

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46  
47  
48  
49  
50

## Active Participants:

Mandatory funding of clergy by salary paying unit (local churches and extension ministry where annual conference has pension responsibility) for all full-time appointments (includes retired pastors if receiving at least the minimum salary of the conference or plan compensation that equals or exceeds 125% of minimum salary). Each salary paying unit will be billed the same cost for each eligible clergy no matter of age or enrollment status.

The amount charged salary paying unit will be determined each year depending on the changes in cost for default plans used to set the defined contribution amount along with support from board of pensions' budget and those waiving out of HealthFlex but charged to salary paying unit. An eligible clergy participant may waive out of HealthFlex by completing a form from Wespath under the following circumstances;

- Enrollment in coverage from former employer
- Enrollment as a dependent in your spouse's employer provided coverage
- Enrollment in Champus
- Enrollment in TRICARE
- Enrollment in Medicaid

The conference board of pensions each year will set a defined contribution amount for those enrolled in HealthFlex Exchange, not covered by Medicare as primary, that the pastor will use towards the cost of elected medical/pharmacy, dental and vision plans. Any excess defined contribution amount will be added to the pastor's health reimbursement account (HRA) or health saving account (HSA) depending on which medical plan selected. If the defined contribution amount is not enough to cover the cost of plan(s) elected the local salary paying unit will be billed for the excess which will then be the responsibility of pastor through salary reduction.

The conference board of pensions in determining the defined contribution amount uses as a guideline the cost for single only coverage of the least cost Silver Plan, Passive PPO 2000 dental plan plus full vision. The resulting defined contribution amount would apply to the first two rate tiers; participant and participant +1. The goal of the conference board of pensions is to set a defined contribution amount for a pastor where more than 2 are covered in the health program will have the same excess cost as pastors that cover only 2 in the health program.

If dependents participate, appointed clergy will be responsible for full cost beyond the defined contribution amount through a salary reduction unless salary paying unit agrees to cover the cost beyond the defined contribution amount

Conference Board of Pensions will provide the same defined contribution amount, discussed in third paragraph above for clergy appointed to medical leave and surviving spouses' of deceased active clergy. For surviving spouse benefit of deceased active clergy the defined contribution amount will be provided for two years or until they reach Medicare eligibility, whichever comes first, unless remarry before that date. Surviving spouse of active pastor that turns Medicare eligibility age may continue through Via Benefits' marketplace but there will be no defined contribution amount. Non-Medicare Participant's responsibility will be paid through direct bill from the conference through ACH electronic transfer. If participant on medical leave or surviving spouse of deceased active pastor is covered by Medicare then they will submit payment directly to insurance providers chosen through Via Benefits. Surviving spouse is no longer eligible for plan if remarry before reaching Medicare eligibility.

## Pacific Northwest Conference Board of Pensions' Health Insurance Policies

51 Those clergy appointed to sabbatical leave, family leave and other leave of absence status (1 year  
52 maximum) are eligible to participate in conference health plans but will receive no defined  
53 contribution amount.

54

55 Clergy appointed less than full-time and other conference relationships not stated above are not  
56 eligible for conference health plans through HealthFlex Exchange.

57

58 Full-time Conference Office and Northwest United Methodist Foundation lay employees are  
59 eligible if salary-paying unit signs sub-adoption agreement with conference board of pensions as  
60 plan sponsor annually.

61

62 Those active pastors eligible and covered by Medicare as primary will be covered by Via  
63 Benefits program. Their local church/salary paying unit will continue to be charged the active  
64 mandatory funding amount. The active pastor will receive an amount in health reimbursement  
65 account that approximates their cost under Via Benefits' providers, including equivalent dental  
66 premium, plus an additional amount to cover the cost of the Medicare part "B" premium. The  
67 maximum paid cannot exceed the mandatory direct bill cost charged to salary paying unit.

68

### 69 Retired Participants:

70 The conference board of pensions does not provide retiree health subsidy for active pastors when  
71 they retire but access if eligible. The board has had nine health policies for retiree health starting  
72 back in 1996. There were no policies prior to 1996 other than a 50% subsidy for each retiree  
73 including spouses and surviving spouses. The early policies established a subsidy per years of  
74 service for both the retired pastor and spouse, if applicable. The maximum subsidy was 50%.  
75 Most retirees, retirees' spouses and retirees' surviving spouses covered by these legacy policies  
76 received a 50% subsidy on the monthly premium charged.

77

78 For those pastors retiring in 2003 if they had a spouse covered under HealthFlex the spouse did  
79 not receive a subsidy. In 2004 and after all future retirees do not receive a subsidy unless they  
80 were grandfathered in under legacy policies. The last active pastor eligible for a subsidy retired  
81 in 2011.

