Baltimore-Washington Conference
The United Methodist Church

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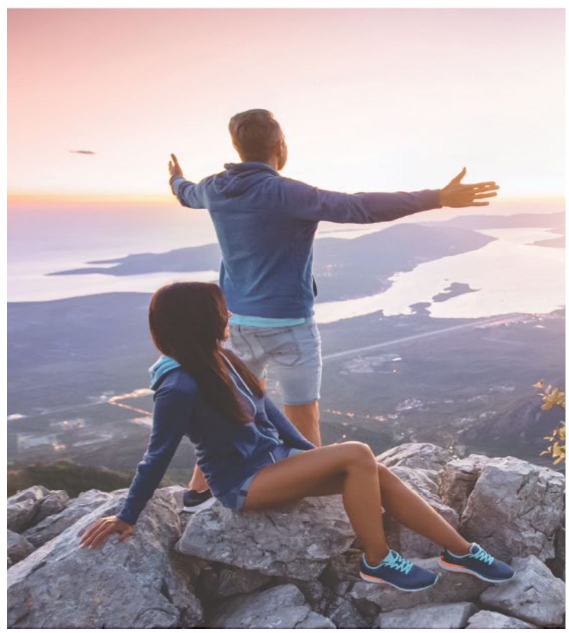

A GUIDE TO CLERGY BENEFITS

The purpose of this booklet is to provide you with at-a-glance information on EACH benefit that the Baltimore-Washington Conference offers to our churches for their appointed clergy and local church lay employees. The goal is to prepare an easy-to-read document and a place that almost everything about the Conference's available benefits is at your fingertips. A complete interpretation of each type of benefit can be found either in the Summary of Plan Description (SPD) or a complete Plan Document of each benefits plan.

Should you have any questions concerning any of the information found in this booklet, or to request a complete description of each plan, please contact a member of the Human Resources and Benefits Office at HR-Benefitsoffice@bwcumc.org.

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MINIMUM COMPENSATION

BWC Schedule for Total MINIMUM Compensation Requirements

These requirements apply to all clergy under full-time appointment in the BWC, including those who are part of a clergy couple.

Schedule for 2026 FULL-TIME total MINIMUM Clergy Base Salary	
Base Cash Salary	Equitable Comp Base Salary[1] (plus service increment as appropriate – see chart on conference website)
Housing	Conference Standard or parsonage
Compass Retirement Plan	Flat-Dollar + Pay-Dependent + Matching Contribution
Comprehensive Protection Plan or UMLife Options	3% of Total Compensation
Health Care Premiums	Per conference contracts[2]
Professional Reimbursements	Conference Standard[3]

Schedule for Clergy Support		Minimum Attendance Targets[4]
Full-time minimum total (40-51 hours)	Full-time	100
¾ Time appointment (30-35 hours)	¾ Time	75
½ Time appointment (20-25 hours)	½ Time	50
¼ Time appointment (10-15 hours)	¼ Time	30

TOTAL CHURCH OBLIGATION FOR CLERGY BASED ON A FULL-TIME APPOINTMENT

No pastor's salary can be decreased as a result of this chart, as long as they retain their current appointment

	MEDICAL AND PENSION MANDATORY
APPOINTMENT	FULL-TIME
Minimum Attendance Targets[4]	100
Minimum Equitable Comp Base Cash Salary	$52,692.00
Recommended Housing Allowance	$23,151.00
Pension and Welfare Benefits (Compass + CPP)	$9,384.30
Medical	$12,600.00
Minimum Accountable Reimbursement[5]	$5,269.00
TOTAL CHURCH OBLIGATION FOR CLERGY	**$103,096.30**

1 Full-time salary minimum is based on the Equitable Compensation Commission's Clergy Salary Table. A chart of the appropriate minimum salary table for the current year can be found on the conference website.

2 See Eligibility Chart and HealthFlex Rate Sheet on the conference website.

3 See BWC Council on Finance and Administration/Equitable Compensation Criteria on the conference website.

4 Worship attendance minimums are approximate. They must be weighed against the financial status of the congregation and whether the minimum number is able to meet the financial needs of the congregation. Note that there are congregations with 100 in attendance that cannot support a full-time package.

5 10% of Minimum Equitable Base Cash Salary approved at Annual Conference each year. Review past expenditures (and future needs) carefully to arrive at an amount adequate to support accountable reimbursements.

Other Considerations

- All full-time clergy appointed to a full-time charge shall be provided either a parsonage or a housing allowance.
- When a parsonage is provided, Wespath Benefits and Investments requires that it be valued at 35% of clergy base salary for retirement benefit computation purposes.
- A pastor living in a parsonage may have a Housing Exclusion; a pastor living in his/her own home may take advantage of a Housing Exclusion in addition to a Housing Allowance. This can be accomplished by passing a resolution designating an amount greater than the housing allowance listed on the compensation package.

