



# Michigan

## Annual Conference

### THE UNITED METHODIST CHURCH

To: Michigan Conference Clergy/Local Churches/Agencies

From: Rev. Donald J. Emmert  
Director of Conference Benefits & HR

Date: August 14, 2018

Re: 2019 Clergy/Conference Employee Benefits

I am writing to provide information and explain new elements related to the Benefits Plans and associated Funding Procedures for the Michigan Conference in 2019.

#### **2019 Health Insurance Premiums:**

The preliminary health insurance premium chart is included in this mailing. *Final confirmation will be posted in late September once the report is received and reviewed.*

The chart includes some familiar and unfamiliar items for all participants.

- **Section A:** Each local church/charge will be billed the same common blended rate per policy regardless of whether it is a one person, two person, or family policy. Former Detroit churches currently being billed approximately \$10,000 for a single person policy will receive an \$8,000 annual grant in 2019 (posted monthly) to assist in the transition to the common blended rate by lowering it from the projected \$20,100 to \$12,100 for next year.
- **Section B:** In addition to the rate billed to the local church in Section A, the monthly billing statement will also include the clergy/conference employee required contribution based on a 3-tier policy (one person, two person, family) and sliding salary scale. Please note: The monthly health insurance statement will include the local church share plus the subscriber share (A + B). The participant amount in Section B is not included as part of the blended rate from Section A.
- **Section C:** In order to sustain a group health insurance plan financially, the conference plan is mandatory for all eligible clergy with the following exceptions; alternate coverage from spouse, military, former employer, Medicaid. When an eligible clergy waives conference coverage, the local church will be billed a reduced rate to assist in the overall financial support of the conference health care plan consistent with other of our connectional ministries. Churches where the appointed clergy is enrolled in the conference plan as a dependent on a spouse's policy (i.e. clergy couple), will not be billed the waiver fee.
- **Section D:** Churches with lay employees enrolled in the conference health care plan currently pay a 3-tier rate based on one person, two person, or family policies. In 2019, all policies will be billed at the common blended rate listed in Section A. However, the same grant of \$8,000 will be applied to current one person policies in 2019. Section B will not be applicable since individual churches establish their own premium sharing policies for lay

employees. Note: In future years an administrative fee will be added to the total monthly premium for local church lay employees, but it is being waived in 2019 to assist local churches in this transition.

#### **Additional Health Insurance Information:**

- **Vision insurance:** Vision coverage will be included as an element of the health care plan in 2019 eliminating the annual open enrollment requirement for the former Detroit Conference subscribers.
- **Health Reimbursement Arrangement (HRA):** The HRA currently utilized in the Detroit Conference health care plan will not be continued in 2019. Subscribers might want to consider adjusting their Medical FSA amount in 2019 to help offset potential increased out-of-pocket expenses.
- **Billing:** Beginning in 2019, only one monthly billing statement will be generated for each individual policy. If it is not already in place, Churches/Charges that share health care expenses for a pastor or clergy couple will need to develop an internal process between themselves for remitting payment. Churches with more than one subscriber will receive a single statement that includes all subscribers. HrPro will administer and generate the monthly billing statements. A process to establish automatic ACH payments will be available and is strongly encouraged. Enrollment details will be provided later this fall.
- **Online enrollment:** Final decisions regarding insurance carriers and specific plan design coverages will be determined in September. This information will be shared as soon as it becomes available. Regardless of changes made or not made, every subscriber must enroll in the new plan beginning January 2019. Preparations are being finalized to provide an online open enrollment procedure in October to create an efficient process both short term and long term. Those who are not able to enroll online will be able to enroll manually (paper) so no one will be left out.
- **FSA:** Subscribers will be able to enroll in Medical and Dependent Care Flexible Spending Accounts (FSA) during the online enrollment in October. FSA accounts will be administered by HrPro at no additional administrative charges to the local church. Billing for FSA withholdings will be included on the monthly health care statement.

#### **Benefits Ministry Shares (BMS):**

Beginning in 2019, every local church will be billed a separate Benefits Ministry Share amount through the Conference Benefits Office. Benefits Ministry Shares are a combination between the West Michigan CRSP/ CPP direct bill and the Detroit pension apportionment. Every church will receive a monthly Benefits Ministry Share statement based on appointment status and clergy compensation as described on the 2019 Clergy Compensation Recommendation Report. Benefits Ministry Shares is another connectional ministry shared by all which provides funding for; clergy retirement plan contributions, welfare plan premiums (disability & death), and all expenses related to the Conference Board of Pension & Health Benefits and the Conference Benefits Office. Many of these expenses are currently being funded by the Conference through Ministry Shares and are being re-categorized under the benefits budget beginning in 2019.

#### **Personal Note from Emmert:**

For years it has been my personal commitment generally to respond to all calls, emails, inquiries within 24-48 hours of receipt. Over the past many months, too often that timeline seems to have expanded to 24-48 days or fallen through the cracks entirely. For those who have been adversely affected in recent times, please receive my most sincere apology for all delays or oversights. They have all been, without exception, unintentional. Moving forward, the reality is that many decisions, plans, procedures and policies must still be implemented and perfected in the months ahead. My expectation is that the pace in the Benefits Office will not begin to normalize until the 2<sup>nd</sup> quarter of 2019. Fortunately, the Benefits Office is not occupied by a solitary soul. For those who have yet to become acquainted, please allow me to introduce John Kosten and Jennifer Gertz. John serves full time as our Benefits Administrator, and we share Jennifer with the treasury department in addition to her primary responsibilities as the Ezra Data Base Specialist. Both persons are well-versed with our conference benefits, and I encourage all to contact them as additional resources with benefits-related inquiries or questions.

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Thank you, and God bless you.

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