

## Standing Rules for Benefits

**Par. 423. The Conference Board of Pension and Health Benefits (CBOPHB)** shall have the organization and function of the predecessor Board of Pensions.

1. **Membership.** The Board shall consist of twenty-one members: one third laywomen, one third laymen, and one third clergy, elected for a term of eight years and arranged in two classes as nearly equal as possible so that one half will rotate each quadrennium. A District Superintendent appointed by the Bishop, the Director of Human Resources and Benefits, the Conference Treasurer and the Assistant Treasurer for Administration shall serve as ex-officio members. Additional ex-officio members with voice, but without vote, who bring special interest and skills may be added to the CBOPHB as needed.
- 2- **Officers.** The Board shall elect from its membership a Chair, a Vice-Chair, Secretary and a Chair of the Preacher's Relief Board. The Vice-Chair shall also Chair the Health Insurance Subcommittee and shall represent the Conference in matters related to health insurance. All members of the CBOPHB are also members of the Preacher's Relief Board which represents the CBOPHB in matters relating to grants and real property.
3. **Qualifying for Active Clergy Health Insurance Program.** The administrative rules governing the active clergy health insurance program became effective January 1, 2017 and replaces the predecessor mandatory clergy health insurance program that terminated on December 31, 2016 are as follows:
  - a. Effective January 1, 2017, all local churches, Districts and Conference staff with appointed eligible full time clergy are required to offer full time clergy either a health insurance plan *or* additional compensation to purchase other insurance.
  - b. The church will no longer pay the Conference a premium for health insurance and instead will either provide a health insurance plan for clergy members and their family or increase the annual salary so eligible clergy can purchase a private insurance plan.
  - c. Eligible clergy are actively working full time clergy (including Deacons) appointed to a local church, District or Conference staff. Clergy members have special recognition by the IRS and are considered self-employed persons and as such are not considered "employees" under the Affordable Care Act.
  - d. The Conference Board of Pension & Health Benefits will determine the amount of additional compensation. This additional compensation, paid in lieu of health insurance, will be based on the clergy family size. This additional salary is taxable income and should be properly reflected as such on clergy members' W-2 tax form. And the church should pay eligible clergy this additional compensation according to regular payroll practices. The Conference Board of Pension & Health Benefits (CBOPHB) will monitor the amount of compensation paid to clergy in lieu of health insurance annually and issue required updates as needed.
  - e. If the church offers a health insurance plan they don't need to alter or change the coverage provided or how the church chooses to share the cost of the insurance. It's the clergy member's choice to accept the insurance plan *as offered* or decline it and request the additional compensation to purchase health insurance. However, clergy members who are offered a plan and decline it are not eligible for Premium Tax Credits (government subsidies) if they purchase insurance coverage through the Marketplace.
  - f. Clergy must make an election to either accept the health insurance plan offered by the local church (if available) or request the additional compensation before Charge Conference forms are completed and submitted to the District. Any change in family members that will impact the stipend amount will be approved at the church level and will not require a Charge Conference.
  - g. Clergy who have other insurance can "opt-out" of health insurance provided by the local church. Clergy members can decline the insurance plan offered and decline the additional compensation. This "opt-out" requires the approval of the District Superintendent to make sure there is no effort to coerce clergy members to forfeit benefits. The opt-out election must be recorded on the Compensation Charge Conference form.
  - h. Clergy *not eligible* for required employer support are those who are either serving part-time, Lay Supply Pastors, Clergy appointed to extension ministries, or retired clergy serving an appointment.
  - i. Eligible clergy who are currently on paid leave (such as renewal leave) or clergy who take a future **paid** leave of absence must continue to be paid the additional compensation for health insurance. Those clergy who take a personal, sabbatical, transitional, or any other **non-paid** leave are not eligible for compensation to purchase health insurance.
  - j. Clergy applying for disability from the Comprehensive Protection Plan (CPP) remain eligible for additional

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compensation for health insurance while their application is pending and will be paid by the current Salary Paying Unit. Once an applicant is approved for long-term disability, their compensation to purchase health insurance will be paid by the Conference. If the application is not approved, the clergy's compensation (including additional compensation for health insurance) will be suspended pending an appeal and final disposition of the claim for disability benefits.

- k. Clergy couples who have dependents will be classified as a family for benefit purposes. As such, clergy couples (either two party or families) must make an election decision for the family unit. Clergy members serving at the same Salary Paying Unit (SPU) who have dependents and choose to enroll in the local church insurance plan must be classified as a family. Or, clergy members can request the family stipend of the additional compensation which may be shared between the SPUs annually for each clergy to use to purchase alternative insurance coverage for the family. The additional compensation shared between the clergy couple should not exceed the total family stipend amount.
  - l. SPUs are advised that the requirement to compensate clergy to support the purchase of health insurance cannot be conditioned on the actual purchase of health insurance. The SPU cannot require clergy to provide proof of insurance.
  - m. The CBOPHB may modify these rules until the next annual conference in the event of a legislative / regulatory change in the Affordable Care Act or the exit from the Exchange of Florida providers. The CBOPHB will judiciously exercise its fiduciary responsibility to ensure all full-time, active clergy have a viable healthcare benefit.
4. **Qualifying for Conference Sponsored Retiree Health Insurance Program.** These provisions are only available for fulltime clergy who are ordained ministers, deacons or Board approved local pastors as well as members of the Florida Annual Conference. Clergy who transferred their membership to the Florida Conference after January 1, 2003 will not receive credit for retiree supplemental health benefits for prior service in other Annual Conferences.
5. Administrative Rules Governing Eligibility & Benefits for the two Retiree Healthcare Supplement Programs are optional choices for eligible clergy at the time of retirement and are outlined below:

### **Grandfathered Plan**

- a. Clergy who are members of the Florida Conference are eligible for the Grandfathered Plan (Medicare supplement) where the Conference provides support to retired clergy to purchase health insurance when these criteria are met:
- b. Clergy who are 55 or older with a minimum of 35 years of service or were age 64 or older on July 1, 2014 and served in an appointment made by the Bishop of the Florida Conference and were enrolled in the Conference health insurance program on July 1, 2014 may elect the credit-based retiree health insurance plan when they retire for themselves and their eligible spouse. This plan functions as a Medicare supplement for those retirees who are receiving Medicare. This is the only eligible group who qualifies for the credit-based plan. If you are not receiving Medicare, this arrangement is not an option.
- c. A clergyperson must have a minimum of 10 years of service in Florida and credits are limited to 40 years of service for awarding service credits. (Each year of service reduces the retiree's premium payment toward their Grandfathered Medicare supplemental plan).
- d. Due to the change from the clergy-provided Conference health insurance plan to the health stipend, beginning January 1, 2017, clergy members of the Florida Conference must have been appointed to a local church within the Florida Conference and may be enrolled in a church health plan or provided the health stipend. In addition, he/she must have served continuously in a local church within the boundaries of the Florida Conference or appointed on staff at the Florida Conference for the last ten years of their career, prior to retirement, to be eligible for a future retiree health benefit.

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- e. For those who began service in the Florida Conference prior to January 1, 2003, all years of service in all conferences of The United Methodist Church will be credited.
- f. The retiree healthcare subsidy for the Grandfathered Plan applies to the retired clergy and his/her Medicare-eligible spouse and will continue for the spouse even if the clergy precedes the spouse in death. The surviving spouse will continue receiving the retiree healthcare subsidy until his/her death or upon remarriage.

### **Health Reimbursement Account Effective July 1, 2014.**

- g. The Health Reimbursement Account (HRA) is an account-based plan that provides an annual subsidy for the purchase of health insurance in retirement based upon total years of service **at the time of retirement** in the Florida Conference. The following are specific details on plan eligibility and benefit provisions:
- h. **HRA Plan Eligibility.** Only clergy with **membership** in the Florida Conference serving full time under Episcopal appointment and were enrolled in the Conference health insurance program on July 1, 2014 will be eligible for the new HRA benefit upon retirement. Full time is defined as an appointment at or above minimum salary for each type of clergy category as defined in the Conference journal. Clergy members of the Florida Conference who were not enrolled in the Conference health insurance plan on July 1, 2014 are not eligible for a future retiree benefit.
- i. As of July 1, 2014, clergy who are currently on unpaid leave or clergy who take a future personal, sabbatical, transitional, or family leave of absence or any other non-paid leave are limited to 12 months HRA service credit. Non-paid leaves of more than 12 months will not be credited service for HRA eligibility.
- j. Clergy receiving a disability benefit from the Clergy Protection Plan (CPP) will be subject to the same eligibility rules for either the credit-based or HRA plan upon retirement. Service credits will be awarded to clergy while receiving CPP disability benefits.
- k. Anyone not meeting the HRA Plan eligibility requirements as of July 1, 2014 as stated above is not eligible for a future HRA benefit or any subsidy from the Conference for the purchase of health insurance as a retiree.
- l. **HRA Plan Benefit Provisions.** Effective July 1, 2014 those clergy who met the eligibility requirements stated above and who completed a minimum of 10 years of service appointed to the local church or Conference, with membership in the Florida Conference, and are at least age 60 will receive an annual HRA contribution upon retirement. The amount of the annual HRA contribution varies with the retiree's age and years of service at retirement and will remain fixed at that amount.
- m. Clergy couples will be provided individual HRA account contributions based on their own individual age and years of service at date of retirement.
- n. Upon the death of the retired clergy member, the surviving spouse will receive an annual HRA contribution equal to 75% of the retiree's amount rounded to the nearest \$100. The surviving spouse will continue receiving the annual HRA contribution until his/her death or upon re-marriage.
- o. If an actively working clergy member passes away and would have been eligible for retiree healthcare supplemental benefits on the date of death, the HRA will be offered to the surviving spouse when he/she reaches age 60. However, if the clergy member passes away before reaching retiree healthcare eligibility, an HRA benefit or any subsidy from the Conference for the purchase of health insurance will not be offered to the surviving spouse.
- p. The CBOPHB will review the annual HRA contribution schedule at least every four years to determine future increases.

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Annual HRA Schedule Effective July 1, 2014 Fixed Amount Based on Age and Years of Service at Retirement						Traditional Retirement (eligible for Medicare)
Years of Service Schedule	Age 60	Age 61	Age 62	Age 63	Age 64	Medicare Retiree Age 65+
10-14	\$1,000	\$1,100	\$1,200	\$1,300	\$1,400	\$1,500
15-19	\$1,600	\$1,700	\$1,800	\$1,900	\$2,000	\$2,100
20-24	\$2,000	\$2,200	\$2,300	\$2,400	\$2,600	\$2,700
25-29	\$2,500	\$2,700	\$2,800	\$3,000	\$3,100	\$3,300
30-34	\$2,900	\$3,100	\$3,300	\$3,500	\$3,700	\$3,900
35-39	\$3,400	\$3,600	\$3,800	\$4,100	\$4,300	\$4,500
40+	\$3,600	\$3,800	\$4,100	\$4,300	\$4,600	\$4,800

6. The specifics of the funding policies for retiree health insurance and HRA funding shall be prepared and recommended by the Conference Board of Pension and Health Benefits and adopted by the Annual Conference. Such funding policies shall be available through the office of the Treasurer of the Annual Conference.