

STATISTICAL REPORT - 2003 CALENDAR YEAR

Church Membership	248,364	a decrease of 2265 or (.9%)
Worship Average Attendance	62,191	a decrease of 1160 or (1.83%)
Church School Enrollment	85,068	a decrease of 556 or (.65%)
Church School Average Attendance	33,860	a decrease of 1009 or (2.89%)

7,013 **NEW MEMBERS** were received in 2003

We received:

By Profession of Faith or Restored	2,679	a decrease of 281
By Transfer from Other United Methodist Church	2,383	an increase of 197
From Other Denominations	1,951	an increase of 66

9,215 persons were **REMOVED** from our rolls in 2003

We removed:

By Charge Conference or Withdrawn	4,036	a decrease of 11
By Transfer to Other UMC	1,853	an increase of 253
To Other Denominations	842	an increase of 107
By Death	2,484	a decrease of 54

FIVE (5) Districts showed gains in **CHURCH MEMBERSHIP**: Bartlesville, Muskogee, South OKC, Stillwater, Tulsa.

TWO (2) Districts showed gains in **MORNING WORSHIP ATTENDANCE**: Ardmore, North OKC.

ONE (1) District showed gains in **CHURCH SCHOOL ATTENDANCE**: South OKC.

UNITED METHODIST MEN reported an increase in membership of 343. The **UMM** received \$185,070 for projects: a decrease of \$179,857.

UNITED METHODIST WOMEN reported a decrease in membership of 122. The **UMW** received \$611,482 for projects: a decrease of \$71,813.

UNITED METHODIST YOUTH FELLOWSHIP reported a decrease in membership of 79. The **UMYF** received \$467,281 for projects: an increase of \$27,801.

TOTAL MONIES expended by **Local Churches** \$129,773,741: an increase of \$2,439,624.

Kenneth Smith
Conference Statistician

COMMISSION ON EQUITABLE COMPENSATION

The 2000 DISCIPLINE defines the purpose of the Commission on Equitable Compensation in paragraph 623.2 as “to support full-time clergy serving as pastors in the charges of the Annual Conference by (A) recommending conference standards for clergy support; (B) administering funds to be used in base compensation supplementation; and (C) providing counsel and advisory material on clergy support to District Superintendents and Committees on Pastor-Parish Relations.”

The demands the Church and churches require of the clergy as just, proper, and necessary are exceedingly great and becoming more exacting all the time.

Educational requirements include the course of study, or seminary beyond college, and a probationary period with continuing education.

Personal qualifications call for the highest integrity.

Equitable ministerial compensation requires the highest priority be given to the claims on the pastor and family by the congregations as salary and other support items are set.

ADMINISTRATION OF COMPENSATION

SUPPLEMENTAL FUNDS

Section I - The new order of deacon should receive the minimum compensation according to Schedule (A) below. Payment of all compensation is the responsibility of the salary paying unit. Deacons have no claim on the Equitable Compensation Fund.

Section II - THE EQUITABLE COMPENSATION FUND

Salary supplementation by the Commission is through the Equitable Compensation Fund and the Minister's Moving Expense Fund. Other supplemental funds are administered by other agencies of the Conference.

The Oklahoma Conference Commission on Equitable Compensation seeks to accomplish the following as its purpose:

- 1) To set adequate and reasonable salary and compensation standards for clergy;
- 2) To encourage specific churches which would benefit from full-time clergy in their growth and development;
- 3) To support full-time clergy for ethnic minority churches in Oklahoma (paragraph 623.6 in the 2000 DISCIPLINE);
- 4) To assist churches' progress toward complete support of their own pastors and to help find alternate means of clergy support for churches or charges unable to achieve this.

This statement affirms the disciplinary guidelines and affirms a commitment to help churches progress off of minimum compensation support. It also supports and affirms the need of churches to have full-time clergy for their growth and development.

Support for college and seminary students is not to be considered an educational grant in order to permit attendance in college or seminary. The student is expected to render ministry and leadership to the congregation to the fullest extent.

A. SCHEDULE OF MINIMUM COMPENSATION**Effective January 1, 2005**

There are three classifications of ministers listed: Conference Members, Local Pastors, Seminary and College Students. No others are eligible for minimum salary support.

1. Full-time Associate, Probationary, and Full-Connection Members living on the charge shall receive \$29,518, plus \$1,966 for each additional church.
2. Full-time Local Pastors living on the charge shall receive \$25,201, plus \$1,966 for each additional church.
3. Student Local Pastors attending seminary, college or university and Probationary Members attending seminary living on the charge shall receive \$24,065, plus \$1,966 for each additional church.

- NOTE:**
- a. In no case shall the amount paid a full-time pastor or seminary student, who is a member of the annual conference, be less than the minimum which, with housing provided by the charge, will qualify for participation in the Comprehensive Protection Plan. Any supplemental amount needed may be paid from the Equitable Compensation Fund as a special benefit.
 - b. The Commission on Equitable Compensation encourages cooperative and cooperating parishes to facilitate ministry and provide pastoral support wherever possible.
 - c. Exceptions to the requirement that pastors live on the charge must be recommended by the Cabinet and approved by the Commission on Equitable Compensation.

The Council on Finance and Administration has seen and approved this schedule and estimated amount required to comply with the minimum compensation schedule.

B. REQUIREMENTS NECESSARY TO QUALIFY FOR MINIMUM COMPENSATION SUPPORT

1. No two churches within 20 miles of each other will be allowed to share in the minimum compensation plan unless they combine to form a circuit.
2. A pastor who is gainfully employed in any occupation other than the ministry shall not share in the minimum compensation provisions. To qualify, a pastor must serve full-time and live on the charge.
3. It is recommended that each year the charge increase its ministerial support a minimum of (5%) five percent. If a charge does not increase by a minimum of five percent, the district superintendent must support the claim to the Commission on Equitable Compensation.
4. In no case can a charge qualify for minimum compensation support if the churches of the charge decrease the pastoral support below that of 2004.
5. The schedule listed above will be paid, provided all allocated funds are sufficient; if not, all claims shall be paid on a pro rata basis.
6. The charge should pay at least one-half of the minimum compensation of the classification of their pastor (a, b, c,) provided that no charge shall pay less than

\$10,000 for the year 2005. The said charge must pay pensions on all base compensation paid by each local church. No pastor shall receive both minimum compensation support and mission support, or any other salary supplement at the same time. New churches may be excepted from this rule and raise the \$10,000 minimum from outside sources for a limit of five (5) years from the foundation of the charge.

7. In order that a pastor may qualify for minimum compensation, it is necessary that the district superintendent report the eligibility of charge and pastor on the form approved by the Commission on Equitable Compensation to the chair of the Commission, who will then authorize the Conference Treasurer to make payments.

C. REQUIREMENTS NECESSARY TO QUALIFY FOR MINIMUM COMPENSATION “INCENTIVE PLAN”

1. The objective of this plan, as with all minimum compensation support, is to strengthen the work of the local church. The goal of this plan is to allow and encourage local churches to increase pastoral support, allowing the pastor in the appointment to receive the benefit of increased income from the local church without losing support from the Equitable Compensation Fund.
2. Pastoral support increases by the local church during the tenure of one pastor shall be added to the total allowable income for the pastor during the duration of the appointment relationship of that pastor with that church. In the event the church’s portion of the pastor’s salary reaches or exceeds the minimum compensation, the conference portion must be negotiated with the commission on an annual basis. In no case shall the combined salary exceed the average salary of the Annual Conference.
3. Whenever a change in pastoral appointment occurs, or at the end of the Incentive Plan Agreement, the charge is to maintain the then existing level of pastoral support. At such time calculation of equitable support payment shall be adjusted so total compensation is correct for the pastor’s classification.
4. In order for a plan to be in effect in any charge, the Incentive Plan Application Form of the Commission on Equitable Compensation shall be submitted for approval by the district superintendent and the commission.

