

1 THE BOARD OF PENSION AND HEALTH BENEFITS

2
3 PENSION SECTION
4 Report Number One

5 A. Past Service Rate

6 The Board of Pension and Health Benefits requests that the South Carolina Annual Conference fix **\$1007** per
7 service year as the rate for annuity payments to retired ministers under the Supplement One of the Clergy
8 Retirement Security Plan (otherwise known as Pre-82) for 2026. (This rate was **\$987** for the year 2025.) This
9 shall include service annuity credits approved prior to January 1, 1982. An eligible surviving spouse shall receive
10 75% of the formula benefit upon the death of the participant. This represents a 2% increase over 2025.

11 B. Direct Billing

12 1. The Board of Pensions requests that direct billings to salary paying units be made to give the Board of Pension
13 and Health Benefits (The Pension Fund), **\$3,267,647** for the pension program of the South Carolina Annual
14 Conference for the fiscal year ending December 31, 2026, and that this sum be apportioned or billed to the
15 churches of the South Carolina Annual Conference.

16 2. For 2026, each institution, organization or district to which a minister is appointed and enrolled shall pay to the
17 South Carolina Annual Conference Board of Pension and Health Benefits an amount equal to \$150 per month and
18 **seven percent (7%)** of each appointed clergy person's Plan Compensation for full-time clergy for the Compass
19 Plan. This includes all full-time clergy (including deacons) who are under Episcopal appointment (receiving
20 compensation) at a local church, charge, conference or conference responsible unit or entity related to the South
21 Carolina Annual Conference. This includes an amount equal to four percent (4%) of the appointed participant's
22 Plan Compensation for a dollar for dollar match. This amount must be matched by a contribution of 4% by the
23 participating pastor in order to receive credit for the full 4% paid by the church. Any surplus funds collected will
24 be used for actuarial and collection smoothing. The remaining three percent (3%) collected for the Compass plan
25 will be remitted as a Non Matching Employer Contribution. An amount equal to 3% of the appointed participant's
26 Plan Compensation, limited by 200% of the Denomination Average Compensation, shall be paid for
27 Comprehensive Protection Plan funding or other benefit plan. Such payments shall be made for each minister so
28 appointed, and paid monthly in twelve equal installments from deposits made in the Compass Account of the
29 South Carolina Annual Conference with Wespeth Benefits & Investments, by the treasurer of the South Carolina
30 Annual Conference. **Churches/charges participating in ACH automated payment system (bank draft) may
31 receive up to a \$150.00 per month discount on their Direct Bill payment.**

32 3. Beginning in 2026 all eligible clergy personal contributions to the Compass Plan will be remitted to the Annual
33 Conference. Eligible Clergy will be automatically enrolled at a 4% contribution which will automatically escalate
34 each year on January 1st by 1% up to a 10% personal contribution. If an eligible clergy person is already
35 contributing at an amount greater than 4%, their contribution will remain at the higher contribution rate. 10% is
36 the maximum automatic escalation percentage, but an eligible clergy person can elect to contribute at a rate that
37 is higher than 10% up to the IRS contribution limit. This contribution should be withheld from the pastor's pay and
38 will be included with the monthly Direct Bill and Health Plan withholdings. **This is a new remittance process for
39 personal contributions under the Compass Plan.**

40 4. For 2026, the Board of Pension & Health Benefits recommends each institution, organization or district to which
41 a part-time minister is appointed and enrolled contribute to a defined contribution 403(b) pension program
42 called the United Methodist Personal Investment Plan (UMPIP). For all clergy who are under Episcopal
43 appointment and considered part-time (receiving compensation) at a local church, charge, conference or
44 conference-responsible unit or entity related to the South Carolina Annual Conference, the salary paying unit
45 shall pay an amount equal to 9.0% of the appointed participant's Plan Compensation for the matching portion
46 of the defined contribution portion of the UMPIP. The contribution by the church will be made if the clergy
47 person contributes a minimum of 3% of his/her plan compensation in their United Methodist Personal

Investment Account. Each church with a less than full-time clergy will be required to complete an adoption agreement with Wespath Benefits and Investments, a general agency of The United Methodist Church. The pension cost, both the church's share and the participant's match, will be billed from Wespath Benefits & Investments.

