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## 2 Active Participants:

3 Mandatory funding of clergy by salary paying unit (local churches and extension ministry where  
4 annual conference has pension responsibility) for all full-time appointments (includes retired  
5 pastors if receiving at least the minimum salary of the conference or plan compensation that  
6 equals or exceeds 125% of minimum salary). Each salary paying unit will be billed the same  
7 cost for each eligible clergy no matter of age or enrollment status.

8

9 The amount charged salary paying unit will be determined each year depending on the changes  
10 in cost for default plans used to set the defined contribution amount along with support from  
11 board of pensions' budget and those waiving out of HealthFlex but charged to salary paying unit.  
12 An eligible clergy participant may waive out of HealthFlex by completing a form from Wespath  
13 under the following circumstances;

- 14 • Enrollment in coverage from former employer
- 15 • Enrollment as a dependent in your spouse's employer provided coverage
- 16 • Enrollment in Champus
- 17 • Enrollment in TRICARE
- 18 • Enrollment in Medicaid

19

20 The conference board of pensions each year will set a premium credit amount for those enrolled  
21 in HealthFlex Exchange, not covered by Medicare as primary except those on CPP disability  
22 participants described below, that the pastor will use towards the cost of elected  
23 medical/pharmacy, dental and vision plans. Any excess defined contribution amount will be  
24 added to the pastor's health reimbursement account (HRA) or health saving account (HSA)  
25 depending on which medical plan selected. If the defined contribution amount is not enough to  
26 cover the cost of plan(s) elected the local salary paying unit will be billed for the excess which  
27 will then be the responsibility of pastor through salary reduction.

28

29 The conference board of pensions in determining the premium credit amount uses as a guideline  
30 the cost for single only coverage of the least cost Silver Plan, Passive PPO 2000 dental plan plus  
31 full vision. The resulting defined contribution amount would apply to the first two rate tiers;  
32 participant and participant +1. The goal of the conference board of pensions is to set a premium  
33 credit amount for a pastor where more than 2 are covered in the health program will have the  
34 same excess cost as pastors that cover only 2 in the health program.

35

36 If dependents participate, appointed clergy will be responsible for full cost beyond the premium  
37 credit amount through a salary reduction unless salary paying unit agrees to cover the cost  
38 beyond the premium credit amount.

39

40 Conference Board of Pensions will provide the same premium credit amount, discussed in third  
41 paragraph above for clergy appointed to medical leave and surviving spouses' of deceased active  
42 clergy. For surviving spouse benefit of deceased active clergy the premium credit amount will  
43 be provided for two years, or until they reach Medicare eligibility, or remarry, whichever comes  
44 first. Surviving spouse of active pastor who becomes Medicare eligible may continue through  
45 Via Benefits' marketplace but there will be no premium credit amount. Non-Medicare  
46 Participant's responsibility will be paid through direct bill from the conference through ACH  
47 electronic transfer. If participant on medical leave or surviving spouse of deceased active pastor  
48 is covered by Medicare then they will submit payment directly to insurance providers chosen  
49 through Via Benefits. Surviving spouse is no longer eligible for plan if remarry before reaching  
50 Medicare eligibility.

52 Those clergy appointed to sabbatical leave, family leave and other leave of absence status (18  
53 months maximum) are eligible to participate in conference health plans but will receive no  
54 premium credit amount.  
55

56 Clergy appointed less than full-time and other conference relationships not stated above are not  
57 eligible for conference health plans through HealthFlex Exchange.  
58

59 Full-time Conference Office and Northwest United Methodist Foundation lay employees are  
60 eligible if salary-paying unit signs sub-adoption agreement with conference board of pensions as  
61 plan sponsor annually.  
62

63 Those active pastors eligible and covered by Medicare as primary will be covered by Via  
64 Benefits program. Their local church/salary paying unit will continue to be charged the active  
65 mandatory funding amount. The active pastor will receive an amount in health reimbursement  
66 account that approximates their cost under Via Benefits' providers, including equivalent dental  
67 premium, plus an additional amount to cover the cost of the Medicare part "B" premium. The  
68 maximum paid cannot exceed the mandatory direct bill cost charged to salary paying unit.  
69

70

## 71 Retired Participants:

72 The conference board of pensions does not provide retiree health subsidy for active pastors when  
73 they retire but access if eligible. The board has had nine health policies for retiree health starting  
74 back in 1996. There were no policies prior to 1996 other than a 50% subsidy for each retiree  
75 including spouses and surviving spouses. The early policies established a subsidy per years of  
76 service for both the retired pastor and spouse, if applicable. The maximum subsidy was 50%.  
77 Most retirees, retirees' spouses and retirees' surviving spouses covered by these legacy policies  
78 received a 50% subsidy on the monthly premium charged.  
79

