

**THE BOARD OF PENSION AND HEALTH BENEFITS
PENSION SECTION**

Report Number One

A. Past Service Rate

The Board of Pension and Health Benefits requests that the South Carolina Annual Conference fix **\$830** per service year as the rate for annuity payments to retired ministers under the Supplement One of the Clergy Retirement Security Plan (otherwise known as Pre-82) for 2021. (This rate was **\$813** for the year 2020.) This shall include service annuity credits approved prior to January 1, 1982. An eligible surviving spouse shall receive 75% of the formula benefit upon the death of the participant.

B. Direct Billing

1. The Board of Pensions requests that direct billings to salary paying units be made to give the Board of Pension and Health Benefits (The Pension Fund), **\$4,876,455** for the pension program of the South Carolina Annual Conference for the fiscal year ending December 31, 2021, and that this sum be apportioned or billed to the churches of the South Carolina Annual Conference.
2. For 2021, each institution, organization or district to which a minister is appointed and enrolled shall pay to the South Carolina Annual Conference Board of Pension and Health Benefits an amount equal to **\$497** per month for full-time clergy for the Defined Benefit portion of the Clergy Retirement Security Program (CRSP). This includes all full-time clergy (including deacons) who are under Episcopal appointment (receiving compensation) at a local church, charge, conference or conference responsible unit or entity related to the South Carolina Annual Conference. (This rate was \$497 per month in 2020.) An amount

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1 equal to three percent (3%) of the appointed participant's Plan Compensation shall be paid for the defined
2 contribution portion of the CRSP. This amount must be matched by a contribution of 1% by the participating
3 pastor in his/her United Methodist Personal Investment Account. Any surplus funds collected will be used
4 for actuarial and collection smoothing. An amount equal to 3% of the appointed participant's Plan
5 Compensation, limited by 200% of the Denomination Average Compensation, shall be paid for Compre-
6 hensive Protection Plan funding or other benefit plan. Such payments shall be made for each minister so
7 appointed, and paid monthly crediting in twelve equal installments from deposits made in the Deposit
8 Account of the South Carolina Annual Conference with Wespath Benefits & Investments, by the treasurer
9 of the South Carolina Annual Conference. Churches/charges participating in ACH automated payment
10 system (bank draft) may receive up to a \$10.00 per month discount on their pension payment.

- 11 **3.** For 2021, the Board of Pension & Health Benefits recommends each institution, organization or district to
12 which a part-time minister is appointed and enrolled pay to Wespath Benefits & Investments, an amount
13 equal to twelve percent for participation in a defined contribution 403(b) pension program called the United
14 Methodist Personal Investment Plan (UMPIP). For all clergy who are under Episcopal appointment and
15 considered part-time (receiving compensation) at a local church, charge, conference or conference-
16 responsible unit or entity related to the South Carolina Annual Conference, the salary paying unit shall pay
17 an amount equal to 9.0% of the appointed participant's Plan Compensation for the matching portion of the
18 defined contribution portion of the UMPIP. This amount must be matched by a contribution of 3% by the
19 participating pastor in their United Methodist Personal Investment Account. Each church with a less than
20 full-time clergy will be required to complete an adoption agreement with Wespath Benefits and Investments,
21 a general agency of The United Methodist Church. The pension cost, both the church's share and the
22 participant's match, will be billed from Wespath Benefits & Investments.

23 **C. Fiscal Year**

- 24 1. The fiscal year of the Board of Pensions shall be the same as that of the South Carolina Annual
25 Conference.

26 **D. Moving Expenses**

- 27 1. The Board of Pension and Health Benefits authorizes one-time moving expense reimbursement
28 grants, not to exceed **\$1,800**, and including up to \$350 in verified packing expenses, for newly
29 incapacitated ministers receiving CPP Incapacity Benefits, surviving spouses of ministers, participants
30 in the Voluntary Transition Program, or newly retired ministers in benefit, moving from the parsonage
31 provided by the charge. Persons moving must file for the one-time reimbursement grant not later than
32 90 days after first reception of pensions or disability benefits and may use the funds for moving
33 expenses and/or for connection/tap on or hookup fees in the new residence. This amount was **\$1,800**
34 for 2020.