5. All churches with direct billing responsibilities will receive paperless statements. Statements will be emailed to the treasurer as reported during charge conference. The monthly statements will also be emailed to the pastor and any additional recipients upon request.

C. Fiscal Year

The fiscal year of the Board of Pensions shall be the same as that of the South Carolina Annual Conference.

D. Moving Expenses

The Board of Pension and Health Benefits authorizes one-time taxable moving expense reimbursement, not to exceed \$2,500, and including up to \$350 in verified packing expenses, for newly incapacitated ministers receiving CPP Incapacity Benefits, surviving spouses of ministers, participants in the Voluntary Transition Program, or newly retired ministers in benefit, moving from the parsonage provided by the charge. Persons moving must file for the one-time reimbursement grant no later than 90 days after first reception of pensions or disability benefits and may use the funds for moving expenses and/or for connection/tap on or hookup fees in the new residence. The reimbursement amount for 2025 was \$2,500.

E. Retiree Annual Conference Per Diem

For 2026, the Board of Pensions and Health Benefits, at the request of the Conference Secretary, recommends that Retired Clergy members of the South Carolina Annual Conference receive a per diem for the days they attend the South Carolina Annual Conference at the Lodging (\$110.00) and Meals (\$51.00 arriving and departing days and \$64.00) per diem rates set by the GSA (General Services Administration) if they are traveling to Annual conference, and the Meals (\$51.00 arriving and departing day and \$64.00) per diem rate if they are commuting to Annual Conference.

F. Resolution Relating to Rental/Housing Allowances for Active, Retired or Disabled Clergypersons of the South Carolina Annual Conference

The South Carolina Annual Conference (the "Conference") adopts the following resolutions relating to rental/housing allowances for active, retired, 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 Clergy-persons in consideration of previous active service; and

WHEREAS, the Internal Revenue Service has recognized the Conference (or its predecessors) as the 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 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 Wespath Benefits & Investments, during the years 2024, 2025, and 2026

by each active, retired, terminated, or disabled Clergy person 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 Clergy person; and

THAT the pension, severance, or disability payments to which this rental/housing allowance applies will be any pension or disability payments from plans, annuities, or funds authorized under the *Discipline*, including such payments from the Wespath Benefits/Investments and from a commercial annuity company that provides an annuity arising from benefits accrued under a Wespath plan, annuity, or fund authorized under the *Discipline*, that result from any service a Clergy person rendered to this Conference or that an active, a retired, or a disabled Clergy person 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 Clergy person 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 active, retired, or disabled Clergy person's pension or disability as part of his or her gross compensation.

NOTE: The rental/housing allowance that may be excluded from a Clergy person's gross income in any year for federal income tax purposes is limited under Internal Revenue Code section 107(2) and regulations thereunder to the least of: (1) the amount of the rental/housing allowance designated by the Clergy person's employer or other appropriate body of the Church (such as this Conference in the foregoing resolutions) for such year; (2) the amount actually expended by the Clergy person to rent or provide a home in such year; or (3) the fair rental value of the home, including furnishings and appurtenances (such as a garage), plus the cost of utilities in such year.

Report Number Two

2026 Pension and Welfare Operating Budget

Requirement	2025 Budgeted	2026 Estimated
Clergy Retirement Service Plan (CRSP)		
Defined Benefit Amount	\$2,104,702	\$0
CRSP Defined Contribution (3%)	\$966,463	\$0
Compass Flat Dollar Contribution	\$0	\$500,400
Compass 3% Non Matching Contribution	\$0	\$850,929
Compass 4% Matching Contribution	\$0	\$1,147,081
CPP Welfare Plan (3%) Benefits Funding	\$963,559	\$850,929
Total Estimated Requirement	\$4,034,724	\$3,349,338
Estimated Income		
Direct Bill Payments	\$4,034,724	\$3,349,338
Total Estimated Income	\$4,034,724	\$3,349,338
Estimated ACH Discount		
From Deposit Account	\$33,930	\$360,000

Rev. Jonathan Harris, Chairperson

1 THE BOARD OF PENSION AND HEALTH BENEFITS

2 GROUP INSURANCE SECTION

3 Report Number One

4 The insurance program of the South Carolina Conference is designed to provide its eligible employees (as defined
5 herein), and their eligible dependents, with a comprehensive plan for major medical benefits and a Medicare
6 supplement.

