

Recommendation

**Shared Ministry Apportionment Formula
Impact on the Conference Budget**

Whereas at the Annual Session of the Greater New Jersey Annual Conference in 2010, a new formula for allocating the expenses of the Annual Conference was approved.

Whereas that formula was to be used beginning in 2011.

Whereas the formula would have made substantial changes in the amount billed to many individual local churches.

Whereas the Annual Conference wanted to moderate the effects of the change in local church's askings due to the formula change.

Whereas the Annual Conference authorized a system of caps on changes in local church Shared Ministry askings.

Whereas nearly all churches reached equilibrium with the new formula by the end of 2015.

Whereas Shared Ministry askings were calculated for 2016 in accord with the previously approved formula.

Therefore be it now resolved that in 2017 Shared Ministry askings shall be calculated in accord with the previously approved formula.

Rationale: Since 2016 askings were in accord with the previously approved formula, there is no reason to not do the same for 2017.

Submitted by:
John Bishop, President
The Conference Council on Finance and Administration

Recommendation

Pension Recommendations

Be it resolved that the Past Service Annuity Rate for January 1, 2017 to December 31, 2017 be set at \$658 per approved service year prior to January 1, 1982.

Be it resolved:

1. That effective January 1, 2017, the Greater New Jersey Annual Conference will continue to sponsor CRSP for full-time, three-quarter time, and one-half time clergy and continue to sponsor UMPIP for those clergy in one-quarter time appointments.
2. That contributions for January 1, 2017 to December 31, 2017 for the Clergy Retirement Security Program for full-time and less-than-full-time (¼-time & ½-time) clergy, and for Conference sponsored UMPIP Plan for ¼-time clergy, be set at 12.5% of plan compensation.
3. That contributions for January 1, 2017 to December 31, 2017 for the Comprehensive Protection Plan be set at 3% of plan compensation for full-time and ¾- time ordained clergy, and for Conference

Recommendations to the 2016 Annual Conference

- 1 Sponsored UMLife Options for ½-time ordained clergy to be set based on an age-based premium. That
2 local churches may sponsor ¼-time ordained clergy and ¾-time part-time local pastors in UMLife
3 Options.
- 4 4. That the starting date for retirement payments for new retirees commences July 1, 2016, unless
5 otherwise stated.
- 6 5. That grants approved in lieu of pension to Bernard Shropshire are continued through 2017.
- 7 a). That the following members of the former Southern Conference be grand-parented in terms of
8 eligibility for conference-paid health benefits. Specifically, the following persons, upon becoming
9 annuitants with at least 10 years of service, will be eligible for Conference-paid health benefits:
10 Edward F. Conway, Ruth Propert Taenzer, Jae Jeong Shim, Mildred E. Bender, Charles H. Mayer, J.
11 Evans Dodds, Eileen Murphy, Nicholas Connolly, Daniel Gueh, Renee L. McCleary, William R. Hess,
12 Frances B. Ballinger and Charles D. Mitchell.
- 13 b). That Robert L. Webster and family be eligible for Conference-paid health benefits upon
14 retirement and receiving an annuity.
- 15 6. That Rev. Patricia Bruger’s actual years of appointment and service at CUMAC/ECHO, INC. from June
16 16, 1995 through retirement be fully credited for the purpose of calculation of service year credits to
17 determine allocation of pro-rated health insurance premium payment responsibility upon retirement.
- 18 That the following clergy be grand-parented to five years “under appointment through the Conference
19 immediately prior to retirement” to meet eligibility requirements for health benefits in retirement,
20 rather than the seven years as approved at the 2011 annual conference meeting (Paragraph 3 under
21 Eligibility, p. 365 of the 2011 Conference Journal). Specifically, the following persons, if, at the time of
22 retirement, meet all other eligibility requirements for health insurance in retirement, shall be grand-
23 parented under this provision: Rev. Vena Murphy, Rev. William Jacobsen, Rev. Christina Zito and Rev.
24 Sherrie Dobbs Johnson.
- 25 That clergy participants in the Conference Health Insurance Plan who have expenses associated with the
26 adoption of a child will be reimbursed up to \$10,000 per child upon the presentation of the necessary
27 documentation.
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- 28 7. That the Greater NJ Annual Conference (the “Conference”) adopts the following resolutions relating to
29 rental/housing allowances for active, retired, terminated, or disabled clergypersons of the Conference:
30 **Be it resolved** that an amount equal to 100% of the pension, severance, or disability payments received
31 from plans authorized under *The Book of Discipline of The United Methodist Church* (the “*Discipline*”),
32 which includes all such payments from the General Board of Pension and Health Benefits (“GBOPHB”),
33 during the period July 1, 2016 through June 30, 2017, by each active, retired, terminated, or disabled
34 clergyperson who is or was a member of the Conference, or its predecessors, be and hereby is
35 designated as a rental/housing allowance for each such clergyperson; and
36 That the pension, severance, or disability payments to which this rental/housing allowance designation
37 applies will be any pension, severance, or disability payments from plans, annuities, or funds
38 authorized under the *Discipline*, including such payments from the GBOPHB and from a commercial
39 annuity company that provides an annuity arising from benefits accrued under a GBOPHB plan, annuity,
40 or fund authorized under the *Discipline*, that result from any service a Clergyperson rendered to this
41 Conference or that an active, a retired, a terminated, or a disabled Clergyperson of this Conference
42 rendered to any local church, annual conference of the Church, general agency of the Church, other

