

1 **Document: 650.02**

2 **Name: Discontinuance of Malden UMC**

3 **Author(s): District Superintendent Brian Gilbert, Prairie South District, UMC**

4 **CCFA Action:**

5
6 **ACTION:**

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8 WHEREAS the Malden UMC located in the City of Malden, Illinois at the commonly known address
9 7800 S. Loomis Blvd. in Malden Village of Bureau County, Illinois was formed and has witnessed to
10 Jesus Christ and served its community and the world for having closed on July 1, 2023 and

11
12 WHEREAS the Malden UMC faithfully served the community in the Village of Malden, IL and
13 boldly risked themselves in this effort; and

14
15 WHEREAS, pursuant to the provision of Paragraph 2549 of *The Book of Discipline of The United*
16 *Methodist Church 2016*, the Prairie South District Superintendent has recommended with the approval
17 of the District Strategy Team that the church be discontinued effective July 1, 2023. The Prairie South
18 District Committee on Building and Location has voted to concur with the District Superintendent's
19 recommendation to discontinue said church and the presiding Bishop and the majority of the District
20 Superintendents of the Northern Illinois Annual Conference of The United Methodist Church have
21 consented to the District Superintendent's recommendation to discontinue said church;

22
23 THEREFORE BE IT RESOLVED that to minimize the risk of loss of future bequests to the Conference,
24 the Northern Illinois Annual Conference recommends that the said Church, though discontinued under the
25 Canon Law of The United Methodist Church, nevertheless be maintained in perpetuity under the Illinois
26 civil law by adopting a reincorporation thereof by the Bishop under Section 46b of the Illinois Religious
27 Corporation Act, with the incumbent Conference Board of Trustees names as trustees of the Discontinued
28 Church under the procedure established by Article VII "Discontinued or Abandoned Church
29 Reincorporation" of the By-laws of the Northern Illinois Annual Conference of The United Methodist
30 Church; and

31
32 BE IT FURTHER RESOLVED that the members of the said Church shall be transferred to Malden UMC
33 in Malden, Illinois, unless any such members shall inform the pastor of the transferee church otherwise;
34 and

35
36 BE IT FINALLY RESOLVED that the appropriate officers of The Northern Illinois Annual Conference
37 of The United Methodist Church are authorized and directed to execute on behalf of the said Conference
38 any and all such additional documents as legal counsel shall recommend to effectuate the above.

39
40 **RATIONALE:**

41
42 After many faithful years of service, ministry and mission in the name of Jesus Christ, Malden
43 UMC has come to a place of transition and closure as membership and attendance have declined. The
44 congregation has expressed its desire to celebrate its past ministry but to no longer remain in service as
45 Malden UMC. The closure has been recommended by the Board on Church Location and Buildings and
46 the District Superintendent.

Document Number: 680.01

Name: Benefit Programs

Author(s): Conference Board of Pension and Health Benefits

CCFA Action: No action required

Action:

The Conference Board of Pensions and Health Benefits, partnering with Wespath recommends the following policies for clergy and other eligible participants enrolled in welfare, health and pension benefits. Moving forward, this will become Policy 703-07 Benefit Programs. Legislation will be proposed in future years to update parts as needed.

I. Health Insurance

The Conference Board of Pensions recommends that the Annual Conference establish the following policies and procedures for administration of the Conference Health Care Program, effective January 1, 2026.

A. Mandatory Coverage

1. The following categories of employees are mandated to participate in the Annual Conference health insurance program. In all cases, the spouses and dependents (such as children) of eligible employees may enroll in the health plan at the election of the participant.

