

Dakotas Conference (123) 2025 Comprehensive Benefit Funding Plan

This funding plan incorporates, to the best of our understanding, the plan sponsor's obligations and funding of the benefits provided to clergy and laity, as noted below.

It is understood by the signees that defined benefit plan liabilities [Pre-82 Plan, Ministerial Pension Plan (MPP) and Clergy Retirement Security Program Defined Benefit (CRSP DB) and other sponsored defined benefit plans] continue until the last benefit is paid to participants and their surviving spouses irrespective of the funding level of the plan. That is, even if the assets in the plan are larger than the liabilities in the plan, the plan sponsor still has a liability (obligation) and potential future contribution due to the plan.

Benefit Obligations Summary

Plan Contributions for 2025

Clergy Retirement Security Program (CRSP) DB	\$557,667
Clergy Retirement Security Program (CRSP) DC	\$197,081
Ministerial Pension Plan (MPP)	\$0
Pre-82 Plan (Pre-82)	\$958,462
United Methodist Personal Investment Plan (UMPIP) Lay	\$49,384
United Methodist Personal Investment Plan (UMPIP) Clergy	\$199,940
Other Defined Contribution (DC) Obligations	\$145,299
Other Defined Benefit (DB) Obligations	\$0
Health—Active Participants	\$2,016,447
Health—Additional Sponsored Coverage	\$125,400
Post-Retirement Medical (PRM)	\$855,658
Comprehensive Protection Plan (CPP)	\$200,853

Ongoing Funding Contributions

Pre-82 Plan (Pre-82)	\$0
Post-Retirement Medical (PRM)	\$241,178

Dakotas Conference (123) 2025 Comprehensive Benefit Funding Plan

Conference Benefit Officer (or equivalent)	Joann Early	09/23/2024
Conference Treasurer	James Ducker	09/23/2024
Conference Board of Pension Chair	Anne Osborne	09/20/2024
Council on Finance and Administration Chair		



Opinion on **Dakotas Conference 2025** Comprehensive Benefit Funding Plan

The funding plan meets the standards for a Pre-82 funding plan as established by Wespath Benefits and Investments and the favorable opinion requirements for a funding plan. Note: The statement above and any written opinion provided by Wespath do not imply any representation as to the ability or probability of the applicable plan sponsor to fulfill the obligations included in the funding plan.

Wespath Benefits and Investments

Wespath Benefits and Investments
1901 W Chestnut Ave
Glenview, IL 60025

Dakotas Conference (123) 2025 Comprehensive Benefit Funding Plan

Accounts

Wespath Accounts		Market Value as of 12/31/2022	Market Value as of 12/31/2023	
ACTIVE HEALTH		\$973,063	\$1,106,613	
Pre-82 designated assets	\$0	Investment Objective	Long-term	
PRM designated assets	\$0	Actual Allocation	Equity	65.00%
			Fixed	35.00%
			Short-term	0.00%
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CARE AND CONCERN		\$163,229	\$160,439	
Pre-82 designated assets	\$0	Investment Objective	Intermediate-term	
PRM designated assets	\$0	Actual Allocation	Equity	0.00%
			Fixed	33.00%
			Short-term	67.00%
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DEPOSIT ACCOUNT		\$86,721	\$16,247	
Pre-82 designated assets	\$0	Investment Objective	Short-term	
PRM designated assets	\$0	Actual Allocation	Equity	0.00%
			Fixed	0.00%
			Short-term	100.00%
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ENDOWMENT AND TRUST FUND		\$4,282,692	\$4,712,763	
Pre-82 designated assets	\$0	Investment Objective	Long-term	
PRM designated assets	\$0	Actual Allocation	Equity	65.00%
			Fixed	35.00%
			Short-term	0.00%
<hr/>				
HEALTHFLEX DEPOSIT ACCOUNT		\$123,929	\$10,695	
Pre-82 designated assets	\$0	Investment Objective	Short-term	
PRM designated assets	\$0	Actual Allocation	Equity	0.01%
			Fixed	0.00%
			Short-term	99.99%

