

**PETITION
to the
2018 ROCKY MOUNTAIN ANNUAL CONFERENCE**

TITLE: Health Insurance Programs and Funding

ACTION TO BE VOTED ON:

1 Section I – Health Insurance Provider, Plan Sponsor, Plan Availability and Plan Eligibility

2 As Plan Sponsor, the Conference will provide and/or make health insurance programs available consistent with
3 ¶639.6, *The Book of Discipline of The United Methodist Church 2016* (Retiree Health Care Access) and ¶639.7 (Group
4 Health Care Plans). For 2019, this program will be provided through the HealthFlex health insurance plan for active
5 clergy and lay staff. For retired clergy and their spouses, and retired lay staff, the program will be provided through
6 Via Benefits (formerly known as OneExchange).

7 Plan availability, eligibility and participation for active clergy and lay staff are subject to the terms and conditions of
8 the applicable documents for the coverage period, and are available from the Conference Treasurer and Benefits
9 Officer or Wespath Benefits and Investments (formerly known as General Board of Pension and Health Benefits).
10 Coverage and plan participation information for retired clergy and their spouses, and retired lay staff, is available from
11 the individual plans selected by each participant through the Via Benefits program.

12 Eligibility will be established by Wespath Benefits and Investments and the Conference Board of Pension and Health
13 Benefits for active clergy and lay staff. Eligibility for retired clergy and their spouses, and retired lay staff, will be
14 established by the Conference Board of Pension and Health Benefits.

15 A. ACTIVE CLERGY

- 16 1. HealthFlex shall be available for all clergy serving full-time in a Rocky Mountain Conference local church or
17 in the Conference office or any other unit of the Conference which provides pension contributions to the
18 Clergy Retirement Security Program (CRSP), with the exception of clergy described in I.A.3.
- 19 2. HealthFlex shall be available for active clergy serving full-time who are Medicare-eligible but do not qualify
20 under the Multiple Small Employer Exception (serving a church with 20 or more employees).
- 21 3. Via Benefits shall be available for active clergy serving full-time who are Medicare-eligible and qualify
22 under the Multiple Small Employer Exception (serving a church with 19 or less employees).

23 B. RETIRED CLERGY

24 The Via Benefits program shall be available to assist all retired clergy and spouses meeting the qualification guidelines
25 established by the Conference to identify a supplemental plan in addition to Medicare.

26 Clergy must be Medicare-eligible and have been in the active plan for five consecutive years in the Rocky Mountain
27 Conference or Yellowstone Conference immediately prior to their retirement to be eligible to participate in the Via
28 Benefits program sponsored by the Rocky Mountain Conference. An exception shall be made for clergy who retire
29 prior to the age of Medicare-eligibility and elect to have qualified group plan coverage or coverage through a private
30 plan outside of the Conference. Other exceptions may be requested for consideration and approval by the Conference
31 Board of Pension and Health Benefits. Retirees who have been granted exceptions and who are not enrolled in
32 HealthFlex when they attain the age of Medicare-eligibility shall be offered a one-time opt-in privilege. If this opt-in
33 privilege is not exercised at least 30 days prior to attaining the age of Medicare-eligibility by contacting the
34 Conference Benefits office, the retiree is not eligible to participate in the Via Benefits program.

35 Clergy who have opted out of Social Security will need to be enrolled in both Medicare Parts A and B to be eligible to
36 participate in the Via Benefits program.

37

38 C. CLERGY ON MEDICAL LEAVE

39 HealthFlex shall be available for clergy on Medical Leave and receiving disability benefits from Wespath Benefits and
40 Investments, until such time as the clergy becomes Medicare-eligible. When these clergy become Medicare-eligible,
41 the Via Benefits program shall be available for them.

42 D. LAY EMPLOYEES

43 HealthFlex shall be available for all eligible full-time lay employees of the Rocky Mountain Conference meeting the
44 qualification guidelines established by the Conference. The Via Benefits program shall be available for all eligible
45 retired lay staff. Lay employees must have been in the HealthFlex plan for five consecutive years immediately prior to
46 their retirement to be eligible to participate in the Via Benefits program.

