



SALEM UNITED METHODIST CHURCH

12477-79 Wolfsville Road – Myersville, MD 21773-9303

January 20, 2023

Dear Salem Member(s),

Grace and peace to you in the name of our Lord and Savior, Jesus Christ. We hope this letter finds you doing well.

You are receiving this letter to inform you of a Church Conference that is being held at 10:15 AM on March 19, 2023 at Salem United Methodist Church, 12479 Wolfsville Road in Wolfsville, MD, when members will vote to decide whether Salem will remain affiliated with the United Methodist Church. As a Professing Member currently on our membership roll, you are eligible to participate in this vote, but you are required to vote in person. Materials from the Baltimore-Washington Conference regarding this matter are enclosed.

We also want to make you aware of an important informational briefing that will be held at 10:15 AM on March 5, 2023 at the same address as the vote. If you will be voting, we strongly encourage you to attend this informational briefing. At this meeting, Salem's Independent Church Exploratory Committee will brief the congregation on the results of their findings and Church Council will provide information to help you prepare for the vote.

If you have any questions, please feel free to contact us.

Sincerely,

Vernon Stottlemyer, Church Council Chair
301-293-1470
Vernonsigns@gmail.com

Robert Snyder, Pastor
240-385-6833
revbsnyder@comcast.net

Copy to:
File

Enclosure



Baltimore-Washington Conference

The United Methodist Church

BOARD OF TRUSTEES

WWW.BWCUMC.ORG

TEL. 410-309-3400 | 800-492-2525

To: Rev. John Wunderlich
District Superintendent, Cumberland-Hagerstown District

From: Rev. Sheridan Allmond
Chair, Conference Board of Trustees

Date: October 26, 2022

RE: **DISAFFILIATION INQUIRY – SALEM UMC_MYERSVILLE (CH/6435)**

Grace and peace to you this day!

In response to the disaffiliation inquiry received from Salem United Methodist Church (“Local Church”) located at 12477 Wolfsville Rd, Myersville, MD 21773, I am providing you with the attached summary of general terms and conditions to support your work with the church leaders. The summary of general terms and conditions is made available by the Conference Board of Trustees (“Conference Trustees”) as a resource for the congregation in their disaffiliation discernment process and is not itself the Disaffiliation Agreement which must be drafted following any Church Conference vote. **This is a revised quote based on recently received 2022 pension valuations.**

In accordance with ¶2553 of *The Book of Discipline*, a local church may choose to disaffiliate with The United Methodist Church “over issues related to human sexuality” under conditions that the process be completed prior to December 31, 2023. Should the church choose to coordinate a church conference vote with the District Superintendent at the completion of their discernment process, the statute requires that the vote to disaffiliate receive at least two-thirds (2/3) of the professing members present. The basis for the disaffiliation under ¶2553 further stipulates that the vote be based solely “for reasons of conscience regarding a change in the requirements and provisions of the Book of Discipline related to the practice of homosexuality or the ordination or marriage of self-avowed practicing homosexuals as resolved and adopted by the 2019 General Conference, or the actions or inactions of its annual conference related to these issues”. Votes to disaffiliate for reasons other than “over issues related to human sexuality” will be addressed under standard church closure provisions identified in ¶2549.

I thank you for your review of the disaffiliation general terms and conditions with the congregation. The Conference Trustees welcome the opportunity to answer any questions that may arise during the discernment process.

Blessings,

Sheridan Allmond

Chair, Conference Board of Trustees

Disaffiliation General Terms and Conditions – Salem UMC
 12477 Wolfsville Rd, Myersville, MD 21773

Disaffiliation Process

The disaffiliation general terms and conditions are provided to support the church’s discernment process. Churches that hold a church conference to consider disaffiliation and obtain the required two-thirds (2/3) vote of the professing members present will receive a formal Disaffiliation Agreement from the Conference Trustees based on these general terms and conditions. The Disaffiliation Agreement will be signed by two Church Trustees who will be identified by name in the disaffiliation resolution brought before the church conference.

Once the Disaffiliation Agreement is signed, the approval by the Annual Conference by a simple majority vote is a necessary step prior to a church’s disaffiliation. The Conference Trustees will oversee the fulfillment of all terms in the Disaffiliation Agreement within 90-days following the approval of the Annual Conference. To support this process, the Disaffiliation Agreement will establish the Disaffiliation Date as 90-days after the Annual Conference in which this vote is scheduled. Churches must complete their church conference at least 30-days prior to a scheduled Annual Conference to be included in the disaffiliation approvals for that session. Churches are thus guided to complete their church conference vote no later than April 30, 2023 to ensure that the Annual Conference can vote on the church’s disaffiliation at the 2023 Session in late May. Should the church fail to satisfy all its obligations set forth herein by December 31, 2023, the Disaffiliation Agreement shall be null and void.