D. EQUITABLE COMPENSATION FUND

Fund Balance January 1, 2003	\$459,467
Receipts from Churches	<u>\$74,854</u>
Total Available	\$534,321
Disbursements	
Salary Support	\$121,115
Pensions	7,208
Commission Meetings	502
Administrative Expense	<u>98</u>
Total Disbursements	\$128,923
Closing Balance December 31, 2003	<u>\$405,398</u>

E. THE NEW PENSION PLAN

Beginning in 1982, the Ministerial Pension Plan (MPP) and the Comprehensive Protection Plan (CPP) created an additional responsibility for the Commission on Equitable

Compensation to provide the necessary support of those programs for the salary amounts allocated by the Commission. The Commission has taken this into consideration and is cooperating with the plan voted by the Conference. The necessary funding is included in the request of the Commission and approved by the Council on Finance and Administration.

Section III - MINISTER'S MOVING EXPENSE FUND

Each pastoral charge of the Oklahoma Annual Conference shall pay annually to the Minister's Moving Fund.

SCHEDULE Effective January 1, 2005

1. Payments from the Minister's Moving Expense Fund shall be as follows:
 - a. Only pastors under appointment and living on the charge, or serving the Annual Conference in a connectional relationship, or in an Oklahoma Conference Institution will be eligible to receive payment.
 - b. For pastors moving from one appointment to another, payments shall be made at the rate of \$1,500 plus \$1.00 per mile. In the case of a clergy couple, if the appointment for each is changed and involves moving books and equipment into separate church studies, there shall be an additional payment of \$100 per couple.
 - c. For the first move of a pastor to begin active service under appointment in the Oklahoma Conference, payment shall be made at the rate of \$1,500 plus \$1.00 per mile. For persons coming from out of state the mileage will be calculated from the Conference border to the appointment.
 - d. For the following, the payment shall be \$1,500:
 - (1) A pastor who is retiring or granted disability leave, if a change of residence is required;
 - (2) A pastor who is appointed to sabbatical leave, if a change of residence is required;
 - (3) A pastor returning to active appointment status from sabbatical leave, if a change of residence is required. If a minister retires from sabbatical leave, no additional payment will be made.
 - (4) In the event of an interim appointment living on the charge, one-half of the base payment will be issued at the beginning of the appointment and one half at the conclusion.
 - e. No payment shall be made to a pastor who:
 - (1) Is appointed to attend a school, college, or seminary;
 - (2) Is moving to another Annual Conference.
 - f. In the case of the death of a pastor while in active service, the spouse (or individual responsible for removing personal property, if there is no surviving spouse) shall be given a grant of \$1,700 immediately if the home has been provided by the church or agency and a change of residence is required.

g. Payments shall be made directly to pastors at the close of the Annual Conference, or as soon thereafter as possible. Certification of appointment changes shall be made by the Cabinet to the Conference Treasurer as early as practicable. The Treasurer shall determine the mileage of each move through Map Quest.com. When changes occur between sessions of the Annual Conference the Cabinet shall certify the changes to the Conference Treasurer, who shall determine the amount of payment and issue checks to the pastors involved as quickly as possible.

2. The Commission recommends that the local church receiving a new pastor shall make additional reimbursement toward the cost of moving expenses.

3. Each minister shall make his/her own moving arrangements. No payment shall be made unless there is a change of residence.

4. Status of Pastor’s Moving Expense Fund:

Fund Balance January 1, 2003	\$263,387
Receipts from Churches	<u>125,518</u>
Total Available	388,905
Disbursements	<u>128,100</u>
FUND BALANCE DECEMBER 31, 2003	\$260,805

Section IV. PARSONAGE STANDARDS

Current Parsonage Standards have been printed in the 1999 Annual Conference Journal (pages 277-290). A copy of these standards should be available in all District Offices as well as the Conference Treasurer’s Office.

Section V. GUIDELINES FOR VACATIONS, DAYS OFF AND CONTINUING EDUCATION

We believe that it is essential for the Pastor-Parish Relations Committee and the pastor to negotiate together an agreement as to the pastor’s vacation, days off and Continuing Education. Such an agreement should be made during the pastor’s first month at a new charge and would be reviewed annually thereafter. We offer the following guidelines as a basis for such negotiations:

1) Vacations

The church recognizes that regular days off and vacations are important for the effectiveness of pastors, and for their physical, mental, and spiritual health. Therefore, we recommend, where local circumstances permit, 30 days be allotted for vacation for full-time pastors, but in no case shall there be less than two weeks vacation per year. These days may be taken consecutively or on several separate occasions. The dates should be coordinated with and approved by the Pastor-Parish Relations Committee. Those pastors working on their Course of Study and attending seminary for one month during the summer must realize the burden this may put on their church. We recommend they receive two weeks vacation (one Sunday), in addition, to the time away for Course of Study. The pulpit funds should be provided by the church, but the minister is responsible for arrangements.

2) Days Off

We strongly recommend each pastor receive a minimum of one and one-half days off a week and encourage a two day schedule (equivalent of Saturday-Sunday weekends). We recognize, however, the demands of the ministry often make it difficult for a pastor to take off one and one-half or two days consecutively. It is, therefore, very important for the pastor and the Pastor-Parish Relations Committee to come to an understanding as to days off and compensatory time off.

3) Continuing Formation and Spiritual Growth

The United Methodist Church requires all pastors receive 3 Continuing Education Units (3 CEU = 30 classroom hours) per year. The Pastor-Parish Relations Committee must understand this is a requirement and allow the pastor to be absent in order to satisfy it (normally this will not involve a Sunday). However, frequent or extended absences of the pastor must be approved by the Pastor-Parish Relations Committee. The pastor and the Pastor Parish Relations Committee should be familiar with Paragraph 349 of the 2000 Book of Discipline which outlines 1) the importance of Continuing formation and Spiritual Growth; 2) allowance for leaves of at least one week each year and at least one month during one year of each quadrennium; 3) that a clergy member may request a formational and spiritual growth leave of up to six months, while continuing to hold a pastoral appointment - if the clergy member has held full-time appointments for at least five years; 4) financial arrangements for such leave; 5) pastors shall be asked by the district superintendent in the charge conference to report on their programs of continuing education, formation and spiritual growth for the past year and plans for the coming year. The superintendent shall also ask the local church to describe its provision for time and financial support for the pastor's program of continuing formation and spiritual growth; 6) Clergy in appointment beyond the local church shall give evidence of their continuing formation and spiritual growth program and future plans in the annual reports.

4) Responsibilities Within the United Methodist Connection

Pastor-Parish Relations Committees should be aware that pastors are not only appointed to serve local churches, but also have responsibilities within the connection: in camps, in the district, in the annual conference, in the life of the orders, and occasionally in the general church. Refer to paragraph 330, 331, 332, and 333 of the 2000 Book of Discipline for further duties of a pastor.

Don Griffin, Chairperson
Alan McIntyre, Vice Chairperson
Carrol McEwen, Secretary

OKLAHOMA CONFERENCE OF THE UNITED METHODIST CHURCH
 STATEMENT OF FINANCIAL POSITION
 DECEMBER 31, 2003
 TREASURER'S REPORT, JoAnn McNaught, TREASURER