Dakotas Conference (123) 2025 Comprehensive Benefit Funding Plan

Wespath Accounts		Market Value as of 12/31/2022	Market Value as of 12/31/2023	
HEALTHFLEX RESERVE		\$2,275,440	\$2,284,741	
Pre-82 designated assets	\$0	Investment Objective	Intermediate-term	
PRM designated assets	\$0	Actual Allocation	Equity	65.00%
			Fixed	35.00%
			Short-term	0.00%
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PENSION RESERVES		\$2,071,729	\$2,683,845	
Pre-82 designated assets	\$0	Investment Objective	Intermediate-term	
PRM designated assets	\$0	Actual Allocation	Equity	65.00%
			Fixed	35.00%
			Short-term	0.00%
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\$	PRE-82 DESIGNATED	\$5,464,407	\$6,214,377	
	Pre-82 designated assets	\$4,979,873	Investment Objective	Long-term
	PRM designated assets	\$0	Actual Allocation	Equity
				65.00%
			Fixed	35.00%
			Short-term	0.00%
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\$	RETIREE HEALTH	\$17,950,163	\$19,879,012	
	Pre-82 designated assets	\$0	Investment Objective	Long-term
	PRM designated assets	\$18,661,768	Actual Allocation	Equity
				65.00%
			Fixed	35.00%
			Short-term	0.00%

Dakotas Conference (123) 2025 Comprehensive Benefit Funding Plan

Non-Wespath Accounts		Market Value as of 12/31/2022	Market Value as of 12/31/2023	
Benefits Office Reserves		\$511,420	\$539,305	
Pre-82 designated assets	\$0	Investment Objective	Short-term	
PRM designated assets	\$0	Actual Allocation	Equity	0.00%
			Fixed	0.00%
			Short-term	100.00%
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Lynch Trusts		\$144,522	\$100,876	
Pre-82 designated assets	\$0	Investment Objective	Short-term	
PRM designated assets	\$0	Actual Allocation	Equity	0.00%
			Fixed	0.00%
			Short-term	100.00%
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Pension Liability Funds - Board of Pensions		\$0	\$785,313	
Pre-82 designated assets	\$0	Investment Objective	Short-term	
PRM designated assets	\$0	Actual Allocation	Equity	0.00%
			Fixed	100.00%
			Short-term	0.00%

\$ *A portion of this account has been designated as plan assets. The allocated amounts will be shown separately on the Allocation screen and will not be included in the Market Value for this account.*

Dakotas Conference (123) 2025 Comprehensive Benefit Funding Plan

Incoming Money

Primary Sources

Estimated amount for 2025

Apportionments		\$332,558
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Annual Apportionment		\$332,558
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x Expected Collection Percentage		100.00%
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Direct Billing

Other Sources

Endowment

Investment Earnings

Refer to the following "Allocate Funding Sources" pages for actual amounts allocated from the above funding sources.

Dakotas Conference (123) 2025 Comprehensive Benefit Funding Plan

Allocate Funding Sources to Benefit Obligations

Funding Sources		Active Health	Care And Concern	Pension Reserves	Pre-82 Designated	Retiree Health
Available Balance		\$1,106,613	\$160,439	\$2,683,845	\$1,234,504	\$1,217,244
Total Allocated		\$0	\$0	\$0	\$958,462	\$1,096,836
Remaining Balance		\$1,106,613	\$160,439	\$2,683,845	\$276,042	\$120,408
Plan Contributions for 2025						
CRSP DB	\$557,667					
CRSP DC	\$197,081					
MPP						
Pre-82	\$958,462				\$958,462	
UMPIP Lay	\$49,384					
UMPIP Clergy	\$199,940					
Medicare Part B Subsidy for Surviving Spouses	\$110,299					
Premium and Medical Grants	\$35,000					
Health Active	\$2,016,447					
Health Additional	\$125,400					
Post-Retirement Medical	\$855,658					\$855,658
CPP	\$200,853					
Ongoing Funding Contributions						
Pre-82	\$0					
Post-Retirement Medical	\$241,178					\$241,178