Specified Local Church Disaffiliation Payments - \$ 412,104 Total (REVISED)

The terms of the Disaffiliation Agreement will include the following payments to be made by the church to the Conference Trustees:

- | | | |
|---------|--|------------|
| Item 1: | 50% of the assessed value of the church property (Attachments A1-A2) | \$ 346,283 |
| | Parcel 1 – 12477 Wolfsville Rd, Parcel 0168
<i>Frederick County Assessment = \$585,100 (as of 7/1/22)</i>
<i>Includes: Land – 30,492 SF; Building – 6,377 SF; Built - 1975</i> | |
| | Parcel 2 – Brandenburg Hollow Rd, Parcel 0297
<i>Frederick County Assessment = \$107,467 (as of 7/1/22)</i>
<i>Includes: Land – 5.51 AC; No Building/Improvements</i> | |
| Item 2: | Additional twelve (12) months of mission shares (Attachment B)
<i>Based on mission share annual goals at the time of the church conference</i> | \$ 16,800 |
| Item 3: | Church’s pro rata share of unfunded pension obligations (Attachment C)
<i>Per the Revised Withdrawal Liability Payment Notice from the Conference Board of Pensions and Health Benefits, good through December 31, 2023</i> | \$ 49,021 |

Unspecified Local Church Disaffiliation Payments

The terms of the Disaffiliation Agreement will also include the following payments prior to the Disaffiliation Date, if applicable:

- Item 4: Unpaid apportionments for the twelve (12) months immediately prior to the Disaffiliation Date will be paid to the Conference Trustees.
- Item 5: All outstanding loans from the Conference Trustees must be paid in full.
- Item 6: Any Conference grant, not yet disbursed, shall be suspended immediately upon a vote by church conference in favor of disaffiliation and may become null and void at the discretion of the Conference Trustees.
- Item 7: The Conference Trustees must be given disclosure of any outstanding loans, debts or obligations existing as of the date of the church conference at which the vote to disaffiliate was passed. Local church shall either satisfy all of its debts, loans, and liabilities, or assign or transfer such obligations to its new entity. Local church must provide sufficient documentation of same to the Conference Trustees.
- Item 8: It will be the responsibility of the disaffiliating congregation to return to the donor or the donor's legal heirs and assignees any restricted funds or endowments referencing the Methodist Episcopal, Methodist, United Methodist, United Brethren, or Evangelical United Brethren denominations.

Other Local Church Disaffiliation Terms and Conditions

- Item 9: Local church shall cease all use of "United Methodist", the Cross & Flame insignia, and any other intellectual property of the denomination and Annual Conference, including the removal of all signage containing the same.
- Item 10: Local church and any of its affiliates which have been included in the group tax exemption ruling will be removed as of the Disaffiliation Date.
- Item 11: 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 organization documents, as needed to effectuate its disaffiliation from the United Methodist Church. Any costs resulting from such transfers or other transactions shall be borne by the local church.
- Item 12: The disaffiliating congregation shall be responsible for all costs associated with transferring or sale of property from The United Methodist Church to the new entity including but not limited to closing cost, brokers' fees, surveys, title search, and transfer taxes.
- Item 13: Any disaffiliating congregation whose real property is subject to a reverter clause shall be responsible for the return of said property or for filing for release of the reverter, and shall indemnify the Baltimore-Washington Conference against any claim arising from the enforcement of such clause.
- Item 14: It will be the responsibility of the disaffiliating congregation to obtain pastoral leadership and to assume all responsibilities for its Pastor's salary (or Pastors' salaries) and benefits after the date of disaffiliation.
- Item 15: Nothing in the Disaffiliation Agreement shall prevent the Local Church, after the Disaffiliation Date, from continuing to sponsor benefit plans from the General Board of Pension and Health Benefits, to the extent permitted by federal law, and provided that the

Local Church has not expressly resolved that it no longer shares common religious bonds with The United Methodist Church.

Item 16: The disaffiliating congregation shall agree to hold harmless and release the Baltimore-Washington Conference of any and all liability arising from continuing and future use of such property.

