

LEGISLATION TO ADOPT:
A STANDARD PROCESS GOVERNING REQUESTS
FROM LOCAL CONGREGATIONS TO AMICABLY SEPARATE
FROM THE _____ ANNUAL CONFERENCE OF THE UMC
AND JOIN THE GLOBAL METHODIST CHURCH UNDER ¶ 2548.2

The _____ Annual Conference (“Conference”) hereby clarifies the principles governing its review process of any request from a local church seeking to amicably separate from The United Methodist Church and join another denomination. ¶2548.2 of the *2016 Book of Discipline of The United Methodist Church* (“Book of Discipline”) outlines procedures by which a local church may be granted permission to amicably separate from an Annual Conference of United Methodist Church and depart with its property and other assets to join “one of the other denominations represented in the Pan-Methodist Commission or another Evangelical Denomination.”

Under its reserved powers, the _____ Annual Conference has the authority to recognize the Global Methodist Church as “another evangelical denomination.” This agreement is therefore stipulated and agreed to as a “comity agreement” within the meaning of, and authorized pursuant to, ¶2548.2, when ratified by the withdrawing local church. The authority of the Annual Conference and the Local Churches to enter into this type of agreement is bestowed pursuant to ¶¶33 and 2548.2 of the Book of Discipline. Pursuant to ¶33, the Annual Conference has such other rights as have not been delegated to the General Conference under the Constitution. The General Conference enacted ¶2548.2, which authorizes the Annual Conference to enter into comity agreements on the terms set forth in ¶2548.2.

Under its reserved powers, the _____ Annual Conference hereby recognizes the Global Methodist Church as “another evangelical denomination” under ¶2548.2.

The _____ Annual Conference acknowledges that a shared Christian heritage exists where both the United Methodist Church and the Global Methodist Church, while distinct denominations, are constituent members of the one, holy, catholic, and apostolic church as expressed in the Scriptures, confessed in the Church’s historic creeds, and attested to in our common doctrinal standards rooted in our shared Methodist, United Brethren in Christ, and Evangelical Association history. Each recognizes the authenticity of the other’s sacraments of Baptism and Holy Communion and welcomes each other’s members to partake in the Eucharist. Each recognizes the validity of each other’s respective offices of ministry, while stipulating that each has different qualifications for set-apart ministry that members of the other may or may not meet. Each is open to exploring areas of shared mission and ministry in which they might engage as mutual partners.

No sums in addition to those stipulated in this Comity Agreement and no additional non-financial terms shall be required to obtain release of all the congregation’s property and assets from the trust clause.

In accordance with and to fulfill the provisions of ¶2548.2 of the Book of Discipline, the 2022 Session of the _____ Annual Conference instructs the Board of Trustees of the _____ Conference and all officials, boards, and committees of the Annual Conference to utilize the following policies and processes in engaging congregations desiring to

amicably separate from the _____ Conference of the United Methodist Church to join the Global Methodist Church (“Amicable Separation”) under this paragraph.