	Total	Conference	Mission and	Camps and	Volunteers
	<u>All Funds</u>	<u>Funds</u>	<u>Service Ministry</u>	<u>Conferences</u>	<u>in Mission</u>
			<u>Team Funds</u>	<u>Funds</u>	<u>Funds</u>
ASSETS:					
Cash	\$ 1,580,877	\$ 898,142	\$ 38,094	\$ 524,932	\$ 119,709
Certificates of Deposit	-	-	-	-	-
Custodial Trust Money Market	5,179,122	5,179,122	-	-	-
Oklahoma United Methodist					
Foundation Investment Accts	13,922,627	3,016,216	10,170,793	412,024	323,594
Total Cash & Equivalents	<u>20,682,626</u>	<u>9,093,480</u>	<u>10,208,887</u>	<u>936,956</u>	<u>443,303</u>
Accounts Receivable -					
Church Remittances	1,873,139	1,873,139	-	-	-
Accounts Receivable - Other	310,120	148,352	10,000	72,319	79,449
Due from custodial funds	633	633	-	-	-
Interest Receivable	-	-	-	-	-
Total Receivables	<u>2,183,892</u>	<u>2,022,124</u>	<u>10,000</u>	<u>72,319</u>	<u>79,449</u>
Certificates of deposit-long-term	99,000	99,000			
Inventory	43,404	-	-	43,404	-
Board of Pensions & Health	-				
Benefits Investments	93,376	93,376	-	-	-
Oklahoma United Methodist					
Foundation Accounts					
Loaned Funds	1,599,427	1,119,541	479,886	-	-
Prepaid expenses	26,748	4,500	-	3,543	18,705
Episcopal Residence	<u>126,250</u>	<u>126,250</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$24,854,723</u>	<u>\$ 12,558,271</u>	<u>\$ 10,698,773</u>	<u>\$ 1,056,222</u>	<u>\$ 541,457</u>
LIABILITIES:					
Accounts Payable	1,338,535	1,330,299	-	8,236	-
Self-insured health claims payable	471,581	471,581	-	-	-
Deposits	64,376	13,057	-	49,797	1,522
Notes Payable	1,134,659	821,033	-	313,625	-
Total Liabilities	<u>3,009,150</u>	<u>2,635,970</u>	<u>-</u>	<u>317,658</u>	<u>1,522</u>
NET ASSETS:					
Unrestricted Funds	933,954	933,954	-	-	-
Temporarily Restricted Funds	18,659,660	7,361,741	10,497,519	565,248	235,152
Permanently Restricted Funds	2,251,959	1,626,606	201,254	119,316	304,783
Total Net Assets	<u>21,845,573</u>	<u>9,922,301</u>	<u>10,698,773</u>	<u>684,564</u>	<u>539,935</u>
Total Liabilities and Net Assets	<u>\$24,854,723</u>	<u>\$ 12,558,271</u>	<u>\$ 10,698,773</u>	<u>\$ 1,056,222</u>	<u>\$ 541,457</u>

**OKLAHOMA CONFERENCE OF THE UNITED METHODIST CHURCH
SUPPORT and REVENUE and CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2003
TREASURER'S REPORT, Jo Ann McNaught, Treasurer**

Fund	Support & Revenue			Transfers	Expenditures	Net Change in		
	Other Church		From Other			Fund Balance	Fund Balance	
	Receipts	Receipts	Sources			12/31/02	12/31/03	
Annual Conference Council	551,848	-	124,427	15,300	(677,890)	13,685	71,269	84,954
Native American Awareness Conference Fund	-	3,603	-	-	(200)	3,403	7,978	11,381
Prison Ministry- CJAMM	246,593	-	285,957	12,360	(547,881)	(2,971)	13,197	10,226
Prison Ministry - Investment in Credit Union	-	-	5,733	-	-	5,733	37,523	43,256
Bishop's Criminal Justice Mercy Min. Endow. Fun	-	-	2,503	-	-	2,503	29,214	31,717
Chemical Dependency Programs	66,181	-	7,516	50	(71,951)	1,796	67,557	69,353
Hispanic Ministries	100,636	-	43,003	-	(150,656)	(7,017)	15,229	8,212
Discipleship Ministry Team	107,695	158	284,867	(29,876)	(370,864)	(8,020)	84,609	76,589
Campus Ministry Fund (Wesley Foundation)	603,794	-	-	-	(593,799)	9,995	82,124	92,119
Bishop's Campus Ministries Fund	-	-	2,550	-	-	2,550	24,328	26,878
Campus Ministries Catch the Vision Fund	-	-	15,163	-	-	15,163	120,341	135,504
Leadership Development Ministry Team	35,576	-	16,055	(15,203)	(36,428)	-	-	-
Higher Education-Prince Endowment Fund	-	-	2,589	-	-	2,589	10,396	12,985
Board of Ordained Ministry	32,946	-	-	-	(35,591)	(2,645)	12,230	9,585
Ministerial Education Conference Fund	129,365	-	36,175	-	(162,699)	2,841	(2,866)	(25)
Ministerial Recruitment	34,357	-	-	-	(20,549)	13,808	27,117	40,925
Congregational Development Fund	211,675	-	64,725	-	(336,902)	(60,502)	87,541	27,039
Congregational Dev. - Investment in Foundation	-	-	25,376	21,677	-	47,053	246,518	293,571
Congregational Dev. - Schuneman Trust	-	-	20,441	-	-	20,441	200,655	221,096
Congregational Dev. - Clinton Dist.	-	-	57,485	-	-	57,485	-	57,485
Congregational Dev. - Schoneweis Fund	-	-	1,705	-	-	1,705	16,349	18,054
Catch the Vision Loan Fund	-	-	55,080	(21,677)	(49,302)	(15,899)	985,496	969,597
Oklahoma Ministry to Racial Ethnic Churches	124,537	-	-	-	(148,903)	(24,366)	86,483	62,117
Department of Communications (CONTACT)	220,413	-	42,383	24,331	(281,687)	5,440	94,012	99,452
Conference Ministry Center	-	156,955	-	-	(63,536)	93,410	(744,538)	(651,119)
Administrative Services	145,168	-	9,799	13,572	(238,838)	(70,299)	231,185	160,886
Treasurer/Director's Office	355,166	-	91,080	150,454	(512,796)	83,904	246,706	330,610
Area Fund	13,718	-	-	1,282	(15,000)	-	-	-
Area Expense Fund/Ministry Development	11,432	-	-	(2,849)	(8,583)	-	-	-
Annual Audit	15,547	-	-	2,968	(18,515)	-	-	-

Fund	Support & Revenue			Net Change in		Fund Balance	
	Appropriated Receipts	Other Church Receipts	From Other Sources	Transfers	Expenditures	12/31/02	12/31/03
Computer Maintenance & Programs	18,290	-	24,343	-	(39,393)	155,772	159,012
Statistician	4,115	-	-	(1,839)	(2,276)	-	-
Council on Finance and Administration	2,378	-	-	(615)	(1,763)	-	-
Committee on Episcopacy	915	-	-	327	(1,242)	-	-
Annual Conference Session	31,733	-	7,417	19,675	(58,825)	-	-
Conference Secretary Expense	24,692	-	335	7,738	(32,765)	-	-
General Conference Delegation	1,829	-	-	171	(939)	1,061	10,080
Agency Emergency/Capital Fund	82,305	-	-	-	(68,827)	13,478	152,957
Conference Board of Trustees	-	-	101,204	-	(94,832)	6,372	71,499
Board of Trustees - Investment in Foundation	-	-	1,361	-	(131)	1,230	11,060
Board of Trustees - Weber Brown Fund	-	-	1,056	-	-	1,056	9,280
C Kelly Fund	-	-	1,890	-	(2,797)	(907)	1,008
Grimes - Rose Hill Fund	-	-	-	-	-	1,571	1,571
Berlin United Methodist Church Fund	-	-	424	-	-	424	527
Executive Housing	14,632	-	57,235	(44,532)	-	27,335	458,566
United Methodist Insurance Program Fund	-	-	3,991,882	-	(3,423,313)	568,569	1,360,321
Ministry Mobilization Team	-	-	-	120	(120)	-	-
Contingency	5,853	-	53,905	(42,012)	(2,693)	15,053	879,464
Conference Contingency-Investment Foundation	-	-	3,381	-	-	3,381	39,437
Perkins Scholarship Endowment	-	-	189	143	-	332	1,514
Seminary Scholarship Endowment	-	-	299	287	-	586	3,014
Board of Pensions - Distributable Fund	596,069	-	65,276	(46,265)	(548,121)	66,959	(2,182)
District Superintendent Fund	1,226,617	-	-	-	(1,217,111)	9,506	41,873
Episcopal Housing Fund	2,067	-	32,020	-	(30,905)	3,182	(1,466)
Episcopal Housing Reserve	-	-	3,000	-	-	3,000	8,500
Episcopal Housing CTV	-	-	27,290	-	(10,220)	17,070	333,186
Equitable Compensation Fund	74,854	-	318	-	(129,240)	459,467	405,399
Covenant Family Disaster	-	-	-	-	-	-	-
Group Insurance Fund	2,818,545	-	3,729,501	(55,685)	(6,460,107)	32,254	1,259,662
Group Insurance Reserve Fund	-	-	-	-	-	1,000,000	1,000,000
Ministers Moving Fund	125,518	-	-	-	(128,100)	263,387	260,805
Pension Fund - Summers Endowment Fund	-	-	1,119	-	(183)	936	9,560
Pension Fund - CTV Endowment Fund	-	-	10,183	-	(3,240)	6,943	85,309
Pension Fund - Perkinson Fund	-	-	963	-	(306)	657	14,911
Pension Fund - Waymire Fund	-	-	768	-	(224)	544	5,878
Pension Fund - OUMF Funds	-	-	26,224	-	-	26,224	332,285

