GETTING TO KNOW THE PLANS

6 HEALTH PLANS  3 DENTAL  3 VISION
WHAT’S NEW FOR 2021?

• Lower out-of-pocket maximums for all HRA and HSA plans
• Consistent pharmacy benefits across all plans
• WageWorks becomes HealthEquity
• Out-of-network benefits
• Enhanced vision benefits
## GETTING TO KNOW THE PLANS

<table>
<thead>
<tr>
<th></th>
<th>GOLD 3</th>
<th>SILVER 2</th>
<th>BRONZE 1</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Premium</strong></td>
<td>High $$</td>
<td></td>
<td>Low $</td>
</tr>
<tr>
<td><strong>Benefits</strong></td>
<td>High $$</td>
<td></td>
<td>Low $</td>
</tr>
</tbody>
</table>
# Getting to Know the Plans

<table>
<thead>
<tr>
<th></th>
<th>Gold 3</th>
<th>Silver 2</th>
<th>Bronze 1</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Deductible</strong></td>
<td>Low $</td>
<td></td>
<td>High $$</td>
</tr>
<tr>
<td><strong>Out-of-Pocket Max</strong></td>
<td>Low $</td>
<td></td>
<td>High $$</td>
</tr>
</tbody>
</table>
Does the premium credit equal the premium of the plan?

NO! Annual Conference adopted a credit independent of any plan premium.
<table>
<thead>
<tr>
<th></th>
<th>Per month</th>
<th>Per year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Church</td>
<td>$741.67</td>
<td>$8,900</td>
</tr>
<tr>
<td>Conference</td>
<td>$90.58</td>
<td>$1,087</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$832.25</td>
<td>$9,987</td>
</tr>
</tbody>
</table>
INDIVIDUAL CLERGY ONLY

**H1500: No Upgrade**

**PREMIUM CREDIT**  $9,987/YEAR or $832.25/MONTH

- Monthly Premium Credit  +$832.25
- H1500 Premium  -$844.00
- Dental HMO  -$14.00
- Basic Vision (exam only)  -$00.00

**Total Withheld: -$25.75**  Withheld from paycheck
**INDIVIDUAL CLERGY ONLY**

*C2000: Dental Upgrade*

<table>
<thead>
<tr>
<th>PREMIUM CREDIT</th>
<th>$9,987/YEAR or $832.25/MONTH</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly Premium Credit</td>
<td>+$832.25</td>
</tr>
<tr>
<td>C2000 Premium</td>
<td>-$867.00</td>
</tr>
<tr>
<td>Dental Passive PPO 2000</td>
<td>-$46.00</td>
</tr>
<tr>
<td>Basic Vision (exam only)</td>
<td>-$00.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>-$80.75</td>
</tr>
</tbody>
</table>

Withheld from paycheck
• **Timing of premiums** (occasionally after charge conference)
• **Always a great reminder** (sometimes we forget what we pick)
• **Helpful for payroll**
WHAT IS IMPORTANT WHEN CHOOSING A PLAN?

- Premium
- Free contribution to HRA/HSA
- Rx Benefit – different for each
- Personal savings
- Out-of-pocket max
WHY DO PREMIUMS KEEP GOING UP?

UNPACKING YOUR HEALTHFLEX BENEFITS: ANNUAL ELECTION 2021
THE MARKET AND GROUP CLAIMS PERFORMANCE

UNPACKING YOUR HEALTHFLEX BENEFITS: ANNUAL ELECTION 2021
GROUP CLAIMS PERFORMANCE

• 2018 Data
• Good News of 2019
• 2020 Projections
ANNUAL ELECTION DATES

OCTOBER 28 – NOVEMBER 11
FREQUENTLY ASKED QUESTIONS
UNPACKING YOUR HEALTHFLEX BENEFITS: ANNUAL ELECTION 2021
FREQUENTLY ASKED QUESTIONS

• Can my church pay more for my health insurance than the $8,900?
• If my church pays more for my health insurance than the $8,900, where do they indicate that on the PSF?
• Why do local churches only contribute $8,900?
FREQUENTLY ASKED QUESTIONS

• How much can we contribute to an HSA under one of the H-plans?
• I heard we can contribute to both an HSA (like the ones in the H-plans) and Medical Reimbursement Account (Flexible Spending Account) like the one with the B1000. Is that true?
FREQUENTLY ASKED QUESTIONS

• I’m a pastor with a lot of health needs. So, I should pick the B1000, right?
• Do I really need to complete a pastoral support addendum?
RETIREMENT

UNPACKING YOUR HEALTHFLEX BENEFITS: ANNUAL ELECTION 2021
WORDS WE USE

• Pensions
• Retirement
• Savings
WORDS WE USE

- **CRSP**: Clergy Retirement & Security Program
- **DB**: Defined Benefit
- **DC**: Defined Contribution
- **PIP**: Personal Investment Plan
WORDS WE USE

• **PENSION**: Technically indicates an employer-funded plan but generally gets applied to retirement benefits

• **DEFINED BENEFIT**: A retirement plan in which the benefit paid to retirees is defined and funded by the employer
DEFINED BENEFIT
DEFINED BENEFIT

THE PROBLEM
The employer pays for benefits, the limits of which are not clear.

HOW?
By contributing on behalf of all active employees.
DEFINED CONTRIBUTION

• A retirement plan in which the employer makes a set contribution to active employees’ retirement accounts, with no promise of any benefit and actual retirement.
DEFINED CONTRIBUTION
• Money invested by an individual for and restricted until retirement.
• Employees can have money withheld from their paychecks.
• There are different IRS tax treatments that can be differed until withdrawal.
RETIREMENT SAVINGS: BEFORE RETIREMENT
RETIREMENT SAVINGS: DURING RETIREMENT
HOW IS THE CLERGY RETIREMENT AND SECURITY PROGRAM FUNDED?

• Churches contribute **9.22%** of compensation (housing + salary)
• Churches contribute **3%** of compensation for the Defined Contribution
CLERGY RETIREMENT AND SECURITY PROGRAM

12.22%

CHURCH

CONFERENCE

WESPATH

RETIREE
CLERGY RETIREMENT AND SECURITY PROGRAM

• What if the stock market crashes?

• What if retirees start to live 5-10 years longer?
  – Risk is shared with the Conference, which sponsors the plan.

• If the Conference must make a contribution, where will it come to?
  – Local Churches
LEGACY PLANS

• **1982–2007:** Ministerial Pension Plan
• **Before 1982**
The Conference shares risk in three plans. Churches share that risk.
Where is the risk really?
Only the one holding the benefit can lose the benefit.
GENERAL CONFERENCE & FUTURE PENSIONS

UNPACKING YOUR HEALTHFLEX BENEFITS: ANNUAL ELECTION 2021
How can we provide quality retirement and mitigate the risks to conferences and churches?
THE NEW PLAN

• Using Lifestage Retirement Income, Wespath already tries to ensure the CRSP-DC and PIP money will last.

• The new plan will allow a person to defer SS for two years (until age 67), by receiving higher payouts.

• The new plan will allow the purchase of deferred annuities that start at age 85 ➔ **Insures against “running out”**
THE NEW PLAN

COMPASS
WHEN WILL COMPASS TAKE EFFECT?

2023 ... MAYBE??

General Conference has to actually meet first.