



THE PROVINCIAL ELDERS' CONFERENCE

(EXECUTIVE BOARD)

1021 Center Street, P.O. Box 1245, Bethlehem, PA 18016-1245
Telephones: 610-867-7566 – Moravian Church Center
610-865-3137 – P.E.C. President
610-866-9223 – Fax

Eastern District President 610-865-0302

Western District President 608-837-0537

THE MORAVIAN CHURCH • Northern Province

December 1, 2010

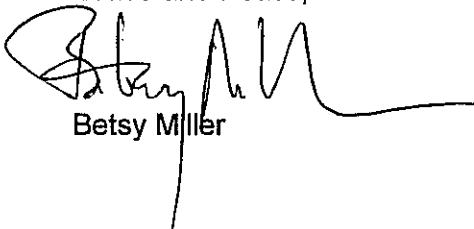
TO: Pastors, Presidents of Boards of Trustees, Treasurers and Vice Chairs of Elders:

Greetings to you in this season of Advent!

Enclosed you will find information about the new formulation to calculate your pastor's pension assessment. This comes to you by action of provincial synod. The material in this mailing is designed to walk you through the changes and help you understand both the rationale for the changes and how to implement those changes for your pastor(s). Please take the time to read through all the information—the background, the examples, and the form for you to fill out and return. By reading the material NOW you will be able to take advantage of the conference calls on December 11 or 16 that will help answer any questions you might have.

I apologize that this material is arriving so late—the team wanted to do a thorough job, and of course, couldn't start until after synod. As always, thank you for your partnership with all the congregations, districts, and province as together we bear witness to the Christ whose coming we await with joyful anticipation.

Grace and Peace,



Betsy Miller

Background Information

The 2010 NP Synod adopted a resolution (contained in the 3rd Partial Report of the Mission Within the Congregations) that states, "The 2010 Synod of the Moravian Church – Northern Province directs the Provincial Elders’ Conference to change the method of the Ministerial Pension assessment by applying a consistent and equitable assessment regardless of whether a congregation provides a church owned parsonage or a housing allowance."

A simple example to illustrate the concern addressed in the resolution, using the current Retirement Benefits Assessment Form (2010 US version), is as follows:

Example 1 – Current 2010 Method – US version	PARSONAGE DWELLER	HOMEOWNER
Line 1. Cash Salary	43,200	43,200
Line 2. Social Security, if reimbursed	0	0
Line 3. Annuity/Bonus	0	0
Line 4. Flexible Spending Account	0	0
Line 5. Home Equity Allowance	1,000	N/A
Line 6. Parsonage Allowance	0	N/A
Subtotal Lines 1 - 6	44,200	43,200
Line 7a. 30% of Subtotal	13,260	N/A
Line 7b. Housing Allowance	N/A	10,000
TOTAL	57,460	53,200
11% Retirement Benefits Assessment	6,321	5,852
The pension assessment is not consistent because the method of determining the housing amount (Line 7) is not "equitable".		

PEC Action

The PEC, at its meeting in Bethlehem on November 19th and 20th, approved a revised pension assessment calculation method that meets the requirements of the Synod resolution. The method was recommended by a task force comprised of Tina Giesler, Mary Ann Hanas and Judy Kaaua. The method was reviewed prior to PEC action by Graham Kerslake and Gary Straughan. The revised method "tweaks" the current method using essentially the same basic information as the current method. The difference is that any home ownership related compensation, as defined in a pastor's call letter, - either the home equity allowance for a parsonage dweller or the housing allowance for a homeowner - is removed from the total compensation, thus providing a compensation amount "equalized" as it pertains to home ownership. Then a 30% housing component is added to that equalized compensation total for both parsonage dwellers and homeowners before the 11% assessment rate is applied.

