

**COVID-19 Financial Relief**  
Western North Carolina Conference  
March 26, 2020

**FREQUENTLY ASKED QUESTIONS**

**1. How much funding is required to support this initiative and what is the source of the funds?**

The 3-month initiative by the Board of Pensions will waive approximately \$1,213,890 of pension obligations and \$1,846,170 of health benefit obligations. The funding is from the earnings of the undesignated reserves of the Board of Pensions and Health Benefits.

**2. Is the availability of undesignated reserve funds an indication that churches have been paying too much for their benefits?**

The undesignated reserve funds were created as a result of actions by the Board over the years to provide a sustainable future for such events as we find ourselves facing today. For the past nine years, these undesignated reserves have also helped to reduce pension costs for local churches. The Board's invested funds have supplemented the payments of local churches in meeting our pension obligations from Wespith. Due to market gains and prudent financial management by the Board and the United Methodist Foundation of WNC, the Board is able to take such action and still leave ample reserves for future liabilities.

**3. Will my pension benefits or medical coverage be changed in any way by this waiver?**

No. Participants' pension and medical benefits will not be impacted due to this waiver.

**4. Will churches be asked to repay the amounts that are being waived?**

No. The waiver is given to local churches to help defray the cost of their benefit obligations in the months of April, May, and June 2020. At this time, unless the Board issues new directives, regular invoicing will resume in July for the remaining 6 months of 2020.

**5. Will the waiver impact the participant benefit contributions?**

No. The waiver does not impact the participant (personal) benefit contributions that are made to the United Methodist Personal Investment Plan (UMPIP), Health Benefits Premiums, Health Savings Account (HSA), and Flexible Spending Account (FSA) that includes both the Medical Reimbursement Account (MRA) and Dependent Care Account (DCA). Payroll processes and tax consequences would be disrupted if participant benefit contributions were adjusted at this point in the year. All participant benefit contributions that are made through payroll deductions should remain the same and they will continue to be remitted for payment in response to Conference billed invoices.

**6. Will the waiver impact the W-2 of clergy?**

No. The W-2s for clergy will not be impacted by this waiver, because benefit related payroll deductions will continue to be made for all participants.