

FAQs

Q. What is disaffiliation?

A. Disaffiliation is the process whereby a church belonging to The United Methodist Church can exit the denomination and obtain direct ownership of all its property and assets.

Q. Why would a church choose to disaffiliate?

A. **Unity in Belief AND Practice** - When The United Methodist Church (UMC) was formed by the merger of the Methodist Church and the Evangelical United Brethren Church in 1968, the resulting denomination was intentionally formed to allow for a broad spectrum of theological beliefs.

This thought has been challenged over the last 50+ years as the denomination has struggled to even maintain itself, much less grow, in the United States. When formed, the UMC had more than 11 million members, the vast majority within the United States. The latest membership figures show that there are now fewer than 6 million members in the US, and right at 6 million members in the rest of the world.

The presenting dividing lines in the church are regarding human sexuality. However, the questions about sexuality derive from deeper division over foundational theological understandings:

- Who is Jesus? A man blessed by God? God incarnate? Something in between?
- Did the resurrection of Jesus really happen? Is it a spiritual metaphor? A physical experience?
- What is salvation? A get-out-of-hell-free card? A surrender of one's will to God? A lifelong pursuit/experience of becoming holy? A fight for justice in earthly experiences?
- What is the Bible? The inspired word of God? An ancient collection of writings? Authoritative or influential?

A quite vocal segment of the church began arguing for acceptance of homosexual behaviors in the earliest days of the denomination because they already had disagreements on the above questions. The UMC *Book of Discipline* has declared that all persons are of sacred worth and that, "the practice of homosexuality is incompatible with Christian teaching." General Conference, our highest spiritual and legislative body has restated this belief in every General Conference since 1972.

The conflict around human sexuality has grown more intense over the decades. In several parts of the denomination, church leaders have decided they will no longer follow this part of the *Discipline*, believing it to be a matter of justice that goes deeper than the *Discipline*. Although rebellion against the *Discipline* is a chargeable offense, there are no clear means by which the bishops and clergy within these annual conferences could be held accountable to follow the *Discipline*. The disobedience is not limited to sexuality, as many of the above core, theological principles are being violated without any discipline. It is well known that many UM churches and seminaries openly violate the UMC's teaching on the need for Jesus, the role of the church, and even in some cases, the Virgin Birth while still receiving funds from each local church's apportionment payments.

Church leaders who believe in the current Disciplinary standards believe the UMC has become ungovernable, since the agreed upon beliefs are not being upheld by those responsible. Most churches discerning disaffiliation are more frustrated with this incongruence between belief and practice than with any one issue.



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Q. Why would a church remain United Methodist?

- A. There are three main reasons most people (pastors and laity) want to remain United Methodist:
1. Desire to see a more progressive UMC - Some churches are in favor of changing the *Discipline's* language regarding human sexuality and therefore do not see the behaviors of leaders against the current standards as being rebellious but instead, faithful. With many 'conservatives' leaving the UMC, they hope to have enough votes to change the *Discipline's* language on sexuality. There are also some 'conservatives' (on matters of human sexuality) who will choose to stay UMC so that they can open doors for the gospel to the LGBTQ community.
 2. Desire to be in a theologically-diverse church – Some churches enjoy being a part of the “big tent” of Methodism with persons and churches that represent theological lenses that are not their own.
 3. Desire to not have to change - Other churches may be unsure what to think regarding theology and practice, and prefer the security of “this is what we’ve always been” and do not want to intentionally go into an unpredictable future. Or they may consider that none of the areas of disagreement are strong enough to cause them to separate. For many, the UMC has been faithful to them and to leave would be to abandon their “home.”

Q. What happened to the “Protocol for Reconciliation and Grace” that was announced with such fanfare and hope in January 2020?

- A. The Protocol was a negotiated agreement between members of all the major factions within the United Methodist Church following the disarray and ugliness of the 2019 Special Session of General Conference. This agreement provided generous terms for churches to leave the UMC to become part of other denominations. Traditionalists, Progressives and Institutionalists could follow their consciences into their understandings of God's will. At the time the Protocol was announced, expectations were high that it would easily pass at the 2020 General Conference scheduled for May that year.

Unfortunately, COVID happened, and General Conference was delayed until 2021. Then it was delayed until 2022. Earlier this year, the Commission on General Conference (the team responsible for making General Conference happen) announced that it had delayed General Conference again until 2024. They cited the continuing complications of COVID cases, limited availability of vaccines and the difficulties in foreign delegates to the General Conference to obtain necessary visas from the US State Department. It should be noted that many other international gatherings, including the United Methodist Women's Global Assembly, were successfully held. This has led some to conclude that the Commission simply had no will to make General Conference happen due to political considerations rather than logistical ones.

