

# **New York Annual Conference 2019 Benefit Policies and Costs**

## **ACTIVE CLERGY:**

**HealthFlex Insurance:** The Conference provides our active clergy and their families with medical insurance coverage through Blue Cross Blue Shield of Illinois and prescription and behavioral health services through OptumRx and UBH. All active clergy who serve at least 75% are required to enroll in our medical insurance plan.

- The total uniform rate for HealthFlex for **active** clergy in 2019 will be \$17,208 (\$1,434 per month).
- Clergy will be given the option to choose from six HealthFlex insurance plans. Based upon their family size, clergy will be allocated a “premium credit” to assist in choosing the best plan for their needs. The clergy’s monthly cost will depend upon the insurance plan they choose. This amount may be calculated as a payroll deduction under Section 125 “pre-tax” option.

Clergy serving at least 75% will receive a “premium credit” based on their tier (single, plus one or family) to spend on the plan that best suits their needs. If a clergy member chooses a plan that exceeds the premium credit allocated, the difference will be billed to the clergy member. Conversely, if a clergy member chooses a plan that costs less than the premium credit amount, the difference is placed in an HSA or HRA for the benefit of the clergy member. The premium credit amounts that the Conference will provide in 2019 are \$637 for single, \$1,456 for member plus one, and \$1,870 for family. Local churches will be billed the Uniform Rate that will be used to fund the clergy premium credit dollars. The proposed Uniform Rate for 2019 is \$17,208 annually or \$1,434 per month. The clergy monthly payment will be determined by the plan chosen. (See HealthFlex Uniform Rate addendum on page 5)

Clergy will also have the ability to purchase and choose one of three dental insurance plans and enhanced vision plans. Clergy are billed the cost of the plans chosen, over and above the premium credit allocated.

(Clergy may waive the conference sponsored insurance coverage, however their church will still be billed the Uniform rate. A clergy waiver does not waive the church’s responsibility to contribute to the conference sponsored health insurance.)

**Clergy Pension & Disability Benefits:** CRSP will only be billed to churches with clergy who serve 75 – 100% (same as HealthFlex).

The total billing for clergy serving 75% - 100% for CRSP pension benefits will be based on an annual rate of 11.8% of total compensation. Total compensation is defined as salary plus either a) 25% of salary for clergy who are provided a parsonage or b) the actual amount of the housing allowance.

Part-Time clergy (those serving less than 75%) are not eligible to participate in CRSP. This does not affect any previously CRSP accrued benefits. The church is still required to budget for clergy pension, at a rate of 11.8% of total compensation for clergy serving less than 75%, which is to be deposited in the clergy’s **UMPIP** account. Clergy who choose to enroll and contribute a minimum 1% contribution of their compensation to UMPIP will be eligible for a 1% church match to their UMPIP account. If the pastor does not voluntarily contribute 1% to UMPIP, then the church will only be responsible for a 10.8% contribution.

Every church must become a plan sponsor and complete a UMPIP Plan Sponsor Adoption Agreement. Each church will be billed by Wespath for the clergy contribution to UMPIP, the church contribution and the church match. The conference will not be involved in the billing or collection of UMPIP funds. A “Before/After Tax Clergy Contribution” agreement must be completed by the pastor and submitted to their Treasurer for processing with the Wespath. A copy remains on file at the local church. Contributions must be sent via church check or electronic transfer on a monthly basis.

**Comprehensive Protection Plan:** Clergy who serve at 100% are automatically enrolled in **CPP**, which provides long term disability insurance and death benefits. Churches will be billed 3% of the total compensation for CPP.

## ADMINISTRATIVE POLICIES FOR HEALTH BENEFIT PROGRAMS

The guidelines by which our health benefits program is administered are presented here for the sake of clarity and understanding by all:

- 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 full-time 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 full-time or three-quarter time church's equal share of the total 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 full-time or three-quarter time appointment and conference staff, divided by the number of clergy under full-time and three-quarter appointment and conference staff.

- 2. Clergy Couple Under Appointment:** Clergy couples, in which both ordained spouses serve under appointment in separate fulltime churches, are treated by the Conference as separate enrolled members in HealthFlex. Each church, per section 1 above, is responsible for paying its portion of the Uniform Rate. The clergy couple however is responsible for and will be invoiced only one clergy portion 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 policy to cover dependent children.
- 4. Churches Served by Retired Clergy:** Churches served by retired clergy are not charged for health benefits. Such clergy do not participate in the active health plan but instead may be eligible for the services of Via Benefits and a Health Reimbursement Account (HRA.)
- 5. Retired Clergy:** Retired clergy, age 65 or above, must be enrolled with the Social Security Administration for coverage under Medicare Part A and Part B and therefore may be eligible for the services of Via Benefits and the HRA funding.
- 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 full premium cost for a single individual and any applicable dependents. A surviving spouse 65 or over whose primary coverage is Medicare may be eligible for the services of Via Benefits and the Health Reimbursement Account funding.
- 7. Retiree Eligibility:** A retired participant eligible for the services of Via Benefits and the Health Reimbursement Account 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. In January 2018 current retirees and their spouses will each receive an HRA contribution of \$2,820. Health Reimbursement Accounts (HRA) are tax-free accounts established and funded by employers and plan sponsors. The funds in your HRA can be used to reimburse yourself and your eligible spouse for eligible healthcare expenses, including your insurance premiums and non-reimbursable out of pocket expenses.
- 8. Clergy Who Retire Before the Age of 65:** Clergy who retire before the age of 65 must continue, at their own expense, coverage in HealthFlex 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 may be ineligible for participation in the Via Benefits program and will not receive any future HRA funding. Future eligibility requires at least five years of continuous coverage in the conference active HealthFlex plan before age 65.
- 8. 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 participation in the Via Benefits program and HRA funding when the spouse reaches age 65 requires at least five years of continuous coverage in the conference active plan before age 65.

