

NAZARENE BENEFITS - INTERNATIONAL

Introduction

Nazarene Benefits International (NBI) works in partnership with the Global Missions office and regional offices on guidelines and consultation services for retirement matters for clergy and lay employees of the global church outside of the United States.

INTERNATIONAL CONTRIBUTORY RETIREMENT PROGRAM (ICRP)

History

This program started in 1991 to provide a retirement investment option for eligible participants from regions outside of the United States. It is based on a separate contractual arrangement between each region and Securian Financial Group, Inc. (Securian), which is based in St. Paul, Minnesota, USA (previously known as Minnesota Life Insurance Company).

During 2023 the underlying contracts were sold by Securian to EXL, which is a global analytics and digital solutions company which includes services to the insurance industry. EXL is traded on the NASDAQ under the symbol "EXLS".

Purpose

The program provides participants the ability to save for retirement through an insurance investment contract based on U.S. currency values which are considered a stable financial measure. Earnings accumulate on a tax-deferred basis until withdrawn. During FY23, and for the past several years, the program offered a constant 4.0% rate of return, but that rate is subject to quarterly adjustment by the contract owner. Due to the increased complexity and level of compliance requirements related to laws enacted in the United States, the program was closed to new participants by Securian in 2013.

Summary Statement of Activity and Balances for FY23 and FY22 is attached as Exhibit A

ICRP Mandatory Withholding

Internal Revenue Service regulations in the United States impose a 30% tax on U.S. income earned by foreign persons and require the withholding agent (in this case, Securian) to withhold that amount from earned income when distributed.

A reduced tax rate, including exemption, may apply if there is a tax treaty between the foreign person's country of residence and the United States. Participants who fall under such treaties must file a federal income tax return with the U.S. to claim a refund for any overpayments.

FUNDS HELD BY GENERAL TREASURY SERVICES (GTS)

Purpose

In addition to the ICRP, Global Treasury Services manages pooled assets on behalf of global retirement fund arrangements for regions outside of the United States.

Summary of Activity and Balances for FY23 and FY22 is attached as Exhibit B.

WHY IS THERE NO SINGLE GLOBAL RETIREMENT PLAN?

History

There are significant differences in government regulations and related compliance requirements among the more than 160 nations served by the Church of the Nazarene around the world. The complexities and costs involved to manage them make it not feasible to develop and operate a common global or regional retirement benefit program. However, NBI will continue to provide consultation services to the regions while recognizing the leadership of each region is best suited to determine the most appropriate structure for such benefits for the workforce requirements in their area.

Respectfully Submitted,
KEVIN P. GILMORE
Executive Director

Nazarene Benefits International
Schedule of Investment Contract Retirement Program (ICRP) Funds
For the Fiscal Years Ending September 30, 2023 and 2022

FY / Region	Beginning			FY Activity			Ending		
	Qty	Avg Bal	Balance	Contrib	W/drawals	Earnings	Balance	Avg Bal	Qty
FY23									
Africa	21	\$ 64,061	\$ 1,345,273	\$ 73,886	\$ 234,383	\$ 53,154	\$ 1,237,930	\$ 68,774	18
Asia-Pacific	40	\$ 5,902	\$ 236,085	\$ 2,512	\$ 157,555	\$ 8,374	\$ 89,417	\$ 2,353	38
Caribbean	65	\$ 1,644	\$ 106,833	\$ -	\$ 6,225	\$ 4,247	\$ 104,856	\$ 1,638	64
Eurasia	17	\$ 10,913	\$ 185,521	\$ 2,939	\$ -	\$ 7,477	\$ 195,936	\$ 11,526	17
Mex/Central America	254	\$ 4,750	\$ 1,206,520	\$ 46,330	\$ 24,558	\$ 48,544	\$ 1,276,835	\$ 5,128	249
South America	128	\$ 6,401	\$ 819,361	\$ 13,658	\$ 668	\$ 33,043	\$ 865,394	\$ 6,814	127
FY23 Total	525	\$ 93,671	\$ 3,899,594	\$ 139,324	\$ 423,389	\$ 154,838	\$ 3,770,367	\$ 96,233	513
FY22									
Africa	21	\$ 62,254	\$ 1,307,335	\$ 85,088	\$ 100,000	\$ 52,850	\$ 1,345,273	\$ 64,061	21
Asia-Pacific	40	\$ 5,546	\$ 221,847	\$ 5,260	\$ -	\$ 8,978	\$ 236,085	\$ 5,902	40
Caribbean	67	\$ 1,807	\$ 121,037	\$ 135	\$ 19,011	\$ 4,673	\$ 106,833	\$ 1,644	65
Eurasia	17	\$ 10,705	\$ 181,990	\$ 5,564	\$ 9,412	\$ 7,379	\$ 185,521	\$ 10,913	17
Mex/Central America	270	\$ 4,142	\$ 1,118,226	\$ 74,126	\$ 31,244	\$ 45,411	\$ 1,206,520	\$ 4,750	254
South America	131	\$ 7,345	\$ 962,150	\$ 45,563	\$ 222,956	\$ 34,604	\$ 819,361	\$ 6,401	128
FY22 Total	546	\$ 91,798	\$ 3,912,585	\$ 215,736	\$ 382,623	\$ 153,895	\$ 3,899,594	\$ 93,671	525

