



Baltimore-Washington Conference
The United Methodist Church

Conference Board of Pensions

Carl Eichenwald - Chair

Rev. Marlon Tilghman – Vice Chair

2026 Annual
Conference Report

Topics

1. Compass Updates
2. Health Benefit Updates
3. Benefit Arrearages
4. Annual Conference Recommendations

1. New Clergy Pension Plan: **COMPASS**

Compass Pension Plan Update

- As of 1/1/2026 all eligible clergy were successfully transitioned into Compass
- *Compass* is a 100% Defined Contribution plan.

There are three (3) types of Contributions

	<u>Paid by Conference from Church Billings</u>	Clergy Contributions <u>Paid by Conference from Church Billings</u>
- Flat-Dollar Contribution	\$150/mo	No
- Pay-Dependent Contribution	3% of pay	No
- Matching Contribution	1:1 match up to 4% of pay	4% will maximize match. <i>Additional contributions are not matched, subject to legal max.</i>

Pension and Health Insurance Statements

- The new billing separates invoices based on which charges are attributed to the church, and which are attributed to participants, while recognizing that the church is ultimately responsible for submitting all payments accurately and on time.

Two Statements in 2025

Churches currently receive one or two statements based on benefit eligibility and enrollment.

- #1: Pension statement listing church contributions
- #2: Health Insurance statement listing church and participant contributions

Three Statements in 2026

Churches will receive two or three statements based on benefit eligibility and enrollment

- #1: Participant Contributions to Pension and/or Health Insurance Benefits
- #2: Church Contributions to Pension Benefits
- #3: Church Contributions to Health Insurance Benefits

ACH Payments for Benefit Billing

Compass significantly increased the volume of required participant payments. To protect clergy and ensure timely, accurate remittances, an ACH payment program is being introduced.

Optional ACH Payments (Available Now)

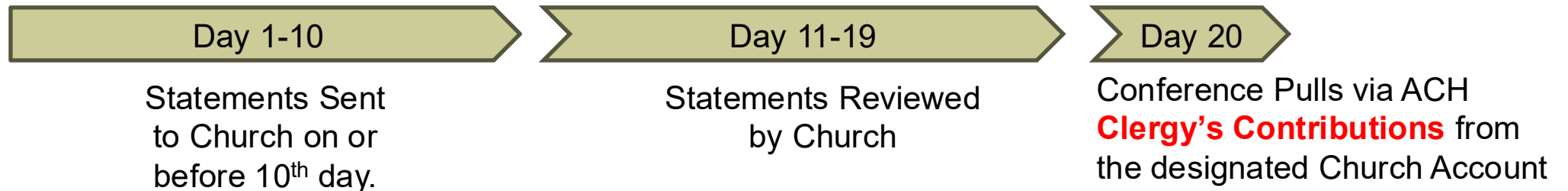
- Available for all benefit payments
- Direct Payments are made to the Conference with the church's permission.

Note: Automated Clearing House (ACH) is a secure U.S.-based electronic network used by financial institutions to transfer money between accounts.

Mandatory ACH for Participant Contributions (July 1, 2026)

- All charges on Benefit Statement #1: (Participant Contributions/Premiums for Compass and Health Insurance Benefit) Will be paid via ACH

