

CHURCH:

First UMC, Johnson City

TABLE COMPLETED:

3/21/23

VOTE COMPLETED:

Assumed March 2023

AGREEMENT SIGNED:

Assumed March 2023

ASSUMED DISAFFILIATION DATE:

6/8/23

	Months	Amount	Totals	Balance	2023 Paid
2022 apportionment balance	July to Dec	\$0.00			
2023 apportionments	Jan to June	\$7,664.00			11,494.00
TOTAL previous 12 months apportionments			\$7,664.00		
2023 apportionments	July to Dec	\$19,158.00			
2024 apportionments	Jan to June	\$19,158.00			
TOTAL next 12 months apportionments			\$38,316.00		
TOTAL apportionments due (assumes no interim payments made)			\$45,980.00		
Unfunded pension liability	2/1/23				
Apportionments + Unfunded pension liability			\$60,045.00		
				\$106,025.00	





Wespath

BENEFITS | INVESTMENTS

February 22, 2023

Isabel Munoz
Conference Benefit Officer

Wespath Benefits and Investments
1901 Chestnut Avenue
Glenview, IL 60025-1604
847-869-4550
wespath.org

Via email

RE: Rio Texas Annual Conference Allocated Underfunding

Dear Isabel:

As requested, we have prepared an estimate of the underfunded mandatory clergy plan liability attributable to your conference. This estimate reflects the assets and current market environment as of 2/1/2023 and is only considered a valid representation of your conference's funded status until 4/30/2023. This estimate supersedes any previous estimate.

2/1/2023 Estimates

Plan	Market Value of Assets ¹	105% of Liabilities	Funded Status
Pre-82	\$ 24,362,981	\$ (24,686,674)	\$ (323,693)
MPP Annuities	65,678,325	(67,322,748)	(1,644,423)
CRSP-DB	47,287,319	(58,952,803)	(11,665,484)
All DB Plans	\$ 137,328,625	\$ (150,962,225)	\$ (13,633,600)

Purpose and Limitations

This valuation is prepared primarily to estimate and document the underfunded liability for purposes of estimating the withdrawal liability of a church in accordance with *Book of Discipline* ¶ 1504 as amended by General Conference 2019 petition 90016. This valuation has been conducted for the purpose described above and may not be suitable for any other purpose. In particular, this valuation does not determine liabilities on a plan termination basis, for which a separate extensive analysis would be required. In addition, liability measures shown include a premium to estimate the cost of transferring risk to a third party. Actual costs related to such a transfer are dependent on market conditions at the time of transfer and may be more or less than those assumed herein.

Assumptions

Other than those listed below, this estimate was determined using census data, plan provisions and assumptions consistent with those outlined in the September 2022 Corridor and Pre-82 valuation reports. Please see the ASOP 51 & ASOP 56 sections in the aforementioned reports for a discussion of risks associated with this calculation and disclosures of models used.

Liability Premium:

Pre-82 Past Service Rate Increases: 5% CRSP DAC Increases: 2.00%
2.00% Discount Rate Curve: FTSE Pension Discount Curve as of 1/31/2023

If you have any questions or concerns, please do not hesitate to contact me at (847) 866-4232 or your Client Relationship Manager.

Sincerely,

Scott Greeno
Actuarial Services Manager

cc: Dale Jones, Wespath
Fred Hyland, Wespath

Martin Bauer, Wespath
Tony Prestipino, Wespath

John Allen, Wespath
Rev. Kendall Waller, Rio Texas

¹ For CRSP-DB and MPP Annuities, total plan assets prorated by the conference's percentage of CRSP-DB and MPP market liabilities

Rio Texas Conference United Methodist Church
Disaffiliation Pension Withdrawal Liability Estimate

Church: First UMC, Johnson City
 Valuation Date: 2/1/2023
 Pension Liability Estimate: \$ 60,045

Valuation Calculation provided by Wespith Actuarial Services for Rio Texas Annual Conference Allocated Underfunding Liabilities

Rio Texas Formula Based on Church Apportionments:

2 Yrs. Local Church Operating Expenses Used in Calculation \$646,897
 2 Yrs. All Rio Texas Churches Operating Expenses Used in Calculation \$146,883,058
 Individual Church Decimal **0.004404**