**OKLAHOMA CONFERENCE OF THE UNITED METHODIST CHURCH
SUPPORT and REVENUE and CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2003
TREASURER'S REPORT, Jo Ann McNaught, Treasurer**

	Support & Revenue		Transfers	Expenditures	Net Change in Fund Balance	Fund Balance 12/31/02	12/31/03
	Apportioned Receipts	Other Church Receipts					
Total Conference Funds	8,037,059	160,716	9,902	(16,600,243)	943,629	8,978,678	9,922,307
Total Mission and Service Ministry Team	119,784	43,871	1,114	(681,183)	830,593	9,868,180	10,698,773
Total Camps and Conferences	192,157	882	2,890	(1,933,138)	220,500	464,064	684,564
Total Volunteers in Mission	150,475	-	4,748	(1,493,352)	190,411	349,524	539,935

CUSTODIAL FUNDS

Fund	Support & Revenue		Transfers	Expenditures	Net Change in Fund Balance	Fund Balance 12/31/02	12/31/03
	Apportioned Receipts	Other Church Receipts					
Episcopal Fund	316,162	-	-	(314,758)	1,404	(1,404)	-
World Service Fund	1,318,843	-	-	(1,318,051)	792	(752)	40
Ministerial Education Fund	388,094	-	-	(387,901)	193	(193)	-
Black College fund	215,805	-	-	(215,689)	116	(116)	-
Africa University Fund	49,154	-	-	(49,373)	(219)	(26)	(245)
Oklahoma City University	896,704	-	-	(896,704)	-	-	-

Oklahoma Conference of Churches	39,965	-	-	(40,163)	(198)	-	(198)
Interdenominational Cooperation Fund	41,047	-	-	(40,978)	69	(69)	-
General Administration Fund	127,080	-	-	(127,708)	(628)	(12)	(640)
Jurisdictional Administration Fund	45,714	-	3,057	(48,771)	-	-	-
Oklahoma Indian Missionary Conference	113,136	-	-	(113,697)	(561)	-	(561)
Rio Grande Conference	9,251	-	-	(9,296)	(45)	-	(45)
Skyline Urban Ministries	67,683	-	-	(67,683)	-	-	-
Restore Hope Ministries	60,108	-	-	(60,108)	-	-	-
Neighborhood Services Organization	18,946	-	-	(19,037)	(91)	-	(91)
Circle of Care	696,923	94,796	-	(790,674)	1,045	66	1,111
Child Share (COC)	-	4,253	-	(4,253)	-	-	-
Boys Ranch (COC)	-	22,875	-	(22,675)	200	-	200
Frances E. Willard Home (COC)	-	17,784	-	(17,784)	-	-	-
Methodist Home, Talequah (COC)	-	18,864	-	(18,864)	-	-	-
United Methodist Manor - Tulsa	56,888	-	-	(57,059)	(171)	-	(171)
Nursing Homes - Clinton, Enid	28,993	-	-	(29,079)	(86)	-	(86)
Cookson Hills	43,051	-	-	(43,141)	(90)	-	(90)
Mount Sequoyah Assembly	5,853	-	-	(5,963)	(110)	-	(110)
Lydia Patterson Institute	69,867	-	-	(69,692)	175	-	175
Southern Methodist Univ. Campus Ministries Fund	8,742	-	-	(8,823)	(81)	-	(81)
McCurdy School - New Mexico	-	556	-	(556)	-	-	-
General Advance Specials	-	220,364	-	(220,364)	-	-	-
U.M.C.O.R.	-	77,132	-	(77,132)	-	-	-
Miscellaneous Conference Advance Specials	-	87,746	(17,108)	(70,638)	-	-	-
Miscellaneous Benevolences	-	19,695	(4,603)	(15,032)	60	-	60
Native American Awareness Day	-	3,603	-	(3,587)	16	-	16
Youth Service Fund - General Church	-	68	252	(1,616)	(1,296)	1,296	-
One Great Hour of Sharing	-	48,892	-	(48,881)	11	-	11
World Communion Sunday	-	11,763	-	(11,741)	22	-	22
United Methodist Student Day	-	7,009	-	(6,959)	50	-	50
Human Relations Day	-	5,487	-	(5,487)	-	-	-
Peace with Justice Sunday	-	4,264	-	(4,264)	-	-	-
Total Custodial Funds	4,618,009	645,151	252	(5,244,181)	577	(1,210)	(633)
Grand Total (All Funds)	13,117,484	850,620	14,169,703	(25,952,097)	2,185,710	19,659,236	21,844,946

BOARD OF PENSION & HEALTH BENEFITS

Report No. 1

PART A: Requiring action by the Annual Conference

The Board of Pension & Health Benefits recommends the following:

1. Participation in the Ministerial Pension Plan & the Comprehensive Protection Plan Be It Resolved:

- A. That in 2005 the Oklahoma Annual Conference continue to participate in the Ministerial Pension Plan (MPP) funding at 12% of the pastor's total base compensation plus the housing factor of 25% or the actual housing allowance up to the Denominational Average Compensation; and
- B. That in 2005 the Oklahoma Annual Conference continue to participate in the Comprehensive Protection Plan (CPP) at 4.4% of the pastor's total base compensation plus the housing factor of 25% or the actual housing allowance up to two times the Denominational Average Compensation; and
- C. That in 2005 the billings for the MPP/CPP/Personal Investment Plan (PIP) programs continue to be handled directly by the General Board of Pension & Health Benefits in Evanston, Illinois.

2. Past Service Annuity Rate and Funding:

Past Service is that service rendered prior to January 1, 1982 by Ordained Clergy members and Full-Time Local Pastors, which has been approved for pension credit. Funding for past service pension credit is provided by income from pension endowment funds, the Pension Fund Crusade reserves, and the Pension Apportionment.

Be It Resolved That:

- A. The 2005 Past Service Annuity Rate (PSR) for pre-1982 approved service rendered by Ordained Ministers and full-time Local Pastors be set at \$475.00.
- B. The rate for Surviving Spouses be set at 75% of the PSR.
- C. Our unfunded liability for pre-1982 years of service be amortized over a 17-year period with a projected payout in 2021. This amortization schedule will reduce our current Annual Past Service Deposit and slow the drawdown of our Pension Fund Crusade reserves. This approach will continue to make it possible to pay our unfunded liability on time, continue to gradually decrease the pension apportionment, and continue to give Past Service annuity increases.

3. Local Church Obligation to Make Pension Plan Contributions for Their Pastor(s).

Whereas, the Oklahoma Conference voted in 1981 to participate in the Ministerial Pension Plan and the Comprehensive Protection Plan of The United Methodist Church, and,

Whereas, the MPP Plan Document in section 4.01 a. states that "The Salary-Paying Unit shall contribute, for each Plan Year, 12% of each Participant's Contribution Base", and the CPP Plan Document in section 4.01 a. states that "The annual Church contribution on behalf of an Active Participant shall be equal to 4.4% of such Active Participant's contribution base", and,

Whereas, section 4.01 d. (MPP Plan Document) states that "Upon the enrollment of each Participant pursuant to Article III, it shall be the responsibility of the Salary-Paying Unit to make contributions from the effective date of participation as determined in accordance with Section 3.03.", and,

Whereas, section 4.01 j (MPP Plan Document) and section 4.02 (CPP Plan Document) states “The obligation to make the Church contribution on behalf of a Participant shall fall upon, and be restricted to, the applicable Salary-Paying Unit to which the Participant is appointed...”, and,

Whereas, “Pension benefits” have been legally determined to be “deferred compensation.”