35 **E. Resolution Relating to Rental/Housing Allowances for Active, Retired or Disabled Clergypersons
36 of the South Carolina Annual Conference**

37 The South Carolina Annual Conference (the "Conference") adopts the following resolutions relating to rental/
38 housing allowances for active, retired, or disabled clergypersons of the Conference:

39 WHEREAS, the religious denomination known as The United Methodist Church (the "Church"), of
40 which this Conference is a part, has in the past functioned and continues to function through ministers of
41 the gospel (within the meaning of Internal Revenue Code section 107) who were or are duly ordained,
42 commissioned, or licensed ministers of the Church ("Clergypersons");

43 WHEREAS, the practice of the Church and of this Conference was and is to provide active Clergy-
44 persons with a parsonage or a rental/housing allowance as part of their gross compensation;

45 WHEREAS, pensions or other amounts paid to active, retired, terminated, and disabled Clergypersons
46 are considered to be deferred compensation and are paid to active, retired, terminated, and disabled Clergy-
47 persons in consideration of previous active service; and

48 WHEREAS, the Internal Revenue Service has recognized the Conference (or its predecessors) as the
49 appropriate organization to designate a rental/housing allowance for Clergypersons who are or were
50 members of this Conference and are eligible to receive such deferred compensation;

51 NOW, THEREFORE, BE IT RESOLVED: THAT an amount equal to 100% of the pension or disability
52 payments received from plans authorized under *The Book of Discipline* of The United Methodist Church (the
53 "*Discipline*"), which includes all such payments from the Wespath Benefits & Investments, during the years
54 2019, 2020, and 2021 by each active, retired, terminated, or disabled Clergyperson who is or was a member
55 of the Conference, or its predecessors, be and hereby is designated as a rental/housing allowance for
56 each such Clergyperson; and

57 THAT the pension, severance, or disability payments to which this rental/housing allowance applies
58 will be any pension or disability payments from plans, annuities, or funds authorized under the *Discipline*,
59 including such payments from the Wespath Benefits/Investments and from a commercial annuity company
60 that provides an annuity arising from benefits accrued under a Wespath plan, annuity, or fund authorized
61 under the *Discipline*, that result from any service a Clergyperson rendered to this Conference or that an
62 active, a retired, or a disabled Clergyperson of this Conference rendered to any local church, annual confer-
63 ence of the Church, general agency of the Church, other institution of the Church, former denomination that
64 is now a part of the Church, or any other employer that employed the Clergyperson to perform services related
to the ministry of the Church, or its predecessors, and that elected to make contributions to, or accrue a

benefit under, such a plan, annuity, or fund for such active, retired, or disabled Clergy person's pension or disability as part of his or her gross compensation.

NOTE: The rental/housing allowance that may be excluded from a Clergy person's gross income in any year for federal income tax purposes is limited under Internal Revenue Code section 107(2) and regulations there under to the least of: (1) the amount of the rental/housing allowance designated by the Clergy person's employer or other appropriate body of the Church (such as this Conference in the foregoing resolutions) for such year; (2) the amount actually expended by the Clergy person to rent or provide a home in such year; or (3) the fair rental value of the home, including furnishings and appurtenances (such as a garage), plus the cost of utilities in such year.