7 **A. Eligibility: The following are eligible for coverage under the program:**

- 8 1. Those employed and funded by a local church either as Full or Three-Quarter (3/4) time Elders in Full
9 Connection, Associate Members, Local Pastors, Provisional Elders, *Non-retired Supply Pastors (lay persons; and*
10 *clergy of other denominations)*, *Deacons appointed as pastor in charge*, within the South Carolina Annual
11 Conference and included in the Hospitalization and Medical Expense Program Adoption Agreement. *The*
12 *salary-paying unit must sign an adoption agreement prior to enrollment for supply pastors and Deacons*
13 *appointed as pastor in charge.*
- 14 2. Ministers who are full time or three-quarter time employees of and funded by the Annual Conference boards,
15 councils or agencies.
- 16 3. District Superintendents.
- 17 4. Lay persons who are full-time employees of and funded by the Annual Conference.
- 18 5. Ordained ministers from other United Methodist Annual Conferences and ordained ministers from other
19 Methodist denominations, and other denominations, under Episcopal appointment fully employed and
20 funded by a local church or charge of the South Carolina Annual Conference under the provisions of Paragraphs
21 346.1 and 346.2 of the 2020/2024 *Book of Discipline*.
- 22 6. Full Deacons, Provisional Deacons, Provisional Deacons/1992, and Diaconal ministers related to and serving a
23 local church enrolled and funded by a local church of the South Carolina Annual Conference currently meeting
24 the underwriting guidelines of the South Carolina Annual Conference group insurance plan. The salary-paying
25 unit will set the cost sharing and must sign a sub-adoption agreement.

26 **B. Eligibility: The following are eligible for coverage under the retiree program:**

- 27 1. Retired clergy who have been under full-time appointment to a local church with pension responsibility by the
28 South Carolina Annual Conference, and who are immediately eligible to receive pension or incapacity benefits,
29 and who have participation in the active group health plan of the South Carolina Annual Conference, the last
30 ten (10) years of which were continuous and consecutive, shall be eligible for participation in the retiree health
31 care program of the Annual Conference and their respective spouses if spouse is covered at least five
32 continuous and consecutive years immediately prior to retirement. A Retired Participant at the time of his or
33 her Early Retirement Date or Normal Retirement Date, will be allowed to be tolled if coverage under a previous
34 employer's or spouse's group plan is available, during the period of time between the Termination of
35 Employment and the Early Retirement Date or Normal Retirement Date and loss of such coverage.
- 36 2. Retired lay employees who have attained age 62 and have been full-time employees of the South Carolina
37 Annual Conference, and who are immediately eligible to receive United Methodist pension or incapacity
38 benefits, and who have participation in the active group health plan of the South Carolina Annual Conference,
39 the last ten (10) years of which were continuous and consecutive, shall be eligible for participation in the retiree
40 health care program of the Annual Conference and their respective spouses if spouse is covered at least five
41 continuous and consecutive years immediately prior to retirement. A Retired Participant at the time of his or
42 her Early Retirement Date or Normal Retirement Date, will be allowed to be tolled if coverage under a previous
43 employer's or spouse's group plan is available, during the period of time between the Termination of
44 Employment and the Early Retirement Date or Normal Retirement Date and loss of such coverage.

3. Those retired clergy or incapacitated employees, referred to herein as lay persons, immediately eligible to receive pension or disability benefits from the General Board of Pension and Health Benefits at the beginning of the month following the month in which the retired relation or disability leave with disability benefits takes place, and who had a minimum of ten (10) continuous and consecutive years of active participation in the South Carolina Annual Conference group health plan at the time of retirement or the granting of Clergy Protection Plan incapacity benefits by the General Board of Pensions, and their respective spouses if spouse is covered at least five continuous and consecutive years immediately prior to retirement.

4. Funding for the group insurance plans upon retirement in benefit from the South Carolina Annual Conference shall be based on full time employment by the Annual Conference, full time appointment to a local church or eligible extension ministry with pension responsibility by the South Carolina Annual Conference. Funding shall be \$100.00 per month for single participants and \$200.00 per month for married participants and an additional \$100 per month for dependents. (This funding is \$200.00 per month for single participants and \$400.00 per month for married participants and an additional \$200 per month for dependents for those retirees who retired in 2015 or earlier). This funding will be paid through a Health Reimbursement Account. This funding cannot be allowed to purchase an employer group policy other than one sponsored or administered by the Annual Conference or its designee. Enrollment in the HRA must be done through the AmWins Benefits Coordinator.