PENSION PLAN	RIO TEXAS FORMULA		CONFERENCE UNFUNDED STATUS (105% of Unfunded Liabilities)	CHURCH SHARE - Pension Withdrawal Liability
Pre-82 Liability	0.004404	X	\$ 323,693	\$ 1,426
MPP Annuities	0.004404	X	\$ 1,644,423	\$ 7,242
CRSP-DB	0.004404	X	\$ 11,665,484	\$ 51,377
			TOTAL	\$ 60,045

Rio Texas Conference 2023 Apportionment Statement Johnson City: First

Herman Lee Romero
PO Box 207
Johnson City, TX 78636-0207

5200
Hill Country District

Local Church Expenses Used to Calculate Apportionments

Expense Description	2020	2021
Pastor's Salary	66,110	67,430
Associate Pastor(s)' Salary	0	0
Pastor and Associate Pastor(s)' Housing and Utilities	2,645	1,955
Pastor and Associate Pastor(s)' Reimbursable Expense	7,013	7,181
Pastor and Associate Pastor(s)' Other Cash Allowances	0	0
Deacon(s) Compensation	0	0
Other Staff Compensation	0	0
Current Program Expense	109,782	112,860
Other Current Operating Expense	48,776	66,909
Each Year Local Church Operating Expenses Used In Calculation	79,521	76,715
2 Yrs Local Church Operating Expenses Used In Calculation	313,847	333,050
2 Yrs All Rio Texas Churches Operating Expenses Used In Calculation	0	646,897
2 Yrs All District Churches Expenses Used In Calculation	0	146,883,058
	0	24,167,916

Formula for Calculating Apportionments

2 Yrs Local Church Operating Expenses	X	Each Apportioned Fund
2 Yrs All Rio Texas Churches Operating Expenses	X	Each Apportioned Fund
\$646,897		
\$146,883,058		

Note: District Fund uses only 2 year of operating expenses from churches in the District.

Fund	Fund Name	Rio Texas Total	Local Church Share
1	General and Jurisdictional Causes	\$2,321,199	\$10,223
2	Conference Benevolences	\$2,316,243	\$10,201
3	Ministerial Support	\$1,304,835	\$5,747
4	Conference Administration	\$1,294,857	\$5,703
5	Pension and Benefits Apportionment	\$345,000	\$1,519
6	District Ministries	\$700,000	\$3,083
		District Total	Local Church Share
		\$68,754	\$1,840
		Total 2023 Apportionments	\$38,316

Glossary of Terms

Clergy Retirement Security Program (CRSP) - The retirement program for United Methodist clergy at conference-based appointments adopted by General Conference 2004 and effective January 1, 2007 (September 1, 2008 for bishops), with amendments through General Conference 2016.

CRSP-DB - The defined benefit component of the CRSP.

Denominational Average Compensation (DAC) - The average annual plan compensation of full-time U.S. clergy who participate in the Clergy Retirement Security Program (CRSP) and/or Comprehensive Protection Plan (CPP). The calculation includes district superintendents, jurisdictional bishops, clergy serving at general agencies and other appointments extending the ministry of the Church. The DAC excludes compensation provided as a health care subsidy, per General Conference 2016.

Discount Rate - The discount rate is used to determine the value today of a future payment, recognizing the time value of money.

Funded Status - The difference between a plan's assets and liabilities at a specific point in time. If positive, there is a surplus. If negative, an unfunded liability. Because both assets and liabilities fluctuate, funded status also fluctuates. For various reasons, including but not limited to market volatility, demographic changes, potential benefit increases, and potential surplus use, it is likely that in the future a conference may experience a reduced funded status.

FTSE Pension Discount Curve (FTSE) - This is a commonly used external yield curve based on a set of yields on hypothetical AA zero coupon bonds whose maturities range from 6 months up to 30 years.

MPP Annuities - An informal name of the Ministerial Pension Plan which is Supplement Three to CRSP

Past Service Rate (PSR) - The minimum pension benefit payable for each year of approved service with pension credit rendered to a conference, prior to January 1, 1982. Each annual conference, on recommendation of its conference board of pensions, determines its pension rate annually. Also known as the annuity rate.

Pre-82 Plan - An informal name of Supplement One to the Clergy Retirement Security Program (CRSP).