligible
  - Clergy appointed half-time or quarter-time
    - *UMLifeOptions*

**Premium calculation: 3% of plan compensation\* (*housing plus cash salary*)**

\* Plan compensation excludes “cash in lieu of group health coverage”

# Plan Sponsor Election

- Three-quarter time clergy
  - Full and provisional members (including deacons and elders)
  - Associate members
  - Members of other Methodist denominations
- Three-quarter time local pastors
- Leave of absence for **no more than 12 months**
  - Voluntary leave (personal, family, transitional)
  - Medical leave (not CPP disabled)
  - Attend school
  - Sabbatical leave



**Premium calculation: 3% of plan compensation (*housing plus cash salary*)**

# Comprehensive Protection Plan (CPP)

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- Death and disability benefits
- Severance benefits



# Disability Benefits and Medical Leave



# Medical (Incapacity) Leave ≠ Disability Benefits

Eligibility for medical leave **does not** equal long-term disability (LTD) claim approval

- **Medical leave—relationship status with the annual conference**
- **CPP disability—welfare benefit claim determination**
  - Lincoln Financial Group determines LTD claim based on medical evidence received

# Separate Decisions

	Medical Leave	Disability Benefits
<b>WHAT</b>	Relationship to the conference	Income replacement benefit
<b>WHO</b>	<ul style="list-style-type: none"><li>• Joint Committee</li><li>• Board of Ordained Ministry</li><li>• Clergy Session</li></ul>	<ul style="list-style-type: none"><li>• Administrator</li><li>• Wespath for eligibility or appeals</li></ul>
<b>BASIS</b>	Unable to perform duties due to medical reasons	Unable to perform clergy duties for at least 6 months based on medical evidence

# Disability Benefits Administrator

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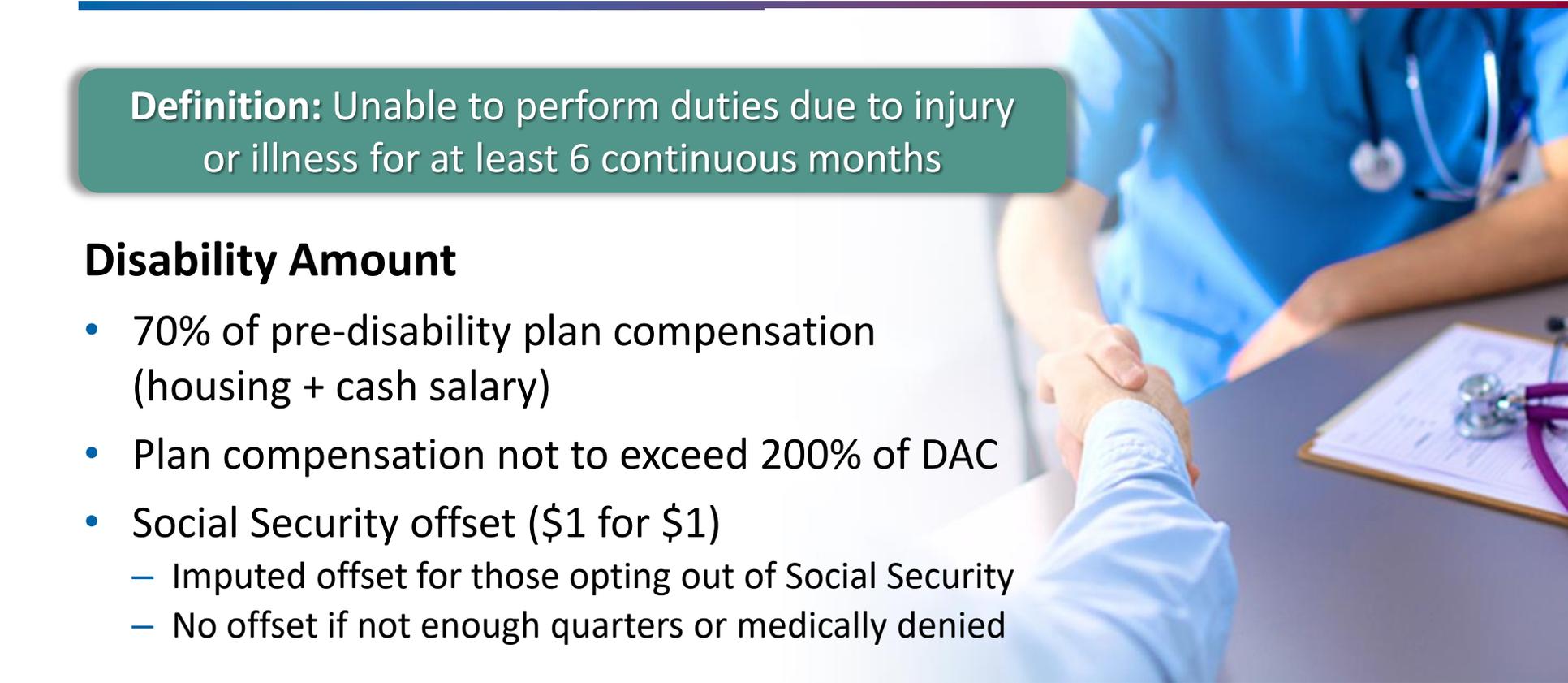