**Report Number Two
2021 Pension and Welfare Operating Budget**

Requirement	2020 Budgeted	2021 Estimated
Past Service Payment		
Clergy Retirement Service Plan (CRSP)		
Defined Benefit Amount	\$2,534,522	\$2,483,819
CRSP Defined Contribution (3%)	\$1,136,753	\$1,161,582
CPP Welfare Plan (3%) or Benefits Funding	\$1,112,248	\$1,075,054
Clergy Transition	\$126,000	\$126,000
Grants/Contingency	\$30,000	\$30,000
Total Estimated Requirement	\$4,939,523	\$4,876,455
Estimated Income		
Institutional Payments Apportionments	\$156,000	\$156,000
Direct Bill Payments	\$4,783,523	\$4,720,455
Total Estimated Income	\$4,939,523	\$4,876,455
Amount to be apportioned		
Clergy Transition	\$126,000	\$126,000
Grants/Contingency	\$30,000	\$30,000
Total Apportioned Pensions	\$156,000	\$156,000
*To be apportioned		

*Valerie Brooks-Madden, Chairperson
Thelma Hudson, Secretary*

**THE BOARD OF PENSION AND HEALTH BENEFITS
GROUP INSURANCE SECTION**

Report Number One

The insurance program of the South Carolina Conference is designed to provide its eligible employees (as defined herein), and their eligible dependents, with a comprehensive plan for major medical benefits and a Medicare supplement.

A. Eligibility: The following are eligible for coverage under the program:

1. Those employed and funded by a local church either as Full or Three-Quarter (3/4) time Elders in Full Connection, Associate Members, Local Pastors, Provisional Elders, within the South Carolina Annual Conference and included in the Hospitalization and Medical Expense Program Adoption Agreement.
2. Ministers who are full time or three-quarter time employees of and funded by the Annual Conference boards, councils or agencies.
3. District Superintendents.
4. Lay persons who are full-time employees of and funded by the Annual Conference.
5. Ordained ministers from other United Methodist Annual Conferences and ordained ministers from other Methodist denominations, and other denominations, under Episcopal appointment fully employed and funded by a local church or charge of the South Carolina Annual Conference under the provisions of Paragraphs 346.1 and 346.2 of the 2008 *Book of Discipline*.
6. Provisional Deacons, Provisional Deacons/1992, and Diaconal ministers related to and serving a local church enrolled and funded by a local church of the South Carolina Annual Conference currently meeting the underwriting guidelines of the South Carolina Annual Conference group insurance plan. The salary-paying unit must establish the funding basis with the Annual Conference on the current advanced premium.

B. Eligibility: The following are eligible for coverage under the retiree program:

1. Retired clergy who have been under full time appointment to a local church with pension responsibility by the South Carolina Annual Conference, and who are immediately eligible to receive pension or

incapacity benefits, and who have participation in the active group health plan of the South Carolina Annual Conference, the last ten (10) years of which were continuous and consecutive, shall be eligible for participation in the retiree health care program of the Annual Conference and their respective spouses if spouse is covered at least five continuous and consecutive years immediately prior to retirement. A Retired Participant at the time of his or her Early Retirement Date or Normal Retirement Date, will be allowed to be tolled if coverage under a previous employer's or spouse's group plan is available, during the period of time between the Termination of Employment and the Early Retirement Date or Normal Retirement Date and loss of such coverage.

