

PENSIONS AND HEALTH BENEFITS: HEALTH INSURANCE GUIDELINES

The mission of the Conference Health Insurance Plan (the Plan) is to provide primary health insurance coverage to full-time full, probationary and associate ministerial members of the Annual Conference and to eligible full-time lay employees.

The Plan provides secondary health insurance coverage for retirees who are receiving Medicare. For those who have retired early and are not yet eligible for Medicare, the primary health insurance coverage is through this Plan. The Plan is a non-vested current benefit for active and retired pastors and lay employees.

ELIGIBILITY

1. Clergy Eligibility:

- a) Clergy under full-time Episcopal appointment to serve a local church including Elders, Deacons, Local Pastors, Associate Members, Provisional Members, and Retired Members; and those under full-time appointment as district superintendents, clergy staff members of Conference councils and boards, treasurers, bishop's assistants, or directors of parish development, general evangelists and campus ministers (Book of Discipline ¶344.2a) are required to enroll in the Active health insurance plan within 31 days of appointment. Opting out of the Conference Plan to participate in another plan of insurance is not permitted.
- b) Ordained clergy from another annual conference, Methodist denomination, or another denomination, under Episcopal appointment to serve a local church full-time; and district superintendents, clergy staff members of Conference councils and boards, treasurers, bishop's assistants, or directors of parish development, general evangelists and campus ministers (¶344.2a) are required to enroll in the Active health insurance plan within 31 days of initial appointment. Opting out of the Plan to participate in another plan of insurance is not permitted except when covered by a group health plan sponsored by the denomination or conference to which he/she belongs.
- c) Clergy in any category under Episcopal appointment to full-time service in an Extension Ministry (¶344.1a [3][4]; 344.1b;346.1;346.2;344.1d; 331.1a,b;326.1;331.8), may enroll in the Plan within 31 days of initial appointment. Late enrollments are permitted only during the Annual Election Period or in the case of a "Life Status Event" as described in HealthFlex's Summary Plan Description.
- d) Part-time clergy in any category are not eligible for coverage through the Plan.

2. **Ministerial members who are placed on Incapacity Leave status by the Conference** shall continue enrollment in the Plan regardless of whether they are eligible for Medicare disability benefits. The Conference Plan remains primary until the participant becomes eligible for Medicare due to disability, at which time the Conference Plan becomes secondary to Medicare. The premiums for ministerial members on Conference Incapacity Leave (and their enrolled family) will be paid by the Conference with Conference Board of Pension and Health Benefits funds.

3. **Clergy in Retired Status** may be in the Plan if they were under appointment through the Conference for the seven years immediately prior to retirement and were continuously enrolled in the Conference Plan for the last five of those seven years. Retired participants age 65 and over are required to carry Medicare Part A and Part B. Dependents must also have been continuously enrolled in either the Conference Plan or in another employer plan for the five years preceding the clergy member's retirement to be eligible for coverage. Retiree coverage is available by application at the time of retirement only. Retirees who choose not to enroll in the Plan at the effective date of retirement or who terminate coverage for any reason will forever lose their eligibility to participate in the Plan. For dependent eligibility, see #5 under "Eligibility."
4. Any of the following **lay persons** are eligible to enroll in the Plan upon application within 31 days of hire. Late enrollments are permitted only during the Annual Election Period as allowed by the Plan, or in the case of a "Life Status Event" as described in HealthFlex's Summary Plan Description.
 - a. Lay employees of the Conference or any of its subsidiary agencies working a minimum of 1,560 hours annually (30 hrs. per week)
 - b. Full-time (minimum of 1,560 hours annually) lay employees of any church in the Conference that adopts the program and whose church enrolls 75% of its full-time lay employees.
 - c. Retired lay employees of the Conference, local churches, Conference-affiliated UM institutions, the Episcopal office, units of the Conference whose lay employees are not on the Conference payroll, and the surviving spouse of such employees, may participate in the Plan provided they are receiving an annuity from the General Board of Pension through their salary-paying unit, and they have been continuously enrolled in the Plan for the five years preceding retirement.
5. Dependents eligible for coverage in the Conference Plan are limited to the spouse, children who are qualified adult dependents and children who are under age 26. Dependents may be added only during the Annual Election Period as allowed by the Plan, or in the case of a "Life Status Event" as described in HealthFlex's Summary Plan Description. Dependents acquired by a retired participant after retirement are not eligible for the Conference Plan.

PREMIUM PAYMENT RESPONSIBILITY – ANNUITANTS

The Conference Board of Pension and Health Benefits shall establish rates of premiums for the participants, based upon the premiums charged by HealthFlex.

Unless it has already been stated above under Eligibility, the Conference shall pay the premiums for all enrolled annuitants of the Conference, lay or ministerial, from appropriate funds, except that:

- A. **A clergy person age 65 or older**, becoming an annuitant on or after July 1, 2002, who has less than 20 approved years with annuity credit in (CRSP), the Clergy Retirement Security Program (includes prior plans), with the General Board of Pension and Health Benefits of the United Methodist Church shall, in order to receive health insurance coverage under the Plan, be responsible for the payment of a pro-rated share of his/her Medicare Companion premium. Such share shall be 5% times the number of full years by which such years are short of 20.
- B. **A lay person age 65 or older**, becoming an annuitant on or after July 1, 2002, who has less than 20 approved years with annuity credit in UMPIP, the United Methodist Personal

Investment Plan (includes prior plan), of the General Board of Pension and Health Benefits of the United Methodist Church shall, in order to receive health insurance coverage under the Plan, be responsible for the payment of a pro-rated share of his/her premium. Such share shall be 5% times the number of full years by which such years are short of 20.