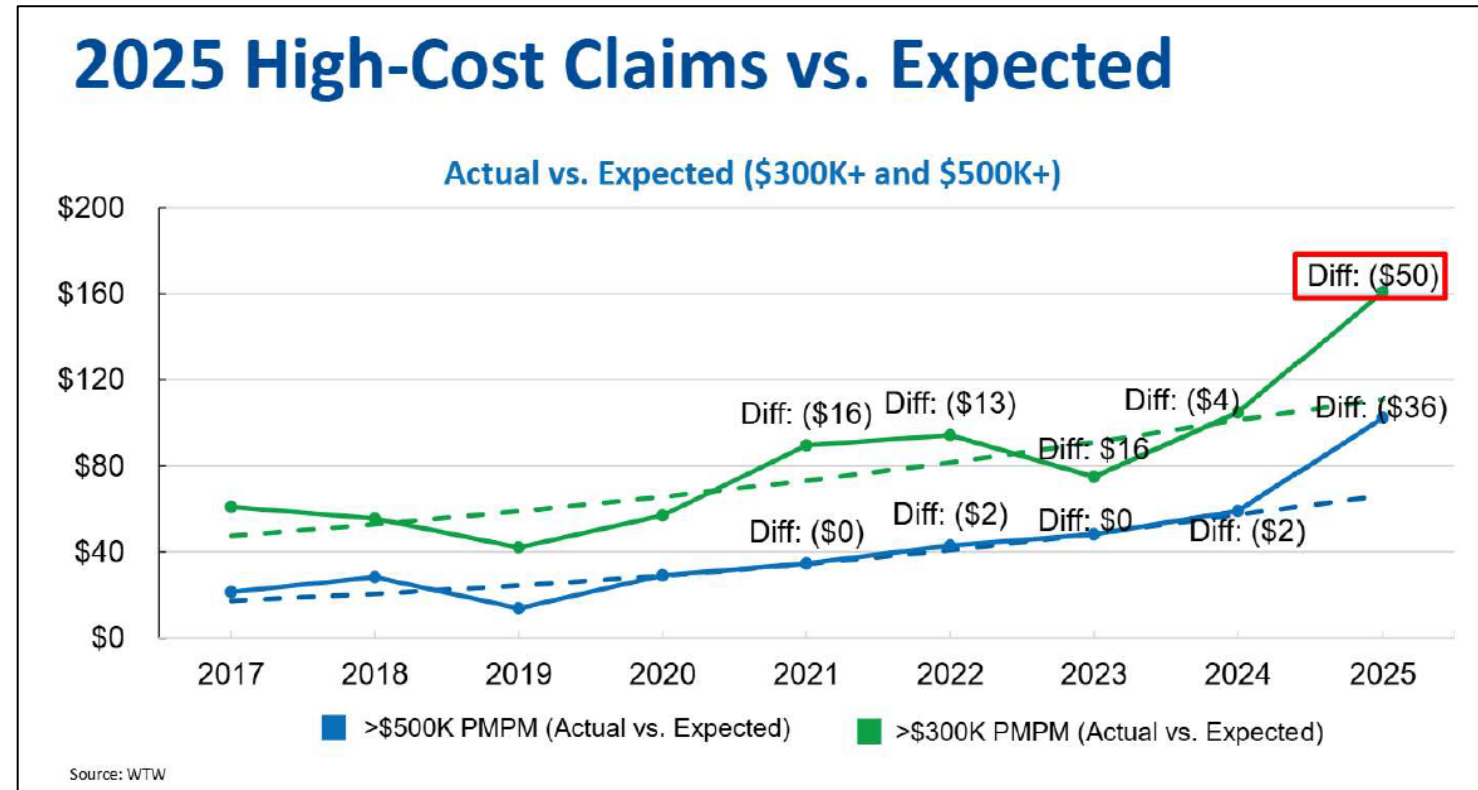
How will ACH payments work each month?



