

## **2017 HEALTH INSURANCE GUIDELINES**

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

The Plan provides secondary health insurance coverage for retirees who are receiving Medicare which requires both Medicare Parts A & B for coverage. For those who have retired early and are not yet eligible for Medicare, primary health insurance coverage is through the same plan as those in active ministry. The Plan is a non-vested current benefit for active and retired pastors and lay employees.

## **ELIGIBILITY**

### **1. Clergy Eligibility:**

- a) Active clergy under full-time Episcopal appointment to serve a local church including Elders, Deacons, Local Pastors, Associate Members, and Provisional Members
- b) 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 for whom the Conference provides pension contribution to the Clergy Retirement Security Program (CRSP) who are:
  - a full elder or associate member (other than a missionary) (Book of Discipline ¶344.1a(1))
  - or an ordained clergyperson from another annual conference or another Methodist denomination (Book of Discipline ¶344.1a(1), ¶346.1)
  - an ordained clergyperson from another denomination if not covered by the group health plan of the denomination to which he/she belongs. (Book of Discipline ¶344.1a(1), ¶346.2)
- c) Enrollment in the Active health insurance plan must be completed within 31 days of appointment.
- d) Waiving coverage in the Plan - Contact the Insurance Administrator for required documents. Documents must be completed and returned within enrollment deadline periods
  - within 31 days of initial eligibility; or
  - once per year during the Conference open enrollment period for the following January 1; or
  - within 31 days of an open enrollment period for a spouse's plan; beginning January 1, 2016.
  - see PREMIUM PAYMENT RESPONSIBILITY – ACTIVE for Waived Coverage Fees.
    - a. Participant must certify that:
      - The plan is through a former employment or a spouse's current or former employment. Proof of such coverage is required.
      - The plan is not a marketplace plan. Under these guidelines and marketplace rules, Full-time clergy are ineligible for any Premium Tax Credit.
    - b. Re-admittance to the plan is during any open enrollment period, or within 31 days of a Special Enrollment event (loss of other coverage, employment status change, divorce, or death of a spouse, gain a dependent).
- e) Clergy in any category under Episcopal appointment to full-time service in an Extension Ministry [¶344.1a(3)(4); 344.1b; 344.1d; 331.1a,b; 326.1; 331.8; 346.1; 346.2], 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 Special Enrollment event - loss of other coverage, employment status change, divorce, or death of a spouse, gain a dependent.

f) Part-time clergy in any category are not eligible for coverage through the Plan.

2. **Ministerial members who are placed on Medical 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. Beginning January 1, 2016, participants obtaining Medicare due to disability, may choose to remain in the Active Health Plan as their secondary insurance, or to enroll in the United HealthCare Retiree Plan (Medicare Advantage Plan). The premiums for ministerial members on Conference Medical 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. Retired participants and spouses age 65 and over are required to carry Medicare Part A and Part B in order to be eligible for Conference insurance in retirement. Monthly premium for Part A if any, and for Part B is a personal expense. A Retiree (and eligible dependents) not enrolling (waiving coverage) in the Plan at the time of retirement, or who left the plan as a retiree, may enroll during any open enrollment period, or within 31 days of a Special Enrollment event (including but not limited to voluntary or involuntary loss of coverage) (refer to Clergy Eligibility #1, subparagraph 1d). 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 Special Enrollment Event - loss of other coverage, employment status change, divorce, or death of a spouse, gain a dependent.
  - 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, completes a Salary Paying Unit Sub-Adoption Agreement, and whose church enrolls a minimum of 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 have received or will receive a UMPIP benefit from Wespeth Benefits and Investments through their salary-paying unit.
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 Special Enrollment event - loss of other coverage, employment status change, divorce, or death of a spouse, gain a dependent. If an annuitant marries (remarries), coverage of spouse and/or children may be available and premium for dependents is at the retiree's expense.

#### 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 the insurance carrier(s).

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 Wespath Benefits and Investments, shall, in order to receive health insurance coverage under the Plan, be responsible for the payment of a pro-rated share of his/her Plan premium. Such share shall be 5% times the number of full years by which such years are short of 20. Monthly premium for Part A if any, and for Part B (both required) is a personal expense.
- B. **A lay person age 65 or older**, who has received or will receive a UMPIP benefit on or after July 1, 2002, who has less than 20 approved years with pension credit in UMPIP, the United Methodist Personal Investment Plan (includes prior plan), of Wespath Benefits and Investments, 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. Monthly premium for Part A if any, and for Part B (both required) is a personal expense.
- C. The Active premium for an **annuitant under the age of 65 commencing benefits**
  1. **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.
  2. **after July 1, 2003**, 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. Premium responsibility will be frozen at the calendar year 2014 level for annuitants retiring prior to July 1, 2014.
  3. **on or after July 1, 2014**, 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 an annual fixed amount determined in the year of retirement 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.

#### **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 the carrier.

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 the carrier.

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 premium(s) or Waived Participation Fee(s) (which is equal to the blended premium) of each of its full-time appointed clergy (including clergy spouse and dependent children if enrolled) who are either a full, provisional, 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 their own salary paying unit as their share of the premium the employer (church) pays on their behalf.
  3. In the case of clergy couples the following will apply:
    - a) Each spouse shall contribute 1% of their salary to every salary paying unit that is paying health premium, regardless of percentage of health premium 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 Coverage for health insurance may be available through application to HealthFlex.
- 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. **Medical Leave** - See #2 under Eligibility.
- D. **Leave of Absence** (§§353 and §354) - 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, causes a break in appointment years, and does not accrue annuity credit towards health benefits in retirement.
- E. **Sabbatical Leave** (§351) 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 years 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. Surviving spouses of lay employees of the Conference and District offices are subject to the same rules (see Eligibility Guideline #4 c) as the lay employee.

#### 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.