



FINANCE AND ADMINISTRATION

UNITED METHODISTS
OF GREATER NEW JERSEY

July 1, 2024

Pastor, SPRC Chair, Finance Chair:

Greetings; I pray you are doing well and will find time for vacation/renewal this summer.

As the new appointment year starts, I want to take this opportunity to highlight several billing items you may see on your billing statement. While some/all of these may not be applicable now, you could see them in the future particularly with the upcoming new pension program, Compass, which I will further explain below. Please take the time to review this in full.

A detailed description of all billing items is attached and will be posted on our website as in the past. I want to highlight the following items:

- **Participant Premium**
- **Vision**
- **Cigna**
- **FSA/HSA**

Unlike other billing expenses (property insurance, workers comp, etc.) that are paid through the church's operating budget with income from tithing, rent or other sources, these are optional benefit expenses that are the Pastor's responsibility to cover through payroll deductions. These options are selected by the pastor during Annual Election, which is typically two weeks in November of each year. The Finance Chair, or person responsible for payroll, is to make the deductions and pay the billings using the normal remittance form. It is critical everyone understands this differential and process as unpaid bills could result in loss of the Pastor's benefits.

While 2026 may seem like a long way off, the new UMC pension plan, Compass will begin in January 2026. If you are currently unfamiliar with payroll deductions like the examples above, I encourage you to speak with your payroll provider and/or an accountant to become familiar as nearly every Pastor will have a payroll deduction with this new plan and we will be following the same billing process. We will be communicating more information over the next 18 months as we prepare for this significant change in the pension program. Please be on the lookout for information via email, the Digest, Information Sessions, etc.

In the meantime, if you have any questions/concerns about any of the information above, please reach out to Alexa Taylor (ataylor@gnjumc.org; 732-359-1038) or myself (rzuckerman@gnjumc.org; 732-359-1030).

Thank you.

Blessings,
Rob Zuckerman
CFO/Treasurer



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Church Billing Explanation

Property & Staff Insurance:

- **Property & Liability Insurance** – church’s premium determined by insurance carrier based on building value, # of buildings, additional coverage for pre-schools where applicable, etc. Also includes “employee dishonesty coverage” (bonding) as required.
- **Workers Compensation Insurance** – church’s premium determined by the insurance carrier based on the payroll. Payroll is audited annually (mandatory) by the insurance company to confirm proper coverage; premium adjusted if needed (see “Prior Yr. WC Adj.” below).
 - Note: Property, liability and workers compensation insurance programs are administered by Sovereign Insurance Group. Tiffany M. Lupo, Account Manager may be reached at 800-222-4478 ext. 3389. Tiffany will answer your questions related to coverage and claims
- **Prior Yr WC Adj.** (Prior Year Workers Compensation Adjustment). This is annual expense/credit, not monthly. In some years it may be a credit, in other years an expense. As you may know, each year a workers’ compensation payroll audit is completed. When that audit is completed, the insurance company compares the payroll to the amount they had been using to calculate the premium and adjusts up/down accordingly. This adjustment will relate to the premium paid two years prior. For example, the 2022 “Prior Yr WC Adj” is based on the workers’ compensation insurance paid in 2020. In other words, the 2020 payroll was audited in 2021 and the insurance company passes the adjustment to GNJ in 2022. We’re passing these expenses or credit adjustments to the churches.

Pension Plans & Life Insurance:

- **CRSP** - The Clergy Retirement Security Program (CRSP) is a retirement program that offers:
 - security through a defined benefit (DB) component that gives you lifetime retirement income, and
 - flexibility through a defined contribution (DC) component that provides you with an account balance you can access as your retirement needs requireClergy are eligible to participate if you are a clergy member or local pastor under full-time, ¾ time or half time Episcopal appointment to the conference, church, charge, district or conference-controlled entity or unit and you are receiving compensation. You are automatically enrolled.
- **CPP** - The Comprehensive Protection Plan (CPP) provides peace of mind for you and financial security for your family. The plan, which is self-insured and funded by plan sponsor contributions, includes death benefits, long-term disability income replacement and other survivor benefits. Clergy are able to participate in the CPP if you satisfy eligibility requirements, which include full-time episcopal appointment and ¾ time appointment.
- **UMPIP** – The United Methodist Personal Investment Plan (UMPIP) is a 403(b) retirement savings plan administered by Wespith to help you save money for retirement. UMPIP is designed to provide one piece of your overall retirement portfolio. UMPIP is an individual account plan. This means you can make contributions as a percentage of your compensation through payroll deduction or in flat-dollar amounts up to Internal Revenue Code limits. You may choose to make before-tax, Roth and/or after-tax contributions through payroll deductions. When appointed to a local church, Licensed Pastors, Provisional Elders and Deacons serving ¾ time are enrolled in UMPIP.
- **UMLife** (UMLifeOptions) – provides an extra layer of financial protection with optional long-term disability and life insurance coverage for eligible United Methodist clergy and lay employees.

Health Insurance:

- **CH Pay Hlth** – (Church Pay Health) commonly referred to as the “blended rate.” This is church’s contribution towards the pastor’s health. Through HealthFlex, the conference offers six medical/pharmacy plans; the premium varies by coverage selected as well as the individual’s family coverage selected (single, participant+1, or family). Due to the variable nature of the premium costs, the conference approved a “blended rate” approach so that all churches with a full-time appointment pay the same amount for healthcare, regardless of family status. For example, if a pastor with a family moves to a church that previously had a single pastor, the incoming church’s cost will remain the same; this helps simplify the appointment process.
 - Note, the blended rate is calculated based on the cost of “default plan” (a specific level of health/pharmacy coverage selected by the Conference Board of Health & Pension; i.e., one of the six plans offered). If an individual selects more expense coverage, they would be responsible to pay the incremental costs through payroll deductions. See “Participant Premium” below.
- **Participant Premium** – as noted above, participants in the health insurance benefit have cost share responsibility based on their medical plan selection. “Participant Premiums” are pre-tax dollars the church will deduct from the pastor and/or lay employee’s paycheck
 - Note, Wespith provides training and decision-support tools, like ALEX Benefit Counselor, to help participants compare options and help ensure the right coverage for your family needs.
- **Vision** – participants responsibility towards vision plan selected (if applicable); pre-tax dollars the church will deduct from the pastor and/or lay employee’s paycheck
- **Cigna** - participants responsibility towards dental plan selected (if applicable); pre-tax dollars the church will deduct from the pastor and/or lay employee’s paycheck
- **FSA/HSA** – Flexible Spending Account / Health Savings Account – optional contributions participants elected to make towards save for future health costs; pre-tax dollars the church will deduct from the pastor and/or lay employee’s paycheck

Other:

- **BSA Stlmt (settlement)** – As approved at the May 2022 Annual Conference, this is the congregation’s portion of the Boys Scouts of America lawsuit settlement, allocated as percentage of 2021 apportionments (Shared Ministry). The amount billed is the full year which you can spread payments over twelve months if you choose. You will see the same amount billed in 2023, 2024 and 2025; after which, this will cease.