

NWTX Conference Financial Framework for Transition Process
Developed by Conference Council on Finance and Administration (in consultation with the
Conference Board of Pension and Health Benefits)

As stated in the Transition Process for Local Churches developed by the Conference Trustees, there will be major decisions facing churches regarding their future. This Financial Framework is intended to augment the Transition Process developed by the Conference Trustees and provide further financial guidance and procedures.

Principles

The NWTX Council on Finance and Administration has adopted the following principles related to the Transition Process:

1. All financial matters will be conducted in a transparent, fair, and ethical manner.
2. Disaffiliating churches will not be impeded from leaving The United Methodist Church (UMC).
3. Churches remaining in the UMC will not be orphaned.

Clergy Benefits

1. Clergy pensions are guaranteed by Wespath regardless of whether the clergy person leaves or stays in the UMC.
2. To the extent possible, post-retirement medical benefits earned while a member of the UMC Northwest Texas (NWTX) Conference will be available at retirement.

Pension Withdrawal Liability

1. In accordance with Par. 1504.23 of the *Book of Discipline* (as amended by General Conference in 2019), Wespath is to compute a pension withdrawal liability for each conference.
2. The pension withdrawal liability for the NWTX Conference to be allocated (see methodology below) to a disaffiliating church will be determined using the average of the latest two (2) calculations reasonably available prior to the disaffiliation date.
3. Reserves (net assets) allocated for the pension withdrawal liability (and post-retirement medical obligation) will be put into a benefits trust such that these reserves cannot be re-designated by a successor organization.

Allocation and Distribution of Assets, Liabilities and Reserves

1. The allocation of assets, liabilities, and reserves to NWTX churches will be made using the decimal system (as defined and used for the allocation of Shared Ministries – See CF&A Policies 1.E.2).
2. When final amounts cannot be determined as of a disaffiliation date, the allocation of assets, liabilities, and reserves will be accrued as of the disaffiliation date but settlement deferred until a subsequent date when the amounts can be reasonably known or estimated.
3. If any assets, liabilities, and reserves remain after the disaffiliation date(s) but prior to the liquidation or merger of the NWTX Conference of the UMC, every effort will be made to make a proportional allocation and distribution to churches which have disaffiliated and churches remaining in the UMC.

Financial Framework for Transition Process

Conference Entities

1. For the ease of transitions, there should be two separate entities: 1) a continuing UMC NWTX Conference and 2) a newly formed Global Methodist Church (GMC) NWTX Conference.
2. The UMC NWTX Conference will cooperate and collaborate with NWTX disaffiliating churches to form a GMC conference.

2023 and 2024 Budgets

1. Reserves (Net Assets) will be allocated using the methodology above to cover the 2023 budget such that no apportionments (Shared Ministries) will be due for 2023.
2. Reserves (Net Assets) will be designated to cover the 2024 budget such that no apportionments will be due for 2024.
3. It is recommended that retention or allocation of District funds follow the principles of this financial framework.
4. The 2023 budget requires the UMC NWTX Conference to accept general church apportionments at 100%. However, general church apportionment payments will not be guaranteed by the NWTX Conference. Payment will be determined by historic pay-in rates for general church apportionment for those churches remaining in the UMC NWTX Conference.