

Michigan Annual Conference Pensions Report | Rev. Don Emmert Friday, June 4, 2021

Thank you, Bishop Bard. To you, Conference members of our studio audience, as well as those viewing from office or home...

Greetings to all on behalf of the Conference Board of Pension & Health Benefits. This past year, I have frequently been reminded of a phrase so often uttered by a dear friend throughout his lifetime when encountering a new or unique situation. Upon simultaneous reflection, he would say, "Things sure have changed since Fido was a pup."

Indeed, things sure have changed in recent times. Much of which we would like to forget. So I will not spend a lot of time reminiscing about the year behind us, except to lift a couple of highlights.

A year ago last spring, even before we knew what the full impact of the newly evolving pandemic might involve, the Conference Board of Pension & Health Benefits responded proactively to potential financial strains by initiating a 6 month payment holiday for Benefits Ministry Shares for the 2nd and 3rd quarters of 2020.

Try as we did to be abundantly clear exactly what that meant, a fair amount of confusion continued to arise, even after last year's statement at Annual Conference. Nevertheless, at the end of the day, the Board of Pension assumed over \$1.8 Million dollars in expenses that would have been, but that were not billed to the local church in 2020 because of the holiday – without harming anyone's benefits or animals in the process.

The flip side is that apparently the holiday was so well received, some never wanted it to end as we concluded the year with \$158,000 in outstanding balances. A payment rate of 91.25%. This by far is the lowest rate of receipts since I began keeping records in the year 2000. Payment rate is generally 97-99%.

Things sure have changed since Fido was a pup...And our hope in this situation is that they will change back in 2021.

The second item to mention is that the conference health insurance premiums remained flat again for 2021. As always, with this declaration a limited amount of spattered applause or weak hooray is the best the board might ever anticipate, since the far more common cry is that our health insurance is financially killing us. But I remind us, there has not been a single increase in total premiums since the birth of the Michigan Conference in 2019, even as the board has continuously wrestled with increasing expenses...and, as they regularly assess and consider positive actions forward. To that purpose, the board has successfully added two new supplemental programs in recent months, available to those in the conference active group health care plan, in the attempt to improve health and enhance wholeness for the sake of all in our ministry together.

The first program is the Employee Assistance Program that was launched last October in direct response to participant requests for a professional and confidential service to help with a wide range of personal, family, and employment concerns.

Areas such as: stress management; family issues, illness or concerns; workplace conflict; financial and legal needs.

The second program, which is being rolled out this June is the Omada Program. Not the Omega Project, or the O-M-G Emergency Plan. The Omada Program.

Do you remember when so many of our clergy were young and charismatic (not always in the Biblical sense) and healthy? The average age was 35 with 25 years of pastoral experience?

Things sure have changed since Fido was a pup.

In recent decades, two of the most prevalent health issues facing today's clergy population in Michigan continue to be Diabetes and Hypertension.

Omada is a digital care program designed to empower people to achieve their health goals through sustainable lifestyle change. Specifically, the Michigan Conference has teamed up with Omada to become more assertive in addressing prediabetes, diabetes, and hypertension. The program includes – voluntarily, any or all of the following:

- A dedicated, professional health coach with a specialized care team.
- Weekly lessons with relevant content.
- A peer support group (including those from other professions, but which will not include your colleague at the church down the road who might someday become your district superintendent)
- Medication adherence support (Unfortunately, statistics indicate that a significant percentage of those with diabetes are not consistent with having their levels regularly checked and/or taking their meds as prescribed.)
- Plus, Omada has these cool gadgets to monitor blood glucose, blood pressure, nutrition, weight, and physical activity available to those who participate.

When the board was considering the Omada program and running the numbers (all of which is aggregate since no one in the conference has specific information on any individuals), of the 914 persons enrolled in our active health care plan, 507 (55.5%) would be eligible to participate in this program based their current medical situation regarding diabetes, hypertension, or both.

Of course, these are not the only two health issues out there, and this is far from a shaming program. But they are significant conditions that can be positively addressed...For the primary purpose of achieving better health of our church leadership. Nevertheless, for those also seeking a financial incentive, gaining a better grasp on these two medical conditions also stands to have a positive impact on both our short term and long-term medical costs. The medical and prescription expenses in 2020 for our active group plan alone, exceeded \$8 million. This does not include any retiree data, whose medical expenses are less because of Medicare. But not surprisingly, who do about twice as many drugs as the actives.