It Is Hereby Resolved that the _____ United Methodist Church does hereby accept the full ethical, moral and legal responsibility for the payment in full of pension obligations (both MPP and CPP, if enrolled) for the pastor assigned to said church, and,

It Is Further Resolved that the _____ United Methodist Church will pay the pension obligation in a timely manner, and,

It Is Further Resolved that the _____ United Methodist Church understands that failure to pay the pension obligation in full will be reported to the Bishop and Cabinet by the Treasurer’s Office on a regular basis.

Administrative Board/Council Chair

Finance Committee Chair

Treasurer

Staff Parish Relations Chair

Board of Trustees Chair

Pastor

District Superintendent

Date of Charge Conference at which this document was executed

(This resolution shall be a part of the stated business of every Charge Conference and is to be read and executed in the presence of the other members of the Charge Conference)

4. Rental/Housing Allowance For Retired or Disabled Ministers of The Oklahoma Conference:

Whereas, the religious denomination known as The United Methodist Church (the “Church”), of which this Conference is a part, has in the past functioned and continues to function through ministers of the gospel (within the meaning of Internal Revenue Code section 107) who are duly ordained, commissioned, or licensed ministers of the Church (“Clergypersons”); and

Whereas, the practice of the Church and of this Conference was and is to provide active Clergypersons with a parsonage or a rental/housing allowance as part of the gross compensation; and

Whereas, pensions or other amounts paid to retired and disabled Clergypersons are considered to be deferred compensation and are paid to retired and disabled Clergypersons in consideration of previous active service; and

Whereas, the Internal Revenue Service has recognized the Oklahoma Annual Conference as the appropriate organization to designate a rental/housing allowance for retired and disabled Clergypersons who are members of this Conference;

Now Therefore Be It Resolved:

1. An amount equal to 100% of the pension or disability payments received during the year of 2005 by each retired or disabled Clergyperson who is or was a member of the Oklahoma Conference at the time of his or her retirement or last service be and is hereby designated as a rental/housing allowance for each such Clergyperson;

2. This rental/housing allowance shall apply to each Clergy person who in 2005 receives retirement plan or disability plan benefits described below; and
3. The pension payment to which this rental/housing allowance applies shall be any pension or disability payments, whether paid by a plan sponsored by this Conference or the Church, by a commercial annuity company, or otherwise, that results from any service a Clergy person rendered to this Conference or that a retired or disabled Clergy person of this Conference rendered to any local church, Annual Conference of the Church, general agency of the Church, other institution of the Church, former denomination that is now a part of the Church, or any other employer that employed the Clergy person to perform services related to the ministry of the Church and that elected to make contributions to, or accrue a benefit under, a plan, annuity, or fund for such retired or disabled Clergy person's pension or disability as part of his or her gross compensation.

NOTE: The amount of rental/housing allowance that may be excluded from a Clergy person's gross income in any year for federal income tax purposes is limited to the least of: (1) the amount of the rental/housing allowance designated by the Clergy person's employer or other appropriate body of the Church (such as this Conference in the foregoing resolutions) for such year; (2) the amount actually expended by the Clergy person to rent or provide a home in such year; or (3) the fair rental value of the home, including furnishings and appurtenances (such as a garage), plus the cost of utilities in such year.

5. **Payment of Group Insurance Premiums by Retired Ministers & Surviving Spouses:**
Be It Resolved: That all Retired Ministers and Surviving Spouses who are participating in the Conference Group Insurance Plan shall have their insurance premiums withheld from their pension checks each month by the General Board of Pension and Health Benefits and payment be made to the Oklahoma Conference Insurance Fund on their behalf.
6. **Persons Applying For Disability Benefits:**
Be It Resolved: That persons applying for disability benefits will have up to ninety (90) days after cabinet notification to the Conference Benefits Officer to provide required documentation of stated incapacity leave to the General Board of Pension and Health Benefits. During the time that the General Board of Pension and Health Benefits is acting on the request for disability benefits, but not to exceed a period of ninety (90) days, the Oklahoma Conference Board of Pensions and Health Benefits will provide disability benefits. A special appeal for extended disability benefits may be made to the Oklahoma Conference Board of Pension and Health Benefits by the applicant if the ninety-day deadline cannot be met.
7. **Disciplinary Question 90:** The Board of Pensions and Health Benefits recommends:
 - A. A grant of seventeen (17) years times the annuity rate for surviving spouses for **Geraldine Egan**, the surviving spouse of **James Albert Egan**, for the years of pension credit which he earned between 6/04/50 and 5/25/67.
 - B. A grant of twenty (20) years times the annuity rate for surviving spouses for **Joy Viers**, the surviving spouse of **Robert C. Viers, Jr.**, for the years of pension credit which he earned between 6/08/47 through 5/25/67, less 10% of the annuity to go toward the indebtedness of the Special Assessment for Conference Claimants.

- C. Add 1.5 years for **Kenneth Reinhold Banker** for years of service without pension credit which he earned between 6/01/80 through 12/31/81.
- D. Add 1 year for **Bobby G. Boyd** for years of service with pension credit which he earned between 6/01/65 through 5/26/66
- E. Add approximately 1.5 years for **Terry Wayne Fox** for post 1982 years of service which he earned between 10/01/83 through 5/31/85.

PART B: Status Of Pension Accounts & Unfunded Past Service Liability

We are pleased to report that the **Pension Fund Crusade Account** had a balance of \$19,983,274.41 as of January 1, 2004. This represents a decrease in the Pension Fund Crusade Account of \$1,159,885.95 from one year ago. The total minimum cash flow requirement at the end of 2003 was \$2,130,291.00, which was paid from the principal and interest from the Pension Fund Crusade Account, interest from endowment funds, and receipts from the Pension Fund Apportionment.

As of January 1, 2004 reserves in the Pension Fund Crusade Account at the General Board of Pensions exceeded our Unfunded Past Service Liability by \$4,731,131.00. Our Pension Fund Crusade Account reserves are needed to help fund future Past Service Annuity increases. The funding plan for the Unfunded Past Service Liability and the General Board of Pensions' opinion is available upon request from the Conference Treasurer's office.

A history of the Oklahoma Conference Unfunded Past Service Liability:

Year	Conference Avg. Comp.	Annuity Rate	Cash Flow Requirement	Unfunded Past Service Liability	Pension Fund Crusade Acct.	Net Unfunded Liability
1982	17,026	145	938,249	16,099,513		
1983	18,819	156	1,006,910	14,926,050	1,351,680	13,574,370
1984	19,814	169	1,132,567	16,544,341	4,832,831	11,711,510
1985	21,383	200	1,281,826	18,326,505	6,901,155	11,425,350
1986	22,818	210	1,376,787	19,451,395	8,587,930	10,863,465
1987	24,703	230	1,499,680	20,891,172	9,463,638	11,427,534
1988	26,957	243	1,615,196	22,234,433	10,545,800	11,688,633
1989	26,494	243	1,413,062	19,076,913	11,152,154	7,924,759
1990	27,147	255	1,511,159	20,157,855	12,264,942	7,892,913
1991	27,787	268	1,598,828	20,004,728	13,392,051	6,612,677
1992	29,938	288	1,766,655	21,766,324	14,366,701	7,399,623
1993	31,887	319	1,987,348	23,392,705	14,616,162	8,776,543
1994	33,343	333	2,087,497	24,213,915	15,177,778	9,036,137
1995	35,070	351	2,492,268	24,096,702	15,119,342	8,977,360
1996	37,966	365	2,811,095	24,405,919	16,236,829	8,169,090
1997	38,292	370	2,535,934	22,663,257	16,646,151	6,017,106
1998	38,629	374	2,729,961	21,659,718	18,507,580	3,152,138
1999	39,316	380	3,033,417	20,087,740	19,734,940	352,800
2000	40,789	394	2,970,669	17,411,335	20,189,072	(2,777,737)
2001	42,312	409	1,520,567	18,329,821	21,361,304	(3,031,483)
2002	43,222	422	1,797,940	20,588,000	21,657,893	(1,069,893)
2003	45,059	439	2,130,291	20,458,463	21,143,160	(684,697)
2004	51,163	460.50	1,397,348	15,252,143	19,983,274	(4,731,131)

