

# **JOINT BOARD OF PENSIONS, INSURANCE & EQUITABLE COMPENSATION**

## **Introductory Comments**

The Joint Board of Pensions, Insurance & Equitable Compensation (Joint Board) has stewardship responsibility for the following:

Pensions, death and disability benefits for 1) active and retired clergy under appointment to the Wisconsin Conference, and 2) active and retired laity employed by the Wisconsin Conference.

Group health insurance for 1) active and retired clergy under appointment to the Wisconsin Conference, 2) active and retired laity employed by the Wisconsin Conference, and 3) active and retired laity employed by Wisconsin United Methodist churches.

Equitable Compensation support to local churches to ensure that pastors under appointment are provided at least minimum salary compensation at churches that may need financial assistance.

## **Highlights and Accomplishments of the Past Year**

The Joint Board met all pension obligations of the Wisconsin Conference by paying the Pre-82 Pension Plan obligation at the rate approved by the Wisconsin Conference. Twelve congregations were provided Equitable Compensation support. The Joint Board worked to balance premium costs with health insurance benefits through our participation in HealthFlex, the United Methodist denomination's health insurance plan, to active and retired clergy, surviving clergy spouses, and lay personnel of the Wisconsin Conference.

When the West Wisconsin and East Wisconsin Conferences of the Methodist Church merged along with the Wisconsin Conference of the Evangelical United Brethren, the West Wisconsin Pension Trust Fund and the East Wisconsin Pension Trust Fund were established. The East Wisconsin Pension Trust is administered by a separate Board, and its audited financial statements are provided elsewhere in the Conference Yearbook and Journal. The West Wisconsin Pension Trust is administered by the Joint Board. Its assets are invested in a separate fund in the Wisconsin United Methodist Foundation. Financial information for the West Wisconsin Pension Trust is as follows:

1/1/2006 beginning balance	\$525,902
Less benefits paid in 2006	(47,218)
Less administrative expenses	( 2,676)
Plus earnings	10,873
Plus unrealized gain	<u>28,262</u>
12/31/2006 ending balance	\$515,143

As required by the General Board of Pension and Health Benefits, the Conference Finance Office began billing churches for monthly premiums for the Ministerial Pension Plan (MPP) and the Comprehensive Protection Plan (CPP). To avoid paying a monthly service fee, churches are strongly encouraged to pay these bills through a monthly automatic withdrawal of the total premiums due for their pastor(s) from the church's bank account. Of 372 clergy, 251 clergy and their charges are having their premiums paid by automatic withdrawal.

## **New Pension Plan:**

As mandated by the 2004 General Conference, a new clergy pension program called the Clergy Retirement Security Program (CRSP) replaced the Ministerial Pension Plan (MPP) on January 1, 2007. Deacons are covered under CRSP. Churches that have a Deacon on staff are required to make contributions into CRSP. Workshops were held last year to educate both clergy and lay leadership about the new pension plan.

As usual, the Joint Board sponsored a Retirement Seminar for those clergy planning to retire in the current year.

In an ever-continuing effort to provide affordable health insurance to active and retired clergy as well as Conference and local church lay employees, the Joint Board contracted for a medical market analysis to be performed to determine if there were more attractive health insurance alternatives available. As a result of this analysis, our retiree Medicare supplemental coverage was changed to a new carrier. This change resulted in premium savings for both the Conference and the participants. The market analysis also resulted in the Joint Board making a change within HealthFlex for our active participants to be in a different network plan. The new network expanded the number of in-network providers and now allows all of our participants to participate in the network. Previously we had a number of participants who were unable to do so.

The Joint Board has been diligently working, through the Health Insurance Subcommittee, to focus on the wellness of our participants. As a result, we sponsored an incentive program to encourage all enrollees in the Conference health insurance plan (HealthFlex) to participate in “HealthQuotient,” a health assessment tool. “HealthQuotient” provides a personalized report and a prioritized list of health concerns and recommends actions to help the participant design a wellness plan. There is no cost to the participant to take the “HealthQuotient” assessment. Participation was excellent. Fifty-four percent of our eligible enrollees participated. In addition, seventy-five percent of our circuits had over forty percent participation in this program.

The Joint Board also commends the Board of Ordained Ministry for its efforts related to clergy wellness.

### **Plans for the Coming Year**

The Joint Board will be expanding our wellness initiative this year for active clergy and lay employees. Eligible enrollees in the Conference health insurance plan will be encouraged to once again complete the “HealthQuotient” assessment and also to complete an annual wellness exam or check. We are also sponsoring a program called “Procheck”, a blood screening check, at the site of Annual Conference this year. Group rates will also be offered for Weight Watchers participation by eligible enrollees.

The Joint Board is sponsoring the address to the Annual Conference this year by the Rev. Dr. G. Scott Morris, Executive Director of the Church Health Center in Memphis, Tennessee, and we look forward to his presentation on physical wellness.

A task force on future retiree health insurance benefits has been formed. The task force will be using actuarial data to look at how to fund current and future retiree health insurance benefits and reduce a projected funding liability in this area.

The Joint Board will also be responsible for implementation of any changes to the pension program which may be approved by the 2008 General Conference.

***Submitted by Fran Deaner, Chairperson***