Since the delay of General Conference was announced, all progressive and institutionalist signatories to the protocol have rescinded their support for it. While it remains on the agenda for the next General Conference, most believe it to no longer have enough support to be approved and implemented. This is why some traditionalist congregations are now moving towards disaffiliation.

Q. Is there a timeline for disaffiliation?



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- A. Yes. At the 2019 General Conference, a process was approved for how churches could leave the denomination. It is identified as Paragraph 2553 of the current *United Methodist Discipline*. Unfortunately, this process will automatically expire on December 31, 2023. Therefore, any church which wants to disaffiliate must do so by that date.

Q. Is Paragraph 2553 the only means to exit the UMC?

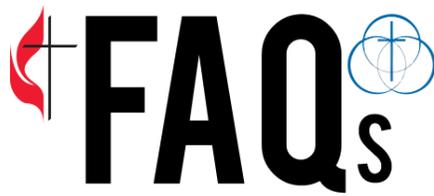
- A. There are two ways to look at answering this question. In a general sense, there are other ways to exit but each of them has significant drawbacks and risks.
1. A church could vote to close itself under Paragraph 2549 and then ask the conference to sell back their property for a minimal price. However, there is nothing that requires the conference to do so. Churches willing to move forward and abandon their property would, in essence, become new church starts.
 2. A church could pursue legal action against the annual conference in hopes of negotiating a settlement on different terms than those provided in Paragraph 2553. This is risky because most state and federal courts are highly reluctant to engage in church matters due to First Amendment considerations. Legal fees can become overwhelming, and it could take even more time than through Paragraph 2553 before resolution is reached.

Another paragraph in the *Discipline*, 2548.2, has been in the *Discipline* since the 1940s. It allows for a church to exit the UMC to join another “evangelical denomination” with more generous opportunities to negotiate an agreement. However, the Council of Bishops united to exclude this option and has asked the Judicial Council to make a declaratory decision about it. In the meantime, they have rejected its use.

Some churches may consider waiting for the 2024 General Conference of the UMC in hopes that different terms may be approved. This, too, contains risk because the Protocol is not likely to pass, and exit terms could become even more costly and cumbersome with the expiration of Paragraph 2553 before General Conference can meet. Therefore, the only known method which will allow a church to exit, from a practical and pragmatic standpoint, is the Paragraph 2553 process.

Q. What does Paragraph 2553 require? How is the West Ohio Conference implementing it?

- A. The process outlined in Paragraph 2553 requires the following:
- Apportionments (a tithe to the denomination) must be paid for the *12 months prior* to disaffiliation, as well as an *additional 12 months* of apportionments (the latter as a lump sum, not spread over the following year)
 - The church’s pro rata amount of Unfunded Pension Liabilities as determined by Wespath (UMC General Board of Pension and Health Benefits) and allocated by the annual conference. For West Ohio, this number is determined through the same formula used for general church apportionments. This must be paid prior to the effective date of departure.
 - West Ohio is also requiring repayment of any conference or district mission grants made to the local church from February 2019 and forward that accumulate to \$20,000 or more. Equitable compensation grants for appointed clergy salary support are the only exception.



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- A church conference must be requested from the district superintendent for the purpose of considering disaffiliation. The district superintendent has up to 120 days to respond to the request, but they are typically responding much more quickly.
- At the duly called church conference, all professing members of the church who are present for the meeting will be allowed to vote. The vote to disaffiliate must receive a two-third (2/3) super-majority of those present to pass.
- With an approval vote, the church must engage in and bear all expenses towards establishing new legal entities, obtaining non-profit status, etc. Further, unless symbols of the United Methodist Church are embedded into the infrastructure of the church building, all signs and logos for the United Methodist Church must be removed from the property. This must be completed within three months of the disaffiliation date.
- The church must provide archives, historical documents, committee minutes and membership rolls to the Annual Conference.
- The Annual Conference must affirm the disaffiliation by a simple majority vote in order for disaffiliation to be finalized.

Bishop Palmer, resident bishop of the West Ohio area, has called for a special session of the Annual Conference to handle all disaffiliation actions for churches ready to exit the denomination before the end of 2022. This session is scheduled for November 19, 2022. Any church which wants to be included in this action must complete all its steps no later than October 31, 2022.

Churches who cannot complete these steps by the October deadline may pursue disaffiliation in time for the next regular session of the Annual Conference in June 2023 or at any specialty called Annual Conference in Fall 2023.

Q. What are the costs to Grace UMC should we choose to disaffiliate according to the terms of Paragraph 2553? How would we pay for this?

A. While we will not have a confirmed total cost from the West Ohio Conference Treasurer, we do have estimates based on the terms of Paragraph 2553 as of August 15. The pension liability is calculated quarterly based on market value.