¶ 2553. Disaffiliation of a Local Church Over Issues Related to Human Sexuality

1. Basis-- Because of the current deep conflict within The United Methodist Church around issues of human sexuality, a local church shall have a limited right, under the provisions of this paragraph, to disaffiliate from the denomination for reasons of conscience regarding a change in the requirements and provisions of the Book of Discipline related to the practice of homosexuality or the ordination or marriage of self-avowed practicing homosexuals as resolved and adopted by the 2019 General Conference, or the actions or inactions of its annual conference related to these issues which follow.
2. Time Limits--The choice by a local church to disaffiliate with The United Methodist Church under this paragraph shall be made in sufficient time for the process for exiting the denomination to be complete prior to December 31, 2023. The provisions of ¶ 2553 expire on December 31, 2023 and shall not be used after that date.
3. Decision Making Process--The church conference shall be conducted in accordance with ¶ 248 and shall be held within one hundred twenty (120) days after the district superintendent calls for the church conference. In addition to the provisions of ¶ 246.8, special attention shall be made to give broad notice to the full professing membership of the local church regarding the time and place of a church conference called for this purpose and to use all means necessary, including electronic communication where possible, to communicate. The decision to disaffiliate from The United Methodist Church must be approved by a two-thirds (2/3) majority vote of the professing members of the local church present at the church conference.
4. Process Following Decision to Disaffiliate from The United Methodist Church--If the church conference votes to disaffiliate from The United Methodist Church, the terms and conditions for that disaffiliation shall be established by the board of trustees of the applicable annual conference, with the advice of the cabinet, the annual conference treasurer, the annual conference benefits officer, the director of connectional ministries, and the annual conference chancellor. The terms and conditions, including the effective date of disaffiliation, shall be memorialized in a binding Disaffiliation Agreement between the annual conference and the trustees of the local church, acting on behalf of the members.

That agreement must be consistent with the following provisions:

- a) Standard Terms of the Disaffiliation Agreement. The General Council on Finance and Administration shall develop a standard form for Disaffiliation Agreements under this paragraph to protect The United Methodist Church as set forth in ¶ 807.9. The agreement shall include a recognition of the validity and applicability of ¶ 2501, notwithstanding the release of property therefrom. Annual conferences may develop additional standard terms that are not inconsistent with the standard form of this paragraph.
- b) Apportionments. The local church shall pay any unpaid apportionments for the 12 months prior to disaffiliation, as well as an additional 12 months of apportionments.

- c) **Property.** A disaffiliating local church shall have the right to retain its real and personal, tangible and intangible property. All transfers of property shall be made prior to disaffiliation. All costs for transfer of title or other legal work shall be borne by the disaffiliating local church.
- d) **Pension Liabilities.** The local church shall contribute withdrawal liability in an amount equal to its pro rata share of any aggregate unfunded pension obligations to the annual conference. The General Board of Pension and Health Benefits shall determine the aggregate funding obligations of the annual conference using market factors similar to a commercial annuity provider, from which the annual conference will determine the local church's share.
- e) **Other Liabilities.** The local church shall satisfy all other debts, loans, and liabilities, or assign and transfer them to its new entity, prior to disaffiliation.
- f) **Payment Terms.** Payment shall occur prior to the effective date of departure.
- g) **Disaffiliating Churches Continuing as Plan Sponsors of the General Board of Pension and Health Benefits Plans.** The United Methodist Church believes that a local church disaffiliating under ¶ 2553 shall continue to share common religious bonds and convictions with The United Methodist Church based on shared Wesleyan theology and tradition and Methodist roots, unless the local church expressly resolves to the contrary. As such, a local church disaffiliating under ¶ 2553 shall continue to be eligible to sponsor voluntary employee benefit plans through the General Board of Pension and Health Benefits under ¶ 1504.2, subject to the applicable terms and conditions of the plans.
- h) Once the disaffiliating local church has reimbursed the applicable annual conference for all funds due under the agreement, and provided that there are no other outstanding liabilities or claims against The United Methodist Church as a result of the disaffiliation, in consideration of the provisions of this paragraph, the applicable annual conference shall release any claims that it may have under ¶ 2501 and other paragraphs of The Book of Discipline of The United Methodist Church commonly referred to as the trust clause, or under the agreement.

DISAFFILIATION DISCERNMENT PROCESS

Overview:

The BWC Trustees adopted an activities-based discernment process in May 2022 to identify the common tasks a congregation must complete before a church conference vote can be taken. The process also identifies shared resources that should be made available to the congregation. The ownership for completing these items will be shared between the local church leaders and their district superintendent.

Local Church activity-based discernment items:

1. A viewing of Stay or Go: Real Talk for United Methodists Exploring Their Future
2. Study, *Living Faithfully: Human Sexuality and The United Methodist Church*, (Abingdon Press, 2017). This is a four-week small group study with an impartial approach to the matter at hand.
3. An open forum where safe space is created for questions and answers that have arisen after the aforementioned steps. The forum will include the District Superintendent.
4. The District Superintendent will assist congregants who are interested in transferring their membership to another UMC congregation if their church conference decides to disaffiliate.
5. The general terms and conditions from the Conference Board of Trustees and the calculation of the church's withdrawal liability payment from the Conference Board of Pensions should be shared with all professing members of the congregation.

