

To: Michigan Conference Clergy/Local Church Officers/Congregations

Date: March 26, 2020

Re: Benefits Ministry Shares Payment Holiday

Greetings to all in the name of our Lord, Jesus Christ.

We are writing to inform you of the action approved today by our Conference Board of Pension & Health Benefits (CBOPHB). This is a difficult time adversely affecting our daily lives and ministries in many ways. In response, the CBOPHB convened to consider how it might provide a measure of financial relief to our churches over the next several months.

**As a result, the CBOPHB voted unanimously to institute a Benefits Ministry Shares (BMS) Holiday beginning April 1, 2020 through September 30, 2020.** This means that all conference BMS related expenses incurred for April-September will be funded through an available CBOPHB reserve account, and the Benefits Ministry Shares monthly statements will cease for the next six months.

To honor God and each other, the CBOPHB has heard its call and determined it is able to provide this financial relief to our congregations while continuing to observe its fiscal responsibility of administering the benefits programs of our shared ministry together. The financial holiday through Benefits Ministry Shares was identified as the most equitable means in which to provide financial assistance to every local church. While the exact dollar amount (which will not be billed) to each local church will be different, the level of Benefits Ministry Shares relief will be 100% for every local church.

To be clear, this action is not intended to address every financial issue facing our conference benefit programs. On the other hand, neither is this an insignificant level of financial assistance. The expected total savings to our local churches and expenses to be assumed by the CBOPHB over the six month financial holiday is estimated at \$1,900,000. Necessarily considered in this decision was the reality that since January the CBOPHB reserve account has decreased over 25% due to the volatility of the global market. Even so, because of the many years of faithful stewardship from our local church congregations the CBOPHB is able to institute this financial holiday today.

The following is important. . .Barring a complete collapse of the economy, the Michigan Conference will be able to draw upon the additional \$1.9 million without jeopardizing the sustainability of the denominational benefit plans or incurring the risk of recapturing those funds through future increases to the local church. The Michigan Conference 2020 Comprehensive Benefit Funding Plan as previously reviewed and approved by the Wespeth actuarial department confirms these projections. In other words, the CBOPHB has sought to identify the extent to which we may safely utilize our reserve money now without incurring the risk of returning to the local church to recover those same funds later.

Two additional items: There will be no delay or reduction regarding benefits payments during the financial holiday period. All benefit liabilities will continue to be remitted in full and as scheduled. Secondly, the Benefits Ministry Shares Financial Holiday does not signify that the level of Michigan Conference benefit liabilities will decrease either currently or in the future. Thus, all BMS outstanding



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balances from January-March 2020 will continue to be carried forward with the expectation of payment. It will also be imperative that every local church prepare to resume their regular Benefits Ministry Shares monthly payments following the end of the holiday period.

As we continue our journey together, the members of the CBOPHB join everyone in collective prayer that God's Holy Spirit bring healing and wholeness to our families, our churches, our nation, our world.

God bless you and keep you.

Rev Dr Steven J Buck  
President, Conference Board of Pension & Health Benefits

Rev Donald J Emmert  
Director of Conference Benefits & HR