Category	<i>Discipline 2020</i>
Elder in full connection (including those from another Methodist denomination and those from another conference) appointed to full-time service to a conference local church or campus ministry	338.1, 346.1, .2, &,.3
Associate member appointed to full-time service	321
Provisional Members on elder track appointed to full-time local church service	326.1
A full-time local pastor who is under Episcopal appointment to a charge located in the conference	318.1

2. Elders appointed to disability status prior to age 65 will be covered under the conference plan at the cost of the Conference Board of Pensions and health benefits until they are eligible for Medicare or for Social Security disability coverage. At age 65 from a premium payment standpoint, each will be treated as retired pastors and subject to the HRA guidelines explained in Section D of this Resolution.

B. Release from Mandatory Coverage – THE PILOT PROGRAM

1. Clergy members may waive mandatory coverage only with the consent of the Conference Board of Pensions when enrolled in an Affordable Care Act plan, Medicare, Tricare, CHAMPUS, or on a plan provided by a spouse's employer.

~~The objective of allowing Churches to opt out of HealthFlex is to provide a means to help Churches lower the cost of medical insurance and be able to maintain the promised medical benefit to NIC pastors. To elect this option the Churches agree to the following:~~

- ~~a) Agree to pay the monthly health care premium established by the Conference Board of Pensions.~~
- ~~b) Each quarter the Church will receive a rebate of one month's premium.~~
- ~~c) The clergy person will receive a reimbursement check from the conference equal to the amount of the alternative coverage and an estimate of the taxes owed for the amount. The maximum amount the Conference Board of Pensions will provide in cash is \$1,000 per month to support clergy to~~

~~enroll with an alternative carrier and to help pay for additional personal taxes. The amount provided by the Conference is considered as taxable cash compensation.~~

~~d) If Churches fail to make premium payments the Conference holds the right to discontinue the cash support provided to the pastors.~~

Beginning July 1, 2025, the “PILOT PROGRAM” as described above in 680.01 (B) will sunset and any current **participants** on the program as of June 1, 2025, will be allowed to remain at their current benefit level. This benefit level will reside with the current participant (Clergy) and not the church, should the clergy move to a new appointment. The Board of Pensions and Insurance will accept requests from clergy to waive mandatory coverage, but the following will be the provisions of the Release from Mandatory Coverage policy:

a) Clergy will not receive any reimbursement from the Conference to be on alternative coverage.

b) Churches will still be responsible for paying the Clergy Flat Rate.

C. Local Church and Extension Ministry Coverage Options

1. A local church or extension ministry may elect health insurance in the conference plan available to participants in the following categories **who meet the required eligibility criteria:**

Category	<i>Discipline 2020</i>	Premium Billed to
Ordained elder appointed to extension ministries within the connectional structure (other than a unit of the conference or general agency), within an ecumenical agency, within a GBHEM endorsed extension ministry or within a special ministry outside the connectional structure	344.1a(3), 344.1a(4), 344.1b, 344.1d	Salary Paying Unit
Ordained elder from another denomination (other than UMC) appointed to half-time or more service to a Conference local church or a unit of the Conference	346.2, 346.3, 338.2, 346.1	Salary Paying Unit
Provisional, Associate or full clergy member granted voluntary leave of absence not to exceed 1 year	354.1 354.2	Participant
Clergy member granted Sabbatical Leave from a local church appointment for up to one year if enrolled in the health program at time of request and Board of Ordained Ministry designates a premium paying unit with their approval.	351	Board of Ordained Ministry or participant
Elder of the Annual Conference granted Medical leave from an appointment to an NIC local church or within the connectional structure for up to one year.	357	Board of Pensions
Deacon in full connection appointed to full-time basis in a conference local church, beyond the local church, or UMC related agencies and schools.	331.1a, 331.1b	Salary Paying Unit
A Provisional member on the Deacon track appointed to serve on a full-time basis to an NIC congregation or to the conference.	326.1	Salary Paying Unit
75% of eligible Lay Employees of a local church in the conference normally scheduled to work at least 30 hours per week inclusive of a calendar year		Salary Paying Unit

2. In accord with Illinois law, state recognized civil union partners of lay or clergy employees are eligible for coverage in a manner similar to their spouses.