Local Church shared resources:

6. Disaffiliation Under Paragraph 2553, Book of Discipline (BWC News and Views)
<https://www.bwcumc.org/news-and-views/book-of-discipline-paragraph-2553-provides-information-on-disaffiliation/>
7. Wespath website, video, and FAQs on Disaffiliation and the Unfunded Withdrawal Liability
https://www.wespath.org/about-wespath/wayforwardwespathfaq?mkt_tok=MDc4LUpYUS02NDMAAAGFmFX31aaieM_dJYGHRbpFAOVMIfnlDrWiucN7EsTg4mbloz0JjsbcpdsetjuzluvZ-6FnPHpAOji4CTMbMtxwK03LFjDY2M2HqueGnNyVZu8_9RA
<https://www.youtube.com/watch?v=DKUjjah8qIM&t=5685s>
<https://www.wespath.org/assets/1/7/5857.pdf>
<https://www.wespath.org/assets/1/7/5857.pdf>
8. Wespath guide to Clergy Withdrawals – Impact on Benefits when Surrendering Credentials
<https://www.wespath.org/assets/1/7/5861.pdf>

Real Property Data Search ()
 Search Result for FREDERICK COUNTY

View Map	View GroundRent Redemption	View GroundRent Registration
Special Tax Recapture: None		
Account Identifier:	District - 06 Account Number - 185991	
Owner Information		
Owner Name:	SALEM UNITED METH CH OF WLFSVILL	Use: EXEMPT COMMERCIAL
Mailing Address:	12477 WOLFSVILLE RD MYERSVILLE MD 21773-9303	Principal Residence: NO Deed Reference: /00623/ 00458
Location & Structure Information		
Premises Address:	12472 WOLFSVILLE RD 0-0000	Legal Description: LT 4 7/10 AC E/S RT. 153 IN WOLFSVILLE
Map: 0030	Grid: Q003	Parcel: 0168
Neighborhood: 3000Q.11	Subdivision: 0000	Section: Block: Lot: Assessment Year: 2021
Town: None		Plat No: Plat Ref:
Primary Structure Built 1975	Above Grade Living Area 6,377 SF	Finished Basement Area
		Property Land Area 30,492 SF
Stories 1 1/2	Basement YES	Type STANDARD UNIT
Exterior Quality / 3	Full/Half Bath 1 full	Garage
Value Information		
	Base Value	Value
		As of 01/01/2021
Land:	90,300	90,300
Improvements:	437,400	523,500
Total:	527,700	613,800
Preferential Land:	0	0
		Phase-in Assessments
		As of 07/01/2022
		As of 07/01/2023
		585,100
		613,800
Transfer Information		
Seller:	Date:	Price:
Type:	Deed1:	Deed2:
Seller:	Date:	Price:
Type:	Deed1:	Deed2:
Seller:	Date:	Price:
Type:	Deed1:	Deed2:
Exemption Information		
Partial Exempt Assessments:	Class	07/01/2022
County:	700	585,100.00
State:	700	585,100.00
Municipal:	700	0.00 0.00
Special Tax Recapture: None		
Homestead Application Information		
Homestead Application Status: No Application		
Homeowners' Tax Credit Application Information		
Homeowners' Tax Credit Application Status: No Application		Date:

Real Property Data Search ()
 Search Result for FREDERICK COUNTY

View Map	View GroundRent Redemption	View GroundRent Registration
Special Tax Recapture: None		
Account Identifier:	District - 06 Account Number - 188966	
Owner Information		
Owner Name:	SALEM UNITED METHODIST CEMETERY	Use: EXEMPT Principal: NO Residence:
Mailing Address:	C/O SALEM METHODIST CHURCH 12477 WOLFSVILLE RD. MYERSVILLE MD 21773-9303	Deed Reference: /00336/ 00156
Location & Structure Information		
Premises Address:	BRANDBURG HOLLOW RD 0-0000	Legal Description: 5.51 ACRES N/BRANDBURG HOLLOW RD.
Map: Grid: Parcel: Neighborhood: Subdivision: Section: Block: Lot: Assessment Year: Plat No:	0030 0003 0297 6010001.11 0000 2021 0087/ 0132	
Town:	None	
Primary Structure Built	Above Grade Living Area	Finished Basement Area
		Property Land Area
		County Use
		5.5100 AC
Stories	Basement	Type
		Exterior
		Quality
		Full/Half Bath
		Garage
		Last Notice of Major Improvements
Value Information		
	Base Value	Value
		As of
		01/01/2021
		Phase-in Assessments
		As of
		07/01/2022
		As of
		07/01/2023
Land:	100,800	110,800
Improvements	0	0
Total:	100,800	110,800
Preferential Land:	0	0
Transfer Information		
Seller:	Date:	Price:
Type:	Deed1:	Deed2:
Seller:	Date:	Price:
Type:	Deed1:	Deed2:
Seller:	Date:	Price:
Type:	Deed1:	Deed2:
Exemption Information		
Partial Exempt Assessments:	Class	07/01/2022
		07/01/2023
County:	730	107,467.00
State:	730	110,800.00
Municipal:	730	107,467.00
		0.00 0.00
		0.00 0.00
Special Tax Recapture: None		
Homestead Application Information		
Homestead Application Status: No Application		
Homeowners' Tax Credit Application Information		
Homeowners' Tax Credit Application Status: No Application		
Date:		