Bob Bunce, Chairperson
Randy Mitchell, Secretary

HEALTHCARE BENEFIT PLAN

Report No. 2

FOR INFORMATION: As we anticipated the financial needs of the Oklahoma Conference Healthcare Benefit Plan for 2005, the Health Insurance Committee of the Conference Board of Pensions observed that the number of participants under the age of 65 declined approximately 8% between February 2003 and February 2004. We believe it is in the interest of the health of the Plan and of the parsonage families to keep as many included under coverage as possible.

For this reason, and because the gap between the projected premium receipts and the projected apportionment receipts has gradually widened over the past five years, the Board has delayed projecting premiums. The Board made this decision in the hope that we will be able to keep the premium increase lower than it has been for the past two years after we see and evaluate the results of the first six months' claims.

When the Board of Pensions meets August 10th a schedule of premiums will be established. Immediately following that decision the schedule will be made available on the Conference web site (okumc.org), printed in "Contact" and mailed to all participants.

The Health Insurance apportionment coming before this session of the Annual Conference is a large increase. However much of it is offset by a reduction of \$300,000 in the apportionment for pre-1982 Pensions. The remaining increase represents an increase of 10.25%.

The financial reports suggest that the changes to the Plan in 2003 and 2004, along with the premium changes for those years, are bringing the program to a balanced budget once again.

THE 2004 PLAN: The Oklahoma Conference Healthcare Benefit Plan includes:

- A. A self-funded medical plan for active clergy and lay employees, eligible retirees and surviving spouses under 65 years of age, administered by The Kempton Group, a licensed Third Party Administrator.
- B. A Medicare Supplement Plan, Pacificare SecureHorizons, for eligible retired clergy, surviving spouses, those who qualify for disability and are on Medicare & retired lay employees age 65 and older. All must be enrolled in Medicare Parts A & B.
- C. Drugs or medicines prescribed by a physician or practitioner may be filled at any pharmacy in the PPOK Retail Pharmacy network.
- D. Group term life insurance with Aetna Life Insurance Co. for active and retired clergy who are participants in the Conference Healthcare Benefit Plan.
- E. Funding for the Plan in the year 2004 is to come from participant premiums, operating funds, and an apportionment to the churches based upon the prevailing Conference decimal.
- F. The Conference Board of Pension and Healthcare Benefits is authorized to make substantive changes in the Healthcare Benefit Plan between Annual

Conference sessions when such changes are necessary to properly manage the Plan as printed on page 239 in the 2000 Annual Conference Journal.

- G. All clergy members (Full, Probationary, and Associate) of the Oklahoma Annual Conference and Full Time Local Pastors who are appointed full time and who are participating in the Ministerial Pension Plan shall participate in the Ministers' Healthcare Benefits Plan, subject to the provisions of the plan, and all churches which have pastors under appointment shall pay the assessment for the Healthcare Benefits fund as a Ministerial Support item.

SELF-FUNDED MEDICAL PLAN FOR ACTIVE CLERGY AND LAY EMPLOYEES:

1. Eligibility and Enrollment: Enrollment in the Oklahoma Conference Healthcare Benefit Plan is executed through the Conference Treasurer's Office. Clergy must enroll within 31 days of becoming eligible (Standing Rules, IV. Financial, D.). All other eligible employees and their dependents have 31 days, after they become eligible, to enroll. If you or your dependents are not enrolled within 31 days of the date you become eligible, you will not be able to enroll until January 1 of the next plan year.

- A. Those who are eligible for enrollment in the Group Healthcare Plan are as follows:
1. **Ministers** who are members of the Oklahoma Annual Conference (elders, associate, and probationary), full-time local pastors under appointment and enrolled in the Ministerial Pension Plan, ordained ministers appointed under the provisions of Par. 337.1 or 337.2 of the 2000 Book of Discipline and their eligible dependents. Also, Deacons (full and probationary) employed and enrolled in either the Cumulative Pension and Benefit Program or the Ministerial Pension Plan and their eligible dependents. Also, a member appointed to attend school or one who receives his/her first appointment with pension benefit after having a special appointment without pension benefit and their eligible dependents.
 2. **Diaconal ministers** under appointment serving at least thirty hours a week in local churches, institutions, or agencies of this Annual Conference qualify for enrollment as lay employees.
 3. **Clergy couples** qualified for enrollment as ministers must decide which one will enroll as the primary participant carrying medical insurance for all dependents, including the spouse. If both are licensed local pastors or ordained and serving full-time under appointment in the Oklahoma Conference both shall be enrolled in the Life Insurance portion with \$50,000 death benefits; however, the spouse who is covered as the dependent will not be eligible to collect the dependent life insurance amount in addition to the clergy benefit amount. The premium rate for a clergy couple is based on the total compensation of the higher paid minister.
 4. **Ministers** appointed as "**Less Than Full-Time**" and **all student or part-time local pastors** who are enrolled in the Ministerial Pension Plan and certified by their District Superintendent as living on the charge and working a minimum of thirty (30) hours per week on their pastoral duties may enroll, provided they are licensed, ordained or serving under the provisions of Par. 337.1 or 337.2 of the 2000 Book of Discipline.
 5. **Full time lay employees** of a local church, institution, or agency of this Annual Conference certified by their executive officer to the Conference Treasurer's Office as working thirty (30) hours a week and as making at least the minimum wage per hour may enroll in the Medical Plan.

6. **Retired Ministerial Members** of this Annual conference, age 62 or older or with at least 35 years of service, and their eligible dependents, who have been enrolled in the Minister's HealthCare Benefit Plan for five (5) years immediately prior to retirement may continue as participants in the Plan. Clergy who have retired with 20 years of service, and their eligible dependents, which have been participants in the group for five (5) years immediately prior to retirement may continue in the Plan for up to 18 months at the lay rate.
 7. **Retired Lay Employees** of a local church, or an institution or agency of this Annual Conference which sponsor this Plan for lay employees. In order for a retired lay employee, and their eligible dependents, to be eligible to participate they must be at least age sixty (60) with ten (10) or more continuous years of service and five (5) or more years of continuous participation in the Conference Healthcare Benefit Plan immediately prior to retirement.
 8. **Surviving Spouses** who were participants in the Oklahoma United Methodist Healthcare Benefits Plan at the time of the death of their spouse are eligible for continuous coverage in the Plan. A surviving spouse may maintain coverage in this Plan, unless they obtain medical coverage from another provider.
 9. **Divorced spouses** are eligible for continuous coverage in the Group Plan at the Surviving Spouse rates until (a) they obtain medical coverage from another provider, or (b) they remarry, or (c) two years have elapsed following the date of the divorce whichever occurs first. If the divorced spouse is totally and permanently disabled at the time of the divorce, coverage will be continued indefinitely beyond the two year period provided such spouse remains totally disabled, does not remarry, or obtain group coverage elsewhere.
- B. You must enroll within the first thirty-one (31) days after becoming eligible. Claims related to pre-existing conditions are limited to \$5,000 for the first year of participation unless you have credible coverage.
 - C. After the initial thirty-one (31) days, those eligible for enrollment may apply for coverage but will be required to wait until January 1 of the next plan year before coverage can begin. Special Enrollment Provisions may allow for enrollment exceptions.
 - D. If an eligible participant has coverage under another plan then loses that coverage, they may then enroll, under the Special Enrollment Provisions only, in the Conference Group Plan. Otherwise, they must wait until January 1 of the next plan year to enroll.
 - E. When a participant terminates employment with the Conference or a qualifying agency, or otherwise becomes ineligible for coverage under this Plan, he/she may continue in the Plan for up to 18 months at the lay rate.
 - F. When a minister is on Incapacity Leave, his/her insurance coverage will continue uninterrupted, provided such minister has been a participant in the plan prior to going on Incapacity Leave.
 - G. When a minister takes a Leave of Absence or is placed on Leave of Absence, he/she may continue in the Plan for up to 18 months at the lay rate.
 - H. When a minister is granted a sabbatical leave or is appointed to attend school his/her insurance coverage may continue at the clergy rate provided premiums are paid.
 - I. Children/dependents are eligible to be enrolled at the same time the clergy or lay employee enrolls. Children may also be enrolled at birth or at the point of adoption; however, unless they are enrolled within thirty-one (31) days after birth/adoption they are not covered and cannot be added until January 1 of the next plan year.