Below is the format of the revised Retirement Benefits Assessment form with an example based on how the revised Retirement Benefits Assessment calculation will be made using the US version. **This revised calculation method is effective January 1, 2011 for all congregations in the Northern Province.**

Example 2 – Revised Method – US Version	LINE #	PARSONAGE DWELLER	HOMEOWNER
Cash Salary (Does not include any dollars that are included in Lines 2 through 7)	1	43,200	41,200
Social Security, if reimbursed	2	0	0
Annuity or Bonus	3	0	0
Flexible Spending Account	4	0	0
Home Equity Allowance	5	1,000	N/A
Parsonage Allowance	6	0	N/A
Minuted (Tax) Housing Allowance	7	N/A	12,000
Total Cash Salary (Add Lines 1 through 7)	8	44,200	53,200
Call Letter Home Equity or Housing Allowance	9	1,000	10,000
Total Compensation WITHOUT Home Equity or Housing Allowance (Line 8 minus Line 9)	10	43,200	43,200
30% of Line 10 (Housing Value) (Multiply Line 10 x .30)	11	12,960	12,960
Total Compensation to apply Retirement Benefits Assessment Factor (Line 10 plus Line 11)	12	56,160	56,160
11% Retirement Benefits Assessment (Multiply Line 12 x .11) The 11% is split 8% to Pension and 3% to Supplemental Health	13	6,178	6,178
When the Total Compensation WITHOUT Home Equity or Housing Allowance, i.e., stripped of home ownership elements, (the amount on Line 10) , is the same, the assessment is also the same for both parsonage dweller and homeowner. Compared to the current method, congregations with a parsonage will have a slightly smaller assessment and congregations without a parsonage will, in most cases, have a larger assessment. The revised method provides more assessment dollars in total to the Province than the current method. The total increase to the whole Province is estimated to be in the \$12,000 range.			

Implementation

A revised blank calculation sheet is enclosed along with a sample calculation sheet. Both will help further define and explain the revised method.

Additionally, two conference call opportunities for clarification on the new calculation method have been scheduled. The purpose of these calls is to field questions and provide an explanation on implementation and not to debate the merit of the new method. PEC members on the calls will be Dave Bennett, Jim Hicks and Judy Kaaua. We ask that all callers access the line as close to the beginning time as possible to enable everyone to hear all of the conversation, thus minimizing repetition. The dates and times are as follows:

- Saturday, December 11 – 11 AM to Noon, Eastern Time
- Thursday, December 16 – 8 PM to 9 PM, Eastern Time
- Call-in number: 1-888-909-7654, pass code 500470
- If this number does not work, use: 1-719-785-1711, pass code 500470

Please also remember whenever there is a pastoral change during the year or if your pastor purchases a home during the year, a revised Call Letter will be issued from the Provincial Office and the congregation must recalculate and forward a new Retirement Benefits Assessment form to the Benefits Office. This will insure that your congregation's Retirement Benefits Assessment billing is always accurate.

If you have any questions after the conference calls requiring an explanation of a line number on the form, you may call Mary Ann Hanas at 610-867-7566, ext 16 or Marie Cestone at 610-867-7566, ext. 15.

Enclosures

- Retirement Benefits Assessment Calculation form for 2011 specific to either the US, Canada or New Dawn
- Completed samples of the Retirement Benefits Assessment Calculation form for the appropriate version (US, Canada or New Dawn)

Copy to: PEC

Moravian Church Northern Province - Benefits Office

P.O. Box 1245, Bethlehem, PA 18016-1245

Retirement Benefits Assessment Calculation for 2011 - US

Congregation:	Pastor:
	Date:

The formula for the Retirement Benefits Assessment for called, appointed, or licensed pastors uses the current year's compensation. Please complete this form and return a copy to the Benefits Office as soon as the 2011 compensation has been determined. If you have any questions completing this form, please call the Benefits Office at 1-800-732-0591, ext. 15. You should retain a copy of this before sending it. You can mail, fax, or scan and email the form to the Benefits Office. The fax number is 610-866-9223. The email address is marie@mcnp.org

