

Questions and Answers About Partners in Caring Dissolution July 31, 2021

The Board of Directors for Partners in Caring asked for an analysis of our Financial Situation and future viability as a ministry. The Following Question and Answer format is given to explain what we are facing as a ministry and the reasons for the decisions by the Board of Directors.

The Board of Directors have determined that the Partners in Caring Ministry (PIC) is not viable for financial and membership reasons. The Board of Directors Meeting on May 3, 2021, voted to move toward the dissolution of PIC, to disperse its assets to the members, and to discontinue this ministry.

Subsequent meetings were held to seek legal counsel, discern and pray about how to most faithfully close this once vital ministry in the most equitable manner. The Bylaws of PIC did not have a plan for dissolution.

We present these findings, rationale, and decisions with great sorrow, but with the confidence that after much prayer, study, and discernment this is the best course of action. We are thankful for the 84-year ministry of Partners in Caring, your participation, and the many lives touched and blessed by your generosity.

History of Partners in Caring

When was Partners in Caring founded?

Partners in Caring was originally started in 1937 in the North Carolina Conference of the Methodist Episcopal Church, South. This Ministry was originally called, the Brotherhood. (All clergy were men at that time). Later the name changed to the Brotherhood/Sisterhood and eventually Partners in Caring (PIC).

Why was Partners in Caring founded?

When PIC was founded, families of recently deceased clergy were in need to pay for funeral expenses. When founded, the first Social Security beneficiary checks had not yet been distributed, and there was no life insurance through the conference, nor retirement benefits.

Financial Analysis

Why did the PIC Trustees ask for an analysis of our financial situation?

The death benefit for the family of a deceased member is \$7,000, yet when every member sends in a call, only \$6,905 is generated. We are now in a deficit state and our efforts to recruit new members over the last 5 years have not generated enough new members to overcome the deficit. Over the last 5 years, there have been 37 calls and only 25 new members.

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What is the current situation of Partners in Caring finances?

- As of July 31, 2021, PIC has approximately \$192,000 on hand.
- There are currently 357 beneficiary members.
- The amount of each call is \$20, excluding those among our most elderly members who pay \$15 per call.
- The amount of each call sent to families upon the death of a clergy is \$7,000.
- When a death occurs, and all members pay their call, a total of \$6,905 is generated.
- We do not have a sufficient number of younger members to be financially sustainable.
 - 23% of our members are 75 and older
 - 39% of our member are 65-74 years old
 - 27% of our members are 55-64 years old
 - Only 10% are under 55 (4% are under 45)

What is the conclusion of the PIC Trustees after the financial analysis?

This deficit will only grow exponentially greater over time due to the high average age of our membership. With every call, there is one less member to pay for future calls.

The Board of Trustees voted for the following on May 3, 2021:

- to move toward the dissolution of PIC
- to disperse its assets to the members
- to discontinue this ministry

General Questions Considered

Can't an adjustment be made to the call or Beneficiary amount to keep Partners in Caring in operation?

Raising the call amount substantially or lowering the beneficiary amount substantially will only push out the inevitability that this ministry is not sustainable. Raising the call amount or reducing the beneficiary amount will only make the program less attractive to new and younger members and thus not overcome the projected trends.

Why not wait a few years to discontinue Partners in Caring?

By waiting to dissolve PIC, the available funds to distribute will continue to shrink and a large number of members may receive very little or no distribution following dissolution.

When will the dissolution of Partners in Caring take place?

The Board of Trustee Meeting of July 12, 2021 voted to disburse all assets held by PIC to be disbursed as soon as possible July 31, 2021, as soon as practical after all remaining commitments of PIC have been paid.

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What is the formula used to determine the distribution of assets?

- 90 years and older will receive one-half of current benefits
- After this disbursement, the remaining total assets will be disbursed according to the age groups as follows:
 - 80-89 will receive 40%, equally divided among members
 - 70-79 will receive 30%, equally divided among members
 - 60-69 will receive 20%, equally divided among members
 - Up to 59 will receive 10%, equally divided among members

Why was age used to determine the distribution of assets?

- We have very few records as to when members joined before 2007-2013 and have no way of knowing the length of membership. No member on the Board could remember the exact year they joined.
- The Board of Trustees felt that even though some people join later in ministry, by and large, the older members have been a part of PIC longer.
- A larger percentage was given to the older members because statistically the younger members will have more time to adjust to not having the PIC distribution.

What if I have paid for calls in advance?

Any member who is paid ahead at the time of distribution will be paid their percentage benefit plus the amount they have paid in advance.

What if I am delinquent on calls?

Any member who is delinquent at the time of distribution will be paid their percentage benefit less the amount they are in arrears.

When will Partners in Caring be officially dissolved?

The last day any distribution will take place is July 31, 2021.

I was depending on Partners in Caring to cover funeral expenses. What should I do now?

PIC has been a ministry of compassion and not a life insurance program. Contact the conference Benefits Team at benefitsteam@nccumc.org or 919-779-6115 to learn if you are covered by the conference Life Insurance or other benefit programs such as The Shepherd's Fund.