West Ohio Unfunded Pension Liability	~\$287,752 (down from \$384,000 in June)
Next year of Apportionments	110,674
Finish this year of Apportionments	64,560
Legal Expenses	~ <u>1,000</u>
Total ESTIMATED COST	\$463,986

Regrettably, Grace Church will need to secure gifts and/or loans for this cost. A line of credit has already been opened with a previous lender if this is needed. Church members and friends may also make gifts in support of paying disaffiliation expenses to keep any loan amount minimal.



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Q. Why are the Unfunded Pension Liability expenses so much? How is that number determined?

- A. Wespath is required by action of the General Conference to factor clergy pension liabilities according to a process known as “market value.” Without getting lost in the details of retirement financing, the basic premise is factoring for two variables – the *greatest amount of money required* should clergy and surviving spouses live beyond actuarial table expectations and the *least amount of money available* should there be a terrible economic depression that tanks market values. Whatever is the gap between greatest need and least resources available becomes the Unfunded Pension Liability.

In most situations, the market value forecasting of pension liabilities is simply an exercise in predictive analysis that has no bearing in the “real world.” The probability of such conditions is relatively low. However, this analysis has become a “real world” economic condition for disaffiliating churches because no process exists to allow the theoretical unfunded pension liability to be transferred with a disaffiliating congregation into whatever its new denominational status will be. Therefore, this amount is required as an **actual** dollar payment even though it remains a **theoretical** possibility.

Wespath makes these market calculations on a quarterly basis based upon market condition in the previous quarter. The Unfunded Pension Liability amount quoted in the previous question comes from the second-quarter analysis of the 2022 first quarter result. Wespath will release updated numbers in October 2022, and therefore, the local church pro rata share may change with the new forecast. It is expected that the Conference will use this October dataset for those churches disaffiliating on November 19, 2022.

Q. Given how expensive it is to disaffiliate, what is the economic rationale for disaffiliation?

- A. Under the *United Methodist Book of Discipline*, the local church does NOT own its property, buildings, bank accounts, or any other assets, including altar furnishings, decorative items, hymnals, Bibles (pew and historic heirlooms), etc. Instead, they are all held in trust by the local congregation on behalf of the Annual Conference. So even though the members of Grace Church, going all the way back to 1842 have paid for every acre of land, every wall for every building, every hymnal and pew – none of it belongs to Grace Church. **With disaffiliation, all the property will belong to Grace Church.**

The current assessed value of Grace Church property, not including contents, is well-above the \$5,000,000 mark making the ~\$500,000 payment a bit more viable.

Q. With such focus on the Pension Liability, what will happen to pensions currently received by Grace Church retired ministers if we disaffiliate? What will happen to active pastors’ pensions?

- A. All retired clergy will continue to receive their full benefits, no matter what happens with disaffiliation at Grace Church. The pensions for active pastors who choose to disaffiliate will be changed from a mixture of defined contributions and defined benefits to only defined contributions. Active pastors can elect to leave their retirement funds with Wespath or roll them over to any other retirement account manager. Active pastors will then participate in whatever retirement system is provided by the denomination they choose to join.



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Q. Will disaffiliation affect our worship practices, such as singing songs from the United Methodist Hymnal? Will we need to buy new hymnals? What about other worship liturgies from the United Methodist Book of Worship?

A. Under the terms of agreement for disaffiliation, exiting churches are specifically allowed to keep and use their United Methodist worship resources, including the Hymnal and Book of Worship. At some point, Grace Church may elect to purchase new hymnals, but this would happen because we thought it time to have new resources and not because we can no longer use what we already have.

Q. If we disaffiliate will we keep copies of all our records?

A. We will make copies of all records and retain them while also complying with the requirement to give records to the Annual Conference upon disaffiliation. We will still be able to research our membership, baptism, marriage, and death information, as well as minutes of meetings and financial records.

Q. If Grace Church disaffiliates from the United Methodist Church, where will it belong denominationally?

A. There are several potential landing sites for Grace Church. Perhaps the most discussed option is the **Global Methodist Church (GMC)**. The GMC officially launched on May 1, 2022 and already comprises congregations in Europe, the Philippines, Africa and the United States. The GMC aspires to restore core Wesleyan Christian practices such as mutual support and accountability for faith development, engagement with communities at the local level to bring new people to faith in Jesus Christ, emphasizing the historic creeds as meaningful and relevant today, and pouring more resources into local churches rather than create complex and expensive bureaucracies such as what exists within the UMC. The GMC currently operates under a Transitional Doctrines and *Discipline* until there can be a Convening Conference, expected to be sometime in 2024. Go to the globalmethodist.org website for more information.

There are also other Wesleyan denominations that could be a possibility for Grace Church to join.

- The **Free Methodist Church** (fmcusa.org) is a theologically conservative denomination based in Indianapolis, IN. There are approximately 68,000 members in the USA and 1.2 million worldwide.
- The **Wesleyan Church** (Wesleyan.org) is approximately 600,000 members strong with members in 99 countries around the world. It was formed as an abolitionist church when the Methodist Episcopal Church could not resolve its differences between North and South regarding slavery.