2. Retired lay employees who have attained age 62 and have been full-time employees of the South Carolina Annual Conference or a local church of the South Carolina Annual Conference, and who are immediately eligible to receive United Methodist pension or incapacity benefits, and who have participation in the active group health plan of the South Carolina Annual Conference, the last ten (10) years of which were continuous and consecutive, shall be eligible for participation in the retiree health care program of the Annual Conference and their respective spouses if spouse is covered at least five continuous and consecutive years immediately prior to retirement. A Retired Participant at the time of his or her Early Retirement Date or Normal Retirement Date, will be allowed to be tolled if coverage under a previous employer's or spouse's group plan is available, during the period of time between the Termination of Employment and the Early Retirement Date or Normal Retirement Date and loss of such coverage.
3. Those retired clergy or incapacitated employees, referred to herein as lay persons, immediately eligible to receive pension or disability benefits from the General Board of Pension and Health Benefits at the beginning of the month following the month in which the retired relation or disability leave with disability benefits takes place, and who had a minimum of ten (10) continuous and consecutive years of active participation in the South Carolina Annual Conference group health plan at the time of retirement or the granting of Basic Protection Plan incapacity benefits by the General Board of Pensions, and their respective spouses if spouse is covered at least five continuous and consecutive years immediately prior to retirement.
4. Funding for the group insurance plans upon retirement in benefit from the South Carolina Annual Conference shall be based on full time employment by the Annual Conference, full time appointment to a local church or eligible extension ministry with pension responsibility by the South Carolina Annual Conference. Funding shall be \$100.00 per month for single participant and \$200.00 per month for Married participants and an additional \$100 per month for dependents who meet the requirements of paragraph six. (This funding is \$200.00 per month for single participant and \$400.00 per month for Married participants and an additional \$200 per month for dependents who meet the requirements of paragraph six for those retirees who retired in 2015 or earlier). This funding will be paid through a Health Reimbursement Account. This funding cannot be allowed to purchase an employer group policy other than one sponsored or administered by the Annual Conference or its designee. Enrollment in the HRA must be done through the AmWins Benefits Coordinator.

**Report Number Two
Major Medical Insurance Benefits**

During the year 2019-2020 the South Carolina Board of Pension and Health Benefits (the Board) has reviewed options for providing health benefits for both eligible lay employees and clergy and current and future retirees under the health plan. After review of these options, the Board recommends the following:

A. HealthFlex Exchange

The South Carolina Annual Conference has elected to participate in the HealthFlex Exchange, managed health care plan of Wespath Benefits and Investments for active participants and eligible dependents. The HealthFlex Exchange provides an array of plans to help the needs of our appointed clergy and eligible lay employees. These plans are summarized in the table below.

Plan	Individual Deductible	Participant +1 or Family Deductible	Included Reimbursement Account	Included Reimbursement Account Amount
B1000	\$1000	\$2000	N/A	NA
C2000	\$2000	\$4000	HRA	\$1,000 Single \$2,000 Family
C3000	\$3000	\$6000	HRA	\$250 Single \$500 Family
H1500	\$1500	\$3000	HSA	\$750 Single \$1,500 Family
H2000	\$2000	\$4000	HSA	\$500 Single \$1,000 Family
H3000	\$3000	\$6000	HSA	\$0 Single \$0 Family

*HRA – Health Reimbursement Account, HSA – Health Savings Account

B. Dental/Vision Coverage	1
Eligible participants are also able to select from two optional benefits: an expanded vision benefit and a dental plan. This will be in addition to a coverage selected from the HealthFlex exchange.	2 3
C. HealthFlex Incentive Program	4
The South Carolina Annual Conference will participate in the HealthFlex incentive program in 2021. Details of this plan are available on Wespath Benefits and Investments website (www.wespath.org) under the Center for Health tab which describes the current incentive program. These wellness and incentive programs support and encourage participants and spouses to choose health behaviors that help positive health results. An active participant and covered spouse can earn up to \$400 under this plan. The incentive plan for 2021 is expected to continue to emphasize the completion of the HealthQuotient™ and the Blueprint for Wellness® Screening as well as year round wellness activities.	5 6 7 8 9 10 11
D. Additional Information	12
Additional information on the major medical expense plan is available from the Board of Pension and Health Benefits, 4908 Colonial Drive, Columbia, SC 29203.	13 14 15 16