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(Formerly Liberty Mutual)

**Third-party adjudication and  
claims management**

# Long-Term Disability Plan Benefits



**Definition:** Unable to perform duties due to injury or illness for at least 6 continuous months

## Disability Amount

- 70% of pre-disability plan compensation (housing + cash salary)
- Plan compensation not to exceed 200% of DAC
- Social Security offset (\$1 for \$1)
  - Imputed offset for those opting out of Social Security
  - No offset if not enough quarters or medically denied

# Income from Part-Time Work

Period	Other Income Offset
<b>First 24 months of disability</b>	<ul style="list-style-type: none"><li>• Up to 100% of pre-disability compensation from disability benefits + earnings</li><li>• Above 100%: \$1 for \$1 offset</li></ul>
<b>After 24 months</b>	<ul style="list-style-type: none"><li>• 50¢ offset for each \$1 from earnings</li></ul>

# Benefit Duration

Provision	Participant's Disability Date December 31, 2012 and Before	Current Benefit
<b>Benefit Duration</b>	<ul style="list-style-type: none"><li>• Disability date <i>before age 60</i>: <b>Until age 65</b></li><li>• Disability date <i>after age 60</i>: <b>5 years</b></li></ul>	See next slide



# Benefit Duration Schedule

Age at Disability	Benefit Duration
Less than age 62	To Social Security retirement age or date of retirement, if earlier
Age 62	60 months
Age 63	48 months
Age 64	42 months
Age 65	36 months
Age 66	30 months
Age 67	24 months
Age 68	18 months
Age 69 and above	12 months or age 72, whichever is earlier

# CPP Disability and Retirement Benefits

- CRSP\* defined contribution (DC)—funded by CPP
  - 3% of compensation at time of disability
  - 3% annual increases
  - **As of January 1, 2014:** 1% match applies
- CRSP defined benefit (DB)—funded by conference
- Contributions to UMPIP\*\*

\* CRSP: Clergy Retirement Security Program

\*\* UMPIP: United Methodist Personal Investment Plan





# CPP Disability Claim and Procedures

# LTD Application Process



- Participant Form (*Form A*)
- Conference Form (*Form C*)
- Grant Form (*Form F*)



# Claim Adjudication Process

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## Proof of claim—45 days

- Step approach in obtaining medical data from treating providers—  
one 45-day extension
- Final determination made after  
60 days based on medical data  
received to date

# Application Determination

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## Approvals

- Effective date is 1st of the month following last day paid salary or grant
  - Plan will reimburse conference for grant
- Lincoln Financial will conduct ongoing reviews of claim

## Denials

### Appeal claim denial:

- Initial appeal
- Intermediate appeal
- Final appeal

# Retirement Account Access

**CPP provides 70% of pre-disability plan compensation**

	MPP*	CRSP	UMPIP
DISABILITY	35% of account balance	DC account balance	100% of account balance if permanently disabled under IRS rules

\* **MPP:** Ministerial Pension Plan

# Career



Disability Station



Retirement Village



Final Stop

# Death Benefits

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**Active  
Death Benefit**

**Retiree  
Death Benefit**

- Eligibility
- Amount

# Death Benefits

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- Active and retired clergy death benefit
- Spousal death benefit
- Surviving spouse death benefit
- Child death benefit
- Surviving child benefits
- Minimum surviving spouse retirement benefit

# Active Death Benefits

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Provision	CPP Death Benefit
Clergy	\$50,000
Spouse	20% of DAC at time of death
Surviving Spouse	15% of DAC at time of death
Child	10% of DAC at time of death

# Retiree Death Benefit

Provision	Retired December 31, 2012 and Earlier	Retired January 1, 2013 and Later
Eligibility	<ul style="list-style-type: none"><li>• Eligible to receive a benefit from CRSP at time of retirement, <i>and</i></li><li>• Enrolled in CPP for 5 of the last 10 years, <i>or</i></li><li>• Active participant in CPP for 25 years</li></ul>	<ul style="list-style-type: none"><li>• Eligible to receive a benefit from CRSP at time of retirement, <i>and</i></li><li>• Enrolled in CPP for 12 of the last 15 years, <i>or</i></li><li>• Active participant in CPP for 25 years</li></ul>