The following children may be covered as dependents: (1) an unmarried child under age 19 who is chiefly dependent upon the employee for support, (2) an unmarried child age nineteen (19) or older but under age 25 may continue to be covered if such child is a high school student or a full-time student at an accredited university, college or trade school, and chiefly dependent upon the employee for support, or (3) an unmarried child age nineteen (19) or older who is incapable of self-sustaining employment and dependent upon the employee for support due to a mental or physical illness or handicap. A natural child who does not reside with the employee may be covered under this plan if the employee can demonstrate a legal obligation to provide medical coverage to such child/children. In the case of an adopted child, coverage will take effect on the date the adoption is final or the date the child is placed in the employee's home, whichever first occurs. The term "dependent" does not include an employee, a member of any armed forces (except if an active duty member for thirty (30) days or less per year), or any person who has permanent residence outside of the USA.

- J. It is the responsibility of the participant to notify the Treasurer's Office of any change in the eligibility and/or enrollment of any member of his/her family. This includes dependents that are no longer eligible for coverage and the enrollment of newborn babies within thirty-one (31) days following the date of birth.

2. Effective Date And Conditions of Coverage:

Your coverage will take effect on the later of:

- A. Your eligibility date, or on the
- B. First day of the month following the return of your signed enrollment form to the Benefits Office.

3. Comprehensive Medical Benefits:

Covered medical expenses means the usual, customary and reasonable (UCR) expenses incurred by or on behalf of a covered person for the hospital or other medical services which meet the following criteria:

- A. Ordered by a physician
- B. Medically necessary for the treatment of the illness or injury
- C. Not of a luxury or personal nature, and
- D. Not excluded under Exclusions and Limitations sections of the Plan

4. Preferred Provider Organizations: (PPO):

This Plan provides benefits for active participants through one of three Preferred Provider Organizations. The three PPO Networks offered are: PPO Oklahoma, Preferred Community Choice (PCC), and, for out of state participants, Healthsmart Preferred Care, Inc. Participants may change PPO Networks (1) when they move to another city or state or (2) at the beginning of a new contract year.

ACTIVE OR UNDER 65 SCHEDULE OF BENEFITS 2004

		PPO	NON-PPO
Doctor's Office Visits (Includes lab & x-ray)	(Not subject to Deductible for PPO or NON-PPO)	100% after \$20 co-pay up to \$200 then paid at 80%	100% after \$20 co-pay up to \$200 then paid at 60%
Physical Exam (One per person per calendar year)	(Not subject to Deductible for PPO or NON-PPO)	100% after \$20 co-pay up to \$500 then paid at 80%	100% after \$20 co-pay up to \$500 then paid at 60%
Routine Mammogram (One per calendar year)	(Not subject to Deductible for PPO or NON-PPO)	100% up to \$125 then paid at 80%	100% up to \$125 then paid at 60%
Mental & Nervous Counseling (Outpatient)	(Not subject to Deductible for PPO or NON-PPO)	100% after \$20 co-pay up to \$100 then paid at 80%	100% after \$20 co-pay up to \$100 then paid at 60%
Physical Therapy (only when prescribed by an M.D. or D.O.)	(Not subject to Deductible for PPO or NON-PPO)	100% after \$20 co-pay up to \$100 then paid at 80%	100% after \$20 co-pay up to \$100 then paid at 60%
Chiropractic Care or Physical Therapy (Not prescribed)	(Subject to deductible) \$1000 max. per year	80%	60%
Substance Abuse Treatment	(Subject to deductible)	80%	60%

(The maximum amount payable is \$5000 per calendar year following successful completion of program)

Deductible (per calendar year)		PPO	NON-PPO
Individual Deductible		\$1,000	\$2,000
Two Party		\$2,000	\$4,000
Maximum per Family		\$3,000	\$6,000
Out of Pocket Maximum (per calendar year, not including the deductible)			
Individual Maximum		\$2,400	\$4,800
Two Party		\$4,800	\$9,600
Maximum per Family		\$7,200	\$14,400
Services			
Hospital Expenses		Subject to Deductible	
Semi-Private Room		80%	60%
Emergency Room		80%	60%
(Reduced to 50% for non-emergency use of the emergency room)			
Physician's charges		80%	60%
(Reasonable and customary charges)			
Pre-admission testing		100%	100%
(The deductible does not apply)			

MEDICARE SUPPLEMENT PLAN 2004:

1. Eligibility:

- A. Eligible Retirees age (65 and older) who are enrolled in Medicare Parts A and B.
- B. Widows and widowers of an active or retired employee age (65 or older) who are enrolled in Medicare Part A and B.

The following are eligible for coverage under the Oklahoma Conference Medicare Supplement Plan:

1. **Retired Ministerial members** of this Annual Conference, age 65 or older and their dependents, who meet the eligibility requirements stated in the Healthcare Benefit Plan Booklet may continue their medical coverage after retirement provided they are enrolled in Medicare Part A and B.
2. **Surviving spouses** of ministers, age 65 or older, currently enrolled in the Ministers' Healthcare Benefit Plan may continue their coverage provided they are enrolled in Medicare Part A and B and enroll in the Conference Medicare Supplement Plan within thirty-one (31) days after the death of their spouse.
3. **Retired lay employees** of a local church, or an institution or agency of this Annual Conference which sponsor this Plan for lay employees. In order for a retired lay employee, and their eligible dependents, to be eligible to participate they must be at least age sixty-five (65) with ten (10) or more continuous years of service and five (5) or more years of continuous participation in the Conference Healthcare Benefit Plan immediately prior to retirement.
4. **Those on disability** under 65 and on Medicare Parts A & B.

2. Covered Services	Medicare Pays	Supplement Pays	You Pay
Medicare Part A - Hospitalization			
First 60 days	All but \$876	\$876 (Part A deductible)	0
Days 61st thru 90th	All but \$219	\$219 per day	0
91st day and after; while using 60 lifetime reserve days	All but \$438 per day	\$438 per day	0
Medicare Part B - monthly premium - \$66.60		(Not included in the supplement premium)	
Medicare Services cover only Medicare eligible: physician services, inpatient & outpatient medical & surgical services & supplies, physical & speech therapy, diagnostic tests & durable medical equipment.			
First \$100 of Medicare approved amounts	0	\$100 (Part B deductible)	0
Remainder of Medicare approved amounts	Generally 80%	Generally 20%	0
Excess Charges (above Medicare approved amounts)	0	0	All costs
Skilled Nursing Facility Care:			
You must meet Medicare's requirements, including having been in a hospital for at least 3 days and entered a Medicare-approved facility within 30 days after leaving the hospital.			
Days 1-20	All approved amounts	0	0
Days 21-100	All but \$109.50 per day	Up to \$109.50 per day	0
Days 101 and after	0	0	All Costs
Foreign Travel:			
Medically necessary Emergency Care services only during the first 60 days of each trip outside the United States.			
First \$250.00 each calendar year	0	0	\$250.00
Remainder of charges	0	80% up to a lifetime maximum benefite of \$50,000	20% and amounts over the \$50,000 lifetime max

3. Exclusions:

The Pacificare SecureHorizons Medicare Supplement Plan does not cover: any expense that is not a Medicare Eligible Expense, or beyond the limits imposed by Medicare for such expenses, or excluded by name or specific description by Medicare, except specifically provided in the policy; any portion of a covered expense to the extent paid by Medicare; benefits payable under one benefit of the policy to the extent covered under another benefit of the policy; and covered expenses incurred after coverage terminates, except as stated in the extension-of- benefits provision of the policy.

