

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 premium credit amount for those enrolled in HealthFlex Exchange, not covered by Medicare as primary except those on CPP disability participants described below, 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 premium credit 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 premium credit 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 premium credit amount through a salary reduction unless salary paying unit agrees to cover the cost beyond the premium credit amount.

Conference Board of Pensions will provide the same premium credit 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 premium credit amount will be provided for two years, or until they reach Medicare eligibility, or remarry, whichever comes first. Surviving spouse of active pastor who becomes Medicare eligible may continue through Via Benefits' marketplace but there will be no premium credit 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.

Those clergy appointed to sabbatical leave, family leave and other leave of absence status (18 months maximum) are eligible to participate in conference health plans but will receive no premium credit amount.

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

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

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

Retired Participants:

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

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

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

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

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

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

Pacific Northwest Conference Board of Pensions' Health Insurance Policies

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

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

Those eligible for subsidy before 1/1/2004:

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

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

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

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

Persons who marry retirees after retirement

Part-time local Pastors (¶318.2)

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

Retired clergy under (¶357.3) (Involuntary retirement)

Additional policies:

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

If active or retired pastor, serving full-time equivalent, at a local church that is eligible and covered by Medicare and their local church/salary paying unit has less than 20 employees the participant would qualify under the small employer exemption of Medicare being secondary payer rules. The local church/salary paying unit will be required to complete the *Employer Certification Medicare Secondary Payer Rules* form. The pastor would be required to apply for Medicare coverage as primary (A & B) unless not eligible or already participating if retired and sign up for supplemental coverage through Via Benefits. The Board would provide to pastor's HRA administered through Via Benefits an amount for the Medicare part "B" premium (lowest premium related to modified adjusted gross income), average Medigap/Medicare Part "D" pharmacy and dental premiums. The HRA can only be changed at the beginning of each calendar year. Any health savings account contributions would cease once participant is covered by Medicare per IRS rules. The salary paying unit would continue to be charged the mandatory funding amount.

If a pastor is covered by CPP disability and subsequently approved for Medicare through Social Security disability they would remain on HealthFlex Exchange and not move to the Via Benefits marketplace. The additional Medicare part "B" premium at the lowest level related to modified adjusted gross income would be provided to CPP disability participant. Currently it is taxable to the participant. The CPP disability participant would continue to receive HealthFlex Exchange premium credit. Medicare part "A" and "B" would be primary and HealthFlex Exchange medical plan secondary. Pharmacy coverage is primary and dental/vision would continue.

Pacific Northwest Conference Board of Pensions' Health Insurance Policies

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

159 Beginning in 2021 if pastor, Conference or Northwest UM Foundation lay staff complete the well
160 being incentives established by the board of pensions their salary paying unit will receive credit
161 on the following January benefit billing. The credit will be determined annually by board of
162 pensions during their budgeting process. For those full-time pastors covered through Via Benefits
163 their salary paying unit will automatically receive the credit.

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

168 Withdrawal of clergy ¶360:

169 If ordained member withdraws their membership with the annual conference and currently
170 receives an HRA subsidy through Via Benefits there will be no future subsidies for clergy or
171 spouse, if applicable. The subsidy will end the following year the withdraw is effective unless
172 the withdraw is at the beginning of year then the subsidy will stop that year.

173 Payment of premium for retired participants, spouses and surviving spouses:

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

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

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178 These policies are effective April 30, 2022.