EQUITABLE COMPENSATION TABLE

BALTIMORE-WASHINGTON CONFERENCE
EQUITABLE COMPENSATION COMMISSION
2026 MINIMUM CLERGY SALARY TABLE

Base Salary	**$52,692**	Recommended Housing Allowance			**$23,151**
Base Cash Salary	**Year Received**	**Years Served**	**Increment Earned**	**Individual Equitable Base**	**TOTAL COMP** (Base Cash Salary + Housing Allowance)
$52,692	2026	0	$0	$52,692	$75,843
$52,692	2025	1	$250	$52,942	$76,093
$52,692	2024	2	$500	$53,192	$76,343
$52,692	2023	3	$750	$53,442	$76,593
$52,692	2022	4	$1,000	$53,692	$76,843
$52,692	2021	5	$1,250	$53,942	$77,093
$52,692	2020	6	$1,500	$54,192	$77,343
$52,692	2019	7	$1,750	$54,442	$77,593
$52,692	2018	8	$2,000	$54,692	$77,843
$52,692	2017	9	$2,250	$54,942	$78,093
$52,692	2016	10	$2,500	$55,192	$78,343
$52,692	2015	11	$2,750	$55,442	$78,593
$52,692	2014	12	$3,000	$55,692	$78,843
$52,692	2013	13	$3,250	$55,942	$79,093
$52,692	2012	14	$3,500	$56,192	$79,343
$52,692	2011	15	$3,750	$56,442	$79,593

Credit for part-time service =
______ (years of service) X ______ (percentage of full-time,i.e., 25%, 50% or 75%)

Equitable compensation grants are given to support clergy salary and are not to be used for other expenses including housing allowance, reimbursement, or church expenses.

All housing allowances paid by the local church in excess of $23,151 shall be considered as salary for the purpose of determining equitable compensation eligibility.

BWC Clergy Benefits Eligibility Chart –2026

PENSION: COMPASS RETIREMENT PLAN EFFECTIVE 1/1/2026

DEATH & DISABILITY: COMPREHENSIVE PROTECTION PLAN (CPP) or UMLife Options

PERSONAL INVESTMENT: UNITED METHODIST PERSONAL INVESTMENT PLAN (UMPIP)

MEDICAL: HEALTHFLEX EXCHANGE (BLUE-CROSS BLUE-SHEILD)

CLERGY STATUS ~
FULL MEMBER, PROVISIONAL MEMBER, ASSOCIATE MEMBER, MEMBER OF ANOTHER METHODIST DENOMINATION

APPOINTMENT TYPE	MEDICAL	COMPASS	CPP	UMLife Options	Personal Contribution/ UMPIP
Full Time Appointment	✔	✔$150+3%+4% of Total Comp	✔ 3% of Total Comp	N/A	Minimum of 4%
¾ Time Appointment	✔	Optional $112.50+3%+4% of Total Comp	✔ 3% of Total Comp	N/A	Optional - Personal Contribution only
½ Time Appointment	N/A	Optional $75+3%+4% of Total Comp	N/A	✔ 3% of TC	Optional - Personal Contribution only
¼ Time Appointment	N/A	N/A	N/A	✔ 3% of TC	Optional - Personal Contribution only

LOCAL PASTORS & MEMBERS OF OTHER NON-METHODIST DENOMINATION

APPOINTMENT TYPE	MEDICAL	COMPASS	CPP	UMLife Options	Personal Contribution/ UMPIP
Full Time Appointment	✔	✔$150+3%+4% of Total Comp	✔ 3% of Total Comp	N/A	N/A
¾ Time Appointment	✔	Optional $112.50+3%+4% of Total Comp	N/A	N/A	Optional - Personal Contribution only
½ Time Appointment	N/A	Optional $75+3%+4% of Total Comp	N/A	N/A	Optional - Personal Contribution only
¼ Time Appointment	N/A	N/A	N/A	N/A	Optional - Personal Contribution only

BENEFITS ARRANGEMENT FOR LEAVE STATUS					
APPOINTMENT TYPE	MEDICAL	COMPASS	CPP	UMLife Options	Personal Contribution/ UMPIP
SABBATICAL LEAVE, ATTEND SCHOOL (Full Member & Associate Member only)	Optional 1 year	NOT ELIGIBLE	NOT ELIGIBLE	NOT ELIGIBLE	NOT ELIGIBLE
MEDICAL LEAVE (Full Member, Provisional Member & Associate Member)	Optional 1 year	NOT ELIGIBLE	NOT ELIGIBLE	NOT ELIGIBLE	NOT ELIGIBLE
MEDICAL LEAVE WITH CPP BENEFITS	ELIGIBLE contact Benefits Office	ELIGIBLE PER CPP PLAN DOCUMENT	ELIGIBLE PER CPP PLAN DOCUMENT	NOT ELIGIBLE	OPTIONAL – from Benefit Payment
VOLUNTARY LEAVE: PERSONAL & FAMILY (Full Member, Provisional Member & Associate Member)	Optional 1 year	NOT ELIGIBLE	NOT ELIGIBLE	NOT ELIGIBLE	NOT ELIGIBLE
INVOLUNTARY LEAVE (Full Member, Provisional Member & Associate Member)	Optional 1 year	NOT ELIGIBLE	NOT ELIGIBLE	NOT ELIGIBLE	NOT ELIGIBLE
TRANSITIONAL LEAVE (FM, PM, AM, FD, PD)	Optional 1 year	NOT ELIGIBLE	NOT ELIGIBLE	NOT ELIGIBLE	NOT ELIGIBLE
MILITARY LEAVE - BENEFITS THROUGH THE MILITARY - BWC BENEFITS WILL BE REINSTATED UPON RETURN	MILITARY BENEFITS	NOT ELIGIBLE	NOT ELIGIBLE	NOT ELIGIBLE	NOT ELIGIBLE
OPTIONAL CATEGORY IN THIS SECTION IS THE RESPONSIBILITY OF THE PARTICIPANT - PAID ON A "SELF PAY" BASIS and PAID IN ADVANCE - contact Benefits Office for more information.					

