

HMONG DISTRICT PROTECTIVE BENEFIT PLAN POLICY

NYAJ FOOBXAAB

History of Hmong District Protective Burial Fund

At 1989 Hmong District annual conference, Hmong District approval was granted to withdraw participation from the C&MA Burial Fund and established an independent Burial Protective Fund. This fund mandates each local church to make an annual special offering, defined procedures for individual pastors to become members, and outlined disbursement according to the fund balance as specified in the Hmong District Bylaw.

Cultural funeral services and burial arrangements played a significant role in the Hmong community, and funding them had often been a major challenge for many ministers during the 1980's and 1990's. Many members were believed to hold low-paying jobs, and most Hmong church members rely on government assistance during these eras. Financial resources within families are limited, and both local churches and their ministers often lack the means to cover funeral and burial expenses for their ministers. Therefore, the decision to require all district churches to support the funeral and burial services for ministers was considered reasonable and cost-effective for everyone in 1989.

In 2013, the Hmong District annual conference approved the transferring membership qualification and fund disbursement procedures from the Bylaw to Hmong District's policy as a framework; however, this change did not eliminate the requirement for each local church to contribute annually to the fund.

Dormant Bylaw

According to the 2024 and 2025 Hmong District DS Report, the Protective Benefit Fund received an average annual contribution of \$9,493.01 over the past decade from 97 churches and individuals. On average, only 29% (27 churches) contributed to the fund each year. Furthermore, among the contributing churches, donations were inconsistent and did not align with the mandate outlined in the Bylaw.

Some churches only gave as low as \$50 or \$100, which may have been just a membership application fee.

In the past decade, Hmong District has over 100 churches, but only 97 are listed as contributors to the Hmong District Protective Burial Fund. Some churches have not met the Bylaw mandate, and Hmong District leadership has not enforced compliance of this mandatory.

Since the Bylaw was passed, Hmong District leadership has not maintained accountability regarding the balance as mandated, nor clarified how it influences disbursements. In some years, DS provided reports to leadership, while in others, no information about the balance or disbursement plans was shared according to the approved plan.

The approved plan also stipulates that Hmong District leadership should inform the church whether to continue sending offerings to the Hmong District office or to stop, once the maximum balance (\$200,000) is reached. However, this notification has never been provided, either at annual conferences or through yearly communication to local churches.

Dormant Policy

Regarding membership qualification requirements for receiving this benefit, it appears Hmong District leadership has not reviewed or reinforced its policies pertaining to membership eligibility and benefit disbursement. All individuals accredited for ministry licensing are eligible for membership and access to this benefit; however, not everyone participates. Furthermore, among those who do, some individuals may no longer qualify because they and their families are not actively serving in the role of ministry. Hmong District leadership has not sent notices about members' qualifications or removal from the benefit, which could lead to inaccurate active membership records.

Disbursements are typically based on staff and leadership memory and knowledge concerning amounts due and deceased individuals known to the district office. There has been inconsistent reporting on the balance of this Protective Benefit fund each year, as well as unclear information about church contributions to the fund. This affects leadership's ability to make informed decisions regarding annual disbursement amounts. Usually, disbursements are made by one person rather than by the leadership team as specified in the bylaws. Capin Cruse LLC auditor firm previously advised leadership to develop a more structured policy to managing and operating this fund. Although a policy was developed, it is unclear whether it remains in use or is reviewed annually according to the fund balance and compliance requirements for local churches.

Local Churches

Currently, many members of Hmong District churches are employed and no longer reliant on government assistance. Hmong District churches have become more adept at financing their local operations and supporting their ministers' livelihoods. Most local ministers and their families hold their own protective funding policies, such as life insurance. Funeral and burial expenses are determined by their preferences, large or small, of the deceased's family and are typically funded by the family itself. The Hmong District or local church is no longer obligated to support these costs. When Hmong District or the local church provides support or financial assistance, it is an act of benevolence and cultural tradition extended to the deceased's family, regardless of their financial status. Such contributions are no longer contingent upon the family's ability to pay funeral and burial expenses. The approach of providing community support for funeral and burial expenses of ministers within the district may no longer be endorsed by local church leadership.

