



Evangelical
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The CIT News is published by the CIT Team of the Evangelical Congregational Church so the members of National Conference can know about our progress in discovering the Lord's leading.

The Future of Finances

This entire process began with a significant question about the financial viability of our ministry fund system. A major component of the Covenant adopted by the National Conference was the desire to lower the Conference budget and therefore the ministry funds given by our local churches. In particular the Covenant called for us to reevaluate our denominational relationships with affiliate ministries.

If we make no adjustments to our affiliate support or structure (including personnel) our projections show that our ministry funds would easily exceed 10% (not including the camp add-on) by 2018.

The Covenant Implementation Team is working diligently to develop a series of phased initiatives which, if adopted by the National Conference, would, in time, significantly reduce both the National Conference budget and therefore the amount required in ministry funds from local churches.

The Team will recommend to National Conference that we draw down ministry fund support to affiliates over 5 years to \$0 at a rate of 20 percent per year. This includes all four affiliates receiving minis-



try funds: Evangelical Seminary, Twin Pines Camp, Camp ECCO, and the Historical Society.

At the end of the 5-year reduction period the National Conference budget would be reduced by approximately \$300,000.

It is projected that the leadership personnel changes which would come from adopting the structural changes should result in a budget reduction of close to \$125,000.

Additionally, the Benefits Corporation is working on a plan which would have significant savings to the national budget, if adopted at their annual meeting.

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As of mid-February 2015, the 2014 ministry funds are about 5% lower than 2013 ministry funds. The National Conference supplemented our income by drawing from earnings on investments and selling denominational assets. The 2015 ministry fund percentage is 8.82% plus the corresponding camp add-ons.

Benefits Corporation Changes

While the Covenant Implementation Team has been looking at how to make the Covenant a reality in the life of the denomination through changes to our structure and mandated financial support of the affiliates, the Benefits Corporation has been looking at a separate but related matter—the payment of retirees' health insurance.

For many years the Evangelical Congregational Church has been able to provide health insurance for our retired pastors, their wives, and widows of retired ministers. In 2004, National Conference voted to continue coverage for pastors who retired by June, 2005 and then voted to pay a percentage of the premiums for those who reach Social Security Medicare age and born between 1941-



retirees, most with very little notice to their participants.

The Benefits Corp. is currently rolling out a communication strategy to assist our retirees in planning for this proposed change. This includes personal contacts, letters, and an informational luncheon meeting at StoneRidge Poplar Run.

In addition to detailing the proposed plan, the Benefits Corp. is also helping our retirees connect with area experts in Medicare insurance coverage who will be able to personally help them make this transition in coverage. The Board is also looking at using voluntary contributions to the Manna Fund from concerned congregations and individuals to help offset some of the financial impact to these retirees.

This has been a very difficult decision for the Benefits Board members; made after much discussion and prayer. We continue to recognize and honor the service and sacrifice of our retired pastors, wives and widows and trust we can work together for the benefit of all.

ence budget. The Benefits Corp. is recommending the phase out this plan in graduated steps as the CIT is recommending for the phase out of mandated affiliate funding.

For the retirees for which National Conference pays 100% of your premiums, the proposal means that beginning Jan. 1, 2016, you would pay 20% of your premiums. For 2017, it would be 40%, then 60% in 2017 and 80% in 2019. By 2020, National Conference would no longer be responsible for any retiree health insurance. For those who are already paying some of their premium as per the 2004 phase-out, a similar schedule would be used.

If this proposal is not approved at National Conference, there are no guarantees as to how long retiree health insurance coverage can be paid by National Conference. Rather than attempting to maintain the status quo for the next few years until we reach a budgetary breaking point and would then be forced to announce that as of a certain date, the Benefits program will simply end, it was much more prudent to have a planned phase-out so retirees can plan accordingly with their personal expenses. Many denominations, as well as businesses, have already taken the step to discontinue health insurance for their



1943. Pastors born after 1943 would no longer have this benefit in retirement, but would pay for their own Medicare supplemental insurance of their choice. In 2015, this one budget item will cost nearly \$250,000. Benefits Corp. projections are that by 2020, this NC budget item could easily exceed \$350,000.

Obviously, this will become a greater and greater percentage of the National Confer-