BENEFITS ARRANGEMENT FOR OTHER APPOINTMENT STATUS					
APPOINTMENT TYPE	MEDICAL	COMPASS	CPP	UMLife Options	UMPIP
CERTIFIED LAY MINISTERS, LAY HIRE, RETIRED CLERGY	N/A	N/A	N/A	N/A	N/A
EXTENSION MINISTRY*	N/A	N/A	N/A	N/A	Check with Wespath
DIACONAL, CONSECRATED*	N/A	N/A	N/A	N/A	N/A

*BENEFITS ARE ARRANGED THROUGH THE SALARY PAYING UNIT (EMPLOYER)

HEALTHFLEX EXCHANGE ELIGIBILITY

MEDICAL – HEALTHFLEX EXCHANGE ELIGIBILITY	
Full Time & 3/4 Time	REQUIRED
1/2 Time & 1/4 Time	NOT ELIGIBLE
DEACONS	Check with Benefits Office
LAY HIRE or INTERIM APPOINTMENT	NOT ELIGIBLE - check with Benefits Office for other options

HEALTHFLEX EXCHANGE

HealthFlex Exchange is the conference-sponsored health care program issued by BlueCross BlueShield of Illinois, in partnership with Wespath Benefits and Investments.

HealthFlex Exchange benefits include:

- **Medical coverage** (Six Plan Types: B1000/C2000 with HRA/C3000 with HRA/H2000 with HSA/H2500 with HSA/H5000) provided by **BlueCross BlueShield of Illinois** (BCBS ID Card).
- **Prescription Drug** coverage provided by **OptumRx** (information on the UHC ID card).
- **Optional Dental coverage** (Three Dental Plans) provided by **CIGNA**: no ID card issued by CIGNA, Plan ID 2464058.
- **Optional Vision coverage** (Three Vision Plans) provided by **VSP**: no ID card issued by VSP.

Flexible Spending Account (Optional) Payroll deduction

- Medical Reimbursement Account (MRA) allows you to set aside **$300 to $3,400** of your compensation annually on a pre-tax basis to be reimbursed for certain eligible medical expenses.
- Dependent Care Account (DCA) allows you to set aside **$300 to $7,500** of your compensation annually on a pre-tax basis to be reimbursed for certain eligible dependent day care expenses.

Health Savings Account (Optional) payroll deduction

- Health Saving Accounts are available to participants enrolled in the H2000, H2500 or H5000 plans. The maximum contribution for individuals is $4,400 and for couples/family is $8,750.

OTHER BENEFITS THROUGH HEALTHFLEX

Care Coordinators - Quantum Health, 833-762-0876

- Care Coordinators are your personal team of nurses and benefits experts working with you and your providers to make your care simpler and more affordable. When you need help finding a provider in your network, solving a claims issue, learning about your benefits, and anything that can make your health care easier, your Care Coordinators are the ones to contact.

Well-Being Programs

- In addition to your medical benefits, you have access to lifestyle management programs, health coaching, disease management programs, Weight Watchers memberships at reduced rates and extensive information. Visit your Benefits Access site for more information.

Employee Assistance Program (EAP)

- The Employee Assistance Program (EAP) is provided by Optum for your use in dealing with such matters as work-life balance, substance abuse, stress management, family counseling, financial advice, legal assistance and other concerns. You can find more about the EAP here: https://www.wespath.org/health-well-being/well-being-programs/eap or by calling the toll-free number 1-866-881-6800.

Early Detection and Disease Prevention

- HealthCheck health risk assessment - **must be completed annually to avoid a higher deductible**
- Health coaching, log in through Personify Health, formerly Virgin Pulse
- MDLIVE Telemedicine, log in through Benefits Access
- Optum NurseLine **1-800-475-7923**
- Annual Wellness Exam or General Physical paid 100% by the plan
- Blueprint for Wellness health screening (provider is Quest Diagnostic)

Physical Vitality

- **Personify Health (formerly Virgin Pulse) Well-Being program**
- **Weight Watchers®**
- **Discounted Gym Membership through Blue365**

CONFERENCE DIRECT BILLING

Clergy Premium

- Based on coverage types, premiums are to be deducted from salary, and it is recommended that deductions be made on a pre-tax basis.

Church Premium

- Churches are billed at a flat monthly fee.

See the Rate Sheet on page 11 for more information.

Comprehensive information, including your Plan Documents, is available on your Benefits Access webpage, under Health.

HEALTHFLEX EXCHANGE RATE SHEET

BALTIMORE-WASHINGTON CONFERENCE

2026 HEALTHFLEX EXCHANGE RATE SHEET FOR CLERGY

THESE ARE MEDICAL PLAN RATES ONLY. RATES DO NOT INCLUDE DENTAL AND/OR VISION. SEE BELOW FOR DENTAL AND VISION RATES.