Report Number Two

Major Medical Insurance Benefits

The Board recommends the following:

A. HealthFlex Exchange

The South Carolina Annual Conference has elected to participate in the HealthFlex Exchange, managed health care plan of Wespath Benefits and Investments for active participants and eligible dependents. The HealthFlex Exchange provides an array of plans to help the needs of our appointed clergy and eligible lay employees. HealthFlex Exchange offers participants the ability to select between six medical, three dental, and three vision plans, and the ability to participate in health and dependent care reimbursement accounts. Plan summaries are located on the conference website at umcsc.org/healthflex.

B. Additional Information

Additional information on medical, dental and vision plans is available from the Board of Pension and Health Benefits by visiting umcsc.org/healthflex.

Report Number Three

Retiree Medical Primary Benefits

A. Post 65 Retirees

The South Carolina Annual Conference of The United Methodist Church offers their post 65 retirees two group Medicare plans or the ability to choose a custom Supplemental plan through the Retiree Benefits Choice™ through AmWINS Group Benefits. The two group medical plans offered are: The Standard Plan and the Humana Advantage Plan. A custom option is also available and will be a hybrid Medicare Exchange by which a retiree can choose a plan from the Medicare Marketplace. There will be corresponding Rx options with the Standard Plan and the Humana Advantage Plan.

B. Administrator

AmWINS Group Benefits will be the administrator for the retiree benefit plans. AmWINS Group Benefits specializes in retiree benefit programs for companies, municipalities and religious organizations. AmWINS Group Benefits has over 700 retiree benefit clients nationally.

C. Services Provided

AmWINS Group Benefits will provide the following services for retirees of the South Carolina Annual Conference of The United Methodist Church.

- Retiree communications enrollment kit
- Group retiree meetings
- Retiree call center services
- Retiree website
- Billing and collecting of premiums
- Ongoing service and support for retirees

D. Handbook

A handbook explaining the provisions of Medicare is available from the Social Security Administration office or by visiting medicare.gov.

Report Number Four Administrative Procedures

A. Enrollment

Enrollment in HealthFlex, the group insurance plan of the South Carolina Annual Conference, must be made within the first thirty days of eligibility or the first day actively at work. Late enrollment or enrollment for January 1 of any year must be completed with Wespath Benefits & Investments during annual election, which is prior to November 30th of the preceding year. It should be noted that any continuation, changes, or initiation of Flexible Spending Accounts (Medical Reimbursement or dependent care accounts) must be done during this time through the open enrollment process and not on the ministerial support form. Health Savings Account amounts can be updated at any time (H2000, H2500, H5000 plans only).

B. Eligibility Requirements

Eligibility requirements are also set forth in the HealthFlex Administrative Manual published by the Center for Health of Wespath Benefits & Investments, 1901 Chestnut Avenue, Glenview, IL 660025-1604.

C. Billing

At the first of each month, the Board of Pension and Health Benefits will send premium statements to the salary-paying unit of the participants enrolled in the Conference Insurance Program and participants with Flexible Spending Accounts. Payments for group health premiums and Flexible Spending Accounts premiums shall be made on a monthly basis.

D. Cancellation of Coverage

It is imperative that each church/charge remit to the Annual Conference the participant's portion of the Health Benefits withheld from the participants compensation on a monthly basis. **The Board of Pension and Health Benefits has instructed the benefits administrator to cancel the Insurance Coverage, Medical Reimbursement Accounts, and/or Dependent Care Accounts of any participant whose payroll withholdings are not paid by the end of the month for which the church/charge has been billed. Clergy whose accounts are 60 days in arrears will be subject to immediate cancellation. Once cancelled the participant's coverage cannot be reinstated until the next open enrollment period, and then only if the unpaid balance has been paid. Churches or salary paying units are responsible for withholding premiums and other Flexible Spending Accounts from the compensation of participants and remitting payment to the Annual Conference when billed.**

E. Ministers Serving in Eligible Extension Ministries

It is required that all Conference Boards and Agencies, served by ministers and others eligible for group insurance participation, pay for the "institutional share" of the insured's premium. This provision shall apply to the District

Superintendents, Conference Staff and those serving United Methodist agencies for whom the South Carolina Annual Conference has pension responsibility. In every case, the full cost of the group health premium must be paid by the insured, the employer, or through the combined payments of the insured and the employer. Premium payments shall be made in accordance with the instructions printed on the monthly "Statement of Account". Premium payments are due at the first of the month for which the participant is billed.