Dakotas Conference (123) 2025 Comprehensive Benefit Funding Plan

Allocate Funding Sources to Benefit Obligations

Funding Sources		Deposit Account	Endowment And Trust Fund	Healthflex Deposit Account	Healthflex Reserve	Benefits Office Reserves
Available Balance		\$16,247	\$4,712,763	\$10,695	\$2,284,741	\$539,305
Total Allocated		\$0	\$56,438	\$0	\$483,048	\$0
Remaining Balance		\$16,247	\$4,656,325	\$10,695	\$1,801,693	\$539,305
Plan Contributions for 2025						
CRSP DB	\$557,667					
CRSP DC	\$197,081					
MPP						
Pre-82	\$958,462					
UMPIP Lay	\$49,384		\$5,647			
UMPIP Clergy	\$199,940					
Medicare Part B Subsidy for Surviving Spouses	\$110,299				\$110,299	
Premium and Medical Grants	\$35,000		\$35,000			
Health Active	\$2,016,447		\$15,791		\$247,349	
Health Additional	\$125,400				\$125,400	
Post-Retirement Medical	\$855,658					
CPP	\$200,853					
Ongoing Funding Contributions						
Pre-82	\$0					
Post-Retirement Medical	\$241,178					

Dakotas Conference (123) 2025 Comprehensive Benefit Funding Plan

Allocate Funding Sources to Benefit Obligations

Funding Sources		Lynch Trusts	Pension Liability Funds - B	Apportionments	Direct Billing	Investment Earnings
Available Balance		\$100,876	\$785,313	\$332,558		
Total Allocated		\$0	\$0	\$332,558	\$2,620,027	
Remaining Balance		\$100,876	\$785,313	\$0		
Plan Contributions for 2025						
CRSP DB	\$557,667			\$40,313	\$517,354	
CRSP DC	\$197,081			\$14,247	\$182,834	
MPP						
Pre-82	\$958,462					
UMPIP Lay	\$49,384			\$43,737		
UMPIP Clergy	\$199,940			\$14,453	\$185,487	
Medicare Part B Subsidy for Surviving Spouses	\$110,299					
Premium and Medical Grants	\$35,000					
Health Active	\$2,016,447			\$205,289	\$1,548,018	
Health Additional	\$125,400					
Post-Retirement Medical	\$855,658					
CPP	\$200,853			\$14,519	\$186,334	
Ongoing Funding Contributions						
Pre-82	\$0					
Post-Retirement Medical	\$241,178					

Dakotas Conference (123) 2025 Comprehensive Benefit Funding Plan

Allocate Funding Sources to Benefit Obligations

Funding Sources		Endowment	Pre-82 Outside Assets	Prm In-Plan & Outside Assets
Available Balance			\$4,979,873	\$17,773,112
Total Allocated			\$0	\$0
Remaining Balance			\$4,979,873	\$17,773,112
Plan Contributions for 2025				
CRSP DB	\$557,667			
CRSP DC	\$197,081			
MPP				
Pre-82	\$958,462			
UMPIP Lay	\$49,384			
UMPIP Clergy	\$199,940			
Medicare Part B Subsidy for Surviving Spouses	\$110,299			
Premium and Medical Grants	\$35,000			
Health Active	\$2,016,447			
Health Additional	\$125,400			
Post-Retirement Medical	\$855,658			
CPP	\$200,853			
Ongoing Funding Contributions				
Pre-82	\$0			
Post-Retirement Medical	\$241,178			

Dakotas Conference (123) 2025 Comprehensive Benefit Funding Plan

Plan Contributions for 2025		Funding Needed
CRSP DB	\$557,667	\$0
CRSP DC	\$197,081	\$0
MPP		\$0
Pre-82	\$958,462	\$0
UMPIP Lay	\$49,384	\$0
UMPIP Clergy	\$199,940	\$0
Medicare Part B Subsidy for Surviving Spouses	\$110,299	\$0
Premium and Medical Grants	\$35,000	\$0
Health Active	\$2,016,447	\$0
Health Additional	\$125,400	\$0
Post-Retirement Medical	\$855,658	\$0
CPP	\$200,853	\$0

Ongoing Funding Contribution for 2025		Funding Needed
Pre-82	\$0	\$0
Post-Retirement Medical	\$241,178	\$0

Dakotas Conference (123) 2025 Comprehensive Benefit Funding Plan

Clergy Retirement Security Program (CRSP)

Plan Overview: The Clergy Retirement Security Program (CRSP) is an Internal Revenue Code section 403(b) retirement program providing lifetime income and account flexibility designed for those who serve as clergy of The United Methodist Church. The plan is designed to provide participants with one portion of their overall retirement benefits. CRSP replaced the Ministerial Pension Plan (MPP) effective January 1, 2007.