Baltimore-Washington Conference
The United Methodist Church

RE: **Salem UMC , Myersville (# 6435)**
Salem Charge
Cumberland-Hagerstown District

ATTN: **Senior Pastor(s) & Finance Chair(s)**

COPIES TO: Council Chair(s), Treasurer(s) & Church Office / Administrator

FROM: Paul J. Eichelberger, Conference Treasurer

DATE: November 1, 2021

SUBJECT: 2022 Mission Share - FINAL Notice

The table on the following page provides the statistical data used in the calculation of the church Mission Share. The data reflects the values entered, reviewed and validated by the church. As approved at Annual Conference, the Mission Share base has been calculated using the average of reported expenses over the last 3 years (2018 to 2020) and a benevolence factor of 17.55%.

The FINAL 2022 Mission Share calculation for your church is \$ 16,800

If you have any questions, please contact Penny Gaver or Dave Schoeller using the information below:

Penny Gaver
District Administrator
Cumberland-Hagerstown District Office
410-309-3442
pgaver@bwcumc.org

Dave Schoeller
Business Data Analyst
Office of Finance & Administration
410-309-3474
dschoeller@bwcumc.org

Thank you for your continued support of our UMC connectional system.

Blessings,

Paul Eichelberger

Paul J. Eichelberger, Conference Treasurer

2022 Mission Share - FINAL Determination

Church:	SALEM UMC , Myersville (#6435)
Charge:	Salem Charge
District:	Cumberland-Hagerstown

		2018 Stats Data	2019 Stats Data	2020 Stats Data	
Table 1: Membership / Attendance					
	Line #	# People	# People	# People	
New Members received by Profession of Christian Faith	2a + 2b	4	2	0	
Average attendance at all weekly worship services	10	84	84	20	
Table 2: Mission Expenses (not included in Mission Share Calculation)		Dollars (\$)	Dollars (\$)	Dollars (\$)	
UMC CAUSES: Paid DIRECTLY to UMC related institutions and causes	48a	\$610	\$695	\$1,040	
MISSIONS / MINISTRY COSTS: Direct costs and applicable utility expenses	48b				
NON-UMC CAUSES: Paid DIRECTLY to non-UMC benevolent / charitable causes	49	\$21,874	\$16,916	\$10,303	
Table 2: Compensation, Housing, Staff, Program & Operating Expense					
Base compensation paid/for Lead/Senior Pastor	53a	\$50,262	\$50,262	\$50,262	
Base compensation paid/for all Associate Pastors and other pastoral staff	53b				
Base compensation paid/for any Deacons not included in 53a or 53b	53c				
Table 2: Housing Benefits					
Housing benefits paid to/for Lead/Senior Pastor	55a	\$5,903	\$6,478	\$5,880	
Housing benefits paid/for all Associate Pastors and other pastoral staff	55b				
Housing benefits paid/for any Deacons not included in 55a or 55b	55c				
TOTAL housing benefits (Lines 55a+55b+55c)	55	\$5,903	\$6,478	\$5,880	
HOUSING-CALCULATION FOR MISSION SHARE					
For 2018: When Line 55 is - Less than \$7,000, use L55 amount - Between \$7,000 and \$19,866, then \$7,000 - Greater than \$19,866, then L55 - \$12,866	For 2019 and 2020: When Line 55 is - Less than \$7,400, use L55 amount - Between \$7,400 and \$20,263, then \$7,400 - Greater than \$20,263, then L55 - \$12,866	55 Calc	\$5,903	\$6,478	\$5,880
Total paid to/for persons in 53a-c for Accountable reimbursements	56	\$3,416	\$2,581	\$572	
Total paid to/for persons in 53a-c for Other cash allowances (non-accountable)	57				
Total amount paid in salary and benefits for all other church staff & Diaconals	60	\$11,771	\$10,543	\$9,461	
Total amount spent for local church program expenses	61	\$13,439	\$11,490	\$5,095	
Total amount spent for local church operating expenses	62	\$16,461	\$16,776	\$16,536	
Table 3: Income					
Equitable Compensation, Support and/or Grants from BWC	69a + 69b				
Mission Share Base		2018 Base	2019 Base	2020 Base	
Base Calculation (53a+53b+53c+55Calc+56+57+60+61+62) minus (69a+69b)	MS Base	\$101,252	\$98,130	\$87,806	
2022 MISSION SHARE (Based on 2018-2020 Statistical Data)					
2022 Mission Share Base (3 year average of 2018, 2019 and 2020 Base)				\$95,729	
2022 Benevolence Factor				17.55%	
2022 Mission Share: 2022 Mission Share Base x 2022 Benevolence Factor				\$16,800	
COMPARISON TO 2021 MISSION SHARE					
2021 Mission Share				\$17,222	
2021 >>> 2022 Dollars increase/(decrease)				-\$422	
2021 >>> 2022 Percentage increase/decrease				-2.45%	