**Report Number Three
Retiree Medical Primary Benefits**

A. Post 65 Retirees	17 18 19 20
The South Carolina Annual Conference of The United Methodist Church will be offering their post 65 retirees one group Medicare supplement or the ability to choose a custom Supplemental plan through the Retiree Benefits Choice™ through AmWINS Group Benefits. The group medical plan will be called the Standard plan. The custom option will be a hybrid Medicare Exchange by which a retiree can choose a plan from the Medicare Marketplace. There will be corresponding Rx options with the Standard Plan.	21 22 23 24 25
B. Administrator	26
AmWINS Group Benefits will be the administrator for the retiree benefit plans. AmWINS Group Benefits specializes in retiree benefit programs for companies, municipalities and religious organizations. AmWINS Group Benefits has over 700 retiree benefit clients nationally.	27 28 29
C. Services Provided	30
AmWINS Group Benefits will provide the following services for retirees of the South Carolina Annual Conference of The United Methodist Church.	31 32
<ul style="list-style-type: none"> • Retiree communications enrollment kit • Group retiree meetings • Retiree call center services • Retiree website • Billing and collecting of premiums • Ongoing service and support for retirees 	33 34 35 36 37 38
D. Handbook	39
A handbook explaining the provisions of Medicare is available from the Social Security Administration office or by visiting medicare.gov .	40 41 42

**Report Number Four
Administrative Procedures**

A. Enrollment	43 44 45 46
Enrollment in HealthFlex, the group insurance plan of the South Carolina Annual Conference, must be made within the first thirty days of eligibility or the first day actively at work. Late enrollment or enrollment for January 1 st of any year must be completed with the Wespath Benefits & Investments during open enrollment which is prior to November 30 th of the preceding year. It should be noted that any continuation, changes, or initiation of Flexible Spending Accounts (Medical Reimbursement or dependent care accounts) must be done during this time through the open enrollment process and not on the ministerial support form.	47 48 49 50 51 52
B. Eligibility Requirements	53
Eligibility requirements are also set forth in the <i>HealthFlex Administrative Manual</i> published by the Center for Health of Wespath Benefits & Investments, 1901 Chestnut Avenue, Glenview, IL 660025-1604.	54 55
C. Billing	56
At the first of each month, the Board of Pension and Health Benefits will send premium statements to the salary paying unit of the participants enrolled in the Conference Insurance Program and participants with Flexible Spending Accounts. Payments for group health premiums and Flexible Spending Accounts premiums shall be made on a monthly basis. At the first of each month, the Board of Pension and Health Benefits will send a statement to the salary paying units share of premiums relating to the participants enrolled in the Conference Insurance Program. These payments should be made on a monthly basis.	57 58 59 60 61 62
D. Cancellation of Coverage	63
It is imperative that each church/charge remit to the Annual Conference the participant's portion of the Health Benefits withheld from the participants compensation on a monthly basis. <u>The Board of Pension</u>	64 65

and Health Benefits has instructed the benefits administrator to cancel the insurance coverage or the Flexible Spending Account of any participant whose payroll withholdings are not paid by the end of the month for which the church/charge has been billed. Clergy whose accounts are 60 days in arrears will be subject to immediate cancellation. Once cancelled the participant's coverage cannot be reinstated until the next open enrollment period, and then only if the unpaid balance has been paid. Churches or salary paying units are responsible for withholding premiums and other Flexible Spending Accounts from the compensation of participants and remitting payment to the Annual Conference when billed.

E. Ministers Serving in Eligible Extension Ministries

It is required that all Conference Boards and Agencies, served by ministers and others eligible for group insurance participation, pay for the "institutional share" of the insured's premium. This provision shall apply to the District Superintendents, Conference Staff and those serving United Methodist agencies for whom the South Carolina Annual Conference has pension responsibility. In every case the full cost of the group health premium must be paid by the insured, the employer, or through the combined payments of the insured and the employer. Premium payments shall be made in accordance with the instructions printed on the monthly "Statement of Account". Premium payments are due at the first of the month for which the participant is billed.

F. Applications for Enrollment

Applications for enrollment in the Conference Insurance Program are available from the Board of Pension and Health Benefits, 4908 Colonial Drive, Columbia, SC 29203. The changed enrollment form must be completed and in the hands of the benefits administrator within 30 days from the date of eligibility. If not, the applicant will be ineligible until the next following enrollment period.