F. Applications for Enrollment

Applications for enrollment in the Conference Insurance Program are available from the Board of Pension and Health Benefits, 4908 Colonial Drive, Columbia, SC 29203. The changed enrollment form must be completed and in the hands of the benefits administrator within 30 days from the date of eligibility. If not, the applicant will be ineligible until the next following enrollment period.

G Board Oversight

The Board of Pension and Health Benefits is charged with oversight of the group insurance program of the South Carolina Annual Conference, the benefits of which are outlined in the reports of the Board submitted to the Annual Conference. The Annual Conference approves the group insurance budget of the Board of Pension and Health Benefits. The Board is authorized to negotiate and contract with carriers or the Hospitalization and Medical Expense Program Administrator to maintain the level of benefits for the eligible participants, as defined by the Annual Conference.

H. Plan of First Refusal

The group health plan of the South Carolina Annual Conference (Conference Plan) shall be the plan of first refusal for covering dependents of clergy appointed to local churches in the Conference. Where covered clergy wish to cover their dependents, the local church will seek to cover such dependents through the Conference Plan, rather than purchasing outside health insurance. Local churches may be excused from this requirement in cases where such dependents may be covered through the employer of a covered clergy person's spouse, or through a governmental plan, such as an SCHIP, and in cases of demonstrable financial hardship.

Report Number Five Group Health Insurance Operating Budget

Requirements	2025 Budgeted	2026 Estimated
Active & Non-Medicare Retiree Group	\$7,394,616	\$6,546,252
Medicare Eligible Retiree Group	\$706,510	\$707,184
Other Benefit Obligations	\$100,000	\$50,000
<u>Total Estimated Requirements</u>	<u>\$8,201,126</u>	<u>\$7,303,436</u>
Estimated Income		
Billing to Salary Paying Units	\$7,048,104	\$6,213,118
Apportioned to Churches	\$100,000	\$0
HMEP Fund Investments	\$346,512	\$383,134
Retiree Medical Investments	\$706,510	\$707,184
<u>Total Estimated Income</u>	<u>\$8,201,126</u>	<u>\$7,303,436</u>

Report Number Six 2026 Group Health Costs

The Board of Pension & Health Benefits makes the following recommendation for action by the 2025 South Carolina Annual Conference.

1. Billing

The sum of \$6,244,844 will be billed to the local church/charge and salary paying units for the Conference Insurance Program in 2026.

2. Apportionment Request

The Board of Pension & Health Benefits requests an apportionment of \$0 for unfunded benefits such as Transitional Pension Funding and grants for incapacitated and/or suspended participants.

3. Premium Payments effective January 1, 2026

Active personal group insurance health premiums for eligible active clergy/survivor/conference lay employee categories (Categories delineated in A.1, A.2, A.3, A.4, and A.5 of Report Number One) shall be funded as shown below:

a. Health Benefit Fee

Churches/Charges who have an eligible appointed clergy/lay participants (see report Number One A.1) will be billed a health benefit fee of \$1,250.00 per month or \$15,000.00 annually. This fee is an increase of \$100 per month or \$1200 per year from 2024.

i. This fee will be billed regardless of the clergyperson/eligible participant's enrollment in coverage or waiving coverage.

b. Premium Credit

The Premium Credit toward the HealthFlex Exchange according to coverage tier as shown below.

i. Premium Credit for Participant Only coverage is expected to be \$1,058 per month (\$12,696 annually).

ii. Premium Credit for Participant + one dependent coverage is expected to be \$1,954 per month (\$23,448 annually).

iii. Premium Credit for Participant plus family coverage is expected to be \$2,599 per month (\$31,188 annually).