2. Health Benefit Updates

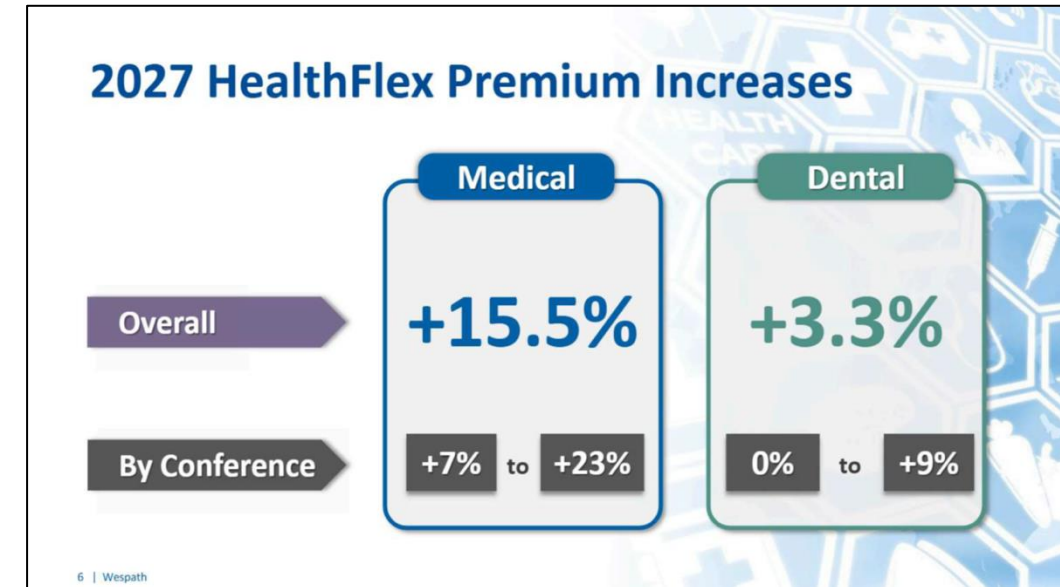
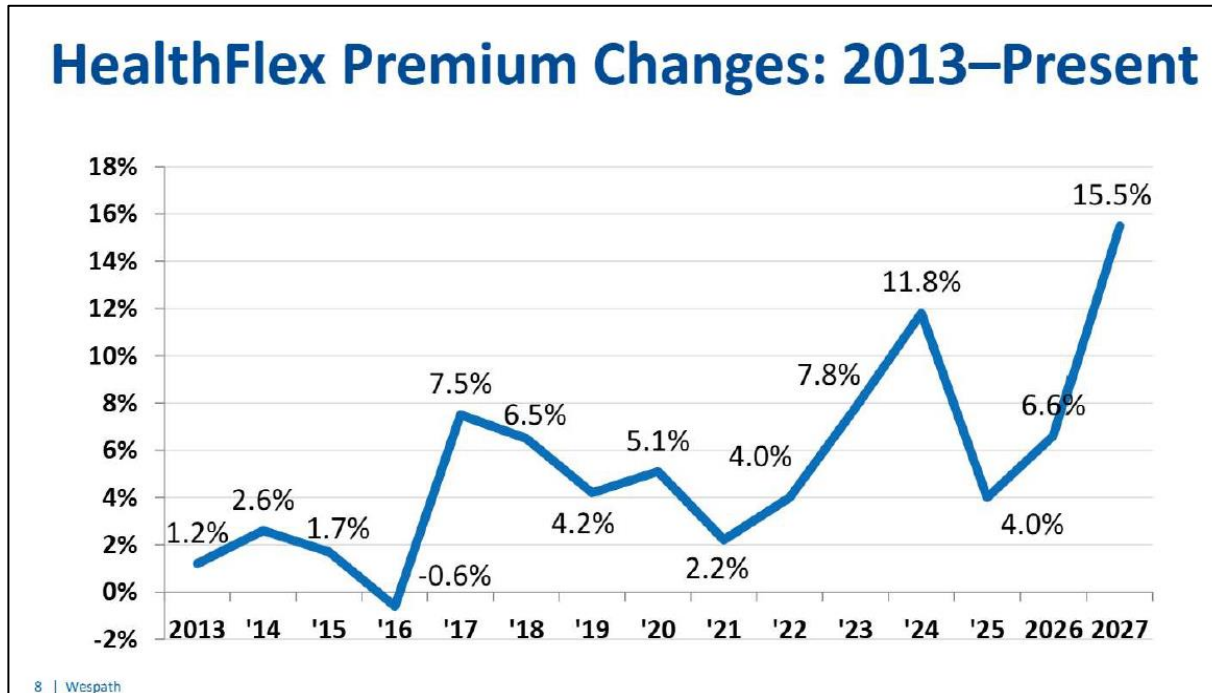
2025 HealthFlex Claims

- Wespeth experienced significant increases in large claims in 2025. The resulting losses were paid from the Wespeth reserves.
- However, as the claims continue to climb, it is realized that the current rates are behind the new trend lines.