CRSP consists of two components:

- A defined benefit (DB) plan--provides a monthly benefit at retirement based upon years of credited service to the Church
- A defined contribution (DC) plan--provides a retirement account balance established and funded by the annual conferences

Elections and Estimates

	Final
Eligibility requirement	50%+
Conference Full Time Equivalents (FTE)	106.25
CRSP Defined Benefit (DB)	
Required contribution for 2025	\$557,667
CRSP Defined Contribution (DC)	
Expected average future annual increases	0.00%
Estimated contribution for 2025	\$197,081

Rationale for each change

Updated based on projections (updated from \$195,000)

CRSP DB Denominational Information as of 1/1/2023

Total plan liability	\$(2,419,203,927)
Total plan assets	\$2,956,861,167
Total plan funded status	\$537,657,240
Total plan funded ratio	122%
Plan sponsor's liability percentage	0.7282%

Dakotas Conference (123) 2025 Comprehensive Benefit Funding Plan

Key Actuarial Assumptions Used in CRSP DB Cost Calculations

Discount rate	7.00%
Future Denominational Average Compensation (DAC) increases	2.00%
COLA increases for actives	2.00%
Mortality	Pri-2012 TQ Adj, generational projection using MP2020

Calculated values are based upon the assumptions and methods documented in the actuarial valuation report issued in September, 2023.

Dakotas Conference (123) 2025 Comprehensive Benefit Funding Plan

Ministerial Pension Plan (MPP)

Plan Overview: Supplement Three to the Clergy Retirement Security Program (CRSP), also known as the Ministerial Pension Plan (MPP) provides clergy with a pension benefit for their years of ministry with The United Methodist Church from 1982 through 2006. MPP is an Internal Revenue Code section 403(b) retirement plan. MPP requires that exactly 65% of the account balance must be annuitized when it is to be distributed. The remainder may be rolled over to UMPIP, another qualified plan or an IRA, or paid in a lump sum.

Elections and Estimates

	Final
Required contributions for 2025	\$0

MPP Denominational Annuities Information as of 1/1/2023

Total MPP annuities liability	\$(3,694,564,244)
Total plan assets	\$4,797,636,095
Total plan funded status	\$1,103,071,851
Total plan funded ratio	130%
Plan sponsor's liability percentage	0.8118%

Future MPP Denominational Annuitants Information as of 1/1/2023

Total participant account balances	\$2,289,954,084
Plan sponsor's participant account balances	\$16,987,238

Key Actuarial Assumptions Used in MPP Annuities Cost Calculations

Discount rate	6.25%
Benefit increases	Based on increases selected by participant
Mortality	Pri-2012 TQ Adj, generational projection using MP2020

Calculated values are based upon the assumptions and methods documented in the actuarial valuation report issued in September, 2023.

Dakotas Conference (123) 2025 Comprehensive Benefit Funding Plan

Pre-82 Plan (Pre-82)

Plan Overview: Supplement One to the Clergy Retirement Security Program (CRSP), also known as the Pre-82 Plan, provides clergy with a pension benefit for their years of ministry with The United Methodist Church prior to 1982. The Pre-82 Plan was replaced by MPP effective January 1, 1982. If a clergyperson retires within the conference (and does not terminate), the minimum benefit payable is based on two factors:

- 1) Years of service with pension credit--approved by each conference on the recommendation of the Conference Board of Pensions (CBOP) in accordance with plan provisions and The Book of Discipline.
- 2) The conference pension rate (past service rate)--the dollar amount chosen by the conference as the amount payable for each approved year of service with pension credit (may change from year to year).

The number of years of service with pension credit is multiplied by the PSR, and the product is the minimum annual benefit payable to those clergy eligible for Pre-82 Plan benefits. In certain situations, the benefit received from the Pre-82 plan may vary based on the applicability of what is referred to as Defined Benefit Service Money (DBSM), which is the defined contribution feature of the Pre-1982 Plan. At the time that a participant retires, the DBSM account is converted to a life-based benefit. At that point, the clergy's benefit is the greater of the PSR benefit or DBSM benefit. If the conference increases the PSR, the clergy's benefit is recalculated; however the DBSM-based benefit does not change.