# Retiree Death Benefit Amounts

Provision	Retired December 31, 2012 and Earlier	Retired January 1, 2013 and Later
Retiree	<b>30% of DAC</b> at time of death	Flat amount of <b>\$20,400</b>
Retiree Spouse	<b>20% of DAC</b> at time of death	Flat amount of <b>\$15,300</b>
Retiree Surviving Spouse	<b>15% of DAC</b> at time of death	Flat amount of <b>\$10,200</b>
Retiree Child	<b>10% of DAC</b> at time of death	Flat amount of <b>\$8,160</b>



# Voluntary Transition Program

# When It's Time for Change

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**“Staying in a vocation  
when it is no longer  
life-giving is detrimental  
to health.”**

*— Church Systems Task Force Report*



# Voluntary Transition Program

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- Eligible CPP participants who wish to leave ordained ministry
  - Denominational, standardized voluntary transition package for clergy



# Voluntary Transition Eligibility

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- Minimum 5 years in full connection
  - Includes associate members (January 1, 2017)
- In good standing
- Active CPP participant 5 years immediately preceding separation
- Not within 2 years of eligibility to retire
- Must surrender credentials



# Voluntary Transition Program—Severance Benefits

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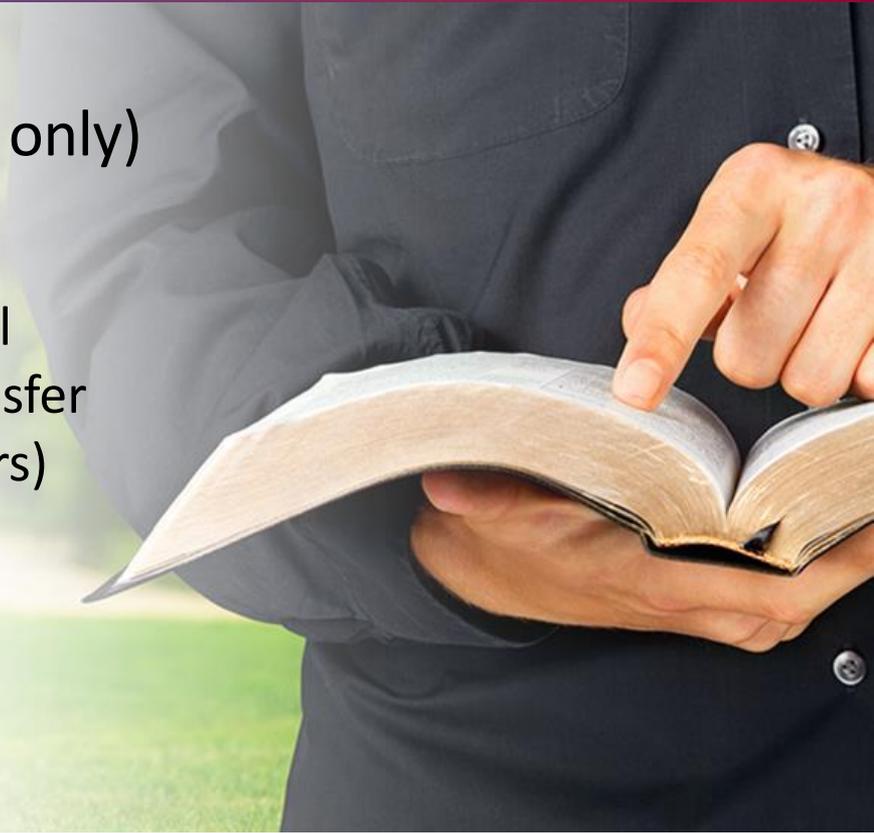
## Transition Payments

- 2 weeks of participant’s plan compensation (housing plus cash salary) for each full year of continuous service
- Up to maximum 26 weeks—“Transitional Period”
- Lump-sum payment via direct deposit

# Voluntary Transition Program—Other Benefits

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- Active death benefits (participant only)
- Retirement benefit option
  - Convert DB accruals into an actuarial equivalent account balance and transfer to UMPIP (except Associate Members)
- Outplacement services through vendor (Impact Group)



# Voluntary Transition Program—Process

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- Voluntary Transition Program Toolkit
  - Plan Highlights
  - Agreement Form
  - Electronic Funds Transfer (EFT) Form
  - Outplacement Information
  - Confirmation of Eligibility
- Wespath receives Agreement Form and initiates payment
- Conference oversees termination of relationship, health insurance coverage and moving expenses

# Voluntary Transition Program—Annual Utilization

Number of Conferences		Average Age		Average Years of Service		Average Payout (1x)		Male/Female	
25		49		16		\$30,202		53/12	
2013	2014	2015	2016	2017	2018	2019			
4	7	17	7	8	13	9			



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