



Baltimore-Washington Conference
The United Methodist Church

Conference Board of Pensions and Health Benefits

Rev. Cary James, Jr. - Chair

2019 PreCon

Topics



1. Active Health Benefits
2. Retiree Health & Pension Benefits
3. Arrearages
4. Recommendations



1. Active Health Benefits



2019 Participant Plan Choices

HealthFlex Exchange			
Ratings	GOLD	SILVER	BRONZE
Costing Sharing	20/80	30/70	40/60
PPO	137	NA	NA
CDHP w/HRA	231 <i>(Default)</i>	19	NA
HDHP w/HSA	27	8	18
TOTAL	440 (90%)	27 (6%)	18 (4%)

Annual Election is in early November

No Rate Changes in 2020

Second Straight Year



Health Flex Rates	2019	2020	2020 Rate Change
Local Church	\$860/mo	\$860/mo	No Change
Single Participant	\$90/mo*	\$90/mo*	No Change
Single + 1 Participant	\$345/mo*	\$345/mo*	No Change
Family	\$487/mo*	\$487/mo*	No Change

** Participant Rates are for the BWC Default Plan (C2000 GOLD with Dental)*



HRA and HSA Accounts

- 69% of participants now select plans that have either a Health Reimbursement Account or a Health Savings Account
- Participants give the Wage Works card to doctors, pharmacies and other vendors for eligible medical expenses
- Go to www.wageworks.com to obtain a list of eligible medical expenses.





2. Retiree Benefits



Retiree Benefit Programs

- Retiree Medical is provided by Via Benefits 3% Increase
 - 30-year service benefit = \$3,279/year per person
- Pre-82 Pension Plan 4% Increase
 - 2020 Past Service Rate = \$749

- Funding Status

	<u>Funding Ratio</u>
Retiree Medical	128%
Pension Plans	
Pre-1982	138%
Ministerial Pension Plan (MPP)	108%
Clergy Retirement Security Program (CRSP)	109%



Retiree Medical Reserves

Continuing to build Retiree Medical Reserves to enable the benefit to be paid from non-mission share funds

	<u>2008</u>	<u>2017</u>	<u>2018</u>
Funding Status	40%	108%	128%
Benefit Liability	\$46.3M	<i>\$36.3M</i>	<i>\$32.7M</i>
Available Reserves	\$18.6M	\$39.1M	\$42.0M
Mission Share Funds	\$1.5M/yr	0	0
<i>Discount Rate</i>		<i>3.55%</i>	<i>4.20%</i>



3. Arrearages

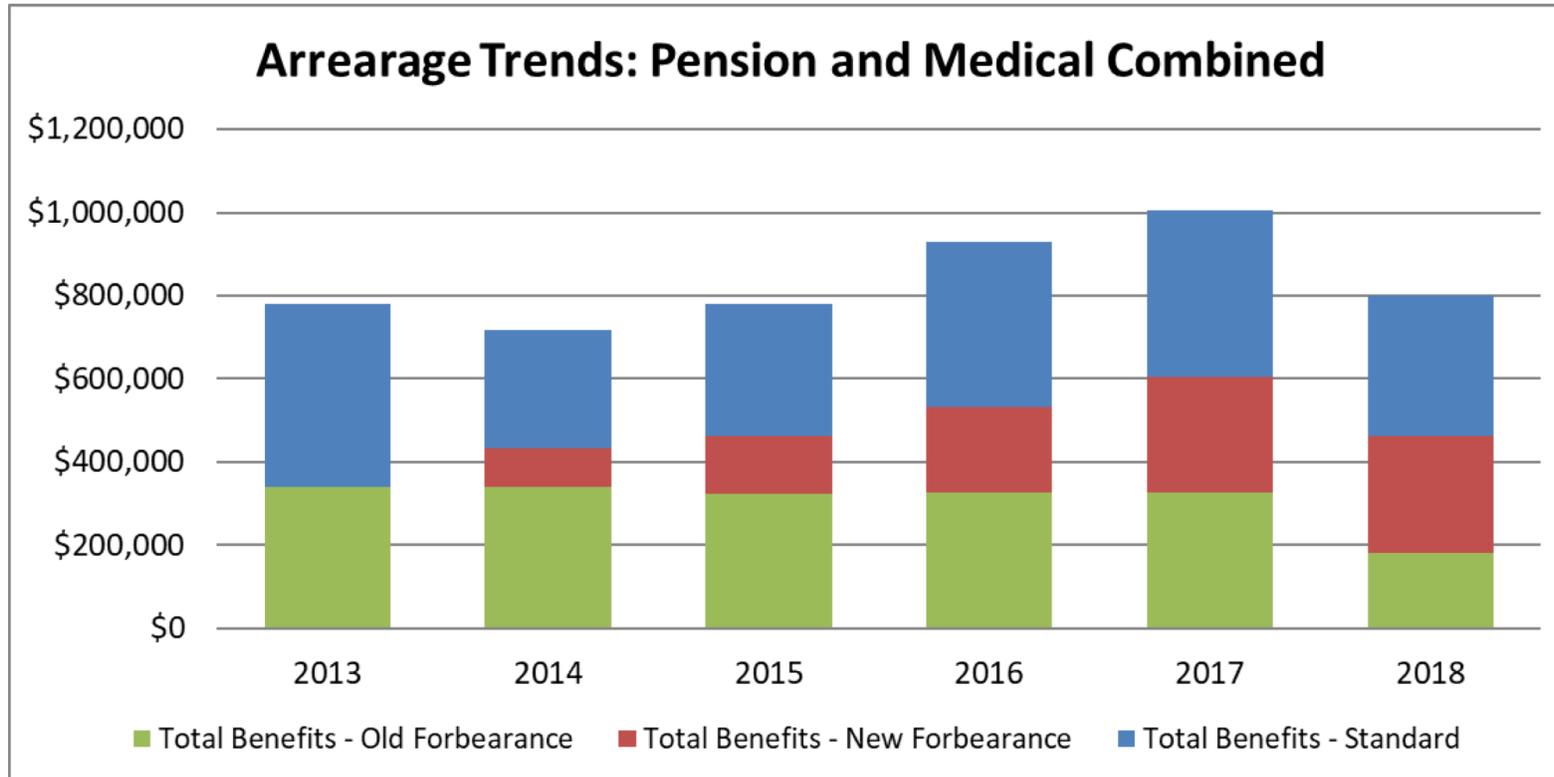


Forbearance Update

- 12 churches have used the 3-year forbearance process as a mechanism for them to become current with their ongoing pension and medical benefit expenses
- 2018: 7 churches had their old debt transferred to their property as a contingent forbearance mortgage
- 2019: Anticipate the 5 remaining churches will also complete the forbearance requirements leading to the transfer of debt



Benefit Arrearage Trends



- Arrearages decreased by 20% in 2018 to \$800,000
- Anticipate an additional reduction to \$350,000 in 2019
- Forbearance process - primary driver in the reduction



Recommendations



Summary of Recommendations

1. Retiree health benefits will continue to be provided.
[Via Benefits over 65, HealthFlex under 65]
2. Continue Pre-82 surviving spouse benefit at 85% of participant level
3. As per ¶1506.11, Board has elected to continue 1 remaining special grant. This is a special provision to keep persons from falling through the cracks.
4. Pre-1982 Past Service Rate set at \$749 (4% increase)
5. Comprehensive Funding Plan Details
6. IRS Required Resolution on Retiree Housing Allowance