MEDICAL NETWORK: BLUECROSS BLUESHIELD (BCBS)	2026 MEDICAL PLAN TYPE (BlueCross BlueSheild of Illinois)					
		BWC DEFAULT PLAN				
	PPO	HRA PLANS		HSA PLANS		
Medical Plan Type with Health Account	B1000	C2000 with HRA	C3000 with HRA	H2000 with HSA	H2500 with HSA	H5000 with HSA
Annual Deductibles	$1000/$2000	$2000/$4000	$3000/$6000	$2000/$4000	$2500/$5000	$5000/$10,000
Co-Pays / Co-Insurance (after deductible is met)	(Co-Pays)	Co-Ins: 80%/20%	Co-Ins: 50%/50%	Co-Ins: 80%/20%	Co-Ins: 70%/30%	Co-Ins: N/A
Annual In-Network Out-of-Pocket Maximum	$5000/$10000	$5000/$10000	$5000/$10000	$5000/$10000	$5000/$10000	$5000/$10000
Health Reimbursement Account (HRA) Amount	Not applicable	$1000/$2000	$250/$500	Not applicable	Not applicable	Not applicable
Health Savings Account (HSA) Amount	Not applicable	Not applicable	Not applicable	$1000/$2000	$250/$500	$0
FLEXIBLE SPENDING ACOUNTS: *optional - payroll deduction*						
- Medical Reimbursement Account (MRA)	$300 - $3400	$300 - $3400	$300 - $3400	$300 - $3400	$300 - $3400	$300 - $3400
- Dependent Care Account (DCA)	$300 - $7500	$300 - $7500	$300 - $7500	$300 - $7500	$300 - $7500	$300 - $7500
HEALTH SAVINGS ACCOUNT (HSA) - *payroll deduction*	Not applicable	Not applicable	Not applicable	$4400 - $8750	$4400 - $8750	$4400 - $8750
TIER TYPE	Participant Monthly Premium	Participant Monthly Premium	Participant Monthly Premium	Participant Monthly Premium	Participant Monthly Premium	Participant Monthly Premium
Clergy Participant Only	$150.00	$117.00	$42.00	$107.00	$69.00	$19.00
Clergy Participant + 1	$466.00	$389.00	$220.00	$380.00	$302.00	$103.00
Clergy Participant/Family (3 or more)	$637.00	$541.00	$422.00	$547.00	$433.00	$148.00
GRANDFATHERED TIER TYPE prior to 1/1/2017	GRANDFATHERED premium - default plan only					
Clergy Participant + Child/Children		$297.00				
Clergy Couples with Child/Children in the default plan only - contact Benefits office		$297.00 + $117.00				
Church Rate per eligible Clergy for All Plans	$1,050	$1,050	$1,050	$1,050	$1,050	$1,050

Prior to 1/1/2017, PARTICIPANTS with a Participant/Child or Participant/Children coverage were grandfathered in the DEFAULT plan. If you terminate your dependent coverage and then have to re-enroll a dependent, or if you switch to another plan you will be enrolled in the new tier type.

DENTAL PLANS - 2026 RATES (by CIGNA DENTAL)			
CIGNA DENTAL *(a subsidized benefit) - optional*	Dental HMO	Dental PPO	Dental Passive 2000
Participant	$9.28	$17.50	$28.50
Participant +1	$16.50	$35.00	$57.00
Participant + Family	$28.88	$52.50	$85.50
VISION PLANS - 2026 RATES (by VSP)			
VSP VISION - *optional*	Exam Core	Full Vision	Premier Vision
Participant	$0.00	$9.00	$15.00
Participant +1	$0.00	$14.00	$25.00
Participant + Family	$0.00	$22.00	$40.00

IF SELECTED, THE DENTAL/VISION RATES WILL BE ADDED TO THE MEDICAL RATE FOR THE TOTAL MONTHLY HEALTHFLEX PREMIUM

Acronyms

HRA - Health Reimbursement Account
MRA - Medical Reimbursement Account
DCA - Dependent Care Account
HSA Health Savings Account

PENSION BENEFITS – Compass Retirement Program

Compass (replaces Clergy Retirement Security Program or CRSP effective January 1, 2026)

Compass is an account-based defined contribution retirement plan for eligible clergy of The United Methodist Church. Designed to help clergy optimize their retirement income while retaining the ability to leave their account balances to their beneficiaries. Compass reflects a shared responsibility between clergy and the UMC. Clergy accumulate an account balance during their active ministry and have multiple options for how they will receive their income during retirement.

Compass has three components, based on the clergy's benefit eligibility and enrollment:

> Fixed Dollar Amount - $150.00/month for full-time clergy (less than full-time, if eligible, will be calculated accordingly)
>
> 3% of total compensation* (church premium)
>
> 4% of total compensation (church match)

Clergy are encouraged to contribute at least 4% of total compensation to receive the full matching contribution of 4% from the church.

*Total compensation is base salary plus either the housing allowance or parsonage value equal to 35% of base salary, not to be less than $10,000.

<u>CONFERENCE DIRECT BILLING</u>

Clergy Contribution

- Clergy contribution is to be deducted from salary, and it is recommended that deductions be made on a pre-tax basis.

Church Contribution

- Churches are billed as per three components above.

Wespath
BENEFITS | INVESTMENTS

Effective January 1, 2026

Compass: Retirement Plan for U.S. Clergy

Who is Eligible?

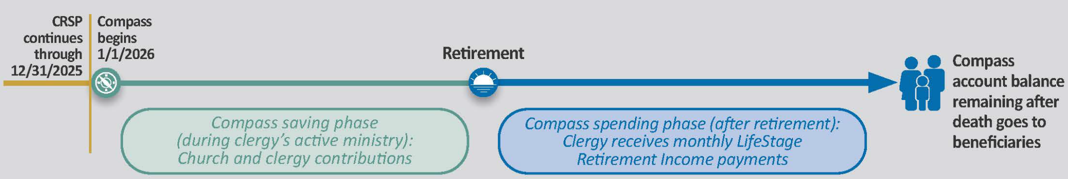
Compass retains the same eligibility rules of the Clergy Retirement Security Program (CRSP), so bishops and full-time clergy who are eligible for CRSP today will be eligible for Compass in 2026.

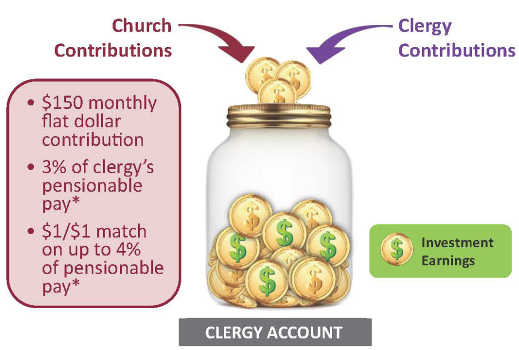
- *Part-time clergy:* Eligibility is based on the annual conference's choice (same rule as under CRSP).
- *Deacons* are treated like any other clergy for purposes of eligibility in Compass. If they are appointed to less than full-time, they will be eligible for Compass if their annual conference chooses to cover clergy at their appointment percentage.

