

Q and A Around the Status of the new “Disaffiliation Procedure” after Judicial Council Decision 1385

Q What is Judicial Council Decision (JCD) 1385?

A JCD 1385 is a November 1, 2019, decision of the Judicial Council, our denomination’s highest court. This decision upheld the constitutionality of a new disaffiliation provision approved at the 2019 Special Session of General Conference.

Q What disaffiliation provision was affirmed in JCD 1385?

A The Disaffiliation Plan, found in ¶2553 of *The Book of Discipline*, provides a procedure for local churches to disaffiliate from the United Methodist Church for “reasons of conscience” surrounding the denomination’s position on human sexuality issues.

Q When is the effective date for the new Disaffiliation Plan?

A The new Disaffiliation Plan became effective at the close of the Special General Conference in February 2019.

Q What does the new Disaffiliation Plan provide for or allow?

A First of all, it’s complicated. The Disaffiliation Plan, now embodied in Book of Discipline ¶2553, provides that a local congregation may disaffiliate from the UMC for “reasons of conscience” and retain all of its real and personal property, free from any claims to that property under the denomination’s “Trust Clause” (¶¶2501 – 2503 of the *Book of Discipline*).

Q What are the provisions of ¶2553 that must be followed in order for a local church to disaffiliate?

A First, at a duly called and publicized church conference, the professing members of a local congregation must vote, by a 2/3 majority of those present at the church conference, to disaffiliate “for reasons of conscience regarding a change in the *Book of Discipline* related to the practice of homosexuality or the ordination or marriage of self-avowed practicing homosexuals, or the actions or inactions of its annual conference related to those issues.”

Q And?

A Second, the local church and the annual conference’s board of trustees must enter into a “Disaffiliation Agreement.” Any Disaffiliation Agreement must be ratified by the annual conference at its next business session by a majority vote of the annual conference members.

Q What must the Disaffiliation Agreement include?

A A number of things. First, the congregation must pay any unpaid apportionments (or, in the North Alabama Conference, 10% of unrestricted cash receipts) for the 12 month fiscal period immediately preceding the disaffiliation date, and an additional 12 months of “forward-looking” apportionments (or, in the North Alabama Conference, 10% of projected unrestricted cash receipts) as calculated by the annual conference.

Q Okay, anything else?

A Yes. Third, the disaffiliating congregation must pay its “pro rata,” or percentage share, as determined by the annual conference, of the North Alabama Conference’s unfunded pension obligation as calculated by Wespath (formerly the General Board of Pension and Health Benefits), using market factors similar to a commercial annuity provider.

Q Who determines the local church’s pro rata share of the North Alabama Conference’s unfunded pension obligation?

A The North Alabama Conference Board of Pension and Health Benefits has developed a uniform formula for calculating each local church’s share of the unfunded pension liability, as actuarially determined by Wespath. This formula is based on the lesser of: (1) the disaffiliating church’s average actual pension bill for the last five years (2016 – 2020), and (2) the church’s most recent pension bill for 2020. The lesser of these two amounts, compared with the lesser of similar amounts for all other churches in the Conference, is then used to calculate the church’s proportionate share of the total unfunded liability as provided by Wespath. In this way, each local church receives favorable consideration of its current trend in pension billing.

Q My head is spinning. Is there more?

A Yes. Fourth, the disaffiliating church must also satisfy any debts it owes to the North Alabama and its district, or any conference or district-related agency or ministry. In addition, it must satisfy (by payment or acceptable assignment or transfer), any obligations it may have to any banks, lending institutions or other creditors. The church also must discontinue any mention of “United Methodist” in its name, as well as discontinue the use of the “Cross and Flame” logo going forward.

Q Anything else?

A Fifth, since the church will no longer fall under the UMC’s “group ruling” as a tax-exempt entity, it must seek its own tax-exempt status. It also must obtain its own property and liability insurance as a non-United Methodist church, and it will be solely responsible for maintaining any cemetery or columbarium associated with the church. Finally, it must provide for the compensation and health insurance benefits (if any) of its pastor(s) and lay employees.

Q Who is charged with developing the template for the Disaffiliation Agreement which the North Alabama Conference will be using?

A Bishop Wallace-Padgett appointed a team, consisting of the Dean of the Cabinet (Lewis Archer), the Director of Connectional Ministries (Linda Holland), the Conference Chancellor (Terry McElheny), the Chair of the Annual Conference Board of Trustees (Harlan Prater), the Executive Director of the Board of Ordained Ministry (Ron Schultz), and the Conference Treasurer (Scott Selman), currently working to finalize a template for the Disaffiliation Agreement.

Q You said that ¶2553 is already in effect, why is the Disaffiliation Agreement template not ready?

A The disaffiliation team postponed finalizing the agreement template when the constitutionality of ¶2553 was challenged, based on alleged voting irregularities at the Special Session of General Conference. Now, with the issuance of JCD 1385, the team is back at work finalizing the template, including consideration of the Conference Board of Pension and Health Benefit's methodology for calculating a local church's pro rata share of the North Alabama Conference's unfunded pension liability.

Q Once those tasks are complete, may any local church which wants to disaffiliate for "reasons of conscience regarding a change in the *Book of Discipline* related to the practice of homosexuality or the ordination or marriage of self-avowed practicing homosexuals, or the actions or inactions of its annual conference related to those issues", proceed to do so?

A We are asking that they not do so right now.

Q Why?

A General Conference 2020 will be held May 5-15, 2020, and numerous petitions have been submitted that, if passed, will impact the future of the United Methodist Church. These petitions will be debated and voted on at the 2020 General Conference. Local churches, conceivably, could gain the benefit of a simpler disaffiliation mechanism or mechanisms by waiting to see what happens next spring.

Q Are there any other reasons for a local church to wait to begin a pathway to disaffiliation around issues related to human sexuality?

A Yes. The most practical reason is that any disaffiliation must be approved by a majority vote of the annual conference. The next North Alabama Annual Conference will be held on May 31 – June 2, 2020. So, nothing official can happen before then anyway. Therefore, the recommendation is to "Stay put, and wait and see what happens."

Q If General Conference 2020 will not be held until May 2020, how can a congregation wait until after General Conference to submit a Disaffiliation Agreement without delaying disaffiliation until 2021?

A We are encouraging churches discussing disaffiliation to wait until after General Conference 2020 to make a decision. Recognizing that a very short window would exist for disaffiliation plans to be finalized between May 15, 2020, and the start of the North Alabama Annual Conference on May 31, it is anticipated that there could be a one day, second session of North Alabama Annual Conference in August 2020, devoted exclusively to addressing matters that come out of General Conference 2020 and its aftermath. Disaffiliation Agreements would be appropriate for consideration/approval if this special session of the annual conference is necessary.

Q Okay. That's a lot. Is there anyone I can call if I have more questions or want additional information?

A Of course. The best place to start is with your district superintendent. He or she may well be able to help you. Even if they don't have all the information you need, they can put you in touch with others (the Conference Treasurer or Chancellor, for example) who may be able to help further.

Q Thank you. Is there anything else our churches need to be doing?

A Indeed. Please continue to be in prayer for our denomination, our annual conference, our local churches, and the delegates to General Conference 2020.