Elections and Estimates

	Final
Past Service Rate (PSR)	834
Estimated PSR cost-of-living increase	2.25%
Contingent Annuitant Percentage (CA%)	85 %
Discount rate	5.5000%
Minimum contribution for 2025	\$0
Advanced funding contribution for 2025 payable in 2024	\$958,462

Rationale for each change

Board of Pensions approved an increase in the PSR and CAP rates of 834 and 85%, respectively.

Dakotas Conference (123) 2025 Comprehensive Benefit Funding Plan

Funding Plan Contribution

Funding plan liability as of 1/1/2023	\$(15,947,158)
Total of in-plan and outside assets	\$20,328,152
Funded status	\$4,380,994
Funded ratio	127%
Funded status projection as of 12/31/2024	\$4,016,577
Proposed ongoing funding contribution for 2025	\$0

Funding strategy

Funding will be provided from our Pension Reserve Funds and/or Pension Liability Funds received from churches via the disaffiliation process.

Pre-82 Denominational information as of 1/1/2023

Total plan liability	\$(1,537,988,875)
Total plan assets	\$1,858,547,416
Total plan funded status	\$320,558,541
Total plan funded ratio	121%

Calculated values are based upon the assumptions and methods documented in the actuarial valuation report issued in September, 2023.

Dakotas Conference (123) 2025 Comprehensive Benefit Funding Plan

Health—Active Participants

Elections and Estimates

	Final
Health plan offered to actives	Self-Funded - HealthFlex
Actual annual plan benefit cost paid in 2023	\$1,416,318
Budgeted annual plan benefit cost for 2024	\$1,573,020
Projected annual plan benefit cost for 2025	\$2,016,447
Expected average future annual increases	0.00%

Rationale for each change

This is the total projected HealthFlex Active insurance premium costs budgeted for 2025, not including those on disability (which is included in the 'Health Additional' category), but including all other total HealthFlex Active costs (church clergy, all conference/camp staff, pre-65s, continuation coverage, and those on sub-adoption agreements. We also updated the budget ('24) figure for HF.

Dakotas Conference (123) 2025 Comprehensive Benefit Funding Plan

Health—Additional Sponsored Coverage

Categories of participants who are provided health benefit coverage during periods of non-employment. Without plan sponsor-funded premiums, these participants would not be provided coverage or benefits.

<input checked="" type="checkbox"/> Clergy or lay on disability (including pending disability)
<input checked="" type="checkbox"/> Surviving spouses or children of deceased active participants

Coverage Obligations

Covered Category	Estimated obligation as of 12/31/2022	Estimated obligation as of 12/31/2023
Clergy or lay on disability (including pending disability)	\$39,384	\$283,500
Surviving spouses or children of deceased active participants	\$22,056	\$12,000
Total	\$61,440	\$295,500

Annual cost calculation

The following calculations are not a present value of future costs.

Total estimated obligation as of 12/31/2023		\$295,500
Average number of years of remaining coverage	÷	2.3565
Estimated annual cost as of 12/31/2023	=	\$125,400
Expected average future annual increases	x	0.00%
Projected annual cost as of 12/31/2025	=	\$125,400

Dakotas Conference (123) 2025 Comprehensive Benefit Funding Plan

Post-Retirement Medical (PRM)

Valuation

The most recent actuarial valuation was provided by Willis Towers Watson as of 12/31/2022.
Per *The Book of Discipline*, your next PRM biennial actuarial valuation is required as of 12/31/2024.