47

48 **Section II - Plan Participation, Coverage, Costs and Conditions**

49 A. ACTIVE PARTICIPANTS

50 Every charge in the Conference shall be direct-billed monthly for the insurance premium for single coverage for every
51 elder, deacon in full connection, local pastor, associate member, or provisional member appointed full-time serving
52 that charge and eligible for HealthFlex, regardless of participation. The cost includes vision and dental coverage.

53 Less than full-time clergy are not eligible to enroll in the HealthFlex plan; however the local church may choose to
54 provide other coverage for its $\frac{3}{4}$ time and $\frac{1}{2}$ time appointed clergy. For less than full-time appointments, the local
55 church – working with its respective District Superintendent – is encouraged to contribute towards the clergy's
56 medical care outside of HealthFlex by providing additional income. Costs for this coverage will be borne totally by
57 the local church and/or appointed pastor. This is in addition to the minimum salary, housing, pension and allowable
58 professional reimbursable amounts for pastors serving less than full-time. Per the Affordable Care Act, funding
59 provided by employers to assist employees in purchasing individual health insurance is considered taxable
60 compensation.

61 Each charge shall be direct-billed monthly for the insurance cost of its lay staff participants. The Conference shall pay
62 the insurance premium for single coverage under HealthFlex for lay staff as specified by Personnel Policies for lay
63 staff.

64 Active clergy serving full-time who are Medicare eligible and who qualify under the Multiple Small Employer
65 Exception (serving a church with 19 or less employees) will participate in the Via Benefits program. It is
66 recommended that the employing church contribute towards the clergy's medical care by providing additional income.
67 Such financial assistance is considered taxable income.

68 B. RETIRED PARTICIPANTS

69 Each eligible retired participant and eligible spouse shall work with a Licensed Benefit Advisor at Via Benefits to
70 identify the appropriate coverage and cost-effective supplemental plan most suitable to the individual needs and
71 requirements of the participant. Each eligible participant shall be provided a monthly stipend established as a fixed
72 dollar amount which shall be deposited in a personal Health Reimbursement Account (HRA) to be used by the
73 participant to pay for health insurance premiums and other qualifying out-of-pocket medical expenses. Any HRA
74 money unused in one calendar year will be rolled over for use in subsequent years, consistent with then-existing tax
75 laws.

76 The stipend amount will be reviewed at least every two years. The review will take into account the two categories of
77 HRA contribution levels:

- 78 a) Retired eligible participants with 20 or more years of Pre-82 service

79 b) Retired eligible participants with less than 20 years of Pre-82 service

80 The spouse's eligibility is determined by the retired participant's eligibility. However, a non-HealthFlex participant
81 spouse of a retired eligible participant may take advantage of the Via Benefits program but will not receive a stipend
82 payment to a Health Reimbursement Account.

83 Retirees, spouses and surviving spouses eligible to receive pensions but not yet eligible for Medicare who choose to
84 remain in HealthFlex shall receive a subsidy from the Conference up to 20% of their applicable active rate. These
85 retirees may also choose to enroll in another qualified group plan or in a private plan, but this coverage will not be
86 subsidized by the Conference. If they choose to enroll in a private plan, it may have a negative impact on their ability
87 to obtain coverage for pre-existing conditions when they move to the Via Benefits program.

88 The Conference shall not provide a health insurance stipend for retired lay employees from a local church. Eligible
89 retired employees of the Conference office shall be eligible for a stipend as specified in Section II.B.

90 C. CLERGY ON MEDICAL LEAVE

91 Health insurance for clergy on Medical Leave and receiving disability benefits from Wespath Benefits and
92 Investments shall be provided through HealthFlex and paid 100% by the Conference. Spousal and dependent
93 coverage shall be made available but not subsidized in any manner by the Conference. Clergy on Medical Leave and
94 receiving disability benefits will be required to participate in the Via Benefits program upon Medicare eligibility.
95 When clergy on Medical Leave and receiving disability benefits who have opted out of Social Security retire, they will
96 need to be enrolled in both Medicare Parts A and B to be eligible to participate in the Via Benefits program.

