

## **Board of Pension and Health Benefits**

### **Report Number 1: Retiree Access to Health Insurance**

Clergypersons and spouses under age 65 at the time of retirement may each remain in *HealthFlex* (the Conference's regular group health insurance plan) until the 1<sup>st</sup> day of the month he or she turns age 65, provided that he or she has *at least 15 years of eligible full-time service in the North Alabama Conference prior to retirement*, and the spouse has been married to the retired clergyperson for *at least 15 years during the retiree's eligible full-time service in North Alabama*, respectively.

At age 65, a retired clergyperson's participation in *HealthFlex* terminates and he or she is given the opportunity to enroll in BlueCross BlueShield of Alabama's *C Plus*, a Medicare supplemental group insurance plan. The retired clergyperson's spouse may remain in *HealthFlex* until the 1st day of the month he or she turns age 65, at which time he or she will also have the option of enrolling in *C Plus*.

To qualify for *C Plus*, a person must be eligible and enrolled in both Part A and Part B of Medicare. *A person may enroll in Medicare beginning three months before the month in which he or she turns age 65.* (Medicare enrollees should look for two effective dates on their red, white, and blue Medicare health insurance card, one for Part A and one for Part B. If there are not two effective dates of coverage listed, the enrollee should contact the local Social Security office before applying for *C Plus*.)

Persons may obtain a *C Plus* application from the Health Insurance Benefits Coordinator in the Conference Treasurer's Office. This form should be completed and returned as soon as the he or she receives a Medicare health insurance card.

Retired clergypersons and their spouses are responsible for the entire cost of *HealthFlex* or *C Plus* premiums. The Conference Treasurer's Office will notify the General Board of Pension and Health Benefits to withhold the applicable health insurance premium from the retiree's monthly pension annuity.

### **Report Number 2: 2014 Rental/Housing Allowance Resolution**

#### **Resolution to Designate Rental/Housing Allowances for Retired or Disabled Ministers of the North Alabama Conference**

WHEREAS, the religious denomination known as The United Methodist Church has and functions through Ministers of the Gospel who are duly ordained or licensed; and

WHEREAS, the practice of the United Methodist Church is to provide a parsonage or a rental/housing allowance as part of the gross compensation for each of its active ordained or licensed ministers; and

WHEREAS, pension and disability payments to retired and disabled ordained or licensed ministers of The United Methodist Church are considered deferred compensation and are paid to said retired and disabled ordained or licensed ministers in consideration of previous, active service; and

WHEREAS, the Internal Revenue Service has recognized that the North Alabama Conference is the appropriate organization to designate a rental/housing allowance for retired and disabled ordained licensed ministers who are members of this Conference;

NOW THEREFORE BE IT RESOLVED;

1. An amount equal to 100% of the pension or disability payments received during 2014 be and is hereby designated as a rental/housing allowance for each retired and disabled ordained or licensed minister of The United Methodist Church who is or was a member of the North Alabama Conference at the time of his or her retirement or disability.
2. This rental/housing allowance shall apply to each retired and disabled ordained or licensed minister who has been granted the retired relation or placed on disability leave by the North Alabama Conference and whose name and relationship to the conference is recorded in the Journal of the North Alabama Conference and in other appropriate records maintained by the conference.
3. The pension or disability payment to which this rental/housing allowance applies shall be the pension or disability payment resulting from all service of such retired and disabled ordained or licensed minister from all employment by any local church, Annual Conference, General Agency, or institution of The United Methodist Church or any former denomination that is now a part of The United Methodist Church, or from any other employer who employed the minister to perform services related to the ministry and who elected to make contributions to the pension and disability funds of The United Methodist Church for such retired or disabled minister's pension.

NOTE: The rental/housing allowance which may be excluded from a minister's gross income is limited to the **lesser of** (1) the amount of the rental/housing allowance designated by the minister's employer or other appropriate body, (2) the amount actually expended by the minister to provide his or her housing, or (3) the legally-determined fair rental value of the parsonage or other housing provided. As specified in Rev. Rul. 71-290, C.B. 92, "the only amount that will qualify for exclusion under section 107(2) of the Code as a "rental allowance" is an amount equal to the fair rental value of the home, including furnishings and appurtenances such as a garage, plus the cost of utilities."

### **Report Number 3: 2014 Health Insurance Premiums**

There will be no increase in health insurance premiums in 2014. Therefore, effective January 1, 2014, health insurance premiums shall be as follows:

- \$698/month for individual coverage. Individual coverage is mandatory for full-time clergy.
- \$698/month for dependent coverage.
- \$1,396/month for family (individual and dependent) coverage.

### **Report Number 4: 2014 Past Service Rates for Pre-1982 Service**

Effective January 1, 2014, the annuity rates for service years rendered prior to January 1, 1982 shall be as follows:

- **\$662.00** per full-time service year of eligible clergy.
- **\$463.40** per full-time service year for **surviving spouses** of eligible clergy.
- **\$165.50** per full-time service year for **surviving dependent children** of eligible clergy.

### **Report Number 5: 2014 Disability/Death Benefits**

Disability/death benefits are provided to eligible clergy and their surviving spouses and children by the *Comprehensive Protection Plan*. The disability benefit is 70% of plan compensation, not to exceed 200% of the Denominational Average Compensation, reduced dollar-for-dollar by any disability benefits received from the Social Security Administration. The following death benefits and surviving child's benefits are effective January 1, 2014:

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| • Active Clergy Death Benefit                      | \$50,000 |
| • Retired Clergy Death Benefit                     | \$20,000 |
| • Spouse Death Benefit                             | \$15,000 |
| • Child Death Benefit                              | \$ 8,000 |
| • Surviving Spouse Death Benefit                   | \$10,000 |
| • Surviving Child's Benefit                        |          |
| Under age 18                                       | \$ 6,518 |
| Age 18-25 (enrolled in secondary school or beyond) | \$13,037 |

## **Report Number 6: 2014 Supplemental Retiree Grants**

In 2014, retired clergypersons age 65 or older, with at least 15 years of eligible full-time service, shall receive a grant in the amount of **\$70.00 per month** to provide supplemental funding for retiree living expenses. A second supplemental grant in the amount of **\$70.00 per month** shall be paid to retired clergypersons in 2014 on behalf of his or her spouse (or to a clergyperson's surviving spouse) if the spouse is age 65 or older and was married to the retired clergyperson for at least 15 years of the retiree's eligible full-time service.

The retiree grants are disbursed by the General Board of Pension and Health Benefits and subject to its administrative practices, unless the retiree or surviving spouse has requested the grant be applied to the cost of BlueCross BlueShield of Alabama's *C Plus*, a Medicare supplemental group insurance plan. *The supplemental retiree grants are authorized for 2014 only and may not be provided in future years.* Retirees are should consult with their tax advisor concerning the taxability of the supplemental retiree grants.