Recommendations to the 2016 Annual Conference

1 institution of the Church, former denomination that is now a part of the Church, or any other employer
2 that employed the clergyperson to perform services related to the ministry of the Church, or its
3 predecessors, and that elected to make contributions to, or accrue a benefit under, such a plan,
4 annuity, or fund for such an active, a retired, a terminated, or a disabled clergyperson's pension,
5 severance, or disability plan benefit as part of his or her gross compensation.

6 NOTE: The rental/housing allowance that may be excluded from a clergyperson's gross income in any
7 year for federal (and, in most cases, state) income tax purposes is limited under Internal Revenue Code
8 section 107(2), and regulations there under, to the least of: (a) the amount of the rental/housing
9 allowance designated by the clergyperson's employer or other appropriate body of the Church (such as
10 this Conference in the foregoing resolutions) for such year; (b) the amount actually expended by the
11 clergyperson to rent or provide a home in such year; or (c) the fair rental value of the home, including
12 furnishings and appurtenances (such as a garage), plus the cost of utilities in such year. Each
13 clergyperson or former clergyperson is urged to consult with his or her own tax advisor to determine
14 what deferred compensation is eligible to be claimed as a housing allowance exclusion.

15 That clergy retiring before July 1, 2017 be reimbursed for one time moving expenses up to \$5,000.00
16 incurred while moving from church-owned housing to personal housing. This reimbursement is limited
17 to actual moving expenses, not to include moving company packing costs. The same benefits and
18 restrictions shall also apply to a surviving spouse moving out of the parsonage upon the death of a
19 pastor while in active service in the Annual Conference, and to those entering disabled relationships.

20 That the Conference Board of Pension and Health Benefits be authorized to make modifications to the
21 current Insurance Plan as the health care market demands. In addition, modifications to the Plan that
22 could reduce premium costs to local churches and Annual Conference are to be studied and enacted as
23 the Board determines appropriate. These changes might include increased participant deductibles, co-
24 payments, greater use of generic medications, and other avenues of cost saving and sharing. Such
25 changes will be subject to prior review of CFA and the Cabinet.

26 That the Guidelines for Health Insurance Participation, below, be approved and upon approval printed
27 in the 2016 Conference Journal and Yearbook.

PENSION AND HEALTH BENEFITS: 2016 HEALTH INSURANCE GUIDELINES

30 The mission of the Conference Health Insurance Plan (the Plan) is to provide primary health insurance coverage
31 to full-time full, provisional, and associate ministerial members, and full-time local pastors of the Annual
32 Conference and to eligible full-time lay employees.

33 The Plan provides secondary health insurance coverage for retirees who are receiving Medicare which requires
34 both Medicare Parts A & B for coverage. For those who have retired early and are not yet eligible for Medicare,
35 primary health insurance coverage is through the same plan as those in active ministry. The Plan is a non-vested
36 current benefit for active and retired pastors and lay employees.

