

BOARD OF PENSIONS AND HEALTH BENEFITS
New York Annual Conference
United Methodist Church

Health Benefits Administrative Policies and Rates

The Guidelines by which our Health Benefits Program is Administered

For the Year 2009

1. **Uniform Rate** – Since our health benefits plan covers all full-time and three-quarter time clergy, our connectional responsibility requires that every church served by a fulltime or three-quarter time pastor pay the uniform rate.

The uniform rate is NOT an insurance premium for the individual currently serving as the church's pastor. It is each fulltime or three-quarter time church's equal share of the total Annual Conference premium that provides health benefits for active clergy, conference staff and their families throughout our diverse conference.

The uniform rate is determined by the total annual cost for active pastors in fulltime or three-quarter time appointment and conference staff, divided by the number of clergy under fulltime and three-quarter appointment and conference staff. The local church pays 90% of the uniform rate; covered clergy pay 10%.

In 2009 the uniform rate will be \$11,400. By action of the Annual Conference, each church will pay 90% of the uniform rate (\$10,260) billed at \$855 per month. Each pastor will pay 10% (\$1,140) billed at \$95 per month. The cost for conference staff will be paid at 90% of the uniform rate by the Annual Conference and 10% by each staff member.

2. **PPO Buy-Up** - Active participants may buy up to the Preferred Provider Organization (PPO) network. Those who choose the PPO buy-up must pay the uniform rate plus the additional premium for the PPO option.

In 2009 the cost for the PPO buy up, **in addition to 10% of the uniform rate**, for a single participant will be \$1,584 billed at \$132 per month. For a participant plus family, the PPO buy-up cost, in addition to 10% of the uniform rate, will be \$3,900 billed at \$325 per month.

3. **Clergy Couple Under Appointment** - Clergy couples, in which both ordained spouses serve under appointment in separate fulltime churches, are treated in the HealthFlex census as separate units. Each church, per section 1 above, is responsible for paying its 90% of the uniform rate. The clergy couple is responsible for paying a single 10% of the uniform rate. Note: Each partner is given his or her own health benefits card. If there are dependent children, the couple must determine on which one's card to list the dependent children.

4. **Churches Served by Retired Clergy:** All churches served by fulltime or three-quarter time pastors are responsible for paying 90% of the uniform rate, per section 1 above, regardless of the status, retired or not, of the current pastor.

Retired clergy age 65 or above, who serve in fulltime or three-quarter time appointment, will continue to be carried as actives in HealthFlex and will, therefore, be responsible for paying their 10% of the uniform rate.

5. **Retired Clergy:** Retired clergy not under fulltime or three-quarter time appointment, age 65 or above, must be signed up with the Social Security Administration for coverage under Medicare, Part A and Part B, before they can be enrolled in the HealthFlex Medicare Supplement Plan. Retired clergy are responsible for paying 25% of the premium cost. The Annual Conference pays 75% of the premium.

In 2009 the premium cost per retired individual for the HealthFlex Medicare Supplement Plan will be \$4,032. By action of the Annual Conference, the conference will pay 75% (\$3,024) of the premium cost. Retired clergy will be responsible for paying 25% of the premium cost (\$1,008) billed at \$84 per month. For retired clergy with covered spouse, the premium cost for the HealthFlex Medicare Supplement will be \$8,064 (the individual premium x 2) with the 25% billed at \$168 per month.

6. **Surviving Spouse of Clergy:** The covered surviving spouse of a clergy member enrolled in HealthFlex may continue in the plan at his or her expense. A surviving spouse who is not yet 65 will pay the premium cost for a single individual. A surviving spouse 65 or over whose primary coverage is Medicare will pay 25% of the premium cost for the HealthFlex Medicare Supplement.

In 2009 the annual cost for a surviving spouse who is not yet 65 will be \$4,884, billed at \$407 per month. For a surviving spouse 65 or above whose primary coverage is Medicare, the coverage will be in the HealthFlex Medicare Supplement Plan at an annual cost of \$1,008, billed at \$84 per month, which represents 25% of the total premium of \$4,032. The Annual Conference pays 75% or \$3,024 of the premium cost.

7. **Retiree Eligibility:** A Retired Participant eligible for the HealthFlex Medicare Supplement is defined as a former Active Participant in the New York Annual Conference Health Benefit Plan with at least five years of continuous coverage at the time of retirement, and whose primary coverage at retirement is through Medicare Part A and Part B. Retirees with 15 years or more of service in the conference prior to retirement are required to pay 25% of the premium. Retirees with fewer than 15 years of full-time service will be covered at higher levels of personal contribution to the cost, per the following schedule:

<u>Length of Service</u>	<u>Level of Contribution</u>
15 years plus	25% of cost
11 to 14 years	50% of cost
6 to 10 years	75% of cost
1 to 5 years	100% of cost

8. **Clergy Who Retire Before the Age of 65:** Clergy who retire before the age of 65 must continue, at their expense, their coverage in HealthFlex as if active until their 65th birthday. If such early-retired clergy choose not to continue in the conference HealthFlex program they may not re-enter conference coverage and they will be ineligible for coverage in the HealthFlex Medicare Supplement Plan at age 65. Eligibility for the conference HealthFlex Medicare Supplement Plan requires at least five years of continuous coverage in the conference actives plan before age 65.

In 2009 early-retired clergy with covered dependent will be responsible for paying the uniform rate of \$11,400 billed at \$950 per month. A Retired clergy person younger than 65 without covered dependents, will pay the premium cost for a single individual, \$4,884 billed at \$407 per month.

9. **Retired Clergy with Spouse Younger than Age 65:** A retired clergy member with a spouse younger than age 65 may have the spouse covered in the active HealthFlex plan at his or her expense. Eligibility for coverage in the conference HealthFlex Medicare Supplement Plan when the spouse reaches age 65 requires at least five years of continuous coverage in the conference actives plan before age 65.

In 2009 the annual cost for a spouse who is not yet 65 will be the premium cost for a single individual, \$4,884 billed at \$407 per month.

10. **Termination for Non-Payment:** If payment for a participant is not received within 30 days, notice will be sent to the Finance chairperson, Church Treasurer, Lay Member to Annual Conference, Pastor/Staff Parish Relations Chair, Lay Leader and Pastor declaring that if past due payment is not received within the next 15 days, the participant will be dropped from coverage after consultation with the District Superintendent and/or CF&A. Re-entry into the HealthFlex Plan cannot be allowed until the beginning of the following calendar year. Such re-entry will require payment of all arrearages up to the date when coverage was terminated. Loss of coverage under these circumstances will subject the party in arrears to all pre-existing medical condition limitations enforceable under the plan. Each church served by a fulltime or three-quarter time pastor will continue to be responsible for payment of the Uniform Rate as described in #1, above.