G. Board Oversight

The Board of Pension and Health Benefits is charged with oversight of the group insurance program of the South Carolina Annual Conference, the benefits of which program are outlined in the reports of the Board submitted to the Annual Conference. The Annual Conference approves the group insurance budget of the Board of Pension and Health Benefits. The Board is authorized to negotiate and contract with carriers or the Hospitalization and Medical Expense Program Administrator to maintain the level of benefits for the eligible participants, as defined by the Annual Conference.

H. Plan of First Refusal

The group health plan of the South Carolina Annual Conference (Conference Plan) shall be the plan of first refusal for covering dependents of clergy appointed to local churches in the Conference. Where covered clergy wish to cover their dependents, the local church will seek to cover such dependents through the Conference Plan, rather than purchasing outside health insurance. Local churches may be excused from this requirement in cases where such dependents may be covered through the employer of a covered clergyperson's spouse, or through a governmental plan, such as an SCHIP, and in cases of demonstrable financial hardship.

**Report Number Five
Group Health Insurance Operating Budget**

Requirements	2020 Budgeted	2021 Estimated
Active & Non-Medicare Retiree Group	\$7,605,612	\$7,979,412
Medicare Eligible Retiree Group*	\$1,084,708	\$997,712
Incapacitation/Transition	\$156,000	\$156,000
Contribution to Post-Retirement Medical Reserve	\$392,292	\$246,288
Total Estimated Requirements	\$9,238,612	\$9,379,412
Estimated Income		
Billing to Salary Paying Units	\$7,672,932	\$7,932,441
AppORTIONED TO CHURCHES	\$1,644,000	\$1,400,000
Total Estimated Income	\$9,316,932	\$9,332,441

*to be apportioned.

**Report Number Six
2021 Group Health Costs**

The Board of Pension & Health Benefits makes the following recommendation for action by the 2020 South Carolina Annual Conference.

1. Billing

The sum of \$8,261,053 be billed to the local church/charge and salary paying units for the Conference Insurance Program in 2021.

2. Apportionment Request

The Board of Pension & Health Benefits requests an apportionment of \$1,400,000 for Transitional Pension Funding, Grants for incapacitated and/or suspended participants, and for Post-Retirement Health Funding.