ELIGIBILITY

1. Clergy Eligibility:

- 39 a) Active clergy under full-time Episcopal appointment to serve a local church including Elders, Deacons,
40 Local Pastors, Associate Members, and Provisional Members
- 41 b) Those under full-time appointment as district superintendents, clergy staff members of Conference
42 councils and boards, treasurers, bishop's assistants, or directors of parish development, general

Recommendations to the 2016 Annual Conference

- 1 evangelists and campus ministers for whom the Conference provides pension contribution to the Clergy
2 Retirement Security Program (CRSP) who is:
- 3 • a full elder or associate member (other than a missionary) (Book of Discipline ¶344.1a(1))
 - 4 • or an ordained clergyperson from another annual conference or another Methodist
5 denomination (Book of Discipline ¶344.1a(1), ¶346.1)
 - 6 • ordained clergyperson from another denomination if not covered by the group health plan of
7 the denomination to which he/she belongs. (Book of Discipline ¶344.1a(1))
- 8 c) Enrollment in the Active health insurance plan must be completed within 31 days of appointment.
- 9 d) Waiving coverage in the Plan - Contact the Insurance Coordinator for required documents. Documents
10 must be completed and returned within enrollment deadline periods
- 11 • within 31 days of initial eligibility; or
 - 12 • once per year during the Conference open enrollment period for the following January 1; or
 - 13 • within 31 days of an open enrollment period for a spouse's plan; beginning January 1, 2016.
 - 14 • see PREMIUM PAYMENT RESPONSIBILITY – ACTIVE for Waived Coverage Fees.
- 15 a. Participant must certify that:
- 16 • The plan is through a former employment or a spouse's current or former employment. Proof
17 of such coverage is required.
18 The plan is not a marketplace plan. Under these guidelines and marketplace rules, Full-time
19 clergy are ineligible for any Premium Tax Credit.
- 20 b. Re-admittance to the plan is during any open enrollment period, or within 31 days of a Special
21 Enrollment event (loss of other coverage, employment status change, divorce, or death of a
22 spouse, gain a dependent).
- 23 e) Clergy in any category under Episcopal appointment to full-time service in an Extension Ministry
24 [¶344.1a (3)(4); 344.1b; 344.1d; 331.1a,b; 326.1; 331.8 346.1; 346.2], may enroll in the Plan within
25 31 days of initial appointment. Late enrollments are permitted only during the Annual Election
26 Period or in the case of a Special Enrollment event as described in HealthFlex's Summary Plan
27 Description.
- 28 f) Part-time clergy in any category are not eligible for coverage through the Plan.
- 29 **2. Ministerial members who are placed on Medical Leave status by the Conference** shall continue
30 enrollment in the Plan regardless of whether they are eligible for Medicare disability benefits. The
31 Conference Plan remains primary until the participant becomes eligible for Medicare due to disability, at
32 which time the Conference Plan becomes secondary to Medicare. Beginning January 1, 2016, participants
33 obtaining Medicare due to disability, may choose to remain in the Active Health Plan as their secondary
34 insurance, or to enroll in the United HealthCare Retiree Plan (Medicare Advantage Plan). The premiums
35 for ministerial members on Conference Medical Leave (and their enrolled family) will be paid by the
36 Conference with Conference Board of Pension and Health Benefits funds.

Recommendations to the 2016 Annual Conference

- 1 **3. Clergy in Retired Status** may be in the Plan if they were under appointment through the Conference for
2 the seven years immediately prior to retirement. Retired participants and spouses age 65 and over are
3 required to carry Medicare Part A and Part B in order to be eligible for Conference insurance in
4 retirement. A Retiree (and eligible dependents) not enrolling in the Plan at the time of retirement, or who
5 left the plan as a retiree, may enroll during any open enrollment period, or within 31 days of a Special
6 Enrollment event (including but not limited to voluntary or involuntary loss of coverage) (refer to Clergy
7 Eligibility #1, subparagraph 1b) For dependent eligibility, see #5 under "Eligibility."
- 8 **4.** Any of the following **lay persons** are eligible to enroll in the Plan upon application within 31 days of hire.
9 Late enrollments are permitted only during the Annual Election Period as allowed by the Plan, or in the
10 case of a Special Enrollment Event as described in HealthFlex's Summary Plan Description.
- 11 a) Lay employees of the Conference or any of its subsidiary agencies working a minimum of 1,560
12 hours annually (30 hrs. per week)
- 13 b) Full-time (minimum of 1,560 hours annually) lay employees of any church in the Conference that
14 adopts the program, completes a Salary Paying Unit Sub-Adoption Agreement, and whose
15 church enrolls a minimum of 75% of its full-time lay employees.
- 16 c) Retired lay employees of the Conference, local churches, Conference-affiliated UM institutions,
17 the Episcopal office, units of the Conference whose lay employees are not on the Conference
18 payroll, and the surviving spouse of such employees, may participate in the Plan provided they
19 have received or will receive a UMPIP benefit from the General Board of Pension through their
20 salary-paying unit.
- 21 **5. Dependents eligible for coverage** in the Conference Plan are limited to the spouse, children who are
22 qualified adult dependents, and children who are under age 26. Dependents may be added only during
23 the Annual Election Period as allowed by the Plan, or in the case of a Special Enrollment event. If an
24 annuitant marries (remarries), coverage of spouse and/or children may be available and premium for
25 dependents is at the retiree's expense.