Compass is Designed to:

- Increase **plan sustainability**, ensuring reliable retirement benefits for future generations of clergy
- Balance **affordability** with income **adequacy**
  - — Strives to provide sufficient retirement income for clergy, at a predictable cost that is affordable to local churches and annual conferences
- Promote **equity** across different compensation levels with features to help lower-paid clergy
- Provide **flexibility** that:
  - — Allows benefits portability for clergy
  - — Permits leaving account balance to beneficiaries

Sustainability | Affordability | Adequacy | Equity | Flexibility





Contributions—Building Retirement Savings

Compass is an account-based plan. Both the Church and clergy make contributions.

- The Church ('employer') makes three types of contributions:
  - — flat dollar amount
  - — pay-dependent amount
  - — match on the clergy's contributions
- Clergy are encouraged to contribute at least 4% of pensionable pay to receive the full matching contribution from the Church.

*Pensionable pay is base pay plus either the housing allowance or the deemed value of a parsonage equal to 35% of base pay.

Key Components of the Compass Plan

Denominational Fairness

A flat dollar contribution provides a base level of retirement savings to more fairly distribute benefits than a solely pay-based plan.

Compass provides lower-paid clergy with a higher relative level of income replacement. Clergy will receive a flat dollar contribution of $150 per month, which will increase by 2% each year (in $5 increments).

A flat dollar contribution provides a base account balance.

Helping Clergy with Student Loans

Compass provides matching contributions on qualified student loan payments made by clergy. In essence, the plan treats clergy's student loan payments as if they are clergy contributions, and then provides an appropriate match as if such payments had been clergy contributions to the plan. To receive this match, clergy must certify annually how much they made in student loan payments for that year.

Increased Parsonage Value

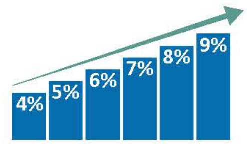
Under Compass, the deemed value of a parsonage is 35% of base pay.

Retirement Income Sufficiency

Automatic features simplify saving for retirement.

- *Automatic enrollment:* Clergy will be automatically enrolled for at least 4% in personal contributions, which qualifies for the full match.
- *Automatic contribution increases:* Helps clergy be financially prepared for retirement.

Automatic features are optional (but highly recommended). Clergy can opt out at any time.



Automatically increases the clergy's contributions at least 1% per year up to a set maximum rate, elected by the conference.

Spending Phase

LifeStage Retirement Income

LifeStage Retirement Income is a required feature for managing the account balance the plan sponsor (i.e., the Church) has contributed to Compass. It is designed to optimize monthly payments to help the account last throughout the clergy's lifetime (and the spouse's lifetime, if applicable). The online tool demonstrates various retirement income scenarios including two optional features.

Optional Features

- *Social Security Bridge* uses more savings early in retirement so clergy can defer applying for Social Security benefits until their full retirement age or later.
- *Longevity Income Protection* involves the purchase of a deferred annuity that would make payments guaranteed for the rest of your life beginning at age 80.

LifeStage Retirement Income optimizes retirement income for the clergy's lifetime.

What happens to defined benefit pensions that have been earned but not yet taken?

Clergy who have earned a pension in the defined benefit plans will retain those benefits. For the Clergy Retirement Security Program defined benefit (CRSP DB), clergy compensation used to determine benefits is the Denominational Average Compensation (DAC). The DAC will continue to increase 2% annually through retirement.

Compass FAQs: https://www.wespath.org/assets/1/7/6089.pdf

WELFARE BENEFITS

Comprehensive Protection Plan (CPP)

The Comprehensive Protection Plan (CPP) provides welfare benefits including disability and death benefits for clergy and their surviving spouse, if any. CPP is a benefit that is paid by the church for the clergy.

Disability Benefit:

- There is no waiting period for any eligible CPP participants.
- If approved for CPP Medical Leave, the benefit is equal to 70% of total compensation at the time of disability, less any Social Security benefits.
- The Plan (CPP) will contribute the flat dollar amount, the non-matching 3% and the matching 4% in clergy's account while receiving this benefit.

Death Benefit:

- $50,000 for active clergy, $16,300 for spouses of active clergy.
- See page 17 for other benefit amounts.

See CPP Summary Plan Description for more information.

DIRECT BILLINGS

- 3% of total compensation will be billed to churches with eligible clergy.
- The monthly pension statement includes CPP billing.

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BENEFITS | INVESTMENTS

Comprehensive Protection Plan

At-a-Glance

Generally, you are eligible to participate in the Comprehensive Protection Plan (CPP) if your conference or salary-paying unit sponsors the plan and you satisfy the eligibility requirements which include full-time episcopal appointment and plan compensation equal to or greater than 25% of the Denominational Average Compensation (DAC). Plan sponsors can elect to cover three-quarter time clergy. Other eligibility rules may apply.

The Comprehensive Protection Plan (CPP) provides death, long-term disability and other survivor benefits for you and your family. The plan is administered by Wespath Benefits and Investments.

Plan Features

- Benefits are payable upon the death of an active or retired participant, his or her spouse or surviving spouse, and his or her children under the age of 19. Benefits also may be payable for a child over the age of 19 if the child was disabled prior to age 19, or if the child was receiving a surviving child educational benefit.
- Supplemental benefits for surviving spouses may be available upon the death of an active participant.
- Educational benefits for surviving children may be available upon the death of an active or retired participant.
- Comprehensive disability benefits include:
  - monthly benefit payments,
  - annual increases,
  - continued retirement contributions,
  - enhanced return to work program, and
  - assistance with application for Social Security disability benefits.
- For additional information, please review the CPP summary plan description.

