

## Communication Regarding Church Pension Billing Change-August 21, 2012

After an internal review, the Conference has determined that approximately 125 of our churches (and their appointed clergy) have financial components reported in “Area V” of the Clergy Financial Support Worksheet and/or have chosen not to implement the recommendation by the Commission of Equitable Compensation to establish an accountable reimbursement plan (page 33, 2011 Annual Conference *Journal*).

Further a review of our pension plan documents indicates that for those churches who have components reported in Area V, there are ramifications both for clergy taxation, **as well as pension billing**. Non-accountable reimbursements as reported in Section V of the old “Clergy Compensation and Expense Worksheet”(recently replaced by the “Clergy Financial Support Worksheet”), are a component of UMC pension “plan compensation”. As such, the pension billing computation must include amounts reported as non-accountable reimbursements, and will be included with the August, 2012 bills.

As a result of this, the bills for the affected churches will increase, although in most cases the increase will be rather small.

Please contact the Conference Benefits office if you have any questions.