PHARMACY PROVIDERS OF OKLAHOMA**PRESCRIPTION DRUG CARDS MUST BE USED.**

Prescription drugs are not subject to the deductible or out-of-pocket coinsurance.

Prilosec-available over-the-counter with prescription from your physician for a 42 day supply for **\$5.00.** (Prescription must say "OTC Prilosec")

Claritin-available over-the-counter with prescription from your physician for a 30 day supply for **\$15.00.**

(**Generic-Claritin/Loratadine** with prescription from your physician for a 30 day supply is **\$10.00.**) (Prescription must say "OTC Claritin or OTC loratadine")

Definitions:

Generic Drug - Drug with general name: a drug sold or dispensed under a name that is not protected by a trademark.

(The use of generics offers the greatest savings to both the members and the Conference.)

Multi-Source Brand - Brand name chosen even though a generic is available.

Single-Source Brand - Brand drug that is currently only available from one manufacturer.

NTE – Not to exceed

Non-Maintenance	Maintenance & >34 day supply NTE 102
Generic - \$10 or 20% Not to exceed \$75	Generic - \$10 or 20% Not to exceed \$75
Multi-Source Brand - \$25 or 30% NTE \$100	Multi-Source Brand - \$25 or 30% NTE \$100
Single Source Brand - \$35 or 40% NTE \$150	Single Source Brand - \$35 or 40% NTE \$150

RATES & METHOD OF PAYMENT:

1. The rates for clergy and surviving spouses of clergy are supplemented by an apportionment to the churches that covers approximately one-half the cost of their premiums.
2. The rates for lay employees represent the "full rate". Since the Group Insurance apportionment does not supplement lay employees rates, it is recommended that the salary-paying unit pay at least half the lay rate for all lay employees enrolled in our Group Plan.

3. The monthly rates for participants are to be paid to the Conference Treasurer’s office by the local church/agency treasurer the first of each month in which the premiums are due. The grace period payment can be no longer than fifty (50) days. Non-payment of premiums by this deadline will result in termination from the Healthcare Benefits Plan.
4. At present there are two rate categories for active clergy. **The Special Rate** is for ministers whose gross compensation for appointment purposes is \$29,999 or less. **The Regular Rate** is for all ministers whose gross compensation for appointment purposes is \$30,000 or above. There are two exceptions:
 - a. Those on Disability Leave are to be on the Special Rate
 - b. Retired Ministers and Laity are on the rates listed specifically for them.

Monthly Premium Rate Schedule:	2004	To Be Determined August 10, 2004
Active Clergy:		
Special Rate: (Total Compensation of \$29,999 or less)		
Single	\$213.00	
Two Party	\$414.00	
Family	\$462.00	
Regular Rate: (Total Compensation Of \$30,000 or more)		
Single	\$246.00	
Two Party	\$479.00	
Family	\$563.00	
Retired Clergy (under 65):		
Single	\$236.00	
Two Party (spouse under 65)	\$469.00	
Two Party (both 65 or over)	\$397.00	
Retired Clergy (65 & over):		
Single	\$189.00	
Two Party (spouse under 65)	\$386.00	
Two Party (both 65 or over)	\$373.00	
Surviving Spouses of Clergy (under 65):		
Single	\$190.00	
With one dependant	\$373.00	
With two or more dependents	\$409.00	
Surviving Spouses of Clergy (65 & over):		
Single	\$98.00	
Lay Employees & Diaconal Ministers (Active):		
Single	\$431.00	
Two Party	\$855.00	
Family	\$996.00	
Retired Lay Employees & Diaconal Ministers:		
Single (65 & over)	\$266.00	
Two Party (both under 65)	\$855.00	
Two Party (Spouse under 65)	\$698.00	
Two Party (both 65 or over)	\$530.00	

THE 2004 LIFE INSURANCE PLAN:	
The Plan provides group term life coverage in the following amounts to eligible ministers only who are enrolled in the Healthcare Benefit Plan (medical coverage):	
Under 65 - Active & Under Appointment	\$50,000
Under 65 - Retired or on Disability Leave	\$30,000
65 & Over - Active & Under Appointment	\$12,500
65 & over - All Retired or on Disability Leave	\$12,500
There is accidental death and dismemberment protection in equal amount to the Life Insurance for those who are not retired or who are not on Disability Leave. Life Insurance premiums are paid from funds provided by churches of the Annual Conference.	
DEPENDENT LIFE INSURANCE:	
Spouse of Active - Under Appointment or on Disability Leave	\$5,000
Spouse of Minister retired after 1-1-93	\$5,000
Spouse of Minister retired after 1-1-89	\$3,000
Spouse of Minister retired before 1-1-89	\$2,000
Spouse of Minister retired before 7-1-75	\$1,000
Children:	
2 weeks but less than 6 months (limited by State Law to \$100)	\$100
6 months but less than 2 years	\$1,000
2 years but less than 3 years	\$2,000
3 years but less than 4 years	\$3,000
4 years but less than 5 years	\$4,000
5 years but less than 19 years	\$5,000
19 years but less than 23 years in higher education and single	\$5,000

This document and the full Plan Document can be accessed on our web site at www.okumc.org. All information regarding our Healthcare Benefits Plan including links to PPO networks, enrollment forms, the Flexible Benefits Plan Document, forms, vouchers and privacy notices are also accessible on this site. Please click on Pension and Insurance for more information.

**Cindy Jones, Chair Health Benefits Committee
Jo Ann McNaught, Treasurer/Benefits Officer**

BOARD OF PENSION & HEALTH BENEFITS
Report No. 3
CAFETERIA PLAN

Part A: Requiring action:

The Insurance Committee recommends that our Oklahoma Annual Conference continue with our Cafeteria Plan as set up under section 125 of the Internal Revenue Code and in accordance with all other applicable regulations and federal and state laws for the period January 1, 2005 through December 31, 2005.

The Cafeteria Plan is to continue to offer flexible benefits elected in advance by each participant by reduction of compensation, including the following options of payment with pre-tax dollars:

- 1) Premiums for the Oklahoma Conference Healthcare Benefit Plan
- 2) Qualified medical expenses not covered in the Healthcare Benefit Plan (such as deductibles, co-insurance payments, vision expenses, hearing expenses, and dental expenses) by monthly reimbursement, up to an annual limit of \$5,000, and
- 3) Qualified dependent care expenses by monthly reimbursements, up to an annual limit of \$5,000;

Eligible participants include the following:

- 1) Ministers who are full members, transitional deacons, full and probationary deacons, associate members, ministers serving under the provisions of ¶ 337.1 or 337.2, and full-time local pastors of the Oklahoma Annual Conference who are appointed full-time, and
- 2) Ministers appointed “Less Than Full Time,” and all other local pastors of the Oklahoma Annual Conference working a minimum of twenty (20) hours per week and one thousand (1,000) hours per year, and earning at least minimum wage on their pastoral duties, and
- 3) Lay employees of a local church, institution, or agency of the Oklahoma Annual Conference certified by their supervisors as working twenty (20) hours per week and one thousand (1,000) hours per year, and earning at least minimum wage.

An election form must be returned to the Conference Treasurers office within 31 days of eligibility and a new election form must be completed and returned to the Conference Treasurers office every year before the beginning of the first pay period for which your compensation reduction agreement applies. If a person fails to return a completed election form on or before the specified due date for any Plan year they shall be deemed to have elected cash compensation in lieu of such optional benefit regardless of their election during the previous year.