3. The decision to offer coverage is made by the salary paying unit. The choice to accept the offer of coverage shall be made by the participant. The salary paying unit may elect to offer health insurance to one or all categories of persons listed above in Section C. 1. The salary paying unit must make health

insurance available to and will be billed for all persons within any specific category employed with the agency or local church. Failure to make prompt payment results in termination of the participant in the plan.

4. Each salary paying unit must execute annually a sub-adoption agreement with the annual conference, should they desire to offer health coverage to persons in these categories.

5. These categories of persons are also eligible for coverage :

Category	Billed for Active's Premium
Surviving spouse or dependent children enrolled in the health plan at time of a participant's death for a period of up to one year	Participant pays 25%, Salary Paying Unit (or Board of Pensions) 75%
Divorced spouse enrolled in the plan at time of divorce for 2 years or in accordance with State and Federal law or court order	Divorced Spouse

D. Retirement Health Administration –

- For 2026, the Conference extends a program of support for some retired clergy persons in continued clergy relationship to the Conference. The program commitment is for one year only and is a nonvested benefit to certain clergy retirees of the annual conference. To qualify, the retired clergy person must be a member of the Conference on January 1, 2026, or be a dependent of a current clergy member or surviving spouse of a clergy person in good standing at the time of death
- Clergy persons enrolled in the health plan or participating in the pilot program (Section B, above) at Mandatory Retirement (Discipline paragraph 357.1), Early Retirement (Discipline paragraph 357.2b), Full Retirement (Discipline Paragraph 357.2c), or Involuntary Retirement (Discipline paragraph 357.3) may be eligible for health benefits in retirement through the conference plan if such enrollment or participation is for the continuous five years prior to retirement. No clergy member retiring under the "20 year rule" (Discipline paragraph 357.2a) is eligible for retiree health coverage.
- A clergy spouse (or surviving spouse after death of an active member) enrolled in the health plan 5 consecutive years before retirement or enrolled when first eligible for coverage (when prior to participant's retirement) is eligible for coverage after retirement. The family status of the participant cannot change during retirement, except in cases of adoption, childbirth or death. Participants electing to not participate in retirement health plan at time of retirement may not elect to enroll at a later time.
- Upon retirement the annual conference shall establish a Health Reimbursement Account (HRA) for the household in the name of the retiree. Participants and their spouses who meet the retiree eligibility rules may use HRA funds to pay for medical expenses including premiums, co-pays, deductibles, dental services, medical services, coinsurance, etc. Like a savings account, the funds do not need to be expended by the end of the calendar year and balances roll forward when unused.
- For 2026, the annual conference will provide a benefit equal to \$100 \$125 per year of ministerial service (as limited by I.D.7. below). An additional \$100 \$125 per year of service is also extended to the Pastor's spouse. This amount is subject to change in future years based on the needs and circumstances of the Conference and/or participants.
- Only the first 40 years of service shall be tabulated when determining the amount of benefit. In the case of clergy couples, the clergy member with the highest number of years of service, up to the cap of 40, shall determine the benefit amount.
- Ministerial service years are determined by the Conference Board of Pensions and Health Benefits. Years of service will be defined as full calendar years in positions appointed by the Bishop of the Northern Illinois Conference, in good standing, regardless of location, throughout the Connection. Only years served under appointment to Northern Illinois Conference local churches or connectional structure are considered in the HRA calculation. Special exceptions may

be made based on approval by NIC Board of Pensions. ~~Any counting of service years earned by service to non-Northern Illinois Conference appointments recognized in prior years will not be recognized effective January 1, 2024 or after.~~

