



# Wespath

BENEFITS | INVESTMENTS



## Chaplains Supplemental Pension Grant Fund

a general agency of The United Methodist Church

The Chaplains Supplemental Pension Grant Fund (Fund) was established by the General Conference of The United Methodist Church to provide retirement benefits for clergy who served as chaplains or pastoral counselors and do not qualify for pension or other denominational benefits.

Qualifying clergy must have been granted ecclesiastical endorsement by the United Methodist Endorsing Agency (the former Section of Chaplains and Related Ministries) of the General Board of Higher Education and Ministry. The Fund is administered by both the United Methodist Endorsing Agency and Wespath Benefits and Investments (Wespath).

## ELIGIBILITY

To qualify for a grant from the Fund, clergy must have served:

- a full-time appointment extending the ministry of the local church in accordance with ¶344.1b of *The Book of Discipline 2016 (The Discipline)* (for service after 1946 and prior to July 1, 2003), or
- a full-time or part-time ( $\frac{1}{4}$ ,  $\frac{1}{2}$ ,  $\frac{3}{4}$ ) appointment extending the ministry of the local church in accordance with ¶344.1b or ¶331 of *The Discipline* (for service on or after July 1, 2003).

In addition, clergy must:

- be ecclesiastically endorsed for each qualifying appointment (setting) by the United Methodist Endorsing Agency in accordance with ¶1421.5 of *The Discipline*,
- have at least one year of approved service,
- retire in accordance with ¶357.1, ¶357.2 or ¶357.3 of *The Discipline*, and
- not be eligible to receive other retirement benefits (except Social Security) for the years served as a chaplain.

Eligible clergy are limited to a lifetime maximum of seven years of approved service for benefits from the Fund.




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### Pastoral Counselor Service

For service rendered before July 1, 2003, pastoral counselors not associated with an institution will be credited with no more than five years of service, per appointment.

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If you terminate your conference membership before retiring in accordance with the applicable *Discipline* paragraphs, you will not be entitled to receive benefits from the Fund. Similarly, if you die before retiring in accordance with the applicable *Discipline* paragraphs, your surviving spouse will not be entitled to receive benefits from the Fund.

## BENEFITS PROVIDED BY THE FUND

Eligible clergy with approved service receive benefits from the Fund in the form of a monthly annuity. The monthly annuity is calculated by multiplying the clergyperson's years (or fractions of years) of approved service as a chaplain by the applicable pension rate, and then dividing by 12. The United Methodist Endorsing Agency determines the pension rate each plan year. For the 2018 plan year, the pension rate is \$860.95.

### Example 1:

You are 65 years of age (or have 40 years of service) with five years of approved service as a chaplain.

- $5$  (years of approved service as a chaplain)  $\times$   $\$860.95$  (pension rate) =  $\$4,304.75$
- $\$4,304.75 \div 12 = \mathbf{\$358.73}$  (monthly benefit payable for life)

If you retire and begin receiving benefits before turning age 65 or attaining 40 years of service, your benefits will be reduced by the lesser of:

- $\frac{1}{2}\%$  for each month (or fraction of a month) you are younger than age 65, or
- $\frac{1}{2}\%$  for each month (or fraction of a month) you have fewer than 40 years of service.

### Example 2:

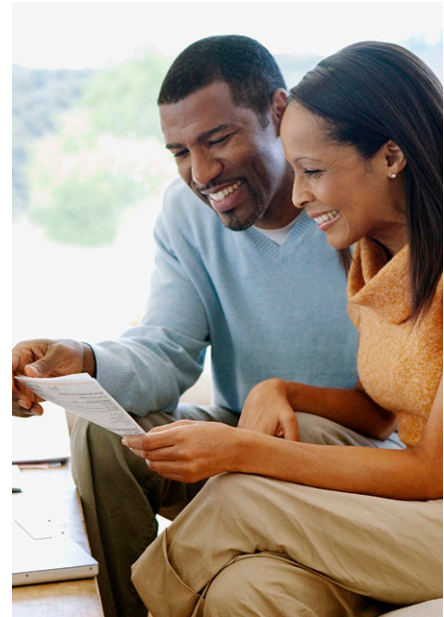
You are 62 years of age with 35 years of service, including five years of approved service as a chaplain.

- $5$  (years of approved service as a chaplain)  $\times$   $\$860.95$  (pension rate) =  $\$4,304.75$
- $\$4,304.75 \times .18$  ( $\frac{1}{2}\%$  for each month you are younger than age 65) =  $\$774.86$
- $\$4,304.75 - \$774.86$  (reduction for starting benefits at age 62) =  $\$3,529.89$
- $\$3,529.89 \div 12 = \mathbf{\$294.16}$  (monthly benefit payable for life)

## SURVIVING SPOUSE BENEFIT

Your spouse, provided you were married to him or her at the time you officially retired (i.e., left the effective relationship with the annual conference), will receive 70% of your benefit in the event of your death. In the first example above, your spouse's benefit would be:

- $\$4,304.75 \times .70 = \$3,013.33$
- $\$3,013.33 \div 12 = \mathbf{\$251.11}$  (monthly benefit payable for the remainder of your surviving spouse's life)



### Part-time Service

Service rendered on or after July 1, 2003 on a part-time ( $\frac{1}{4}$ ,  $\frac{1}{2}$ ,  $\frac{3}{4}$ ) basis will be counted pro-rata. For example, a chaplain who serves an appointment on a 50% basis for one year will receive a half (0.5) year of approved service.

## WHEN BENEFITS BEGIN

Benefits payable to eligible clergy with approved service begin on the first day of the month following the later of:

- your early or normal retirement in accordance with either ¶357.2b or ¶357.2c of *The Discipline* (provided your application is approved by the United Methodist Endorsing Agency before your retirement date), or, if later, the date on which you are placed in the retired relationship by your conference, or
- the date on which Wespath is notified your application is approved.

Eligible clergy with approved service retiring in accordance with ¶357.2a (with 20 years of service) or ¶357.3 (involuntary retirement) of *The Discipline*, may begin receiving benefits upon attaining age 62.

If you retire before turning age 65 or attaining 40 years of service and do not want to begin reduced benefits as shown in Example 2 on page 3, you may elect to defer your benefit payments until a later date. If you wait until age 65 to begin receiving benefits, your benefits will not be reduced. Contact a Wespath Retirement Team member at **1-800-883-4078** for information on how to defer receipt of your benefits.

## APPLYING FOR BENEFITS

If you meet the conditions of eligibility and wish to apply to receive a pension grant from the Fund, you must complete an application provided by Wespath. Wespath may require additional information from the employing agency to confirm you are not eligible for other retirement benefits for the service as chaplain or pastoral counselor covered by the application. You must complete a separate application for each chaplaincy appointment.

The application should be submitted to Wespath at least three months before the date benefits are requested to begin.

In cases where you are no longer serving the employing agency, you are encouraged to apply for a grant promptly after the appointment has ceased.

Wespath will forward all qualifying applications to the United Methodist Endorsing Agency. The Endorsing Agency will notify Wespath whether it approves or denies the application for a grant.

To obtain an application for a pension grant, visit Wespath's website at [wespath.org/retirement/resources/forms](https://wespath.org/retirement/resources/forms). You also may request an application by calling Wespath at **1-800-851-2201**.

The Chaplains Supplemental Pension Grant Fund is a grant program funded exclusively by the United Methodist Endorsing Agency. All payments payable on or after retirement to eligible clergy and their surviving spouses are contingent upon the resources available in this Fund. It is within the Endorsing Agency's sole discretion whether to approve or deny applications and whether to make contributions to fund pension grants.