AMICABLE SEPARATION PROCESS

1. A local congregation desiring to pursue the possibility of Amicable Separation from the _____ Conference of the United Methodist Church under the provisions of ¶12548.2 to join the Global Methodist Church shall by majority approval of the Church Council or equivalent body send to the District Superintendent a letter expressing the congregation's intent to pursue Amicable Separation. The request shall be forwarded to the Bishop, other members of the appointive cabinet, and the members of the appropriate District Board of Church Location and Building for consent.
2. Within three weeks of the Church Council's request to pursue amicable separation under ¶12548.2, the Conference Trustees, in conjunction with the cabinet, annual conference treasurer, annual conference benefits officer, director of connectional ministries, and conference chancellor, in consultation with designated local church leaders and the local church trustees, shall prepare an Amicable Separation Agreement based on this Comity Agreement between the _____ Conference and the amicably separating congregation and the Global Methodist Church as the receiving denomination. The Amicable Separation Agreement shall contain at least:
 - i. A clear effective date of Amicable Separation shall be set to occur no more than 90 days after a simple majority approval by the members voting at a regular or special session of the _____ Annual Conference.
 - ii. A statement from the Judicatory representatives of a Global Methodist Church stating its willingness and readiness to receive the local church's affiliation.
 - iii. A recognition of the validity and applicability of ¶12501 (the Trust Clause,) notwithstanding the release of property therefrom.
 - iv. Acknowledgement that the local church shall be current in apportionments for the period of 12 months preceding the date of Amicable Separation. Payment of unpaid amounts for the 12 months preceding the effective date of Amicable Separation shall be made prior to the effective date of Amicable Separation.
 - v. Acknowledgement that the amicably separating local church shall retain its real and personal, tangible and intangible property, and other cash assets.
 - vi. Agreement that all costs for transfer of title or other legal work shall be borne by the separating local church.
 - vii. A statement that the local church shall either satisfy all other debts, loans, and liabilities, or assign and transfer them to its new entity, prior to Amicable Separation.
 - viii. An agreement concerning Withdrawal Liability for Unfunded Pension Liability as determined under point 3 below.
 - ix. Agreement that all payments shall occur prior to the Effective Date of Amicable Separation.
 - x. Acknowledgement that all transfers of property shall be made prior to the Effective Date of Amicable Separation.
 - xi. Agreement that the local church shall cease all use of "United Methodist," the Cross & Flame insignia, and any other intellectual property of the Conference and The United Methodist Church, including the removal of all signage containing the same, as soon as possible but no later than three (3) months following the Effective Date of Amicable Separation. Signage or insignia that is an integral part of a church building (e.g., when the insignia is part of a stained glass window, mosaic, or etched into the stone, brick, or woodwork of a building) shall be

exempt from removal. The local church may continue to use *The United Methodist Hymnal*, *Book of Worship*, and any other United Methodist worship or study materials it has purchased consistent with the copyright obligations stated in such hymnals, books, and materials.

xii. Agreement that as of the Effective Date of Amicable Separation, the local church shall cease to use, and shall ensure that any affiliates of the local church that have been included in any group tax exemption ruling shall cease to use, any and all documentation stating that local church is included in the United Methodist Church's group tax exemption ruling administered by the General Council on Finance and Administration of The United Methodist Church. The local church and any of its affiliates that have been included in the group tax exemption ruling will be removed as of the Effective Date of Amicable Separation.

xiii. Agreement that as of the Effective Date of Amicable Separation, the local church shall take all steps necessary to close and/or dissolve any legal entities and to settle, liquidate, or transfer all assets and obligations of such entities, or to establish any new legal entities, or to modify its current organizing documents, as needed to effectuate its Amicable Separation from the UM Church.

3. The Withdrawal Liability for Unfunded Pension Liability provisions of the Amicable Separation Agreement discussed in 2 (viii), above, will set forth and contain the following terms:

The amount that the Conference has determined to be the amount of the withdrawal liability for each local church required by ¶1504.23 of the Book of Discipline. The withdrawal liability shall be the local church's pro rata share of the Conference's aggregate unfunded pension liability, reduced by any Conference reserves designated for or permitted to be used for pension obligations that the Conference agrees to apply toward this liability. The Conference's aggregate unfunded pension liability shall be its aggregate funding obligations calculated by the General Board of Pension and Health Benefits of The United Methodist Church ("Wespath"), using market factors similar to a commercial annuity provider pursuant to Book of Discipline ¶1504.23. The local church or its successor shall sign a promissory note approved by the conference chancellor or another attorney retained by the Conference in the sum of the withdrawal liability, secured by the local church's assets.

Payments toward the principal sum will be due in installments (Principal Payments) payable in any year that an amortization payment is due from the Conference, or its successor, to meet its funding obligations for The United Methodist Church's pre-1982 pension plan, the Ministerial Pension Plan, or the Clergy Retirement Security Program, until such time that all the installment payments have fully repaid the principal sum. An amortization payment is precipitated by underfunding of prior years' defined benefit obligations; it does not include normal cost contributions for current year defined benefit accruals. The amount of the Principal Payment for a year as a percentage of the original note total will be calculated using the same percentage as the Conference's amortization payment is of the aggregate market-based unfunded liability for the Conference at the time the amortization payment was determined. The promissory note shall be valid as of the Effective Date of Withdrawal. The promissory note shall be secured by a lien recorded against the assets transferred in accordance with Section 2 (iii) above. The assets shall not be used as security for other loans or indebtedness without the permission of the Conference until the promissory note described in this paragraph has been paid in full or cancelled, which permission shall not be unreasonably withheld. All principal installment payments paid to the Conference with respect to such withdrawal liability by a local

