

Explanation and Interpretation of Unfunded Liability Calculation

1. Wespath provides a letter (roughly quarterly) to each Annual Conference detailing the liabilities for each of the three denominational pension plans. This is the “gross liability”.
2. The Conference Board of Trustees (CBOT) allocates the gross liability amounts based on a formula approved two years ago
3. The formula used in step (2) is then applied to a designated fund which is invested at Wespath. The latest valuation of that fund is approximately \$23,000,000
4. The result in step (2) minus the result in step (3) equals the “net” liability due by each church pursuant to ¶2553

The amounts in step (1) and step (3) will change on an ongoing basis due to both Wespath’s updated valuation (1) and market conditions (3), but the amount quoted to a church pursuant to a disaffiliation action will be honored by the CBOT.