Nazarene Benefits International
Schedule of Funds Held by the General Treasurer's Office
For the Fiscal Years Ending September 30, 2023 and 2022

FY/Region/Country	Beg Balance	Adds (Ded)	Earnings	End Balance
FY23				
Africa	\$ 63,002	\$ -	\$ 1,741	\$ 64,744
Cape Verde	\$ 63,002	\$ -	\$ 1,741	\$ 64,744
Asia-Pacific	\$ 107,275	\$ -	\$ 2,965	\$ 110,240
Indonesia	\$ 107,275	\$ -	\$ 2,965	\$ 110,240
Caribbean	\$ 61,032	\$ -	\$ 1,687	\$ 62,718
Haiti	\$ 42,952	\$ -	\$ 1,187	\$ 44,139
Puerto Rico	\$ 17,336	\$ -	\$ 479	\$ 17,815
Virgin Islands	\$ 744	\$ -	\$ 21	\$ 764
Mesoamerica	\$ 80,935	\$ -	\$ 2,237	\$ 83,172
El Salvador	\$ 9,597	\$ -	\$ 265	\$ 9,863
Guatemala	\$ 10,823	\$ -	\$ 299	\$ 11,123
Honduras	\$ 1,394	\$ -	\$ 39	\$ 1,432
Mexico	\$ 45,036	\$ -	\$ 1,245	\$ 46,281
Nicaragua	\$ 14,085	\$ -	\$ 389	\$ 14,474
South America	\$ 50,586	\$ -	\$ 1,398	\$ 51,984
Bolivia	\$ 50,586	\$ -	\$ 1,398	\$ 51,984
FY23 Total	\$ 362,830	\$ -	\$ 10,028	\$ 372,858
FY22				
Africa	\$ 62,872	\$ (957)	\$ 1,087	\$ 63,002
Cape Verde	\$ 62,872	\$ (957)	\$ 1,087	\$ 63,002
Asia-Pacific	\$ 105,441	\$ -	\$ 1,834	\$ 107,275
Indonesia	\$ 105,441	\$ -	\$ 1,834	\$ 107,275
Caribbean	\$ 59,988	\$ -	\$ 1,044	\$ 61,032
Haiti	\$ 42,218	\$ -	\$ 734	\$ 42,952
Puerto Rico	\$ 17,039	\$ -	\$ 296	\$ 17,336
Virgin Islands	\$ 731	\$ -	\$ 13	\$ 744
Mesoamerica	\$ 81,033	\$ (1,497)	\$ 1,399	\$ 80,935
El Salvador	\$ 9,433	\$ -	\$ 164	\$ 9,597
Guatemala	\$ 10,638	\$ -	\$ 185	\$ 10,823
Honduras	\$ 1,370	\$ -	\$ 24	\$ 1,394
Mexico	\$ 45,748	\$ (1,497)	\$ 785	\$ 45,036
Nicaragua	\$ 13,844	\$ -	\$ 241	\$ 14,085
South America	\$ 50,481	\$ (768)	\$ 873	\$ 50,586
Bolivia	\$ 50,481	\$ (768)	\$ 873	\$ 50,586
FY22 Total	\$ 359,816	\$ (3,222)	\$ 6,237	\$ 362,830