

GUIDELINES FOR CLERGY PENSION AND LIFE INSURANCE BENEFITS

Clergy Retirement Security Plan (CRSP)

The Clergy Retirement Security Plan (CRSP) is a **mandatory** pension plan for pastors unless a waiver for participation is approved for less than full-time clergypersons and student local pastors who are appointed half-time or less and have a current pension plan or receiving a pension if already retired. *(See Guidelines for Clergy Retirement Security Plan (CRSP) and Comprehensive Protection Plan (CPP) Chart.)*

Cumulative Protection Plan (CPP)

The Cumulative Protection Plan (CPP) is also a **mandatory** plan for participants in the CRSP except full members who are appointed 1/4 time, and student local pastors and local pastors in 3/4 time or less appointments. Local pastors in full time appointment and receiving at least 60% of CAC are required to participate in CPP. This is a life insurance and a long-term disability insurance program. *(See Guidelines for Clergy Retirement Security Plan (CRSP) and Comprehensive Protection Plan (CPP) Chart.)*

United Methodist Personal Investment Plan (UMPIP)

The UM Personal Investment Plan (UMPIP) is a **voluntary** personal pension savings plan. It is a personal 403(b) account separate from the CRSP. The amount of personal savings deducted from the pastors' salary is also voluntary and can be changed anytime. (See related materials for limitations on salary-reduction contributions.) Deposits can be made only by the salary paying unit and not by the pastor directly.

Some Features of UMPIP Include:

- Accessibility to your account before retirement. You will be able to take a hardship loan for purposes of qualified medical expenses (which means they are tax-deductible), purchase of a home, tuition or expenses for post secondary education for self or dependents, and prevention of foreclosure or eviction. Because you are paying the loan back, it is not considered a distribution and therefore is not taxable.
- A hardship withdrawal can be made for the same reasons. If you take a hardship withdrawal, there will be a 12-month suspension for before-tax contribution to UMPIP. Because there is no paying back of the withdrawal, this is considered a distribution and is therefore taxable.
- You will have access to account information through a toll-free telephone interactive voice response system to check account balance, transfer investments, and get investment performance information 24 hours a day, 7 days a week.
- There are various funds that you have options to invest in. Investments are always made in accordance with the Social Principles of the United Methodist Church.

A salary deduction agreement must be signed and a billing update form completed every time a pastor experiences change in appointment or in the amount of contribution/savings. The signed salary deduction agreement is kept in the local church file and the billing update form is forwarded to the General Board of Pension through the Conference Treasurer's Office.

There are two kinds of salary deduction agreements: before-tax and after-tax. With the before-tax salary deduction agreement, contributions are not taxed until received in the event of distribution. With the after-tax salary deduction agreement, contributions do not reduce the salary for income tax purposes. Login to www.gbophb.org for additional pension benefits information or call the Conference Treasurer's Office.