PRM Actuarial Valuation as of 12/31/2022

Valuation report (in-plan) assets	\$0
EPBO net plan sponsor cost	\$20,251,904
APBO net plan sponsor cost	\$18,284,124
Service cost net plan sponsor cost	\$215,627
Annual plan benefit cost	\$791,085
Intention regarding PRM	Retain current plan benefit

Participant counts by category	
Active participants	133
Active dependents	95
Retirees	101
Surviving spouses	35
Dependents of retired participants	68
Total participants	432

Key actuarial assumptions	
Census date	01/01/2023
Discount rate	5.00%
Expected return on assets	5.00%
Valuation year medical trend or inflation rate	7.00%
Ultimate medical trend or inflation rate	5.00%
Fiscal year for ultimate medical trend	2031

Dakotas Conference (123) 2025 Comprehensive Benefit Funding Plan

Elections and Estimates

Description of Benefit

	Final
Health plan benefit offered to retirees	Via Benefits
Expected average future annual increases	2.65%
Projected annual plan benefit cost as of 2025	\$855,658

Funding Plan Contribution

The following calculations are not a present value of future costs.

Net PRM assets		\$17,773,112
APBO net plan sponsor cost	-	\$18,284,124
Funded status	=	\$(511,012)
Number of annual payments	÷	20
Portion of funded status payable (\$0 if Funded status ≥ \$0)	=	\$25,551
Funding plan service cost (\$0 if Net PRM assets ≥ EPBO)	+	\$215,627
Ongoing funding contribution for 2025	=	\$241,178

Rationale for each change

Our post retirement medical contribution is calculated each year and is based on a rolling 16 quarter average of the Retiree Health account balance. So even if the account balance is less than the estimated future contributions this year, our annual contribution to the PRM will adjust accordingly over time. Please let me know if you would like to discuss or if I'm misunderstanding this. Thanks!

Dakotas Conference (123) 2025 Comprehensive Benefit Funding Plan

Comprehensive Protection Plan (CPP)

Plan Overview: The Comprehensive Protection Plan (CPP) provides death, long-term disability and other welfare benefits for eligible clergy of The United Methodist Church and their families. It is an Internal Revenue Code 414(e) “church plan” funded by plan sponsor insurance premiums. Generally, clergy are eligible to participate in CPP if they satisfy the eligibility requirements, including full-time appointment with plan compensation of at least 25% of the Denominational Average Compensation (DAC). Plan sponsors may elect to cover participants with three-quarter time appointments and/or to continue to cover clergy who, due to certain leaves or appointments, are not otherwise eligible to continue coverage.

The CPP adoption agreement executed by the DAKOTAS contains its elections to cover or not to cover categories mentioned above.

Elections and Estimates

	Final
Expected average future annual increases	0.00%
Estimated premium for 2025	\$200,853

Rationale for each change

Based on estimate for 2025 per our budget.

Dakotas Conference (123) 2025 Comprehensive Benefit Funding Plan

United Methodist Personal Investment Plan (UMPIP)

Plan Overview: The United Methodist Personal Investment Plan (UMPIP) is an Internal Revenue Code section 403(b) defined contribution retirement savings plan for clergy and lay employees of The United Methodist Church and affiliated organizations. Participants may make before-tax, Roth and/or after-tax contributions through payroll deductions. Participant contributions, various optional plan sponsor contributions and investment earnings comprise the individual's retirement account balance.

United Methodist Personal Investment Plan (UMPIP) Lay

Elections and Estimates

	Final
Expected average future annual increases	1.50%
Estimated contribution for 2025	\$49,384

Rationale for each change

This change represents the estimated UMPIP Conditional amount for staff in 2025.

United Methodist Personal Investment Plan (UMPIP) Clergy

Elections and Estimates

	Final
Expected average future annual increases	0.00%
Estimated contribution for 2025	\$199,940

Rationale for each change

Updated based on projected costs for UMPIP Clergy pension plan budgeted for 2025.

Dakotas Conference (123) 2025 Comprehensive Benefit Funding Plan

Other Defined Contribution (DC) Obligations

Name	Estimated annual contribution
Medicare Part B Subsidy for Surviving Spouses	\$110,299

Description

Medicare Part B Subsidy for Surviving Spouses

	Final
Expected average future annual increases	0.00%
Estimated contribution for 2025	\$110,299

Rationale for each change

Estimated increase from 2023 actuals.

Name	Estimated annual contribution
Premium and Medical Grants	\$35,000

Description

Premium and Medical Grants

	Final
Expected average future annual increases	0.00%
Estimated contribution for 2025	\$35,000

Rationale for each change

Estimated budgeted amount for 2025 (Slight increase from 2024 amount of \$33,000)