8. The Conference at the discretion of their Board of Pension has the right to change or modify the retiree benefit and/or contributions at any time. The annual conference does not make a commitment to additional funding in future years.
9. Full Time Lay Conference employees of the annual conference with 5 continuous years of coverage before retirement will have a contribution equal to \$100 per year of service to the annual conference deposited in their HRA annually. Eligibility for the HRA is contingent on a participant's enrollment in Medicare B and engagement with the Conference's selected provider.
10. The Conference Board of Pensions and Health Benefits engages Via Benefits to aid clergy retirees aged 65 and above in selection of suitable Medicare supplement coverage and to act as a patient advocate when necessary. To receive the HRA benefit eligible participants must enroll through the Via Benefits program and be enrolled in Medicare B. Clergy who retire prior to 65 and meet the eligibility rules will have the HRA equivalent deducted from the cost of their conference provided medical coverage until they reach Medicare eligibility, enroll in Medicare B and enroll in Supplemental programs through Via Benefits. Retired clergy will be responsible for costs of coverage in excess of that HRA amount.

E. Active Health Administration

- ~~1. Monthly premiums are billed to each charge or salary-paying unit at rates established by the Conference Board of Pensions. Premiums are due the first of each month. Accounts 90 days in arrears are subject to termination as explained in in accordance with the Wespath arrearage policy. approved by the Board and the NIC Cabinet. This policy describes the efforts that will be made by the Conference office and the Cabinet to work with Churches that are more than 90 days in arrears. If all efforts to receive payment or develop a payment plan have been exhausted, then termination of coverage may be the final option. Notification of accounts in arrears will be provided to the District Superintendent, the pastor, the local church PPRC chair, and the local church treasurer prior to termination. Any unpaid clergy benefit invoices shall be collected from the sale of a closed church when sold by the Conference Trustees, and, requested from the proceeds of church building sales in local church mergers.~~
- ~~2. If a participant enrolls in one of the HealthFlex Exchange programs that require a payroll deduction to the Conference and those deductions are not made the Conference can have the participant placed in a plan that does not require a payroll deduction.~~
3. Churches should care that tax reporting is correctly administered for all payroll deductions around health insurance provisions.
4. Active participants are able to make choices in the provision of their coverage through the enrollment period, as made available through Healthflex administration. Problem resolution and inquiries regarding coverage should be directed ~~to the HealthFlex Team at Wespath 1-800-851-2201.~~ Quantum Care Coordinators at 833.762.0876.

II. Pension Programs

- A. **Clergy Retirement Security Program (CRSP) Compass Eligibility.** The General Conference of the United Methodist Church established Compass as the primary pension program for United Methodist clergy in 2007. 2026. Mandatory participation is required when both 1 and 2 are met:
 1. The clergy member relationship to the conference is as a:
 - a. Commissioned Members (Deacon or Elder)
 - b. Elders in Full Connection
 - c. Members of Other Conferences appointed in the Northern Illinois Conference (paragraph 346.1 appointments)
 - d. Full Time Local Pastors

- e. Deacons in Full Connection
- f. Members of other denomination, appointed to service in an NIC local church if no other pension is provided by their denomination.
2. The clergy member is under Episcopal appointment half-time or more to the following service types:
 - a. to local churches in the Northern Illinois Conference
 - b. to the Conference (staff or Cabinet)
 - c. to a Conference controlled entity (such as a campus ministry or ORM)
 - d. to Incapacity leave with CPP benefits
3. In order to waive participation, a half-time or more appointed clergy member must sign a waiver form at time of appointment. Please note that persons assigned, but not appointed are not eligible in the program.
4. Local churches are encouraged to enroll as a plan sponsor of ~~UMPIP~~ Compass and to make employer contributions into the accounts of clergy appointed quarter-time.
5. **The Church contribution rate for the ~~Defined Benefit component~~ of CRSP Compass shall be set annually by the Joint Board of Pensions and Insurance to meet the annual amount billed to the Northern Illinois Annual Conference by the General Board of Pension and Health Benefits (Wespath) to fund Compass.**
6. **Funding for Compass is by direct payment by each charge to the Northern Illinois Annual Conference.**