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BENEFITS | INVESTMENTS

1901 Chestnut Avenue
Glenview, Illinois 60025-1604
wespath.org

2026 Benefits Amounts for the Comprehensive Protection Plan

The 2026 Denominational Average Compensation (DAC) is $81,603

The following information generally describes the benefit amounts payable under the Comprehensive Protection Plan (CPP) to eligible participants and their beneficiaries. For more information about the terms and conditions of CPP, please see the *CPP Summary Plan Description* (SPD) available at **www.wespath.org/assets/1/7/3097.pdf**. Although all efforts have been made to ensure the accuracy of this document, in the event of a discrepancy between this document and the SPD or CPP plan document, the SPD and plan document always govern.

Active and Retired[1] Participant Death Benefits—payable upon the death of an eligible CPP participant in 2026

- Annual surviving spouse benefit less the annuity benefit or annuity equivalent value paid from the Clergy Retirement Security Program (CRSP), Compass Retirement Plan (Compass) and other church related sources: 20% of DAC ($16,320)
- Annual child benefit[2] payable in monthly installments: 10% of DAC ($8,160)
- Annual education benefit[3] payable in equal installments: 20% of DAC ($16,320)

Plan Provision	Death Benefit
Active Participants	$50,000
Retired Participant	$24,450
Active/Retired Spouse	$16,300
Active/Retired Surviving Spouse	$12,200
Active/Retired Child[4]	$8,650

Disability Benefits

The disability benefit equals 70% of plan compensation for the plan year in which the first payment is effective, with plan compensation capped at 200% of the DAC. The disability benefit is reduced by any disability benefits payable under the Social Security Act[5].

Participants receiving CPP disability benefits may also be eligible to receive retirement plan contributions to either the Compass Retirement Plan or the United Methodist Personal Investment Plan (UMPIP)[6]. If eligible for Compass, CPP will contribute a flat dollar amount of $150 per month[7], a nonmatching contribution of 3% of plan compensation (as defined by Compass) and the matching contribution of 4% of plan compensation to the participant's Compass account regardless of whether or not a participant is making personal contributions.

If not eligible for Compass but eligible for UMPIP, CPP may contribute up to 3% of plan compensation (as defined by UMPIP) to the participant's UMPIP account based on the UMPIP plan sponsor's adoption agreement elections.

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1 To be eligible for death benefits in retirement, a clergyperson must have been covered in CPP for a requisite number of years, e.g., 11 of the last 14 years or at least 25 years in CPP, as described in the SPD.
2 Ages 17 and younger. Benefits are paid through the month in which the child attains age 18.
3 Ages 18 through 24 and attending school full-time. Half of the annual benefit may be paid if the child is attending a secondary school or post-secondary school. The remaining half may be paid if the child is attending a post-secondary school. If the child enters a post-secondary institution of higher learning prior to age 18, the post-secondary educational benefit may become effective at that time.
4 Age 18 and younger, age 19 and older if dependent upon the participant or upon surviving spouse of the participant due to behavioral or physical condition that existed prior to age 19, or age 24 and younger and receiving surviving child benefit.
5 Other reductions may apply in accordance with the terms of the SPD, as determined by Wespath.
6 Please see the CRSP SPD (**www.wespath.org/assets/1/7/3480.pdf**) and UMPIP SPD (**www.wespath.org/assets/1/7/3502.pdf**) for additional information on eligibility as a disabled participant. SPDs are available on the Wespath section of **wespath.org**, under **Retirement**, select "**Plans**."
7 Monthly flat dollar amount increases by 2% annually, rounding down to the nearest $5. For less than full-time clergy, this monthly amount is prorated based on appointment percentage.

UMLIFE OPTIONS for Members appointed 25%-50%

UMLifeOptions Benefit Summary At-A-Glance
Long-Term Disability (LTD) and Life Insurance Plan
Quarter-time (1/4) and Half-time (1/2) Clergy (see eligibility below)

Eligibility: Full and Provisional Members (Elders and Deacons), Associate Members and Clergy of other Methodist Denominations who are appointed quarter-time and half-time at the local church.

UMLifeOptions provides long-term disability and life insurance benefits to all eligible clergy. This benefit is administered through Unum and premiums for UMLifeOptions are billed to the church at a rate of 3% of clergy total compensation.

LONG-TERM DISABILITY INCOME (LTD)

- A Long-Term Disability benefit is provided at a rate of 60% of Clergy's pre-disability total compensation.
- There is a 90-day elimination period before LTD benefits begin. Elimination period is the amount of time that must elapse after the date of Clergy disability before LTD benefit begins.

LIFE INSURANCE – ACTIVE CLERGY

Active Participant Death Benefits – payable upon the death of an eligible active UMLifeOptions participant.

- Upon the death of an active clergy, the beneficiary on file will receive $50,000.
- Upon the death of an active clergy spouse, the clergyperson will receive $10,000.
- Upon the death of an active clergy dependent child, the clergyperson will receive $8,000.

LIFE INSURANCE – RETIRED CLERGY

- Upon the death of an eligible retired clergy, the beneficiary on file will receive $21,400.

FINANCIAL PLANNING SERVICES

Wespath Benefits and Investments offers FREE professional financial planning. EY Financial Planning Services is available to all eligible participants.

To be eligible you must be:

- An active participant with an account balance,
- A surviving spouse with an account balance, or
- A terminated or retired participant with an account balance of at least $10,000

EY's financial planners can provide confidential, objective guidance on:

- making investment decisions, saving for retirement, debt management, taxes, home ownership and more

To take advantage of this valuable resource, call **EY** directly at **1-800-360-2539** or create an online account by clicking the EY link on your Benefits Access financial page.

