INTRODUCTION

The 2012 Book of Discipline ¶ 1506.6 requires that each annual conference develop, adopt and implement a formal comprehensive funding plan for funding all of its benefit obligations. The funding plan shall be submitted annually to the General Board of Pension and Health benefits for review and be approved annually by the annual conference, following the receipt and inclusion of a favorable written opinion from the General Board of Pension and Health Benefits (GBPHB). This document is only a summary of the information contained in the actual signed funding plan and does not contain all the information required for a comprehensive view of the conference’s benefit obligations. You may request the full contents of the 2017 comprehensive benefit funding plan from your conference benefit office.

Following is the summary of the Comprehensive Benefit Funding Plan (CBFP) that received a favorable written opinion from GBOPHB for 2017 conference benefit obligations.

CLERGY RETIREMENT SECURITY PROGRAM (CRSP)

Defined Benefit (DB) and Defined Contribution (DC)

Program 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 program is designed to provide participants with one portion of their overall retirement benefits. CRSP replaced the Ministerial Pension Plan (MPP) effective January 1, 2007, which had previously replaced the Pre-82 Plan for service rendered prior to January 1, 1982. CRSP consists of both a defined benefit (DB) plan, which provides a monthly benefit at retirement based upon years of credited service to The United Methodist Church, and a defined contribution (DC) plan, which provides a retirement account balance established and funded by the annual conferences.

Current funding plan information:
The Clergy Retirement Security Program (CRSP-DB) annuities total liability as of January 1, 2015 is $1.271 billion, while total plan assets are $1.407 billion, resulting in a current plan funded ratio of 111%. The South Georgia Conference portion of the liability is 1.7415% with a 2017 contribution of $1,777,716. The conference anticipates that the amount will be funded by direct billing to local churches. Additionally, General Conference 2012 approved a change to CRSP that provides each annual conference the discretion to determine whether to cover three-quarter and/or half-time clergy. The South Georgia Conference has elected to cover clergy serving 75%+ under CRSP effective January 1, 2017.

Effective January 1, 2014 the CRSP-DC plan was reduced from a 3% to a 2% of plan compensation non-matching contribution. Clergy have the opportunity to earn up to an additional 1% CRSP-DC contribution by contributing at least 1% of their plan compensation to UMPIP; therefore, if a participant contributes at least 1% of plan compensation to UMPIP, the individual will receive a contribution of 3%, which is unchanged from 2013. The 2017 CRSP-DC contribution is anticipated to be $466,000 and will be funded by by direct bill to churches.

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. Effective January 1, 2014, exactly
65% of the account balance must be annuitized when the funds are to be distributed. The remainder may be rolled over to UMPIP, into an IRA or another qualified plan, or it may be paid out as a lump sum.

Current funding plan information:
The Ministerial Pension Plan (MPP) annuities’ total liability as of January 1, 2015 is $3.122 billion, while total plan assets are $3.509 billion, resulting in a current plan funded ratio of 112% and no required contribution for 2017. The South Georgia Conference’s portion of the total liability is 1.5169%. Future MPP annuitants have a total account balance of $4.145 billion and the South Georgia Conference’s portion of that balance is $63,817,789 or 1.54% of the total.

PRE-1982 PLAN

Plan overview:
Supplement One to the Clergy Retirement Security Program (CRSP), also known as the Pre-1982 Plan, provides clergy with a pension benefit for their years of ministry with The United Methodist Church prior to 1982. The Pre-1982 Plan was replaced by MPP effective January 1, 1982. If a clergy person retires within the Conference (and does not terminate), the minimum benefit payable is based on two factors: 1) years of service with pension credit and 2) the Conference pension rate. Years of service with pension credit are approved by each Conference on the recommendation of the Conference Board of Pensions (CBOP) in accordance with plan provisions and The Book of Discipline. The pension rate, also called the Past Service Rate (PSR), is the dollar amount chosen by the Conference as the amount payable for each approved year of service with pension credit. The pension rate may change from year to year. The number of years of service with pension credit is multiplied by the pension rate, and the product is the minimum annual benefit payable to those clergy eligible for Pre-1982 Plan benefits. In certain situations, the benefit received from the Pre-1982 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 and, at that point, the clergy’s benefit is the greater of the PSR or DBSM benefit. If the conference increases the PSR, the clergy’s benefit is recalculated; but the DBSM based benefit does not change.

Current funding plan information:
The 2017 PSR recommended to the South Georgia Conference will be $667.00, representing a 1.06% increase from the 2016 rate of $660.00. Future increases will be made as the CBOP feels that the budget will allow the increase. The contingent annuitant percentage is recommended to remain at the 70% level.

Based on the final actuarial valuations from the General Board of Pension and Health Benefits as of January 1, 2015 for 2017, the portion of the Pre-1982 liability and assets attributable to the South Georgia Conference and its related funded status are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funding Plan Liability</td>
<td>$(27,411,228)</td>
</tr>
<tr>
<td>Assets, including In-Plan and Outside</td>
<td>30,649,281</td>
</tr>
<tr>
<td>Funded Status</td>
<td>$3,238,053</td>
</tr>
<tr>
<td>Funded Ratio</td>
<td>111.81%</td>
</tr>
</tbody>
</table>

ACTIVE HEALTH BENEFIT PROGRAM

Program Overview:
The South Georgia Conference offers a self-funded HealthFlex active health benefit to its active eligible participants. This program offers multiple options and rewards to participants to assist and motive them to live a more healthy lifestyle.
Current funding plan information:
The total cost of the program for 2017 is anticipated to be $3,642,907 and will be funded by premiums that are directly billed to the local churches. It is anticipated that increases for future years will average 7.0% due to the rising cost of healthcare.