Notes:

Missing data in 2018 or 2019 columns may be the result of a re-alignment or merger



Baltimore-Washington Conference

The United Methodist Church

BOARD OF PENSIONS AND HEALTH BENEFITS

WWW.BWCUMC.ORG

TEL. 410-309-3400 | 800-492-2525

To: Rev. Sheridan Allmond
Chair, Conference Board of Trustees

Date: September 30, 2022

RE: **WITHDRAWAL LIABILITY NOTICE – SALEM UMC_MYERSVILLE (CH/6435)**

In support of the work of the Conference Trustees, I provide you today with a Withdrawal Liability Notice for Salem United Methodist Church ("Church") located at 12477 Wolfsville Rd, Myersville, MD 21773.

The work of the General Conference during the Special Session in February 2019 amended the Book of Discipline with a provision in Para. 1504.23 that established a requirement that a Withdrawal Liability Payment be made by any church that *"changes its relationship to The United Methodist Church through closure, abandonment or release from the trust clause"*.

Salem UMC has expressed a desire to disaffiliate from the United Methodist Church and therefore is subject to this provision. The church's *"pro rata share of any aggregate unfunded pension obligations"* has been determined in accordance with the attached guidance adopted by the Baltimore-Washington Conference Board of Pensions and Health Benefits.

SALEM UNITED METHODIST CHURCH (CH/6435)
WITHDRAWAL LIABILITY PAYMENT
GOOD THROUGH DECEMBER 31, 2022 \$ 70,962

The details of this pro rata share calculation are found on the following page. The calculation is based on the most recent conference pension valuations, and it also includes the church's 20-year analysis of their clergy plan compensation. The payment amount is valid through December 31, 2022. A new value will be calculated if disaffiliation occurs after this date. Payment is made to the Conference Board of Pensions after the Annual Conference approves the disaffiliation resolution and before the church disaffiliates.

Thank you for your review of this notice as you share it with the church and conference leaders during the disaffiliation discernment process. Please let me know if any questions arise during these reviews.

Sincerely,

Cary James, Jr.
Chair, Conference Board of Pensions and Health Benefits

CALCULATION OF THE WITHDRAWAL LIABILITY

1. BWC Withdrawal Liability

The 2021 valuation reports from Wespeth (UMC benefits administrator) and CBIZ (BWC benefits actuary) were used to establish the Total BWC Unfunded Liability for pension and retiree medical benefits at \$52,735,626 with a 3-year rolling average of \$49,023,170 for the calculated BWC Withdrawal Liability. This BWC Withdrawal Liability is applied for all churches that disaffiliate in 2022.

YEAR OF VALUATION REPORT	BWC Share of Total Unfunded Liabilities @ 110% Market		BWC Specific Unfunded Liabilities @ 110% Market		TOTAL BWC UNFUNDED LIABILITY	YR/YR CHG	BWC WITHDRAWAL LIABILITY (3-year rolling average)	APPLY WITHDRAWAL LIABILITY TO CHURCHES THAT DISAFFILIATE IN
	MPP Annuities	CRSP-DB	Pre-82	Retiree Medical (Non-GAAP APBO at the lower Discount Rate)				
2019	(27,742,366)	(26,521,630)	8,416,566	5,995,755	(39,851,675)	-24%	(50,450,023)	2020
2020	(32,093,846)	(36,480,673)	2,274,048	11,818,264	(54,482,208)	+37%	(48,951,444)	2021
2021	(27,737,203)	(39,302,637)	2,485,951	11,818,264	(52,735,626)	-3%	(49,023,170)	2022

2. Church Pro Rata Share Percentage

The pro rata share percentage for the church was calculated as follows based on the 20-year history of clergy plan compensation shown on the next page:

20-year (2001 to 2020) Church Total Clergy Plan Compensation = \$820,616

20-year (2001 to 2020) BWC Total Clergy Plan Compensation = \$566,909,522

Pro Rata Share Percentage = \$820,616/\$566,909,522 = 0.14475%

EVA Statistics (Church Comp Data)		
Sum of Plan Comp Reported (Sal + Housing)		
Church 20-year Comp vs. BWC Total	Total	
Salem UMC (Church)	\$820,616	0.14475%
All Other BWC Churches	\$566,088,906	
Total	\$566,909,522	

3. Church Withdrawal Liability –

$$\begin{aligned}
 \text{Church Withdrawal Liability} &= \text{Pro Rata Share Pct} \times \text{BWC Withdrawal Liability} \\
 &= 0.14475\% \times \$49,023,170 \\
 &= \mathbf{\$70,962}
 \end{aligned}$$

PLAN COMPENSATION DATA TABLE – SALEM UMC (Source ezra.gcfa.org)

GCNO	AlignNo	Church Name (GCFA)	District	Year	Base Salary	Health Insurance	Pension	Retirement	Total Compensation	Employer's Share
163697	06435	Salem, Myersville	FREDERICK	2002	\$ 15,160	\$ 1,904	\$ -	\$ -	\$ 17,064	Salem UMC (Church)
163697	06435	Salem, Myersville	FREDERICK	2003	\$ 15,160	\$ 1,754	\$ -	\$ -	\$ 16,914	Salem UMC (Church)
163697	06435	Salem, Myersville	FREDERICK	2004	\$ 15,160	\$ 1,951	\$ -	\$ -	\$ 17,111	Salem UMC (Church)
163697	06435	Salem, Myersville	FREDERICK	2005	\$ 15,658	\$ 1,917	\$ -	\$ -	\$ 17,575	Salem UMC (Church)
163697	06435	Salem, Myersville	FREDERICK	2006	\$ 21,408	\$ 4,661	\$ -	\$ -	\$ 26,069	Salem UMC (Church)
163697	06435	Salem, Myersville	FREDERICK	2007	\$ 17,120	\$ 5,945	\$ -	\$ -	\$ 23,065	Salem UMC (Church)
163697	06435	Salem, Myersville	CUMBERLAND-HAGERSTOWN	2008	\$ 29,703	\$ 4,274	\$ -	\$ -	\$ 33,977	Salem UMC (Church)
163697	06435	Salem, Myersville	CUMBERLAND-HAGERSTOWN	2009	\$ 40,348	\$ -	\$ -	\$ -	\$ 40,348	Salem UMC (Church)
163697	06435	Salem, Myersville	CUMBERLAND-HAGERSTOWN	2010	\$ 41,330	\$ 6,226	\$ -	\$ -	\$ 47,556	Salem UMC (Church)
163697	06435	Salem, Myersville	CUMBERLAND-HAGERSTOWN	2011	\$ 41,330	\$ 7,249	\$ -	\$ -	\$ 48,579	Salem UMC (Church)
163697	06435	Salem, Myersville	CUMBERLAND-HAGERSTOWN	2012	\$ 43,140	\$ 4,765	\$ -	\$ -	\$ 47,905	Salem UMC (Church)
163697	06435	Salem, Myersville	CUMBERLAND-HAGERSTOWN	2013	\$ 43,140	\$ 6,451	\$ -	\$ -	\$ 49,591	Salem UMC (Church)
163697	06435	Salem, Myersville	CUMBERLAND-HAGERSTOWN	2014	\$ 44,418	\$ 4,391	\$ -	\$ -	\$ 48,809	Salem UMC (Church)
163697	06435	Salem, Myersville	CUMBERLAND-HAGERSTOWN	2015	\$ 45,452	\$ 5,725	\$ -	\$ -	\$ 51,177	Salem UMC (Church)
163697	06435	Salem, Myersville	CUMBERLAND-HAGERSTOWN	2016	\$ 46,673	\$ 4,892	\$ -	\$ -	\$ 51,565	Salem UMC (Church)
163697	06435	Salem, Myersville	CUMBERLAND-HAGERSTOWN	2017	\$ 49,304	\$ 6,100	\$ -	\$ -	\$ 55,404	Salem UMC (Church)
163697	06435	Salem, Myersville	CUMBERLAND-HAGERSTOWN	2018	\$ 50,262	\$ 5,903	\$ -	\$ -	\$ 56,165	Salem UMC (Church)
163697	06435	Salem, Myersville	CUMBERLAND-HAGERSTOWN	2019	\$ 50,262	\$ 6,478	\$ -	\$ -	\$ 56,740	Salem UMC (Church)
163697	06435	Salem, Myersville	CUMBERLAND-HAGERSTOWN	2020	\$ 50,262	\$ 5,880	\$ -	\$ -	\$ 56,142	Salem UMC (Church)
163697	06435	Salem, Myersville	CUMBERLAND-HAGERSTOWN	2021	\$ 52,323	\$ 6,537	\$ -	\$ -	\$ 58,860	Salem UMC (Church)