82

83 Effective January 1, 2014 participants covered by Medicare as primary (active and retirees) have  
84 coverage provided through Via Benefits (and its predecessors OneExchange and Extend Health)  
85 and under the overall administration of the HealthFlex programs of Wespath.

86

87 For those legacy participants that receive a subsidy an amount is added to each eligible  
88 participant's health reimbursement account (HRA) at the beginning of each year that can be used  
89 by them to pay health insurance premiums and other out-of-pocket health costs.

90

91 The conference board of pensions provides an amount to a HRA that in most cases will be cost  
92 neutral between plans ending in 2013 and Via Benefits plan offering for participant's premium  
93 share and out-of-pocket costs after insurance coverage. Annually the conference board of  
94 pensions will review the HRA amount and determine if it is appropriate given health cost trends.  
95 The HRA amount may be changed as appropriate. To receive the HRA one must be a participant  
96 through Via Benefits.

97

98 Special Aid Fund is available for additional assistance with both active and retirees.

99

## Pacific Northwest Conference Board of Pensions' Health Insurance Policies

100 If a pastor covered by Via Benefits has a spouse under 65 not eligible for Medicare the spouse  
101 would remain on the active HealthFlex Exchange program. The conference will direct bill the  
102 pastor for the plans selected through ACH electronic transfer.

103

104 If a retired pastor is under 65 they will remain on the active plan, including spouse if applicable  
105 and will be direct billed for the amount due each month by conference through ACH electronic  
106 transfer. Participants through Via Benefits are not eligible for dental and vision programs  
107 through HealthFlex Exchange.

108

### 109 **Those eligible for subsidy before 1/1/2004:**

110 Retired Clergy who are receiving pensions in accordance with Paragraphs  
111 ¶357.1 (Mandatory Retirement), ¶357.2(b) (Voluntary Retirement with 30 years of  
112 service or at age 62) or ¶357.2(c) (Voluntary Retirement with 40 years of service or  
113 at age 65).

114 Surviving spouses and surviving eligible dependents of clergy who retired and died while  
115 member of the conference receive the same subsidy as former clergy  
116 provided the survivors were enrolled in the Conference health care program at the  
117 time of the clergy member's death and married before clergy retired.

118 If retired before January 1, 2003 spouse and eligible dependents of retired clergy receive same  
119 subsidy as clergy participants.

120

### 121 **Those not eligible for subsidy (before 1/1/2004) or enrollment:**

122 Persons who marry retirees after retirement

123 Part-time local Pastors (¶318.2)

124 Retired clergy under (¶357.2a) (Voluntary retirement with 20 years of service)

125 Retired clergy under (¶357.3) (Involuntary retirement)

126

### 127 **Additional policies:**

128 See first paragraph under active participants if retired pastor serves a local church that equals or  
129 exceeds the minimum salary for full time appointments or plan compensation that equals or  
130 exceeds 125% of minimum salary.

131 If active or retired pastor, serving full-time equivalent, at a local church that is eligible and covered  
132 by Medicare and their local church/salary paying unit has less than 20 employees the participant  
133 would qualify under the small employer exemption of Medicare being secondary payer rules. The  
134 pastor would be required to apply for Medicare coverage as primary (A & B) unless already  
135 participating if retired and sign up for supplemental coverage through Via Benefits. The Board  
136 would provide to pastor's HRA administered through Via Benefits an amount for the Medicare  
137 part "B" premium (lowest premium related to modified adjusted gross income), average  
138 Medigap/Medicare Part "D" pharmacy and dental premiums.. The HRA can only be changed at  
139 the beginning of each calendar year.

140 Beginning in 2016 with HealthFlex Exchange if pastor completes the wellness incentives \$1,000 will  
141 be added to their HRA at the beginning of the following year. Active pastors covered through Via  
142 Benefits are not eligible for wellness incentive HRA. Please see the wellness executive summary  
143 for details on the wellness incentives. Via Benefits participants may continue under the Virgin  
144 Pulse program at no cost to them. The \$1,000 wellness incentive ended in 2017 with the last HRA  
145 credit in 2018.

146 Active participants that transition between HealthFlex Exchange and Via Benefits during the  
147 year (after January of a plan year) will receive a prorated support HRA based on the month  
148 they become eligible and approved for the small employer exemption to Medicare through  
149 the Center for Medicare and Medicaid.

150

Pacific Northwest Conference Board of Pensions' Health Insurance Policies

151

152 **Payment of premium for retired participants, spouses and surviving spouses:**

153       Payment will be made directly with insurance providers chosen through Via Benefits.

154

155 All references are to the 2016 *Book of Discipline*.

156

157 These policies are effective January 1, 2018.