- C. The Active premium for an **annuitant commencing benefits under the age of 65** on or before July 1, 2003 shall be paid by the Conference subject to paragraphs A and B above until the annuitant reaches age 65. For an annuitant commencing benefits after July 1, 2003 prior to age 65, the Conference shall contribute an amount equal to the coverage cost of a Medicare-eligible annuitant, subject to paragraphs A and B above, and the annuitant shall be responsible for the remainder of the Active premium until the annuitant reaches age 65.
- D. **Extension Clergy serving approved Conference Advance Specials** in the geographic bounds of the Annual Conference who are not eligible to enroll in the Clergy Retirement Security Program (CRSP) will be credited, *solely for the years appointed to that Advance Special*, with actual years of appointment and service to the Conference, for the purpose of calculation of service year credits to determine allocation of pro-rated premium payment responsibility upon retirement.

For information on Coordination of Benefits between the Conference Plan and Medicare, contact the Health Team of the General Board of Pension and Health Benefits.

PREMIUM PAYMENT RESPONSIBILITY – PRE-ANNUITY RETIREES

The Conference Board of Pension and Health Benefits shall establish rates of premiums for the participants, based upon the premiums charged by HealthFlex.

For those who have retired early and are not collecting an annuity, the retired enrollee is responsible for the full Active premium payment until they reach annuity age.

PREMIUM PAYMENT RESPONSIBILITY – ACTIVE

The Conference Board of Pension and Health Benefits shall establish rates of premiums for the participants based upon the premiums charged by HealthFlex.

Unless it has already been stated above under Eligibility, the Conference shall pay the premiums for all enrolled active participants, lay or ministerial, from appropriate funds, except that:

- A. Each church shall pay the premiums of each of its full-time appointed clergy (including clergy spouse and dependent children if enrolled) who are either a full, probationary or associate member of the Conference or a local pastor.
 - 1. The salary paying unit shall also be responsible for remitting premium for its lay employees who are enrolled in the Plan.
 - 2. Plan participants are to pay 2% of their cash salary to the salary paying unit as their share in the premiums paid.
- B. Each eligible enrollee, whose fees are not paid as provided above, shall pay his or her own premiums either directly or with employer participation. In every case, the individual enrollee is responsible for seeing that payment of his or her own premium is made if the party with PRIME responsibility fails to make the payment.

CONTINUATION OF COVERAGE AFTER CERTAIN EVENTS

- A. **Voluntary and Involuntary Termination** - If a person's participation in the Plan ceases due to voluntary or involuntary termination of Conference membership or employment or discharge or removal from the Annual Conference, continuation of health insurance coverage may be available through application to HealthFlex. The Conference Plan does not offer COBRA (Consolidated Omnibus Budget Reconciliation Act) because, as a qualified 414(e) Church Plan, it is exempt from COBRA by federal law.
- B. **Loss of Dependent Status** - If a dependent's participation in the Plan ceases due to divorce or to attaining the limiting age, continuation coverage may be available through application to HealthFlex.
- C. **Incapacity Leave** - See #2 under Eligibility.
- D. **Leave of Absence** (§354 and §355) - Clergy placed on voluntary leave of absence (personal, family, or transitional) or involuntary leave of absence may continue in the Plan for a period of twelve months, provided they pay the premiums. Continuation coverage for up to an additional 12 months may be available through application to HealthFlex. Leave of absence is not an appointment and does not accrue annuity credit towards health benefits in retirement.
- E. **Sabbatical Leave** (§ 352) Clergy placed on sabbatical leave may continue in the Plan for a period of twelve months, provided they pay the premiums. Continuation coverage may be available through application to HealthFlex. Sabbatical leave is not a break in appointment for the purposes of health benefits in retirement.
- F. **Death** - Surviving spouses of clergy members are subject to the same rules (see Eligibility Guidelines #1 and 3) as the clergy member.

ADMINISTRATION

All concerns, issues, requests, etc., relating to premiums, benefits, coverage (including voluntary termination of coverage, additions or deletions to policies) and benefits at retirement must be "in writing" from the Plan participant to be considered official. Such correspondence, concerns, or requests for changes in coverage must be sent to the Plan Administrator or his/her designated coordinator. Commitments or resolutions of issues must come in writing directly from the Plan Administrator or his/her designated coordinator.

The Benefits Officer and Administrator for the Conference Plan is the Conference Treasurer/Director of Administrative Services. The Benefits Officer shall be a member of the Conference Board of Pension and Health Benefits without a vote. He/she shall be responsible for promptly enrolling all eligible persons, for collecting all amounts due from churches, agencies or individuals for participation in the Plan, for arranging for their prompt deposit in a Conference account, for checking all billings from the Insurance Carrier to certify their completeness and accuracy and for making proper remittances on schedule for the Plan; and such Officer shall delete from the Plan any enrollee whose premium is not paid by the end of the month for which the premium is due. Termination is effective the first day of the month for which no payment has been received.