Grace Church could also become a self-contained, **independent congregation**. However, there are many potential pitfalls in doing so, and it would be contrary to the spirit of connectionalism that was core to our theological heritage and Grace Church's history.

Q. If Grace Church disaffiliates, will we continue to pay \$110,000 or more per year in conference and district apportionments?



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- A. No, once disaffiliation is completed, there will be no additional apportionments paid into the UMC. Future apportionments would be determined by what denomination Grace Church would choose to join. For example, if Grace Church chose to join the Global Methodist Church, that denomination has capped its apportionment expectations to 6.5% of the local church's annual budget. This compares to the current 10% in the UMC. During this transition period, the GMC is requesting just a 1% apportionment, and it has agreed to waive even that amount until the convening conference can be held. It is doing this in recognition of the greater expenses disaffiliating churches face to exit the UMC.

Q. When and how will we decide on where to go should we no longer be United Methodist?

- A. The Church Council has been evaluating the various options as described in the previous question. Members of Grace Church are encouraged to research each of these possibilities and more listed on our website. We will field questions regarding these possibilities during the Info Sessions in September where your Church Council will share its recommendation. Assuming the 2/3 vote to disaffiliate is obtained, a simple majority vote in the same Church Conference will determine the next step for denominational affiliation.

Q. Are there costs to join any of these other denominations? Will we retain ownership of our property in another denomination?

- A. There is no cost to join any of the listed denominations except for legal fees occurred during the disaffiliation process. With the Free Methodist Church, the Wesleyan and Nazarene Churches, there is a trust clause similar to what we have now. If Grace Church joins the GMC, Grace Church will retain ownership of its property.

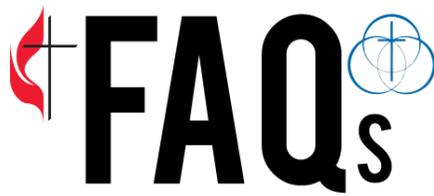
Q. Is there anything that we can use to compare what is expected from the UMC and GMC as each denomination moves forward?

- A. Yes. There are two comparison charts listed on our website. One comparing the current organizations and one comparing the GMC to a most-likely, future UMC. If you'd like a hard copy, contact our office.

Q. What happens if we choose NOT to disaffiliate?

- A. If a Church Conference vote fails to achieve the 2/3 majority, or if Grace Church fails to complete the checklist for disaffiliation after a 2/3 vote, then Grace Church will remain United Methodist. If the vote receives a majority, but not the required super-majority, then the church would need to determine whether it would pursue another method for exiting the UMC. It is unclear whether the congregation would be allowed to attempt another disaffiliation vote next year if it fails this year.

If the majority vote is to remain United Methodist, then there will be no further efforts towards disaffiliation. It is logical to anticipate that there will be some people who choose to leave Grace Church and join another or start another church and others who would remain.



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Q. If we vote to stay United Methodist will we lose our pastors?

A. Potentially. Both Dan and Grace will make their own affiliation decisions. If they choose not to stay UMC, Grace Church will receive new pastor appointments from Bishop Palmer.

Q. What can I do if Grace Church votes to disaffiliate and I want to stay a part of the United Methodist Church?

A. Anyone who prefers to remain United Methodist can either transfer membership to another United Methodist church, or they can request that their membership be removed from the Grace Church rolls and continue to worship with Grace Church as non-member. If transfer is requested, Grace Church will expedite the request. If needed, referrals can also be provided.

We hope the outcome of this vote will allow everyone to move into the worshiping community to which they sense the Holy Spirit guiding them, and to release one another in Christian love.

Q. Are there any resources that I can use to do further research and/or stay up to date with what is happening in the denomination?

A. Perhaps the most complete resource is the “UM Compendium” maintained by Dr. Chris Ritter at <http://peopleneedjesus.net>. He has attempted to collect all electronic transmissions regarding the UMC, GMC and other Methodist news and continues to update it multiple times weekly.

Other resources include the websites for both the UMC (www.umc.org) and the GMC (www.globalmethodist.org) and the websites for the other potential denominations referenced above. However, it is important to keep in mind that every source of news is coming from a particular perspective – some highly encouraging remaining UMC and others highly encouraging exiting the UMC. Keep this in mind as you gather information and ask God to help you discern what is the best path forward.

Q. I have questions that were not answered here. How can I get answers?

A. Come to one of the three information sessions. Our goal is to let each member have sufficient information to be able to vote with a clear conscience and confidence in what God is leading us to do, no matter the decision made in the Church Conference. One of the Church Council members can also come to your Life Group or Bible Study for group discernment as well.