4. Total Premiums

Total Premiums for the 2026 HealthFlex Exchange Plans are outline in the table below:

<u>Plan</u>	<u>Participant</u>	<u>Participant +1</u>	<u>Participant + Family</u>
B1000	\$1433	\$2,723	\$3,726
C2000	\$1,376	\$2,614	\$3577
C3000	\$1,198	\$2276	\$3,115
H2000	\$1,341	\$2,548	\$3,487
H2500	\$1,152	\$2,189	\$2,995
H5000	\$1,081	\$2,054	\$2,810

5. Default Plan

If a participant fails to make an election during the annual election (open enrollment) period or within thirty (30) days of becoming newly eligible, that participant and any covered dependents will be automatically enrolled in the H2000 plan. **Note: This does not constitute a recommendation by the Annual Conference; in fact, it may not be the right plan for most participants, but is merely a plan default.**

6. Optional Coverages

Participants have the option to select expanded Vision (Vision Core is included) and Dental Coverages.

7. Dental Care Premiums

<u>Plan</u>	<u>Participant</u>	<u>Participant +1</u>	<u>Participant + Family</u>
Passive PPO 2000	\$52	\$104	\$156
Dental PPO	\$43	\$86	\$129
Dental HMO	\$18	\$32	\$56

8. Vision Care Premiums

<u>Plan</u>	<u>Participant</u>	<u>Participant +1</u>	<u>Participant +Family</u>
Vision Core	\$0.00	\$0.00	\$0.00
Vision Full Service	\$9.00	\$14.00	\$22.00
Vision Premier	\$15.00	\$25.00	\$40.00

9. Retiree (Retiree Spouse) Premiums Non Medicare

- a. Rates for pre-65 retirees covered under HealthFlex would be the premium found in section 4 of this report reduced by the Defined Contributions for retirees. For those retired before July 1, 2015, the Defined Contribution would be \$200 for single Participants and for a couple with a participating spouse it would be \$400 per month under the provisions of Report Number One Paragraph A.5. For those retiring after July 1, 2015, the Defined Contribution would be \$100 for single Participants and for a couple with a participating spouse it would be \$200 per month under the provisions of Report Number One Paragraph A.5.

10. Covered Participants with Negotiated Service, Compensation, & Benefits

The estimated 2026 monthly group health insurance premiums for persons with negotiated service, compensation and benefits, Deacons in Full Connection employed full time, full-time Diaconal Ministers and full-time Lay Employees of local churches, premium for all the plans above and the church or plan sponsor will be billed the entire premium for dental and vision benefits (7-8) and the entire rate for health coverage (section 12). The cost sharing between the participant and the church or plan sponsor will be determined by the church or plan sponsor. Enrollment must be made within 30 days of new hire status, or 60 days prior to January 1, 2026.

11. Board of Pension & Health Benefit Authority

It is recommended that the South Carolina Annual Conference delegate to the South Carolina Annual Conference Board of Pension & Health Benefits the authority to adjust rates and plan designs to meet the requirements of the Patient Protection and Affordable Care Act.

12. 2026 HealthFlex Exchange Rates

**Proposed Monthly HealthFlex Rate Summary for
Itinerant Clergy, Deacons Employed by the Annual Conference, Conference Lay Employees, Non-retired
Supply Pastors (lay persons; and clergy of other denominations), Deacons appointed as pastor in charge.**

<u>Plan Elected</u>	<u>Participant</u>	<u>Participant +1</u>	<u>Participant +Family</u>
B1000	\$375	\$769	\$1,127
C2000	\$318	\$660	\$978
C3000	\$140	\$322	\$516
H2000	\$283	\$594	\$888
H2500	\$94	\$235	\$396
H5000	\$23	\$100	\$211

**Proposed Monthly HealthFlex Rate Summary* for
Deacons with Negotiated Service, Compensation, & Benefits; Lay Employees of Local Church**

*Full Amount Billed to the Local Church/Plan Sponsor.

Actual Cost to participant is negotiated between participant and church/plan sponsor.

