



# FINANCE AND ADMINISTRATION

UNITED METHODISTS  
OF GREATER NEW JERSEY

## IMPORTANT 2022 BILLING INFORMATION

Pastor & Treasurers:

As you review your 2022 billings, I want to inform you of several changes.

### **Property and Workers' Compensation Insurance:**

Some churches will see a significant increase in their insurance costs related to these two areas. In most cases, a decrease in workers' compensation insurance will be offset by a large increase in property insurance.

While the total cost for GNJ combined property and workers' compensation insurances increased by 17%, the insurance cost for each church varied significantly, in part, due to how GNJ subsidies were applied in the past. If you recall, GNJ was also subsidizing the cost of health insurance for each church, and each church experienced the same subsidy since all churches were billed the same "blended" rate (or waive out premium rate). The property and workers' compensation subsidies were more complex and uneven since every church pays a different amount for their church's property and workers' compensation insurances, and because Church Mutual did not provide individual church property insurance premiums to GNJ Trustees until 2019. Prior to that, they were applying a fixed rate to building values, and not keeping these values current. Adding to the complexity, which may or may not apply to your specific church, if a church added (or removed) buildings or they have a daycare/preschool; these were not properly factored into the billings in the past, but now they are being factored into the insurance cost premiums. Lastly, for at least two years, the GNJ Trustees did not pass along premium increases in the billings, instead GNJ absorbed the increases and subsidized the local church.

### **New Line Items on the Billing Statement:**

New to your 2022 billing statements is a line called "Participant Premium". With the elimination of the 2% healthcare participant cost share and the change in default plan in 2022, participants now have cost share responsibility based on their medical plan selection. "Participant Premiums" are pre-tax dollars the church will deduct from the pastor and/or lay employee's paycheck along with any FSA, HSA, Dental, Vision plan options selected by the participant. These funds are to be remitted to the Conference monthly.

Lastly, in your February or March billing statement you will see another new line called "Prior Yr WC Adj." This is annual expense/credit, not monthly. In some years it may be a credit, in other years an expense. As you may know, each year a workers' compensation payroll audit is completed. When that audit is completed, the insurance company compares the payroll to the amount they had been using to calculate the premium and adjusts up/down accordingly. This adjustment will relate to the premium paid two years prior. For example, the 2022 "Prior Yr WC Adj" is based on the workers' compensation insurance paid in 2020. In other words, the 2020 payroll was audited in 2021 and the insurance company passes the adjustment to GNJ in 2022. In the past, these adjustments were part of the subsidy GNJ was absorbing. As we're moving away from subsidizing insurance costs, we're passing these expenses or credit adjustments to the churches.

If you have any questions, I, my team, and the District Superintendents are available to assist.

Thank you.

Sincerely,

Robert Zuckerman | CFO/Treasurer