



FAQ'S FOR HEALTHCARE ELECTION

HealthFlex annual election is October 28, 2020, through November 12, 2020.

When making your coverage selections, use these questions and answers as well as the resources listed on our website at www.moumethodist.org/benefits. If you still have questions, contact Conference Benefits Coordinator Trudy McManus at tmcmanus@moumethodist.org or (573) 441-1770.

CAN MY CHURCH PAY MORE FOR MY HEALTH INSURANCE THAN THE \$8,900?

Yes. Remember that your church is actually paying all but \$1,032 of your health insurance, which is what the Conference pays. That is, your church is paying the \$8,900 + whatever it withholds from your paycheck. The church can, if it chooses, withhold less than the whole amount of the bill. That amount isn't subject to income tax OR self-employment contributions.

IF MY CHURCH PAYS MORE FOR MY HEALTH INSURANCE THAN THE \$8,900, WHERE DO THEY INDICATE THAT ON THE PASTORAL SUPPORT FORM?

This is a bit of a trick question. They don't indicate it on the pastoral support form. To ensure the pastor receives the full benefit of pay increases with respect to pension, the amount should simply be added to Section A as "Cash Salary." This does create a bit of an issue on the Addendum. Because most churches do not offer any more than the \$8,900, the church payroll administrator simply has to make the adjustment to payroll (moving the additional amount into health insurance) so that it does NOT appear in Box 1 of the W-2 and DOES appear in Box 12 using code DD (added to the \$8,900 the church pays).

WHY DO LOCAL CHURCHES ONLY CONTRIBUTE \$8,900?

The Clergy Support Team in conversation with the Cabinet has set the amount local churches pay. Remember the local church and Conference contributions cover more than the premium for three of the six health plans when paired with basic vision and dental. The church can, as noted above, contribute more, but there is a limit to what local churches can pay. There are also limitations because of the appointment process. If the Conference required local churches to pay some for family coverage, churches would experience shifts when moving from a pastor needing family coverage to one who does not and vice versa. That said, both Clergy Support and the Cabinet will continue to review the amount required by local churches. Given the situation with healthcare in the U.S. and the volatility of premiums, local churches may well be asked to contribute more in the future.

HOW MUCH CAN WE CONTRIBUTE TO AN HSA UNDER ONE OF THE H-PLANS?

The total amount contributed may not exceed \$3,600 for individual coverage or \$7,200 for dependent/family coverage. Further, you must remember that some of the plans have amounts "baked-in" or automatically contributed. These amounts count against the limit. Further, if you elect individual coverage in either the Silver (H2000) or Bronze (H3000) plans and do not exhaust the defined contribution of \$9,932, you will also have an automatic contribution of the excess defined contribution. These amounts also count towards the limit. In other words, unless you are increasing coverage so as to exhaust your defined contribution AND electing the Bronze H3000 (which has no amount baked in), you will not actually be able to contribute the full \$3,600/\$7,200 limit from your paycheck. Doing so will result in a return of the contribution, which will render the amount taxable to you.

I HEARD WE CAN CONTRIBUTE TO BOTH AN HSA (LIKE THE ONES IN THE H-PLANS) AND MEDICAL REIMBURSEMENT ACCOUNT (FSA) LIKE THE ONE WITH THE B1000. IS THAT TRUE?

Yes. Sort of. Since moving to Healthflex Exchange and the complexity involved with the various selections, we have not advertised this possibility. First, this only applies if you pick one of the H-plans. Second, it will be best for you if you first exhaust contributions to the HSA. That said, once you've exhausted the contribution to the HSA (\$3600 for individual coverage and \$7200 for family), you may also contribute to the Flexible Spending Account (what we call the MRA). However, when paired with an HSA, the FSA is restricted to use in paying out-of-pocket vision and dental expenses. Remember also that an FSA (unlike HSAs and HRAs) is a "use-it-or-lose-it" account. Given this, you will not want to contribute anymore to the MRA/FSA than you will spend on vision and dental expenses during the coming year. Further, because of the limited nature of FSAs when combined with the H-plans, we have intentionally made it a bit more difficult to choose on our Addendum. If you are looking to take advantage of this, please contact Trudy to inform us of the selection.



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I'M A PASTOR WITH A LOT OF HEALTH NEEDS. SO, I SHOULD PICK THE B1000, RIGHT?

Not necessarily. You need to do some careful analysis of the options and your needs. ALEX, Wespath's tool can help, but you might need to look a bit deeper. The truth is the out-of-pocket maximum when combined with differing prescription drug options and the co-pays of the B1000 can often mean that one of the other gold plans will actually be cheaper for any given year. It's true that the B1000 is the "richest" plan, meaning it offers the highest levels of benefit. BUT it's also the most expensive plan, and both the C2000 and the H1500 also offer generous coverage. Much depends on your particular medical conditions and needs. You are welcome to contact the Health Team at Wespath to discuss further. They can often dive deeper into the coverage relative to your needs than can our office or ALEX. As your health needs increase, you will need to educate yourself more intensely in order to take full advantage of HealthFlex's various options.

DO I REALLY NEED TO COMPLETE A PASTORAL SUPPORT ADDENDUM?

Yes. We're sorry. But, yes. We know that the Addendum, and payroll generally, gets really complicated. But, we need the form for a couple of reasons. First, it allows us to enter a complete picture of your compensation into the Conference's and Wespath's database. Getting that entered accurately is important, not for the Conference but for you individually. It affects your pension contribution. It also allows Wespath to make better decisions with respect to HealthFlex and other benefit plans in the future. We have also worked very hard to ensure that the Addendum isn't just helpful to the Conference and Wespath. Rather, we have included the calculators to help your payroll person or company more easily complete your payroll. We know those calculators aren't perfect. It's simply impossible to take every detail of a local church's payroll into account. But, they are meant to serve as a starting place. I'd suggest that the person or company doing your payroll use the Addendum's calculator to confirm what they are doing. If they get a discrepancy, they are welcome to call our office to get assistance. We can walk through the various withholdings if needed. All this is to say, it's not just that you HAVE to do the Addendum; It's in your interest to do so.