Enrollment

The 1989 Bylaw stipulates that all Hmong District ministers must register and enroll in this plan, as it assigns responsibility to local church members to support the protective fund policy for Hmong District ministers. However, it appears that not all ministers in the Hmong District currently agree to participate in the plan.

Reason to Rescind This Bylaw of Hmong District Minister Protective Plan:

1. The requirements outlined in this bylaw present concerns regarding fairness for several churches and individual ministers:
 - a. Some churches diligently comply by submitting their offers annually.
 - b. Others send offerings intermittently, often only when reminded.
 - c. Certain churches, without active ministers, continue to contribute and effectively subsidize those with active ministers during times of need.
 - d. Some churches maintain their own protective benefits for ministers and staff, independent of the Protective Fund.

- e. Ministers who are no longer actively serving may retain membership and continue to receive benefits.
 - f. There is a lack of accurate data on the number of active members eligible for these benefits.
 - g. No proactive or long-term strategy exists to ensure adequate funding for future members, particularly as most active members are expected to retire within the next decade and the growth of active minister members in the district.
 - h. Fewer young ministers are participating in the requirements expected of district ministers.
2. It is widely recognized that local churches have the opportunity to establish protective plans to support their ministers and staff as part of their offerings.
 3. Each local church should have the option of administering protective plans for active ministers and staff members.
 4. Each local churches are accountable for determining the appropriate level of benefits, ensuring these are included in the overall benefits package, if they choose to offer.
 5. Ministers and their families are expected to bear costs according to their preferences and financial capabilities and it should not depend upon the churches.
 6. Each minister should have a personal protective plan based on individual needs and available resources.

Note:

In the United States, not all churches and denominations offer life insurance or protective burial funds for their ministers or staff. When such coverage is available, it typically forms part of the overall benefits package. Additionally, protective plans exceeding \$50,000 may have tax implications.

If this proposal fails, then Hmong District leadership needs to develop a long-term sustainable strategy plan for this Protective Plan as long as Hmong District exists.

1. Enforcing the Bylaw of the requirement for each local church to do a love offering and sending the fund to Hmong District each fiscal year unless Hmong District notifies to cease it.
2. Revising the disbursement policy.

HMONG DISTRICT PROTECTIVE BENEFIT PLAN POLICY RECOMMENDATION

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This policy is established to ensure alignment with the approval mandate specified in the 1989 Bylaw section, and all related activities and the disbursement plan shall adhere to the guidelines described below. Oversight of this policy and plan will be exercised by DS in collaboration with DEXCOM. This policy remains in effect until revised or rescinded by the District Annual conference.

Recommendation to Discontinue Hmong District Protective Benefit Plan (Nyaj Foobxaab)

1. Whereas, the establishment of the Protective Fund originated during a period when both churches and individual ministers faced limited financial resources, making it challenging to cover funeral expenses for deceased ministers.
2. Whereas, churches and ministers have gained greater access to financial and other resources, the significance of the Protective Fund has diminished for many.
3. Whereas, The Hmong District has not consistently prioritized the administrative duties related to this bylaw and policy.
4. Whereas, Some churches diligently comply by submitting their offers annually and others send offerings intermittently, often only when reminded.
5. Whereas, certain churches, without active ministers, continue to contribute and effectively subsidize those with active ministers during times of need.
6. Whereas, some churches maintain their own protective benefits for ministers and staff, independent of the Protective Fund.
7. Whereas, no proactive or long-term strategy exists to ensure adequate funding for future members, particularly as most active members are expected to retire within the next decade and the growth of active minister members in the district.
8. Whereas, the calculated membership liability far exceeds the protective fund balance.
9. Whereas, fewer young individuals are participating in the requirements expected of district ministers.

Therefore,

Recommendation #1

It is recommended that the Bylaw mandating annual special offerings from each church and the Protective Fund be discontinued effective immediately, and no new member shall be accepted.

Recommendation #2

It is recommended that the current fund balance continue to be distributed to the current members in the amount of \$5,000 per occurrence until the fund is depleted.

Current members can opt out of the fund and receive a refund of the membership fee of \$100 per member.

Suggestion by Hmong District

It is suggested that each local church provide life insurance as part of the benefits package for their active pastor(s)