POST-RETIREMENT MEDICAL BENEFIT PROGRAM (PRM)

Program Overview:
The South Georgia Conference post-retirement medical program currently consists of a health benefit to retirees through OneExchange. OneExchange is a broker who assists retirees in setting up a Health Reimbursement Account (HRA), and purchasing appropriate medicare supplements funded through the HRA.

Current funding plan information:
The conference’s expectation for 2017 is to continue offering One Exchange to our retirees.

The funding obligation for 2017 is anticipated to be $430,800 funded through the apportionments. On a longer term basis, the conference intends to ensure funding by including funds in the Conference Budget to cover the cost of providing insurance and pharmacy plans purchased through OneExchange. We will provide these benefits as long as we can afford to do so.

Based on the most recent PRM valuation dated 12/31/2014, the following is the funded position of the post-retirement medical benefits:

1. Expected Post Retirement Obligation (EPBO) or net conference cost $14,495,184
2. Accumulated Post Retirement Obligation (APBO) or net conference cost $11,581,484
3. Assets designated for PRM $4,294,483
4. Service Cost (SC) or net conference cost $310,484

As a preview of the 2018 CBFP requirement, a new PRM Funding Contribution requirement will be mandatory for conferences requesting a full favorable CBFP opinion. This year the calculation for informational purposes only is as follows:

5. Funded Status, [3. – 2.] $(7,287,001)
6. Number of Annual Payments 20
7. Portion of Funded Status Payable [5. / 6., but zero if 5. is positive] $364,350
8. PRM Funding Contribution, Informational purposes only [4. + 7.] $674,834

These values are based on a 3.60% long term discount rate, a 8.0% long-term expected rate of return on assets, and a current medical trend rate of 7.0% with an ultimate medical trend rate of 5.0%, beginning in 2019.

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 the conference or salary-paying unit sponsors the plan and they are able to satisfy the eligibility requirements which include full-time appointment with plan compensation equal to or greater than 60% of the Denominational Average Compensation (DAC) or the Conference Average Compensation (CAC), whichever is less.

Current funding plan information:
The South Georgia Conference has made the following elections: ______% of appointed clergy have mandatory
participation under special arrangements, while ______% of appointed clergy have optional participation under special arrangements.
For 2017, the South Georgia Conference has an expected required contribution to the Comprehensive Protection Plan of $674,943, which is anticipated to be funded by: funded through apportionments. The anticipated average increase in future years is expected to be 3.00% per year as a result of: We are anticipating that COLA raises will be given.

UNITED METHODIST PERSONAL INVESTMENT PLAN (UMPIP) FOR LAY AND CLERGY

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.

Current funding plan information:
Conference office lay employees working an average of ___ hours per week or more are eligible after ____________ months for a plan sponsor funded pension contribution of ___% of salary. Lay employees are encouraged to make contributions toward their retirement through payroll deductions to the UMPIP. The estimated contribution for the South Georgia Conference is anticipated to be $59,319 and will be funded via Conference budget paid through apportionments.
The South Georgia Conference, as of January 1, 2017 is planning on sponsoring the UMPIP for clergy serving ____________-time and are eligible for a pension contribution of ______% of salary. The estimated contribution for the Conference is anticipated to be $126,000 and will be funded via direct billed to churches.

OTHER CONFERENCE BENEFIT OBLIGATIONS: DEFINED CONTRIBUTION (DC) TYPE

Plan Overview: The South Georgia Conference currently offers the following DC benefit(s): UM Life Options-Long Term Disability & Death Benefits for lay employees and predecessor BPP plan for retired clergy/surviving spouses. The funding obligation for 2017 is anticipated to be $14,553 with the funding sources to be: Conference budget-apportionments. The anticipated average increase in future years is expected to be 3.0% per year due to: Increases in premiums will be as a result of salary increases for the lay employees and age banding increases for both the lay and clergy plan.

Plan Overview: The South Georgia Conference currently offers the following DC benefit(s): Accidental Death Benefit. The funding obligation for 2017 is anticipated to be $1,670 with the funding sources to be: Conference budget-apportionments. The anticipated average increase in future years is expected to be 1.0% per year due to: Benefit premium has remained unchanged; at this time, the only expected increases will be due to number of covered employees.

OTHER CONFERENCE BENEFIT OBLIGATIONS: DEFINED BENEFIT (DB) TYPE

Plan Overview: The South Georgia Conference currently offers a Retirement Gift plan made available to __________. The funding obligation for 2017 is anticipated to be $50,000 with the funding sources to be: Funded through apportionments. We do not recognize this as an ongoing obligation. As stated in box K13, this may be discontinued after discussion and recommendation of previously retired ministers, or by action of CBOP. The anticipated average increase in future years is expected to be 2.0% per year due to: This amount has been adequate to fund the retirement gifts for the past couple of years. The CBOP has also requested feedback from the retirees to whether this is the way to best
use these funds in the future, so as more of the population moves to retirement, this may not continue. The liability associated with this benefit is estimated to be $1,666,667 based on a discount rate of 5.0%.

**CONCLUSION**

The 2017 Comprehensive Benefit Funding Plan and the above Summary document incorporates, to the best of our understanding, the South Georgia Conference’s obligations and funding requirements of the benefits provided to the clergy and laity of the South Georgia Conference.