C. Billing Methods. ~~The Annual Conference will invoice local churches monthly 16% (3% (CPP) + 3% (CRSP DC) + 10% (CRSP DB) based on clergy plan compensation required for support of the CRSP and CPP programs. Increases may be necessary in the future.~~

B. Clergy Retirement Security Program. Comprehensive Protection Plan.

1. **Comprehensive Protection Plan (CPP).** The Comprehensive Protection Plan is the primary death and disability benefit for enrolled clergy. The billing rate for CPP will be established by the Conference office. Appointments with compensation less than full-time and those that were considered under special arrangements will be covered and billed based on rates established by UMLifeOptions.
2. ~~**CRSP Defined Contribution**~~
 - a. ~~The CRSP pension program includes a defined contribution component. Each clergy member will have 2% of plan compensation deposited in an individual account at the Wespath. All contributions into the account are invested and the enrolled clergy member receives the appreciated value of the account upon retirement.~~
 - b. ~~Clergy persons are encouraged to contribute 1% of their plan compensation into their UMPIP account as a salary deduction. The annual conference will match the first 1% of UMPIP contributions paid into the participants CRSP DC account.~~
3. ~~**CRSP Defined Benefit program.** With the defined benefit component each enrolled clergy member will receive a monthly cash benefit from the plan upon retirement. Funds collected from local churches are used for annual contributions made by the conference will be invested by Wespath so that the NIC obligation can be met. A portion of defined benefit funding may accrue to a reserve fund for funding future variation in market results and other benefits to retirees and future retirees.~~

D.Pre-82 Defined Benefit Past Service Rate for 2026

1. The Conference Board of Pensions recommends that the annual pension rate for service prior to 1982, effective January 1, 2026, be \$605 per service year, an increase of 0% from 2025. Surviving spouses shall be supported at the rate of 85% of participant pension benefit amounts. Special grants will be provided as identified in Section F.

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2 **E. Excludable Housing allowance for retired clergy.** In accordance with the Private Ruling Letter from
3 the Internal Revenue Service, the Northern Illinois Conference Annual Conference Session reaffirms the
4 limits to housing allowance exclusion for retired and disabled clergy found in the Standing Rules, at
5 Section IV. C. 1, which states: *Disabled clergy have the same legal relationship to an Annual Conference*
6 *as do the retired clergy and, thus, this Conference is also the appropriate organization to designate a*
7 *housing/rental allowance for disabled ordained or local pastors who are members of this Conference. An*
8 *amount equal to 100% of the pension payments received by a retired clergy, or 100% of the disability*
9 *payments received by a disabled clergy, is designated as rental/housing allowance respectively for each*
10 *retired or disabled ordained or local pastor of The United Methodist Church who is or was a member of*
11 *the Northern Illinois Conference at the time of retirement or disability.*
12

13 **F. Special Grants**

- 14 1 Beginning in 2020 Northern Illinois Conference Session the Board of Pensions approved grants
15 for participants meeting the following eligibility criteria:
16 a. Members of the Northern Illinois Annual Conference who retired from an appointment in
17 the conference;
18 b. Who have at least 15 years of service prior to 1982 compensated at the Past Service Rate
19 (excludes those at the DBSM rate); and,
20 c. Who have less than 10 years of service to Northern Illinois Conference appointments
21 served while enrolled in the MPP program.
22 2. For 1/1/2026 the amount provided to eligible participants will be \$700 times their pre-82 years of
23 service calculated at the PSR. This amount will remain in place until otherwise changed by the
24 Board of Pensions.

25 **III. Group Life Insurance**

26 The Conference Board of Pensions enrolls in the UMLifeOptions program. Every eligible retired clergy
27 person will be enrolled in the plan with a benefit of \$5,000 at no cost to the participant. Active clergy
28 persons **not eligible for CPP** have \$10,000 in coverage at the NIC expense when an application is filed
29 during the open enrollment period. Coverage beyond this amount is at the cost of the participant and will
30 be billed directly from UMLifeOptions.