

FINANCIAL FOUNDATIONS



A NEW SEASON – A NEW OPPORTUNITY TO SHARE YOUR STORY

School starting, glimpses of cooler weather, garden-fresh vegetables, foliage colors begin to change, and in our home, you'll find ESPN College GameDay playing on our TV every Saturday morning. These events are reminders we're entering a new season, and for many of us, September is the start of the "new year," much more than January.

Gearing up for the new year gives us the freedom to dream big and plan ministry in new ways while maintaining the mission of our churches and programs. When planning, it's our natural tendency to begin with what we've always done and find ways to fund these programs. As you look at the year ahead, take a deep look at what you are funding. Of these areas, what items are making a difference in the lives of your church members. Of all the things you are supporting, which areas are necessary (i.e., salaries, utilities, mortgage, etc.), and where are opportunities to support and fund ministry which embody making disciples and strengthen our love in Jesus?

Yes, budgeting is about the numbers. And numbers and budgeting are essential. But a budget is not intended to be paralyzing to your church. Try to imagine your possibilities in a new way and consider budgeting in reverse. Ministries first! Think about who you are as a church and what ministries touch the hearts of your members. What is your story? Once you know your story of what ministries are of value to your church community, then match the budget to support these ministries. At this time, it's also a chance to let go of line items that are no longer of purpose. When you begin to prioritize ministries, your budget will open new opportunities and allow for dreaming for new ministry possibilities.

In this new season, telling your story and budgeting accordingly will inspire generosity. Church members are generous in so many ways, and connecting ministries to the hearts of the people in the pews will inspire more giving. Encourage people to give to your church by **Sharing Your Story**. If you would like assistance in defining and telling your story, the Foundation is here to help. Contact the foundation at info@dknmf.org and we will connect you to someone who will walk you through the process of knowing your story.

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HEALTH INSURANCE CHANGES IN 2022

Beginning in 2022, ¾-Time pastors will be able to enroll in health insurance (i.e. HealthFlex), and full-time pastors will be able to opt out of health insurance. The changes were made to make it easier to recruit part-time pastors. Also, we have a number of pastors with military coverage or coverage through their spouse that would rather not be on the Conference's plan.

In order to enable this flexibility, churches served by a pastor that opts out of health insurance will pay a partial amount. In addition, churches served by a retired pastor in the interim until a full-time pastor can be appointed will pay a partial amount. The Board of Pensions is offsetting the cost to churches/parishes affected by this change of policy with a grant automatically applied to their bill. The grant amount will be reduced by 50% in 2023 and then no longer be available in 2024. Here are the amounts:

	Full-Time Enrolled	Full-Time Opted Out; ¾ Time Enrolled; Full-Time Retiree	3/4 -Time Opt Out
Direct Bill Amount	14,123	7,062	3,531
Grant Amount	0	4,708	2,354
Direct Bill after Grant	14,123	2,354	1,177

WHAT IS THE COMPREHENSIVE PROTECTION PLAN (CPP)?

Comprehensive Protection Plan (CPP) is a death and disability plan. An active pastor who is appointed ¾ time or more to a Conference connected entity are eligible and automatically enrolled in this plan.

Active Participant Death Benefits are payable upon death: • Participant: \$50,000 • Spouse of active participant: 20% of Denominational Average Compensation (DAC) in year of death (\$14,840 if death occurs in 2021) • Surviving spouse of active participant: 15% of DAC in year of death (\$11,130 if death occurs in 2021) • Child of active participant: 10% of DAC in year of death (\$7,420 if death occurs in 2021) • Annual surviving spouse benefit of \$14,840, less the annuity benefit payable from the Clergy Retirement Security Program (CRSP) and other Church-related sources • Annual surviving child benefit of \$7,420 • Annual surviving child educational benefit up to \$14,840.

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 after the first 12 months.

IMPORTANT REMINDERS FOR CLERGY!

Estimated taxes are due September 15, 2021. Need help? Here is a list of tax accountants previously recommended by other clergy: https://www.dakotasumc.org/media/files/CONFERENCE/5_Conf_Finance_Benefits/Finance/Clergy_Taxperts.pdf

Pastoral Leaders: You know you need these skills – finance and administration skills not learned in seminary, course of study, or a previous profession. Sign up for four short webinar sessions hosted by Luther Seminary on **Church Business is a Ministry!** Include a church leader. More information here: <https://faithlead.luthersem.edu/church-business-is-a-ministry>. The \$55 per person cost will be reimbursed by contacting Diane Owen at diane.owen@dkmnareaumc.org.