DESCRIPTION	LINE #	PARSONAGE-DWELLER	HOMEOWNER
		Use this column if the Pastor lives in a church-provided parsonage	Use this column if the Pastor lives in his/her own home
Cash salary (Do not include any dollars that are included on Lines 2 through 7)	1		
Social Security, if reimbursed. - If your pastor has negotiated to have all or a portion of their Social Security Self-employment tax reimbursed to them, enter that amount here.	2		
Annuity or Bonus - If the congregation gives the pastor a bonus in the form of cash or makes a contribution to an annuity on behalf of the pastor, enter that amount here.	3		
Flexible Spending Account (FSA) for unreimbursed medical expenses - Enter the amount of money the pastor has designated through a Salary Reduction Agreement that is updated annually for eligible medical expenses that are paid out of pocket.	4		
Home Equity Allowance - This is given only to pastors who reside in a parsonage and is deposited into a qualified 403b plan.	5		NA
Parsonage Allowance - This allowance is only for pastors who reside in a parsonage and who will be incurring out-of-pocket expenses for the parsonage.	6		NA
Minuted Housing Allowance - This is the annual amount of housing allowance for W-2 purposes requested by a pastor who owns their own home. It must be minuted each year by the board.	7	NA	
Total cash salary (Lines 1 + 2 + 3 + 4 + 5 + 6 +7)	8		
CALL LETTER Home Equity Allowance or Housing Allowance - This is the amount identified in the original call letter to the pastor serving a congregation. Home Equity Allowance is for those living in a parsonage and Housing Allowance is for those living in their own home.	9		
Total Compensation WITHOUT Home Equity Allowance or Housing Allowance (Line 8 - 9)	10		
30% of Line 10 (Housing Value) (Multiply Line 10 x .30)	11		
Total Compensation to apply Retirement Benefits Assessment Factor (Line 10 + 11)	12		
Retirement Benefits Assessment (Multiply Line 12 x .11) The 11% is split 8% to Pension and 3% to Supplemental Healthcare.	13		

Do not use cents; round to the nearest dollar. For example, anything less than or equal to \$0.49 round to 0 and anything greater than or equal to \$0.50 round to \$1.

Since the Province is responsible for making timely payments of benefits to both active and retired persons, congregations are required to make monthly remittances to our office at the beginning of each month. Payment can be included with other payments on the Provincial Remittance Form for funding Common Ministries supplied to you. Payment of the Retirement Benefits Assessment is required by action of Synod. This assessment is not a benevolence, but should be considered a direct operating expense.

Name:		
Street:		
City:	State:	Zip:

Title:
Daytime Phone Number:
Email Address:

Moravian Church Northern Province - Benefits Office

P.O. Box 1245, Bethlehem, PA 18016-1245

SAMPLE - Retirement Benefits Assessment Calculation for 2011 - US

Congregation:	Pastor:
	Date:

The formula for the Retirement Benefits Assessment for called, appointed, or licensed pastors uses the current year's compensation. Please complete this form and return a copy to the Benefits Office as soon as the 2011 compensation has been determined. If you have any questions completing this form, please call the Benefits Office at 1-800-732-0591, ext. 15. You should retain a copy of this before sending it. You can mail, fax, or scan and email the form to the Benefits Office. The fax number is 610-866-9223. The email address is marie@mcnp.org

DESCRIPTION	LINE #	PARSONAGE-DWELLER	HOMEOWNER
		Use this column if the Pastor lives in a church-provided parsonage	Use this column if the Pastor lives in his/her own home
Cash salary (Do not include any dollars that are included on Lines 2 through 7)	1	43,000	54,000
Social Security, if reimbursed. - If your pastor has negotiated to have all or a portion of their Social Security Self-employment tax reimbursed to them, enter that amount here.	2	1,500	
Annuity or Bonus - If the congregation gives the pastor a bonus in the form of cash or makes a contribution to an annuity on behalf of the pastor, enter that amount here.	3		
Flexible Spending Account (FSA) for unreimbursed medical expenses - Enter the amount of money the pastor has designated through a Salary Reduction Agreement that is updated annually for eligible medical expenses that are paid out of pocket.	4	1,200	2,500
Home Equity Allowance - This is given only to pastors who reside in a parsonage and is deposited into a qualified 403b plan.	5	1,000	NA
Parsonage Allowance - This allowance is only for pastors who reside in a parsonage and who will be incurring out-of-pocket expenses for the parsonage.	6	750	NA
Minuted Housing Allowance - This is the annual amount of housing allowance for W-2 purposes requested by a pastor who owns their own home. It must be minuted each year by the board.	7	NA	14,000
Total cash salary (Lines 1 + 2 + 3 + 4 + 5 + 6 + 7)	8	47,450	70,500
CALL LETTER Home Equity Allowance or Housing Allowance - This is the amount identified in the original call letter to the pastor serving a congregation. Home Equity Allowance is for those living in a parsonage and Housing Allowance is for those living in their own home.	9	1,000	10,000
Total Compensation WITHOUT Home Equity Allowance or Housing Allowance (Line 8 - 9)	10	46,450	60,500
30% of Line 10 (Housing Value) (Multiply Line 10 x .30)	11	13,935	18,150
Total Compensation to apply Retirement Benefits Assessment Factor (Line 10 + 11)	12	60,385	78,650
Retirement Benefits Assessment (Multiply Line 12 x .11) The 11% is split 8% to Pension and 3% to Supplemental Healthcare.	13	6,642	8,652