26 **PREMIUM PAYMENT RESPONSIBILITY – ANNUITANTS**

27 The Conference Board of Pension and Health Benefits shall establish rates of premiums for the participants,
28 based upon the premiums charged by the insurance carrier(s).

29 Unless it has already been stated above under Eligibility, the Conference shall pay the premiums for all enrolled
30 annuitants of the Conference, lay or ministerial, from appropriate funds, except that:

- 31 A. **A clergy person age 65 or older**, becoming an annuitant on or after July 1, 2002, who has less than
32 20 approved years with annuity credit in (CRSP), the Clergy Retirement Security Program (includes
33 prior plans), with the General Board of Pension and Health Benefits of the United Methodist Church
34 shall, in order to receive health insurance coverage under the Plan, be responsible for the payment
35 of a pro-rated share of his/her Medicare Companion premium. Such share shall be 5% times the
36 number of full years by which such years are short of 20.
- 37 B. **A lay person age 65 or older**, who has received or will receive a UMPIP benefit on or after July 1,
38 2002, who has less than 20 approved years with pension credit in UMPIP, the United Methodist
39 Personal Investment Plan (includes prior plan), of the General Board of Pension and Health Benefits
40 of the United Methodist Church shall, in order to receive health insurance coverage under the Plan,
41 be responsible for the payment of a pro-rated share of his/her premium. Such share shall be 5%
42 times the number of full years by which such years are short of 20.

- 1 C. The Active premium for an **annuitant under the age of 65 commencing benefits**
- 2 a) **on or before July 1, 2003** shall be paid by the Conference subject to paragraphs A and B
- 3 above until the annuitant reaches age 65.
- 4 b) **after July 1, 2003**, the Conference shall contribute an amount equal to the coverage cost of
- 5 a Medicare-eligible annuitant, subject to paragraphs A and B above, and the annuitant shall
- 6 be responsible for the remainder of the Active premium until the annuitant reaches age 65.
- 7 Premium responsibility will be frozen at the calendar year 2014 level for annuitants retiring
- 8 prior to July 1, 2014.
- 9 c) **on or after July 1, 2014**, the Conference shall contribute an amount equal to the coverage
- 10 cost of a Medicare-eligible annuitant, subject to paragraphs A and B above, and the
- 11 annuitant shall be responsible for an annual fixed amount determined in the year of
- 12 retirement until the annuitant reaches age 65.
- 13 D. **Extension Clergy serving approved Conference Advance Specials** in the geographic bounds of the
- 14 Annual Conference who are not eligible to enroll in the Clergy Retirement Security Program (CRSP)
- 15 will be credited, solely for the years appointed to that Advance Special, with actual years of
- 16 appointment and service to the Conference, for the purpose of calculation of service year credits to
- 17 determine allocation of pro-rated premium payment responsibility upon retirement.

18 **PREMIUM PAYMENT RESPONSIBILITY – PRE-ANNUITY RETIREES**

19 The Conference Board of Pension and Health Benefits shall establish rates of premiums for the participants,

20 based upon the premiums charged by HealthFlex.

21 For those who have retired early and are not collecting an annuity, the retired enrollee is responsible for the full

22 Active premium payment until they reach annuity age.

23 **PREMIUM PAYMENT RESPONSIBILITY – ACTIVE**

24 The Conference Board of Pension and Health Benefits shall establish rates of premiums for the participants

25 based upon the premiums charged by HealthFlex.