97

98 Section III – Plan Administration and Mandatory Payments

99 A. The Conference benefits staff, working with Wespath Benefits and Investments, will process active
100 participant enrollments, collect premiums, reconcile funds and help coordinate plan activities. Retired
101 participants will work directly with Via Benefits advisors on an annual and as needed basis.

102 B. The monthly payment of the health premiums specified in Section II. A. is mandatory for all full-time clergy
103 appointed to serve a local church in the Rocky Mountain Conference. If a church is delinquent in health
104 premium payments, the Conference Treasurer's office will initiate action and notify the respective District
105 Superintendent and Bishop of the delinquency. The Conference Cabinet will be kept apprised of all
106 communication regarding the delinquency. The affected charge will continue to be direct-billed for the
107 monthly premiums throughout this entire period.

108 C. The 2019 active insurance rates will be established by the Conference Board of Pension and Health Benefits
109 after premium rate information is received from Wespath Benefits and Investments.

PETITION DETAILS

This petition is a

Binding Action

Non-Binding Resolution

Effective Date: January 1, 2019

Termination Date: December 31, 2019

Does this petition modify the Annual Conference Standing Rules and Operational Procedures (SROP)?

Yes

No

If "Yes," please complete the information below.

This petition will modify Section 5.4.

This petition will create a new Section x.x.x

Conference Agency responsible for implementation and termination review:

Conference Board of Pension and Health Benefits

NOTE: All paragraph numberings within the SROP and the final designation of the Conference Agency responsible for implementation and termination review are subject to review by the Rules Committee.

ORIGINATOR OF THE PETITION (individual, church, or organization):

Name Conference Board of Pension and Health Benefits

Address

City, State, Zip

Email

Phone

PERSON TO PRESENT PETITION AT ANNUAL CONFERENCE:

Name Rev. Kimal James

Address First United Methodist Church, Ogden
1339 W 400 N

City, State, Zip Marriott-Slaterville, Utah 84404-3406

Email kimaljames@gmail.com

Phone 801-393-5662

FINANCIAL IMPACT:

Will there be any identifiable financial impact to the Conference?

Yes

No

If "Yes," please fill in the information below.

To Be Completed by the Originator of the Petition

Cost: \$100,000 to subsidize healthcare for retirees and clergy on medical leave receiving disability benefits

\$241,993 for healthcare for Conference clergy and lay staff

Period

One Time

One Year

Multiple Years

To Be Completed by Conference Council on Finance and Administration (CFA)

Review by CFA 04/20/2018

Included in proposed 2019 budget

Yes

No

Amount if included \$341,993.

May be considered for budgets in future years

Yes

No

Projected Amount: To be Determined

Recommendation by CFA concerning funding: Approved

Reason for recommendation

Supports the requirements of ¶639, *The Book of Discipline of The United Methodist Church 2016*, to provide health insurance programs or make health insurance programs available to active and retired clergy and to Conference clergy and lay staff.

RATIONALE (Not debatable):

- 1 This petition specifies how the Rocky Mountain Conference provides, or makes available, health insurance programs
- 2 to active and retired clergy, and to Conference lay staff, consistent with the requirements in *The Book of Discipline*
- 3 *2016*.
- 4 The amount for the retiree healthcare subsidy is \$241,000 less in the proposed 2019 budget than the amount in the
- 5 2018 budget. The Rocky Mountain Conference has an account at Wespath Benefits and Investments that is designated
- 6 to cover the retiree healthcare liability into the future. We propose to take money out of this account to supplement the
- 7 \$100,000 from the proposed operating budget to cover the costs of retiree healthcare in 2019.

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ATTACHMENTS (Additional Information / Not Debatable)

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