Do not use cents; round to the nearest dollar. For example, anything less than or equal to \$0.49 round to 0 and anything greater than or equal to \$0.50 round to \$1.

Since the Province is responsible for making timely payments of benefits to both active and retired persons, congregations are required to make monthly remittances to our office at the beginning of each month. Payment can be included with other payments on the Provincial Remittance Form for funding Common Ministries supplied to you. Payment of the Retirement Benefits Assessment is required by action of Synod. This assessment is not a benevolence, but should be considered a direct operating expense.

Name:		
Street:		
City:	State:	Zip:

Title:
Daytime Phone Number:
Email Address:

Moravian Church Northern Province - Benefits Office

P.O. Box 1245, Bethlehem, PA 18016-1245

Retirement Benefits Assessment Calculation for 2011 - Canada

Congregation:	Pastor:
	Date:

The formula for the Retirement Benefits Assessment for called, appointed, or licensed pastors uses the current year's compensation. Please complete this form and return a copy to the CDEB for Provincial Collections. If you have any questions completing this form, please call the Benefits Office at 1-800-732-0591, ext. 15 or email Marie at marie@mcnp.org

DESCRIPTION	LINE #	PARSONAGE-DWELLER	HOMEOWNER
		Use this column if the Pastor lives in a church-provided parsonage	Use this column if the Pastor lives in his/her own home
Cash salary (Do not include any dollars that are included on Lines 2 through 5)	1		
Annuity or Bonus - If the congregation gives the pastor a bonus in the form of cash or makes a contribution to an annuity on behalf of the pastor, enter that amount here.	2		
Home Equity Allowance - This is given only to pastors who reside in a parsonage and is deposited into a qualified 403b plan.	3		NA
Parsonage Allowance - This allowance is only for pastors who reside in a parsonage and who will be incurring out-of-pocket expenses for the parsonage.	4		NA
Minuted Housing Allowance - This is the annual amount of housing allowance for W-2 purposes requested by a pastor who owns their own home. It must be minuted each year by the board.	5	NA	
Total cash salary (Lines 1 + 2 + 3 + 4 + 5)	6		
CALL LETTER Home Equity Allowance or Housing Allowance - This is the amount identified in the original call letter to the pastor serving a congregation. Home Equity Allowance is for those living in a parsonage and Housing Allowance is for those living in their own home.	7		
Total Compensation WITHOUT Home Equity Allowance or Housing Allowance (Line 6 - 7)	8		
30% of Line 8 (Housing Value) (Multiply Line 8 x .30)	9		
Total Compensation to apply Retirement Benefits Assessment Factor (Line 8 + 9)	10		
Retirement Benefits Assessment (Multiply Line 10 x .11) The 11% is split 8% to Pension and 3% to Supplemental Healthcare.	11		

Do not use cents; round to the nearest dollar. For example, anything less than or equal to \$0.49 round to 0 and anything greater than or equal

Since the Province is responsible for making timely payments of benefits to both active and retired persons, congregations are required to make monthly remittances to our office at the beginning of each month. Payment can be included with other payments on the Provincial Remittance Form for funding Common Ministries supplied to you. Payment of the Retirement Benefits Assessment is required by action of Synod. This assessment is not a benevolence, but should be considered a direct operating expense.