26 Unless it has already been stated above under Eligibility, the Conference shall pay the premiums for all enrolled

27 active participants, lay or ministerial, from appropriate funds, except that:

- 28 A. Each church shall pay the premium(s) or Waived Participation Fee(s) (which is equal to the blended
- 29 premium) of each of its full-time appointed clergy (including clergy spouse and dependent children if
- 30 enrolled) who are either a full, probationary or associate member of the Conference or a local
- 31 pastor.

32 1. The salary paying unit shall also be responsible for remitting premium for its lay employees

33 who are enrolled in the Plan.

34 2. Plan participants are to pay 2% of their cash salary to their own salary paying unit as their

35 share of the premium the employer (church) pays on their behalf.

36 In the case of clergy couples the following will apply:

- 37 a) Each spouse will contribute 2% of their salary to each salary paying unit that is paying
- 38 health premium, regardless of percentage of health premium paid

Recommendations to the 2016 Annual Conference

- 1 B. Each eligible enrollee, whose fees are not paid as provided above, shall pay his or her own premiums
2 either directly or with employer participation. In every case, the individual enrollee is responsible
3 for seeing that payment of his or her own premium is made if the party with PRIME responsibility
4 fails to make the payment.

5 CONTINUATION OF COVERAGE AFTER CERTAIN EVENTS

- 6 A. **Voluntary and Involuntary Termination** - If a person's participation in the Plan ceases due to
7 voluntary or involuntary termination of Conference membership or employment or discharge or
8 removal from the Annual Conference, Continuation Coverage for health insurance may be available
9 through application to HealthFlex.
- 10 B. **Loss of Dependent Status** - If a dependent's participation in the Plan ceases due to divorce or to
11 attaining the limiting age, Continuation Coverage may be available through application to
12 HealthFlex.
- 13 C. **Medical Leave** - See #2 under Eligibility.
- 14 D. **Leave of Absence** (§354 and §355) - Clergy placed on voluntary leave of absence (personal, family,
15 or transitional) or involuntary leave of absence may continue in the Plan for a period of twelve
16 months, provided they pay the premiums. Continuation Coverage for up to an additional 12
17 months may be available through application to HealthFlex. Leave of absence is not an
18 appointment, causes a break in appointment years, and does not accrue annuity credit towards
19 health benefits in retirement.
- 20 E. **Sabbatical Leave** (§352) Clergy placed on sabbatical leave may continue in the Plan for a period of
21 twelve months, provided they pay the premiums. Continuation coverage may be available through
22 application to HealthFlex. Sabbatical leave is not a break in appointment years for the purposes of
23 health benefits in retirement.
- 24 F. **Death** - Surviving spouses of clergy members are subject to the same rules (see Eligibility
25 Guidelines #1 and 3) as the clergy member. Surviving spouses of lay employees of the Conference
26 and District offices are subject to the same rules (see Eligibility Guideline #4 c) as the lay employee.

27 ADMINISTRATION

28 All concerns, issues, requests, etc., relating to premiums, benefits, coverage (including voluntary termination of
29 coverage, additions or deletions to policies) and benefits at retirement must be "in writing" from the Plan
30 participant to be considered official. Such correspondence, concerns, or requests for changes in coverage must
31 be sent to the Plan Administrator or his/her designated coordinator. Commitments or resolutions of issues must
32 come in writing directly from the Plan Administrator or his/her designated coordinator.

33 The Benefits Officer and Administrator for the Conference Plan is the Conference Treasurer/Director of
34 Administrative Services. The Benefits Officer shall be a member of the Conference Board of Pension and Health
35 Benefits without a vote. He/she shall be responsible for promptly enrolling all eligible persons, for collecting all
36 amounts due from churches, agencies or individuals for participation in the Plan, for arranging for their prompt
37 deposit in a Conference account, for checking all billings from the Insurance Carrier to certify their completeness
38 and accuracy and for making proper remittances on schedule for the Plan; and such Officer shall delete from the
39 Plan any enrollee whose premium is not paid by the end of the month for which the premium is due.
40 Termination is effective the first day of the month for which no payment has been received.

41