**9. Clergy with Past Due HealthFlex accounts:** At the time of retirement, retroactively five years, a pastor who served, was eligible and enrolled in the pension plan and HealthFlex, and the Pastor's share was not paid in full, the Conference Board of Pension and Health Benefits will reduce their HRA amount by the lesser of the amount owed or by 50%, until such time as the conference recoups these losses. The BOPHB will establish an appeal process for clergy who feel that the policy of a reduced HRA unfairly penalizes them. Their spouse's HRA will not be reduced but set at the amount to which they are entitled. This policy will begin with retirements at the 2015 Annual Conference.

**10. Health Flex Termination Policy for Active Clergy**  
*(Effective July 1, 2010, and amended July 1, 2016)*

If the health insurance payment for a participant is not received within 60 days of the due date, notice will be sent by regular mail to the Finance Committee chairperson, Church Treasurer, Staff Parish Relations chairperson, District Superintendent and by certified mail with return receipt requested to the pastor, declaring that if past-due payments from the pastor or the church are not received within the next 30 days, steps will be initiated to cancel the participant's coverage. The church is responsible for payment toward the Uniform Rate as well as any Section 125 plan amounts that have been withheld from the pastor's salary due to a salary reduction agreement for that purpose.

After the notice has been sent on a 60-day default, and there is no response from the church or the pastor within the next 30 days in the form of payment in full or a repayment plan, the CFO, in consultation with the conference CBOPHB chair will make a decision to terminate. A certified letter will be mailed, return receipt requested, warning that termination to take place in 15 days. Insurance will not be terminated until at least 45 days have passed after the initial notice that payment was due.

Any Medical Reimbursement Account or family care account will be frozen until future payments are made. Once a pastor and her/his dependents, if any, are dropped from the plan, they can only re-enter during the open enrollment period in November for the following year. By the time of open enrollment for the following year, past due balances must have been paid by the pastor/church or a payment schedule must be provided with commitment for monthly payments for that new plan year.

The CFO and the conference board will work with churches and pastors who are in default of their payments to provide a payment plan to bring them current. If after a written agreement has been executed between the church and/or pastor and the CFO, and the agreed-upon payments become thirty days late, the termination of health insurance will occur immediately.

**RETIRED CLERGY:**

**Past Service Rate:** The 2019 past service rate for the Pre-1982 pension recipients is set at \$604.00.

**Retiree Medical Coverage:** Retired clergy, their spouses and surviving spouses are offered individual Medicare Supplement Insurance plans and a Prescription Drug plans through our vendor, Via Benefits. Via Benefits works with each retiree, individually, to enroll them in the plans that best suit their needs.

Retirees enrolled in plans through Via Benefits will receive a NYAC sponsored Health Reimbursement Account (HRA) established on their behalf. This fixed amount for 2019 will be \$2,820 per participant. (Since 2016, retiring clergy receive the HRA amounts based upon their service years.)

Health Reimbursement Accounts (HRA) are tax-free accounts established and funded by employers and plan sponsors. The funds in their HRA can be used to reimburse retirees and their eligible spouse for eligible healthcare expenses, including insurance premiums and non-reimbursable out of pocket expenses.

Effective July, 2016 the Conference established a tiered system providing for a HRA reduction based upon years of service in our conference. Clergy serving less than 5 years in fulltime work and enrolled in HealthFlex for those five years, are entitled to enroll with and use the services of Via Benefits without an HRA benefit. Clergy who have served in the following categories and they and their churches have paid their HealthFlex and pension invoices in full they will be entitled to the following:

Less than 5 full years of service:	clergy will not receive an HRA
5 through less than 10 years:	25% of the HRA per participant (clergy and spouse) per year
10 through less than 15 years:	50% of the HRA
15 through less than 20 years:	75% of the HRA
20+ full years of service:	100% of the HRA

*(\*Since HRA amounts are subject to change in future years, the HRA dollar amount is not listed above. The clergy and spouse would be eligible for a percentage of the HRA in effect at the time of their retirement.)*

Participants who retire before the age of 65 and Medicare eligibility should continue to participate in the active HealthFlex Insurance plan at their own expense. If they choose to opt out of the HealthFlex insurance, they are waiving any future retiree Health Reimbursement Account funding.

**New York Annual Conference 2019 HealthFlex Uniform Rates**

<b>2019 HealthFlex Premium Credit</b>		
<b>Single</b>	<b>Member + 1</b>	<b>Family</b>
<b>\$637</b>	<b>\$1,456</b>	<b>\$1,870</b>

<b>Church Uniform Rate</b>	<b>\$1,434 monthly</b>	<b>\$17,208 annually</b>
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<b>2019 HealthFlex Exchange Premiums</b>				
<b>Plan</b>	<b>Single</b>	<b>Member + 1</b>	<b>Family</b>	<b>Includes</b>
B1000	\$800	\$1,656	\$2,094	FSA
C2000	\$762	\$1,581	\$1,995	HRA / FSA
H1500	\$755	\$1,560	\$1,972	HSA / FSA
H2000	\$691	\$1,433	\$1,812	HSA / FSA
C3000	\$658	\$1,363	\$1,721	HRA / FSA
H3000	\$602	\$1,247	\$1,576	HSA / FSA

Dental Passive 2000	\$57	\$114	\$160
Dental PPO	\$47	\$93	\$131
Dental Passive 1000	\$42	\$84	\$118

Vision Exam Core	included in all plans at no charge		
Vision Full Service	\$5.96	\$9.60	\$15.16
Vision Premier	\$14.38	\$23.32	\$37.02