80 For those pastors retiring in 2003 if they had a spouse covered under HealthFlex the spouse did  
81 not receive a subsidy. In 2004 and after all future retirees do not receive a subsidy unless they  
82 were grandfathered in under legacy policies. The last active pastor eligible for a subsidy retired  
83 in 2011.  
84

85 Effective January 1, 2014 participants covered by Medicare as primary (active and retirees) have  
86 coverage provided through Via Benefits (and its predecessors OneExchange and Extend Health)  
87 and under the overall administration of the HealthFlex programs of Wespath.  
88

89 For those legacy participants that receive a subsidy an amount is added to each eligible  
90 participant's health reimbursement account (HRA) at the beginning of each year that can be used  
91 by them to pay health insurance premiums and other out-of-pocket health costs.  
92

93 The conference board of pensions provides an amount to a HRA that in most cases will be cost  
94 neutral between plans ending in 2013 and Via Benefits plan offering for participant's premium  
95 share and out-of-pocket costs after insurance coverage. Annually the conference board of  
96 pensions will review the HRA amount and determine if it is appropriate given health cost trends.  
97 The HRA amount may be changed as appropriate. To receive the HRA one must be a participant  
98 through Via Benefits.  
99

100 Special Aid Fund is available for additional assistance with both active and retirees.  
101

102 Pacific Northwest Conference Board of Pensions' Health Insurance Policies  
103

104 If a pastor covered by Via Benefits has a spouse under 65 not eligible for Medicare the spouse  
105 would remain on the active HealthFlex Exchange program. The conference will direct bill the  
106 pastor for the plans selected through ACH electronic transfer.  
107

108 If a retired pastor is under 65 they will remain on the active plan, including spouse if applicable  
109 and will be direct billed for the amount due each month by conference through ACH electronic  
110 transfer. Participants through Via Benefits are not eligible for dental and vision programs  
111 through HealthFlex Exchange.  
112

113 **Those eligible for subsidy before 1/1/2004:**

114 Retired Clergy who are receiving pensions in accordance with Paragraphs  
115

116 ¶357.1 (Mandatory Retirement), ¶357.2(b) (Voluntary Retirement with 30 years of  
117 service or at age 62) or ¶357.2(c) (Voluntary Retirement with 40 years of service or  
118 at age 65).  
119

120 Surviving spouses and surviving eligible dependents of clergy who retired and died while  
121 member of the conference receive the same subsidy as former clergy  
122 provided the survivors were enrolled in the Conference health care program at the  
123 time of the clergy member's death and married before clergy retired.  
124

125 If retired before January 1, 2003 spouse and eligible dependents of retired clergy receive same  
126 subsidy as clergy participants.  
127

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

129 Persons who marry retirees after retirement  
130

131 Part-time local Pastors (¶318.2)  
132

133 Retired clergy under (¶357.2a) (Voluntary retirement with 20 years of service)  
134

135 Retired clergy under (¶357.3) (Involuntary retirement)  
136

137 **Additional policies:**

138 See first paragraph under active participants if retired pastor serves a local church that equals or  
139 exceeds the minimum salary for full time appointments or plan compensation that equals or  
140 exceeds 125% of minimum salary.  
141

142 If active or retired pastor, serving full-time equivalent, at a local church that is eligible and covered  
143 by Medicare and their local church/salary paying unit has less than 20 employees the participant  
144 would qualify under the small employer exemption of Medicare being secondary payer rules. The  
145 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  
146 primary (A & B) unless not eligible or already participating if retired and sign up for  
147 supplemental coverage through Via Benefits. The Board would provide to pastor's HRA  
148 administered through Via Benefits an amount for the Medicare part "B" premium (lowest  
149 premium related to modified adjusted gross income), average Medigap/Medicare Part "D"  
150 pharmacy and dental premiums.. The HRA can only be changed at the beginning of each calendar  
151 year. Any health savings account contributions would cease once participant is covered by  
152 Medicare per IRS rules. The salary paying unit would continue to be charged the mandatory  
funding amount.  
153

154 If a pastor is covered by CPP disability and subsequently approved for Medicare through Social  
155 Security disability they would remain on HealthFlex Exchange and not move to the Via Benefits  
156 marketplace. The additional Medicare part "B" premium at the lowest level related to modified  
157 adjusted gross income would be provided to CPP disability participant. Currently it is taxable to  
158 the participant. The CPP disability participant would continue to receive HealthFlex Exchange  
159 premium credit. Medicare part "A" and "B" would be primary and HealthFlex Exchange medical  
160 plan secondary. Pharmacy coverage is primary and dental/vision would continue.  
161

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

169

170 Payment of premium for retired participants, spouses and surviving spouses:  
171 Payment will be made directly with insurance providers chosen through Via Benefits.

172

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

174

175 These policies are effective June 17, 2021.