UMLIFE OPTIONS *(optional life insurance plan)*

UMLifeOptions is an Optional Life Insurance Plan through Unum. The plan provides clergy enrolled in the Comprehensive Protection Plan the opportunity to purchase *additional* life insurance for themselves, their spouse and dependent children.

Unum has been given the authority to contact eligible participants directly.

Highlights of the plan include:

- Different types of coverage are available, based on your needs.
- Portable – the plan goes with you when you retire, become ineligible or are terminated.
- Accelerated death and accidental death and dismemberment benefits.
- Directly billed to participants by Unum.

If interested in this plan, please contact Unum on **1-800-985-0242.**

Open Enrollment period is during the month of March each year.

2026 LOCAL CHURCH LAY EMPLOYEE BENEFITS

MEDICAL PLAN (HEALTHFLEX EXCHANGE)

HealthFlex Exchange is available to all Local Church Lay Employees working 30 hours or more per week.

- Local Church **must** "sponsor" by completing an agreement ("Salary-Paying Unit" Sub-Adoption Agreement) and can require anywhere from 0 to 100% of the premium be paid by the employee.
- To determine if you have an Agreement on file, contact the BWC Benefits Office at (410) 309-3430.
- Plan benefits are the same as the active clergy plan.

HealthFlex Exchange includes: -

Medical Plans - six (6) plan options – Administered by BlueCross BlueShield of Illinois (a BCBS ID card will be mailed to participant – see Lay Employee rate sheet for plan types)

Prescription Drugs – Administered by OPTUMRx (NO SEPARATE CARD - information can be found on your BCBS ID card).

Flexible Spending Accounts and/or Health Savings Account

Dental "Optional" – Administered by CIGNA Dental (No ID Card –**PLAN ID 2464058** - see Lay Employee rate sheet)

Vision "Optional" – Administered by Vision Service Plan (No ID card – see Lay Employee rate sheet)

Virgin Pulse, EAP, Behavioral Health, MDLive Telemedicine and Care Coordinators (contact information will be on BCBS ID card)

HealthFlex Enrollment/Change Form - is to be used for 1st time enrollees and be used for any type of change, such as termination of participant from the plan and adding and deleting dependents or participants.

***Please note: An employee contribution toward the cost of HealthFlex is at the sole discretion of the local church.**

PENSION

In the 2016 Book of Discipline, ¶258.12 states that the PPRC/SPRC shall recommend 100% vested pension benefits of at least 3% of compensation for lay employees who work at least 1040 hours per year; please read the entire paragraph for more information.

- The United Methodist Personal Investment Plan (UMPIP) is available to local churches for this purpose. Please contact Wespath Benefits and Investments directly at 1-800-851-2201 for information about UMPIP.
- Local churches can utilize other options.
- Employers in Maryland **with an automatic payroll system are required to establish a payroll deposit retirement savings arrangement for employees through a state-run trust**. This means that employers that use an automated payroll system must offer a retirement plan, such as UMPIP or sign their employees up for MarylandSaves.

Church administrator can email the BWC Benefits Office for more information at HR-Benefitsoffice@bwcumc.org.

Local Church Lay Employees Benefits - 2026

CHURCH LAY EMPLOYEE – RATE SHEET

BALTIMORE-WASHINGTON CONFERENCE

2026 HEALTHFLEX EXCHANGE RATE SHEET FOR CHURCH LAY EMPLOYEES

THESE ARE MEDICAL PLAN RATES ONLY. RATES DO NOT INCLUDE DENTAL AND/OR VISION. SEE BELOW FOR DENTAL AND VISION RATES.

MEDICAL NETWORK: BLUECROSS BLUESHIELD (BCBS)	2026 MEDICAL PLAN TYPE (BlueCross BlueSheild of Illinois)					
		BWC DEFAULT PLAN				
	PPO	HRA PLANS		HSA PLANS		
Medical Plan Type with Health Account	B1000	C2000 with HRA	C3000 with HRA	H2000 with HSA	H2500 with HSA	H5000 with HSA
Annual Deductibles	$1000/$2000	$2000/$4000	$3000/$6000	$2000/$4000	$2500/$5000	$5000/$10,000
Co-Pays / Co-Insurance (after deductible is met)	(Co-Pays)	Co-Ins: 80%/20%	Co-Ins: 50%/50%	Co-Ins: 80%/20%	Co-Ins: 70%/30%	Co-Ins: N/A
Annual In-Network Out-of-Pocket Maximum	$5000/$10000	$5000/$10000	$5000/$10000	$5000/$10000	$5000/$10000	$5000/$10000
Health Reimbursement Account (HRA) Amount	Not applicable	$1000/$2000	$250/$500	Not applicable	Not applicable	Not applicable
Health Savings Account (HSA) Amount	Not applicable	Not applicable	Not applicable	$1000/$2000	$250/$500	$0
FLEXIBLE SPENDING ACOUNTS: *optional - payroll deduction*						
- Medical Reimbursement Account (MRA)	$300 - $3400	$300 - $3400	$300 - $3400	$300 - $3400	$300 - $3400	$300 - $3400
- Dependent Care Account (DCA)	$300 - $7500	$300 - $7500	$300 - $7500	$300 - $7500	$300 - $7500	$300 - $7500
HEALTH SAVINGS ACCOUNT (HSA) - *payroll deduction*	Not applicable	Not applicable	Not applicable	$4400 - $8750	$4400 - $8750	$4400 - $8750
TIER TYPE	Participant Monthly Premium	Participant Monthly Premium	Participant Monthly Premium	Participant Monthly Premium	Participant Monthly Premium	Participant Monthly Premium
Lay Participant Only	$1,200.00	$1,167.00	$1,092.00	$1,151.00	$1,119.00	$1,069.00
Lay Participant + 1	$1,516.00	$1,439.00	$1,270.00	$1,430.00	$1,352.00	$1,153.00
Lay Participant/Family (3 or more)	$1,687.00	$1,591.00	$1,472.00	$1,597.00	$1,483.00	$1,198.00
GRANDFATHERED TIER TYPE prior to 1/1/2017	GRANDFATHERED premium - default plan only					
Lay Participant + Child/Children		$1,347.00				