Name:		
Street:		
City:	Province:	Postal Code:

Title:
Daytime Phone Number:
Email Address:

Moravian Church Northern Province - Benefits Office

P.O. Box 1245, Bethlehem, PA 18016-1245

SAMPLE - Retirement Benefits Assessment Calculation for 2011 - Canada

Congregation:	Pastor:
	Date:

The formula for the Retirement Benefits Assessment for called, appointed, or licensed pastors uses the current year's compensation. Please complete this form and return a copy to the CDEB for Provincial Collections. If you have any questions completing this form, please call the Benefits Office at 1-800-732-0591, ext. 15 or email Marie at marie@mcnp.org

DESCRIPTION	LINE #	PARSONAGE-DWELLER	HOMEOWNER
		Use this column if the Pastor lives in a church-provided parsonage	Use this column if the Pastor lives in his/her own home
Cash salary (Do not include any dollars that are included on Lines 2 through 5)	1	38,000	55,000
Annuity or Bonus - If the congregation gives the pastor a bonus in the form of cash or makes a contribution to an annuity on behalf of the pastor, enter that amount here.	2		
Home Equity Allowance - This is given only to pastors who reside in a parsonage and is deposited into a qualified 403b plan.	3	1,000	NA
Parsonage Allowance - This allowance is only for pastors who reside in a parsonage and who will be incurring out-of-pocket expenses for the parsonage.	4	1,000	NA
Minuted Housing Allowance - This is the annual amount of housing allowance for W-2 purposes requested by a pastor who owns their own home. It must be minuted each year by the board.	5	NA	10,000
Total cash salary (Lines 1 + 2 + 3 + 4 + 5)	6	40,000	65,000
CALL LETTER Home Equity Allowance or Housing Allowance - This is the amount identified in the original call letter to the pastor serving a congregation. Home Equity Allowance is for those living in a parsonage and Housing Allowance is for those living in their own home.	7	1,000	10,000
Total Compensation WITHOUT Home Equity Allowance or Housing Allowance (Line 6 - 7)	8	39,000	55,000
30% of Line 8 (Housing Value) (Multiply Line 8 x .30)	9	11,700	16,500
Total Compensation to apply Retirement Benefits Assessment Factor (Line 8 + 9)	10	50,700	71,500
Retirement Benefits Assessment (Multiply Line 10 x .11) The 11% is split 8% to Pension and 3% to Supplemental Healthcare.	11	5,577	7,865

Do not use cents; round to the nearest dollar. For example, anything less than or equal to \$0.49 round to 0 and anything greater than or

Since the Province is responsible for making timely payments of benefits to both active and retired persons, congregations are required to make monthly remittances to our office at the beginning of each month. Payment can be included with other payments on the Provincial Remittance Form for funding Common Ministries supplied to you. Payment of the Retirement Benefits Assessment is required by action of Synod. This assessment is not a benevolence, but should be considered a direct operating expense.

Name:		
Street:		
City:	Province:	Postal Code:

Title:
Daytime Phone Number:
Email Address:

Moravian Church Northern Province - Benefits Office

P.O. Box 1245, Bethlehem, PA 18016-1245

Retirement Benefits Assessment Calculation for 2011 - NEW DAWN

Congregation:	Pastor:
	Date:

The formula for the Retirement Benefits Assessment for called, appointed, or licensed pastors uses the current year's compensation. Please complete this form and return a copy to the CDEB for Provincial Collections. If you have any questions completing this form, please call the Benefits Office at 1-800-732-0591, ext. 15 or email Marie at marie@mcnp.org

DESCRIPTION	LINE #	PARSONAGE-DWELLER	HOMEOWNER
		Use this column if the Pastor lives in a church-provided parsonage	Use this column if the Pastor lives in his/her own home
Cash salary (Do not include any dollars that are included on Lines 2 through 5)	1		
Annuity or Bonus - If the congregation gives the pastor a bonus in the form of cash or makes a contribution to an annuity on behalf of the pastor, enter that amount here.	2		
Home Equity Allowance - This is given only to pastors who reside in a parsonage and is deposited into a qualified 403b plan.	3		NA
Parsonage Allowance - This allowance is only for pastors who reside in a parsonage and who will be incurring out-of-pocket expenses for the parsonage.	4		NA
Minuted Housing Allowance - This is the annual amount of housing allowance for W-2 purposes requested by a pastor who owns their own home. It must be minuted each year by the board.	5	NA	
Total cash salary (Lines 1 + 2 + 3 + 4 + 5)	6		
CALL LETTER Home Equity Allowance or Housing Allowance - This is the amount identified in the original call letter to the pastor serving a congregation. Home Equity Allowance is for those living in a parsonage and Housing Allowance is for those living in their own home.	7		
Total Compensation WITHOUT Home Equity Allowance or Housing Allowance (Line 6 - 7)	8		
30% of Line 8 (Housing Value) (Multiply Line 8 x .30)	9		
Total Compensation to apply Retirement Benefits Assessment Factor (Line 8 + 9)	10		
Retirement Benefits Assessment (Multiply Line 10 x .11) The 11% is split 8% to Pension and 3% to Supplemental Healthcare.	11		