TOTALS \$ 727,613 \$ 93,003 \$ 820,616



Baltimore-Washington Conference

The United Methodist Church

BOARD OF PENSIONS AND HEALTH BENEFITS

WWW.BWCUMC.ORG

TEL. 410-309-3400 | 800-492-2525

SUMMARY OF GUIDANCE: WITHDRAWAL LIABILITY PROCESS

OVERVIEW

The Conference Board of Pensions and Health Benefits (“CBOPHB”) is responsible for establishing the process used to determine the local church’s Withdrawal Liability in accordance with the General Conference guidance provided below. The details of this process are found on the following page.

The CBOPHB will prepare a Withdrawal Liability Notice when a local church requests (via their District Superintendent) information related to their disaffiliation discernment. Based on the annual changes in the liability valuations involved in the process, a new Withdrawal Liability Notice is required for each new calendar year.

GENERAL CONFERENCE GUIDANCE

The Special Session of the General Conference in February 2019 amended Para 1504, Book of Discipline, by adding the following requirements regarding Withdrawal Liability Payments that became effective on February 26, 2019:

Para. 1504.23 - If a local church or charge in the United States changes its relationship to The United Methodist Church through closure, abandonment, or release from the trust clause pursuant to ¶2548, ¶2549, or otherwise, notwithstanding whether property with title held by the local church is subject to the trust (under the terms of ¶2501), the local church shall contribute a withdrawal liability in an amount equal to its pro rata share of any aggregate unfunded pension obligations to the annual conference. The General Board of Pension and Health Benefits shall determine the aggregate funding obligations of the annual conference using market factors similar to a commercial annuity provider, from which the annual conference will determine the local church’s share. Nothing in the foregoing prevents an annual conference from collecting other obligations from a church or charge.

BALTIMORE-WASHINGTON CONFERENCE GUIDANCE

The Baltimore-Washington Conference compliance with the Withdrawal Liability requirements is guided by the following process adopted by the Conference Board of Pensions and Health Benefits (“CBOPHB”) for determining a local church’s share of the conference liabilities:

1. Withdrawal Liability Payment

Effective February 26, 2019, a Withdrawal Liability Payment is to be made to the CBOPHB by all churches that are *closed, abandoned, or released from the trust clause* to effectuate the local church’s exit or disaffiliation from the United Methodist Church or the Baltimore-Washington Conference, in accordance with Para 1504.23, Book of Discipline. The Withdrawal Liability Payment must be made before the departure and/or disaffiliation.

2. BWC Unfunded Liabilities

The Withdrawal Liability Payment is based on the church’s pro rata share of the aggregated unfunded CRSP-DB, MPP, and Pre-82 pension obligations of the conference. Since the retiree medical benefit for the conference was recently funded to levels above 100% from excess reserves previously held for the Pre-82 pension, the CBOPHB is including the currently overfunded retiree medical account in the aggregated obligations of the conference.

3. BWC Withdrawal Liability

To moderate the impact of asset growth and declines in a single year, the aggregated obligation to the conference is based on a 3-year rolling average of the reported liabilities that are set at 110% of the Market Value. The reported liabilities are documented by the Wespath annual pension valuations and the biennial retiree medical valuations reported by CBIZ (or other actuarial service selected by the CBOPHB). The 3-year rolling average is identified as the “BWC Withdrawal Liability”.

4. Church’s Pro Rata Share Percentage

The pro rata share to be paid by a local church will be calculated from the church’s aggregated 20-year history of the clergy plan compensation as a percentage of the aggregated clergy plan compensation for ALL CHURCHES over the same time period. Plan compensation for clergy on EXTENSION MINISTRY ARE EXCLUDED from this calculation. Clergy plan compensation records are to be verified by comparing the Charge/Church Conference Pastor Compensation documents with the Conference’s Shelby financial system (Charge compensation) and the denomination’s EZRA system that records church reported values (Church compensation). This process will enable matching clergy plan compensation for multi-point charges by including EZRA records for each church in the charge for the 20-year history.

5. Church’s Withdrawal Liability

The Church’s pro rata share percentage is multiplied by the BWC Withdrawal Liability calculated in the calendar year prior to the church disaffiliation.

6. Responsibility

The CBOPHB is responsible for establishing and revising the Withdrawal Liability Payment process for the Conference to follow the Book of Discipline requirements.