church shall be forwarded to Wespath as part of the Conference's payment of underfunded liability. The original principal sum, adjusted as described below, will become due upon the effective date the Local Church leaves, disaffiliates from, closes, or is closed by the Global Methodist Church. Notwithstanding the foregoing, if the Conference's aggregate unfunded pension liability at any point is reduced to zero, as measured by Wespath, the promissory note and its lien shall be cancelled. If the promissory note becomes due because the Local Church leaves, disaffiliated from, closes, and/or is closed by the Global Methodist Church, the Principal Payments paid to date will be applied toward the amount due. No interest shall be charged on the principal amount.

4. Upon sending the letter of intent to pursue Amicable Separation, the Church Council (or its equivalent) shall begin a process of discernment open to all members of the local church over a period of not less than 60 days from the date said letter was sent to the District Superintendent.

As part of the discernment process the church seeking amicable separation must:

a. Receive and review information from the Center for Administrative Services concerning the balance of conference ministry shares (also known as tithe and apportionments), the balance of both the Annual Conference, and the Local Church's portion of the Conference unfunded liability, and any other costs related to standard terms as defined in Step 2 above. This shall be provided to the local church within three weeks of the letter to the District Superintendent and Resident Bishop.

b. Hold at least three informational and listening sessions ("Listening Sessions") advertised and open to all members of the local church to share information, answer questions and solicit their input. Attendance shall be taken at each session. The District Superintendent or a designee shall be invited to attend at least one of the listening sessions.

5. Upon completion of the discernment process, the Church Council shall send written notification to its District Superintendent that the process of discernment has been completed. The District Superintendent, following the provisions of ¶246.8, ¶248 and ¶2548.2 of the Book of Discipline, shall then authorize a church conference for the purpose of considering Amicable Separation. The church conference shall be held within 30 days of the District Superintendent's receipt of the request, unless voluntarily extended by both parties.

6. The local church shall make the decision to amicably separate at the church conference duly called as authorized in the preceding paragraph. The District Superintendent shall preside or choose another elder to preside at the church conference. Prior to the church conference, the Church Council (or its equivalent) shall determine whether a simple majority or a two-thirds majority shall be required for approval of the motion to amicably separate from the

_____ Conference, approve the Amicable Separation agreement, and join the Global Methodist Church. If the predetermined voting threshold to approve a motion for amicably separation is not reached, the process leading to amicable separation under ¶ 2548.2 ends. However, if the predetermined voting threshold to approve is reached, amicable separation is affirmed and the process may move forward.

7. Under the provisions of ¶2548.2 of the Book of Discipline an Amicable Separation of a local congregation must be approved by the Resident Bishop of the Conference, a simple majority of the District Superintendents of the Conference, and by a simple majority of the District Board of Church Location and Building in which the local church is located. Within 30 days of the local

church's approval of the Amicable Separation agreement, the Resident Bishop and District Superintendent shall provide a letter to the pastor and local church lay leadership outlining the decisions of the Resident Bishop, District Superintendents, and appropriate District Building and Location Committee.

8. Upon approval of the Amicable Separation agreement by the local church and receipt of the relevant approvals under Point 7 above, the Conference Board of Trustees will request a vote of approval for amicable separation at the next regular or special called Annual Conference. A simple majority of Annual Conference members present and voting shall ratify the motion for amicable separation, contingent upon all provisions of the agreement being fulfilled before release of claim can occur (¶2529.1(b)(3); see JCD 1379).

9. Upon the agreed effective date, the _____ Conference shall release any claims that it may have under ¶2501 and other paragraphs of the Book of Discipline, or under the agreement, provided that:

- a. The separating local church has reimbursed the annual conference for all funds due under the terms of the agreement,
- b. There are no other outstanding liabilities or claims as a result of the amicable separation, other than the promissory note referenced in paragraph 3 above,
- c. All other provisions of the agreement have been fulfilled.

9. No additional terms, standard or otherwise, shall be imposed by the Annual Conference on local churches amicably separating under the terms of ¶2548.2.

This legislation is respectfully submitted for consideration by the 2022 session of the
_____ Annual Conference by the following clergy and lay members of the
_____ Conference:

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