2027 HealthFlex Rates Are Increasing

- Overall, HealthFlex rates are increasing 15.5% to catch up to the escalating claims.
- Based on the BWC claims, our premiums are being increased by 20%.



HealthFlex 2027 Rates - BWC

Health Flex Rates	2026	2027	2027 Rate Change
Local Church	\$1,050/mo	\$1,155/mo	+ \$105/mo
Single Participant	\$117/mo*	\$129/mo*	+ \$12/mo
Single + 1 Participant	\$389/mo*	\$428/mo*	+ \$39/mo
Family	\$541/mo*	\$595/mo*	+ \$54/mo

The Participant Rates that are displayed are for the BWC Default Medical Plan (C2000 GOLD)

Breakdown of Payments – 2027

<i>Local Churches</i>	<i>68%</i>
<i>Participants</i>	<i>17%</i>

<i>Pensions Reserves</i>	<i>15%</i>

Note: Pension Reserves are funding 10% in 2026.

- Local Church Rate will increase to \$1,155/mo (+10%)
- Participant medical rates will increase by \$12-54/month (+10 to 15%)
- Benefit subsidization will increase from \$600K to \$948K to limit the impact to churches and participants

Retiree Medical Benefits

- Retiree Medical is provided by Via Benefits
 - The HRA benefit will be increased by 5% in 2027
 - Examples: Retirees with 30-years service = \$ 4,570/year per person
20-years service = \$ 2,283/year per person
10-years service = \$ 454/year per person
- SOCIAL SECURITY and MEDICARE PARTICIPATION
 - **Opting out of Social Security impacts your BWC Benefits!**
 - Eligibility for Retiree Medical benefits at retirement and Disability benefits through the Comprehensive Protection Plan (CPP) are dependent on clergy participation in Social Security and Medicare

3. Benefit Arrearages

Forbearance Process Update

33 churches are in the Forbearance Process to address their benefit arrearages that total \$1.4M.

- 4 churches have chronic problems and owe half of this amount.
- The average arrearage is \$23,000 for the other churches.

The process gives churches two options:

OPTION #1: Church pays current obligations from **Jan – June 2026**

Full write down of debt with 20-yr lien on property

OPTION #2: Church pays current obligations from **July – Dec 2026**

Full write down of debt with 20-yr lien on property

Forbearance Process Update

Breakdown of How Churches are Proceeding:

6 - Paid in Full (\$65K)

9 - Signed Option 1 (\$700K)

2 – Signed Option 2 (\$58K)

4 – Planning to sign Option 2 (\$444K)

1 – Plan to pay in full (\$6K)

91%
\$1,273K

11 – No formal response, anticipate pay in full (\$127K)

33

4. Annual Conference Recommendations

Comprehensive Funding Plan

- Wespath collects the assets, liabilities, and funding plans for all Conference benefit plans annually.
- Must be approved by the Annual Conference
- Printed in the CBOPHB Recommendations

Pensions

Pre-1982

Ministerial Pension Plan (MPP)

Clergy Retirement Security Program (CRSP)

Retiree Medical

Note: EPBO w/short-term discount rate

Funded Status

130%

129%

117%

132%

Summary of Recommendations

1. Retiree health benefits will continue to be provided.
[Via Benefits over 65, HealthFlex under 65]
2. Continue Pre-82 surviving spouse benefit at 85% of participant level
3. Pre-1982 Past Service Rate set at \$946 for 2027 (4.0% increase)
4. Comprehensive Funding Plan per the following slide
5. IRS Required Resolution on Retiree Housing Allowance



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Thank You