

Pension Calculator

The Indiana Conference is pleased to roll out the pension calculator available online on the INUMC website.

The hard copy of the pension worksheet (<https://www.inumc.org/ministries/admin-financial-services/charge-conference-appendix/>) is still available to be used if a church prefers calculating the pension manually.

The pension worksheet will need to be used if a church is providing components of pension to a pastor whose status is ½ time. The pension calculator is unable to calculate pension for any status which is less than ¾ time.

Please note: Any actively serving pastor, not in retired status, receiving a salary can voluntarily contribute to an UMPIP account. Status of full time, ¾ time, ½ time and ¼ time all qualify to contribute voluntarily to an UMPIP account. Supply status is not able to contribute to UMPIP currently.

If a pastor wishes to *change* the amount or percentage of the contribution to UMPIP, a new contribution election form must be submitted to the Conference Benefits team. The form (PDF document) is here: https://www.inumc.org/wp-content/uploads/2023/07/Contribution_Form.pdf

Eligible pension participants can waive participation if their status is full time or ¾ time however, **CPP cannot be waived.**

The UMPIP contribution can be entered as a percentage of total compensation (Base salary PLUS Parsonage value - parsonage value = 25% of total compensation) or Base Salary Plus Housing Allowance paid to the pastor). OR the UMPIP contribution can be entered as an annual dollar amount.

Instructions on how to use the Pension Calculator

1. You will need to select Clergy Type from the drop-down menu: Full Elder, Provisional Elder, Deacon, Local Pastor, Associate Pastor, and Other Denominations.

NOTE: OTHER DENOMINATION- A Pastor electing to serve and receive their benefits through the Indiana Conference should consider membership under the Conference as some benefits under CPP are not provided to a pastor serving under appointment status of other denomination. CPP provides Disability Coverage (among other benefits) which is not provided to pastors whose status is Other Denominations under the Indiana Conference.

2. You will need to select Participate or Waive.
NOTE: If status is Full time or ¾ time CPP cannot be waived.
3. You will need to enter Gross Base Salary.
4. You will need to indicate from the drop-down menu Parsonage Provided, Housing Allowance provided OR No Housing Provided.

5. If the Pastor would like to make an UMPIP contribution select Dollar Amount (annual contribution) or select a percentage. Use the arrow to the right to increase the percentage.

The calculator will calculate the annual amount for the following items - Components of pension:

DC CRSP 2.0% Church responsibility

DB CRSP 8.5% Church responsibility

CPP 3.0% Church responsibility

If an UMPIP Contribution (self-pay from pastor) is entered the system will calculate:

DC Match 1.0%

Church Match 2.0%

NOTE: The Match is the responsibility of the church if the appointee contributes up to 3% of their total compensation. The match is reduced if the appointee contributes 2% or 1% of his or her total compensation.

Status (full time, $\frac{3}{4}$ time $\frac{1}{2}$ time, $\frac{1}{4}$ time) is determined by the Minimum Denominational Average Compensation (DAC). The average compensation for all Conferences is provided by Wespeth annually. The Conference will determine the Minimum DAC to be used annually based on the rules outlined in the Book of Discipline.

If a pastor is appointed to more than one appointment and serving at the same time, the compensation for these appointments will be combined to calculate total base salary which will be used to determine status as outlined above. Pension is calculated on base salary plus housing or parsonage value.

There is no partial billing for pensions. For example, if an appointment ends effective 4-15 the church will be billed for a full month of pension for the month of April.

The church will be billed for the total amount of pension including the self-pay portion for the appointed pastor. The church should be reimbursed monthly using payroll deduction when paying the appointed pastor.

Pension will be ACH monthly on the 25th of the month unless the 25th falls on the weekend.

Please let your Conference Assistant know if you have any questions or contact the HR team at: benefits@inumc.org

Glossary of Terms:

DC is a Define Contribution plan both the employer and the employee can contribute. DC operates like a 403b.

DB is a Define Benefit plan only the employer can contribute to this plan. It is strictly for retirement.

CRSP is the acronym for Clergy Retirement Security Program.

CPP is the Clergy Protection Plan. This component of the pension plan provides for life insurance and long-term disability benefits for Clergy.

UMPIP is the acronym for the United Methodist Personal Investment Plan. This component of pension allows the appointee to designate funds pre-tax or after tax dollars to be contributed to 403b account or a Roth account for future savings for retirement.