Do not use cents; round to the nearest dollar. For example, anything less than or equal to \$0.49 round to 0 and anything greater than or equal

Since the Province is responsible for making timely payments of benefits to both active and retired persons, congregations are required to make monthly remittances to our office at the beginning of each month. Payment can be included with other payments on the Provincial Remittance Form for funding Common Ministries supplied to you. Payment of the Retirement Benefits Assessment is required by action of Synod. This assessment is not a benevolence, but should be considered a direct operating expense.

Name:		
Street:		
City:	Province:	Postal Code:

Title:
Daytime Phone Number:
Email Address:

Moravian Church Northern Province - Benefits Office

P.O. Box 1245, Bethlehem, PA 18016-1245

SAMPLE - Retirement Benefits Assessment Calculation for 2011 - NEW DAWN

Congregation:	Pastor:
	Date:

The formula for the Retirement Benefits Assessment for called, appointed, or licensed pastors uses the current year's compensation. Please complete this form and return a copy to the CDEB for Provincial Collections. If you have any questions completing this form, please call the Benefits Office at 1-800-732-0591, ext. 15 or email Marie at marie@mcnp.org

DESCRIPTION	LINE #	PARSONAGE-DWELLER	HOMEOWNER
		Use this column if the Pastor lives in a church-provided parsonage	Use this column if the Pastor lives in his/her own home
Cash salary (Do not include any dollars that are included on Lines 2 through 5)	1	38,000	43,500
Annuity or Bonus - If the congregation gives the pastor a bonus in the form of cash or makes a contribution to an annuity on behalf of the pastor, enter that amount here.	2		
Home Equity Allowance - This is given only to pastors who reside in a parsonage and is deposited into a qualified 403b plan.	3	1,000	NA
Parsonage Allowance - This allowance is only for pastors who reside in a parsonage and who will be incurring out-of-pocket expenses for the parsonage.	4	1,000	NA
Minuted Housing Allowance - This is the annual amount of housing allowance for W-2 purposes requested by a pastor who owns their own home. It must be minuted each year by the board.	5	NA	11,000
Total cash salary (Lines 1 + 2 + 3 + 4 + 5)	6	40,000	54,500
CALL LETTER Home Equity Allowance or Housing Allowance - This is the amount identified in the original call letter to the pastor serving a congregation. Home Equity Allowance is for those living in a parsonage and Housing Allowance is for those living in their own home.	7	1,000	10,000
Total Compensation WITHOUT Home Equity Allowance or Housing Allowance (Line 6 - 7)	8	39,000	44,500
30% of Line 8 (Housing Value) (Multiply Line 8 x .30)	9	11,700	13,350
Total Compensation to apply Retirement Benefits Assessment Factor (Line 8 + 9)	10	50,700	57,850
Retirement Benefits Assessment (Multiply Line 10 x .11) The 11% is split 8% to Pension and 3% to Supplemental Healthcare.	11	5,577	6,364

Do not use cents; round to the nearest dollar. For example, anything less than or equal to \$0.49 round to 0 and anything greater than or equal to \$0.50 round to the nearest dollar.

Since the Province is responsible for making timely payments of benefits to both active and retired persons, congregations are required to make monthly remittances to our office at the beginning of each month. Payment can be included with other payments on the Provincial Remittance Form for funding Common Ministries supplied to you. Payment of the Retirement Benefits Assessment is required by action of Synod. This assessment is not a benevolence, but should be considered a direct operating expense.

Name:		
Street:		
City:	Province:	Postal Code:

Title:
Daytime Phone Number:
Email Address: