

1 **Pension and Health Benefits, Board of (BOPHB)**

2 The Board of Pensions and Health Benefits has worked to respond to the realities of COVID-19 and the  
3 impact that it has had on the church and the world. We felt grateful to be able to offer a 3 month “CPP  
4 holiday” in May, June, and July of 2020, whereby local churches with Comprehensive Protection Plan  
5 payments had them waived for those months. We were also grateful to be able to offer 1 month’s worth  
6 of relief on church HealthFlex payments (MED), applied to December 2020, based on March 2020  
7 billing. Our generosity was made possible by Wespath’s generosity to us, and we hope that it eased the  
8 burdens on local churches whose budgets were strapped as the world changed around us.

9  
10 We continue to be aware that our job is to care for those who have served, while also attending to the  
11 needs of the churches they have served and are serving. This results in a constant awareness of  
12 balancing differing needs while seeking justice and fairness. As with all other Christians and all other  
13 parts of the church, we are striving for perfection, but we are not there yet. We are thankful for your  
14 grace as we continue to work on your behalf.

15  
16 Below is up to date information about the programs we offer and the policies we have in place.

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18 It has been a humbling honor to serve as the Vice-Chair and now Chair of the Board of Pensions and  
19 Health Benefits and I am profoundly grateful to Mary Rublee who was the chair through 2020, to the  
20 entire board and its officers, and to the staff of both Upper New York and Wespath who inform us,  
21 support us, and implement our decisions.

22  
23 **Programs, Policies, and Action Items**

24 This report will provide updates to the UNYAC BOPHB Clergy Retirement Security Program (CRSP), the  
25 Ministerial Pension Plan (MPP), United Methodist Personal Investment Plan (UMPIP) and Pre-82 Plan. It  
26 will also provide updates to UNYAC Health and Protection programs including HealthFlex,  
27 Comprehensive Protection Plan (CPP), and Via Benefits (formerly OneExchange).

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29 **UNYAC Board of Pension and Health Benefits Initiatives**

30 More Health Plan Options in 2021 - The UNYAC BOPHB adopted Wespath’s HealthFlex Exchange. This  
31 was done to comply with Wespath’s mandate to have all Plan sponsors in their Healthflex Exchange by  
32 1/1/2021. The transition has allowed UNYAC to offer more health plan options and provide participants  
33 with a premium credit that they can apply toward plans of their choice. Along with providing  
34 participants with more choice, the transition allowed for the conference to better control escalating  
35 costs. UNYAC’s benefit staff along with members of the UNYAC BOPHB conducted a series of seven  
36 online educational sessions between September and October of 2020 to help participants prepare for the  
37 changes and open enrollment.

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39 As covered in the educational sessions, and as you have seen on your statements, the billing for the  
40 Wespath HealthFlex Exchange changed slightly from the former billing process. Local churches continue  
41 to be billed the blended premium rate of \$13,920 (annually). Under the new Healthflex Exchange  
42 program, participants receive a premium credit to spend on the plans that best suit their need. If a  
43 participant chooses plan(s) that exceed the premium credit, the difference is billed to the participant.  
44 Conversely, if a participant chooses plan(s) that costs less than the premium credit amount, the difference is  
45 placed in an HSA or HRA health account for the benefit of the participant. Local churches are billed a  
46 Blended Rate that is used to fund the clergy contribution dollars.

47  
48 Participants are encouraged to elect a pre-tax flexible spending (FSA) account (\$2,750 in 2020/21)  
49 deducted from their salary and administered through Health Equity. This is a pre-tax benefit to help pay

1 for deductibles and other medical-related expenses (including vision and dental).

2  
3 Julie Valeski, UNYAC's Benefits Administrator, once again held a very successful retirement seminar for  
4 clergy and spouses who are approaching retirement age. We will continue this program in 2021-22.

5  
6 Wespeth has partnered with EY (formerly Ernst and Young) to offer free financial planning services to  
7 active participants, surviving spouses, and terminated and retired participants with a pension account  
8 balance of at least \$10,000. EY's financial planners provide confidential, objective guidance on  
9 making investment decisions, saving for retirement, managing debt, understanding tax issues and  
10 evaluating insurance needs. This service has been significantly under-utilized. Retirement planning can  
11 be a confusing and stressful activity. The professionals at EY can assist you at no cost. We strongly encourage  
12 you to use this amazing service. You can get started by calling EY directly at 1-800-360-2539.

13  
14 The UNYAC BOPHB continues to support wellness incentives through the Virgin Pulse Health Miles  
15 Program. You can earn up to \$410 per year for walking, exercising, and participating in wellness  
16 activities and coaching.

17  
18 The UNYAC BOPHB created an investment sub-committee to review our investment policy and  
19 recommend changes. This sub-committee will be responsible for reporting to the full board on matters  
20 of investment performance, appropriateness of investments and compliance with adopted investment  
21 guidelines. The committee also has oversight over the UNYAC BOPHB investment compliance with  
22 UNYAC's Fossil Fuel divestment resolution and will be responsible for the periodic reporting  
23 requirements set forth by UNYAC.

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25 **Clergy Retirement Security Program (CRSP) and Comprehensive Protection Plan (CPP)—75%-and-**  
26 **above Appointments (No changes)**

27 We have not made changes to CRSP or CPP. CRSP pension benefits are for active clergy serving 75%-time  
28 appointments and above. Clergy who voluntarily contribute at least 1% of their total compensation to  
29 their United Methodist Personal Investment Plan (UMPIP) account will receive a matching 1% CRSP  
30 contribution through the program to their defined contribution CRSP account, as prescribed in the plan  
31 agreement, insofar as their congregation pays their benefit obligation.

32  
33 CRSP - To fund this plan, all congregations that have 75%-time-and-above appointments are billed a  
34 percentage based on pension-based compensation (salary plus housing). There is no change to the  
35 13.8% billing to churches.

36  
37 CPP – Clergy in full connection, serving in 75% appointments as well as all FT appointed clergy, will  
38 continue to be billed to churches at 3% of pension-based compensation (salary plus housing). CPP offers  
39 death, long term disability, and survivor benefits to clergy and their families.

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41 **Clergy Retirement Security Program Defined Benefits (CRSP-DB) and Ministerial Protection Plan (MPP)**  
42 **Annuities**

43 The Board received the pension actuarial report from Wespeth dated Sept. 30, 2020, outlining the  
44 components of UNYAC's CRSP-DB, MPP Annuities as well as our Conference specific Pre-82 report. For end of  
45 year 2020, the UNYAC 2020 owed a CRSP-DB contribution in the amount of \$1,673,330 which was due by  
46 Dec. 31, 2020. Accordingly, the UNYAC BOPHB paid the 2020 CRSP-DB contribution in its  
47 entirety.

1 According to the report, for year-end 2021, the UNYAC BOPHB is estimated to owe \$1,608,465 to  
2 Wespath for the CRSP-DB. For year-end 2022, the UNYAC BOPHB is estimated to owe \$1,536,187 to  
3 Wespath for the CRSP-DB.

#### 4 5 **Special Grants**

6 UNYAC BOPHB has been providing assistance via special monthly grants, as established in previous years  
7 and as provided for in The Book of Discipline.

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9 The Board of Pension & Health Benefits will annually review previous and future pension grants to  
10 retirees and widows/widowers but will not publish names, to protect their privacy and dignity.

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12 The 2020 special grants included two retired clergy, one CPP participant and two clergy widows equaling  
13 a cumulative annual payout of \$20,539.

#### 14 15 **UNYAC Healthflex Arrearage Policy (Effective 1/1/2020)**

16 As you are aware, the UNYAC BOPHB, with the support of the Cabinet, approved an arrearage policy to  
17 assist us in controlling the increasing deficits year to year, due to a small number of churches and/or  
18 pastors that were not paying their direct bills.

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20 Due to the pandemic, and understanding the struggle faced by churches and pastors, the UNYAC BOPHB  
21 voted to delay the enforcement of the arrearage policy through 12/31/2020 while also asking churches  
22 who were able, to please continue to pay their direct bills, and to contact the benefits office if you could  
23 only pay a portion and needed to set-up a special arrangement. Many of you did just that and our  
24 collection rate for direct bills in 2020 was just under 99%! There are a handful of churches who also  
25 made a significant dent in their prior year (2019 and earlier) arrearage amounts. To all of you, we cannot  
26 thank you enough.

27  
28 For calendar year 2021, the board has again voted to delay the enforcement of the arrearage policy  
29 through 12/31/2021. While things are looking up, there are still churches that are struggling, and we  
30 want you all to know that you have our support. As we did last year, we still ask that churches who are  
31 able, please continue to pay your direct bills.

#### 32 33 **Health Benefit Program Policies**

34 The guidelines by which our health benefits program is administered are presented here for the sake of  
35 clarity and understanding by all:

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37 **Blended Rate (MED)**—Since our health benefits plan covers all full-time clergy, our connectional  
38 responsibility requires that every church served by a full-time pastor pay the blended rate. The  
39 blended rate is NOT an insurance premium for the individual currently serving as the church's  
40 pastor. It is each full-time church's equal [connectional] share of the total Conference premium  
41 that provides health benefits for active clergy, Conference staff and their families throughout  
42 our diverse conference.

43  
44 **Retired Clergy:** Retired clergy, age 65 or above, must be enrolled with the Social Security  
45 Administration for coverage under Medicare, Part A and Part B, before they can be enrolled in the  
46 Via Benefits network.

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48 **Retiree Health Eligibility:** A retired participant eligible for the Via Benefits program is defined as  
49 a former active participant in the Conference's Healthflex benefit plan with at least five years of

1 continuous coverage at the time of retirement immediately preceding the retirement effective  
2 date (aka 5 year vesting), and whose primary coverage at retirement is through Medicare Part A  
3 and Part B. The formula for HRA funding is based on 3.33% of “fully funded HRA amount” per  
4 full-time equivalent year of service up to 30 years of service and the 5-year vesting rule. CBOPHB  
5 determines the fully funded HRA amount annually.  
6

7 **Clergy Who Retire before the Age of 65:** Clergy who retire before the age of 65 will share in the  
8 expense of their continued coverage in HealthFlex until their 65th birthday. If such early retired  
9 clergy chooses not to continue in the Conference HealthFlex program (i.e., go onto spouse’s  
10 healthcare program) they will forfeit their eligibility for Via Benefits and the retiree HRA when  
11 they become Medicare eligible at age 65.  
12

13 **Reporting back to UNYAC 2021: Retiree Coverage through Via Benefits:** The conference will continue  
14 our agreement with Via Benefits (formerly OneExchange) to provide a choice of Medicare Supplement,  
15 Part D prescription and/or Medicare Advantage health insurance plans for the Conferences current and  
16 future eligible retirees who are already enrolled or will be enrolled in Medicare. These plans will  
17 continue to be combined with an individual Health Reimbursement Account (HRA) for each retiree and  
18 spouse, as applicable.  
19

20 The 2020 UNYAC referred to the board a change to the HRA that was scheduled to begin January 1,  
21 2020. We were requested to bring an updated proposal to the 2021 Annual Conference Session. After  
22 requesting an actuarial assessment of our retiree health care costs, and receiving the report in  
23 February, we do not feel prepared to offer any changes at this time. Thus, the 2020 policy in place will  
24 continue throughout 2021, and we will inform you of future changes if they are to come.

In God’s Peace,

Sara Baron

Chairperson, UNY Conference Board of Pensions and Health Benefits