Well, the infomercial is over. But please, if there are those who believe they might benefit from either the Employee Assistance Program or Omada Program,

BOTH PLANS REQUIRE THAT THE PARTICIPANT OR SPOUSE BE ENROLLED IN THE CONFERENCE GROUP HEALTH CARE PLAN.

THE EAP INFORMATION HAS ALREADY BEEN DISTRIBUTED AND IS AVAILABLE TO ACTIVE CLERGY FAMILIES ONLY. IF YOU WOULD LIKE THIS INFORMATION SENT TO YOU AGAIN, CONTACT THE CONFERENCE BENEFITS OFFICE ANYTIME.

THE OMADA INFORMATION WILL BE ARRIVING SOON FOR ACTIVE CLERGY. A SEPARATE MAILING WILL NOT BE SENT TO RETIREES. HOWEVER, A RETIREE IN THE CONFERENCE HEALTH PLAN MAY PARTICIPATE BY CONTACTING THE BENEFITS OFFICE FOR DETAILS.

Final item:

As if this report has not already been riveting enough, a word about Disaffiliation.

Conversation is again ramping up about what happens to benefit plans if a church or a clergy chooses to withdraw from the denomination, either to become independent or to join another denomination or expression.

A couple of things to always keep in mind.

- First, there is a significant distinction between the United Methodist Church Denominational Retirement Plan, which provides a pension or deferred compensation for a vested individual participant...and the Michigan Group Health Care Program, a Conference Plan, which provides a collective fringe benefit for participants who are currently in the group.
- Secondly, there are different eligibility requirements for local churches and for clergy which can sometimes get confusing.

Regarding the Denominational Retirement Plan:

I recommend surfing the Wespath Benefits & Investments website at Wespath.org. Wespath has a number of pertinent documents, outlining potential options and pathways for both local churches and clergy.

Quick summary for local churches:

Churches that change their affiliation might or might not continue sponsoring clergy pension benefits through Wespath depending on whether they join a New Methodist expression that becomes a viable plan sponsor.

Quick summary for clergy:

Clergy who withdraw from the current denomination will not lose the pension benefit accrued for their years of service. However, the benefit could be paid out differently, depending on future choices the clergy makes.

Regarding the Conference Health Care Plan:

Quick summary for local churches:

- The most common question raised to date has been, "Can a disaffiliating local church continue to participate in the conference health care plan?"
- The answer is no. A number of administrative issues and conflicts would be certain to arise with the conference expanding its multi-employer plan, but a primary problem would focus on the legal.

The conference health care plan allows potential participation for affiliated entities, UM Camping for example, where the conference is the responsible agency for providing clergy benefits.

- If a church withdraws from the conference, the conference is no longer the responsible agency for providing benefits.
- But perhaps more importantly, if a church goes through all the hoops and requirements in order to legally disaffiliate with the conference in every manner, one can see the contradiction if it were then to say, "Oh, but you can still affiliate us in this one area so we can keep the health insurance benefit."
- Looking ahead, I have no knowledge of any details, but for churches that end up joining a new denomination or expression, I suspect they will participate in whatever health care plans are established by the new entity as they will regarding all other benefits.

Quick summary for clergy:

- Unlike the denominational retirement plan where specific retirement benefits are earned by and payable to an individual based on compensation and years of service regardless of conference membership, the conference group health care plan is a benefit provided for those at the time in which they are members of the group. Not a popular requirement for those of us who have invested many years in the conference and wish to leave, but there is no reciprocal agreement or transfer of a health care benefit if a clergy member chooses to leave the conference.
- The Conference Board of Pension & Health Benefits has been clear and consistent over the years in following the plan requirement that in order to participate in the conference health care plan, a clergy must be serving in an eligible appointment in their active years, and maintain their conference membership in retirement.

That is enough for the moment on withdrawal and disaffiliation related to benefits. The conversation itself is saddening. But I remind us that in the days ahead, there will likely be a certain amount of assumptions, expectations, interpretations, and deductions shared that might not always be accurate. Thus, I encourage us to always confirm the accuracy of statements surrounding any implications regarding benefits when considering future decisions to protect against any unwelcome and potentially significant surprises. Things sure have changed since Fido was a pup.

One thing, however, that has not changed is the commitment of the Conference Board of Pension to introduce, manage, maintain, evaluate and act in striving to achieve the best possible outcomes for all involved parties. In the name and for the sake of the one who is always the same, yesterday, today, and forever. God bless you.