Prior to 1/1/2017, PARTICIPANTS with a Participant/Child or Participant/Children coverage were grandfathered in the DEFAULT plan. If you terminate your dependent coverage and then have to re-enroll a dependent, or if you switch to another plan you will be enrolled in the new tier type.

DENTAL PLANS - 2026 RATES (by CIGNA DENTAL)			
CIGNA DENTAL *(a subsidized benefit) - optional*	Dental HMO	Dental PPO	Dental Passive 2000
Participant	$9.28	$17.50	$28.50
Participant +1	$16.50	$35.00	$57.00
Participant + Family	$28.88	$52.50	$85.50

VISION PLANS - 2026 RATES (by VSP)			
VSP VISION *- optional*	Exam Core	Full Vision	Premier Vision
Participant	$0.00	$9.00	$15.00
Participant +1	$0.00	$14.00	$25.00
Participant + Family	$0.00	$22.00	$40.00

IF SELECTED, THE DENTAL/VISION RATES WILL BE ADDED TO THE MEDICAL RATE FOR THE TOTAL MONTHLY HEALTHFLEX PREMIUM

Acronyms

HRA - Health Reimbursement Accounts
MRA - Medical Reimbursement Account
DCA - Dependent Care Account

HSA Health Savings Account

CHURCH LAY EMPLOYEES: - Medical contribution by both the employer and the employee towards the total premium is based on the policy of each individual church or salary paying unit.

CLERGY TAXES – W2 and SOCIAL SECURITY PARTICIPATION

CLERGY TAXES, W2 AND SOCIAL SECURITY PARTICIPATION

Tax Withholding for Clergy

Clergy appointed to the Local Church and to the Conference Mission Center are treated differently than other employees.

Clergy are required to pay 15.3% Social Security and Self Employment taxes on salary and housing allowance.

Clergy are exempt from state and federal income tax withholdings but can enter into a voluntary withholding agreement with the church, which could ultimately cover the Self-Employment tax obligation.

W2 vs 1099

For Social Security purpose, all Ministers are self-employed, so they are required to pay self-employment tax.

Churches should issue W2 to all clergy due to ministers having a "dual status". Clergy is considered an employee for federal income tax and self-employed for Social Security and Medicare.

Please consult an experienced tax advisor for information – one that knows about clergy taxes

Published in the Conference Journal each year, in the Board of Pension report it states:

Social Security: Your Conference Board of Pension and Health Benefits strongly recommends that all clergy of the Conference participate in Social Security, and not exercise any conscience clauses to opt out of Social Security.

Eligibility for Medical benefits through Via Benefits formerly OneExchange in retirement and Disability benefits through the CPP program, are both dependent on participation in Social Security and Medicare. Thus, one's irrevocable decision to opt out of Social Security is a decision to be excluded from these Conference programs as well.

https://www.irs.gov/businesses/small-businesses-self-employed/members-of-the-clergy

https://www.irs.gov/taxtopics/tc417

For services in the exercise of the ministry, members of the clergy receive a Form W-2 but do not have social security or Medicare taxes withheld. They must pay social security and Medicare by filing Form 1040 (Schedule SE), Self-Employment Tax. For additional information refer to Publication 517, Social Security and Other Information for Members of the Clergy and Religious Workers.

LOCAL CHURCH TAX REPORTING REQUIREMENTS

1. PAYROLL TAXES FOR CHURCHES

   A. Withhold taxes on staff employees, file forms and comply with deposit requirements

      1. Federal Social Security (NO CLERGY WITHHOLDING)

      2. Federal Income Tax (NO **REQUIRED** CLERGY WITHHOLDING)
         At the request of the clergy, the employer may withhold income tax for that clergy, pursuant to a Form W-4 and state equivalent of federal Form W-4. (Keep W-4 forms on file).

      3. State income tax withholding (requirements vary from state to state)

      There is no mandatory federal income tax withholding for clergy; income tax withholding can be done at clergy request, but Social Security is never to be withheld for clergy.

   B. Quarterly Filing Requirements (April 30, July 31, October 31 and January 31 for the first, second, third and fourth quarters)

      1. Form 941 - Federal

      2. State equivalent form (may vary from state to state)

      See separate memo on Form 941 Filing Requirements - clergy compensation is shown on 941 but no information on Social Security and Medicare wages and withholding.

   C. Annual Filing Requirements

      1. January 31: Form W-2 must be given to employees.

      2. February 28: Form W-3 must be filed with the Social Security Administration.

      (Note: W-2 and W-3 filings can be made electronically in some cases. See the Social Security Administration website at www.ssa.gov for more details.)

      3. State filing requirements vary from state to state.

2. FILING REQUIREMENTS FOR PAYMENTS TO SELF-EMPLOYED INDIVIDUALS
   (Such as independent contractors supplying repair or other services to the church)

   A. January 31: Form 1099-MISC must be given to individuals (who receive compensation of $600 or more).

   B. February 28: Form 1099-MISC must be filed with the IRS

   C. February 28: File Form 1096 with the IRS together with the 1099-MISC forms.