Plan Elected	Participant	Participant +1	Participant +Family
B1000	\$1,361	\$2,587	\$3,540
C2000	\$1,307	\$2,483	\$3,398
C3000	\$1,138	\$2,162	\$2,959
H2000	\$1,274	\$2,421	\$3,313
H2500	\$1,094	\$2,080	\$2,845
H5000	\$1,027	\$1,951	\$2,670

13. Future Years Health Benefit Premium Increase: As most are aware, the cost of healthcare in the United States continues to rise at a rapid pace. While efforts are being made to reduce the cost to local churches and participants in the plan, the Board of Pension and Health expects rates to continue to rise as well. **2027 rates are expected to rise by a minimum of 5% for both the health fee and personal portion of the participants.**

**THE BOARD OF PENSION AND HEALTH BENEFITS
WELFARE PLAN SECTION**

Report Number One

Welfare Plan Structure

The welfare plan made available to South Carolina Conference clergy is the Comprehensive Protection Plan ("CPP") sponsored by Wespath.

The CPP disability benefits are as follows:

- Clergy disabled on or after January 1, 2002, the CPP disability benefit equals 70 percent of Plan Compensation, with compensation capped at 200 percent of the DAC (Denominational Average Compensation.)
- Clergy disabled prior to January 1, 2002, will continue to receive the same CPP disability benefit per the plan document in-force at the time of their disability claim originated.

The following generally describes the death benefit amounts payable under the CPP to eligible participants and their beneficiaries.

Active and Retired Participant Death Benefits: payable upon the death of an eligible active CPP participant, as follows:

- Active Participant: \$50,000, payable in 12 monthly installments or one lump sum
- Retired Participant: \$24,000
- Spouse of active and retired participant: \$16,000
- Surviving spouse of active and retired participant: \$12,000
- Child of active and retired participant: \$8500
- Annual surviving spouse annuity benefit of 20% of DAC, less the annuity benefit payable from CRSP.
- Annual surviving child benefit of 10% of DAC, payable in 12 monthly installments (for those age 17 and younger; benefits are paid through the month in which the child attains age 18)
- Annual surviving child educational benefit up to 20% of DAC, payable in equal installments (for those age 18 through 24 and attending school full-time)

Retired Participant Death Benefits: to be eligible for death benefits in retirement, a clergyperson must have been covered in CPP for a specified number of years. The 2012 General Conference approved a change to the CPP program which increases the length of service requirement for retirees. Retirees with 25 or more years of

enrollment in CPP are eligible for the death benefits in retirement, and the eligibility for those with fewer than 25 years in CPP is phased in with one-year increments, as detailed on the following table. **Those who retire under the 20-year rule are ineligible for CPP Death Benefit.

CPP Enrollment Requirement for

Retirement Year	Death Benefit Eligibility
2013	6 of last 10 years
2014	7 of last 10 years
2015	8 of last 11 years
2016	9 of last 12 years
2017	10 of last 13 years
2018	11 of last 14 years
2019+	12 of last 15 years

Denominational Average Compensation

Several of the pension and welfare plans incorporate the Denomination Average Compensation (“DAC”) into the formula for determining the plan benefit. As reported by Wespeth, the DAC is projected to increase from 2024 to 2025 as follows: The 2025 DAC is **\$80,003**. The estimated 2026 DAC is **\$81,603**.

The Board of Pensions and Health Benefits

Direct Bill Arrearage Report

A. Forgiveness

At the direction of the 2024 Session of the South Carolina Annual Conference all direct billing arrearages accrued by churches before March 1st, 2024 were forgiven. The total arrearage forgiven was \$3,463,097.09 for 90 churches. The benefits provided to clergy for which these arrearages were incurred were paid from the reserve investment accounts held by the Board of Pensions and Health Benefits at the time the benefits were provided. While this forgiveness did not impact our reserves at the time the forgiveness was executed, continued arrearages may impede the Board of Pensions and Health Benefits’ ability to provide the discounts and subsidies currently offered to all churches and participants in our benefit plans.

B. Current Arrearages

As of March of 2025 (one year after the direct bill arrearage forgiveness took effect), there are currently twenty-nine (29) churches who are in arrears on their direct billing for a total arrearage of \$159,518.50. Twenty (20) of those twenty-nine (29) churches had their direct bill arrearages forgiven by the Annual Conference in 2024. The total amount those twenty (20) churches had forgiven in 2024 was \$1,206,508.62. Of the twenty (20) churches who had their direct bill arrearage forgiven and who have current direct bill arrearages, five (5) have paid nothing toward their direct bill since the forgiveness was granted.

South Carolina Conference (741)
2026 Comprehensive Benefit Funding Plan
Will be included in the Supplemental Material