3. **Premium Payments effective January 1, 2021** 1
Active personal group insurance health premiums for eligible active clergy/survivor/conference lay em- 2
ployee categories (Categories delineated in A.1, A.2, A.3, A.4, and A.8 or Report Number One) shall be 3
funded as shown below: 4
- a. **Health Benefit Fee** 5
Churches/Charges who have an eligible appointed clergy will be billed a health benefit fee of 6
\$1,025.00 per month or \$12,300.00 annually. This fee was \$1,063.00 per month for 2020. 7
- b. **Premium Credit** 8
The Health Benefit Fee will be the basis of a Premium Credit toward the HealthFlex Exchange accord- 9
ing to coverage tier as shown below. 10
- i. Premium Credit for Participant Only coverage is expected to be \$775 per month (\$9,300 annually). 11
ii. Premium Credit for Participant + one dependent coverage is expected to be \$1,400 per month 12
(\$16,800 annually). 13
iii. Premium Credit for Participant plus family coverage is expected to be \$1,850 per month 14
(\$22,200 annually). 15
4. **Total Premiums** 16
Total Premiums for the 2021 HealthFlex Exchange Plans are outline in the table below: 17
- | Plan | Participant | Participant +1 | Participant + Family |
|-------|-------------|----------------|----------------------|
| B1000 | \$1,057 | \$2,008 | \$2,748 |
| C2000 | \$1,015 | \$1,928 | \$2,638 |
| C3000 | \$884 | \$1,679 | \$2,297 |
| H1500 | \$988 | \$1,878 | \$2,570 |
| H2000 | \$895 | \$1,701 | \$2,328 |
| H3000 | \$780 | \$1,482 | \$2,028 |
5. **Default Plan** 25
If a participant fails to make an election during the annual election (open enrollment) period, that participant 26
and any covered dependents will be automatically enrolled in the CDH C3000 P2 plan. **Note: This does** 27
not constitute a recommendation by the Annual Conference, in fact, it probably is not the best 28
plan for most participants, but is merely a plan default. 29
6. **Optional Coverages** 30
Participants have the option to select expanded Vision (Vision Core is included) and Dental Coverages. 31
- a. **Dental Care Premiums** 32
- | Plan | Participant | Participant +1 | Participant + Family |
|------------------|-------------|----------------|----------------------|
| Passive PPO 2000 | \$48 | \$96 | \$144 |
| Dental PPO | \$39 | \$79 | \$118 |
| Dental HMO | \$14 | \$26 | \$45 |
- b. **Vision Care Premiums** 37
- | Plan | Participant | Participant +1 | Participant + Family |
|---------------------|-------------|----------------|----------------------|
| Vision Core | \$0.00 | \$0.00 | \$0.00 |
| Vision Full Service | \$8.08 | \$13.06 | \$20.64 |
| Vision Premier | \$14.16 | \$22.94 | \$36.38 |
7. **Retiree (Retiree Spouse) Premiums Non Medicare** 42
a. Premiums for under 65 retirees non-Medicare would be the same as active participants reduced by 43
the Defined Contributions for retirees. For those retired before July 1, 2015, the Defined Contribution 44
would be \$200 for single Participants and for a couple with a participating spouse it would be \$400 per 45
month under the provisions of Report Number One Paragraph A.5. For those retiring after July 1, 2015, 46
the Defined Contribution would be \$100 for single Participants and for a couple with a participating 47
spouse it would be \$200 per month under the provisions of Report Number One Paragraph A.5. 48
8. **Covered Participants with Negotiated Service, Compensation, & Benefits** 49
The estimated 2021 monthly group health insurance premiums for persons with negotiated service, 50
compensation and benefits, Deacons in Full Connection employed full time, full-time Diaconal Ministers 51
and full-time Lay Employees of local churches, premium for all the plans above and the church or plan 52
sponsor will be billed the entire premium for dental and vision benefits (6a-6b) and the entire rate for 53
health coverage (section 10). The cost sharing between the participant and the church or plan sponsor will 54
be determined by the church or plan sponsor. Enrollment must be made within 30 days of new hire status, 55
or 60 days prior to January 1, 2021. 56
9. **Board of Pension & Health Benefit Authority** 57
It is recommended that the South Carolina Annual Conference delegate to the South Carolina Annual 58
Conference Board of Pension & Health Benefits the authority to adjust rates and plan designs to meet the 59
requirements of the Patient Protection and Affordable Care Act. 60

1 **10. 2021 HealthFlex Exchange Rates**
 2 **Proposed Monthly HealthFlex Rate Summary**
 3 **for**
 4 **Itinerant Clergy, Deacons Employed by the Annual Conference, Conference Lay Employees**

Plan Elected	Participant	Participant +1	Participant + Family
B1000	\$282	\$608	\$898
C2000	\$240	\$528	\$788
C3000	\$109	\$279	\$447
H1500	\$213	\$478	\$720
H2000	\$120	\$301	\$478
H3000	\$5	\$82	\$178

13
 14 **Proposed Monthly HealthFlex Rate Summary***
 15 **for**

16 **Deacons with Negotiated Service, Compensation, & Benefits; Lay Employees of Local Church**

17 *Full Amount Billed to the Local Church/Plan Sponsor. Cost reflects a 5% Subsidy Discount.

18 Actual Cost to participant is negotiated between participant and church/plan sponsor.

Plan Elected	Participant	Participant +1	Participant + Family
B1000	\$1,004	\$1,908	\$2,611
C2000	\$964	\$1,832	\$2,506
C3000	\$840	\$1,595	\$2,182
H1500	\$939	\$1,784	\$2,442
H2000	\$850	\$1,616	\$2,212
H3000	\$741	\$1,408	\$1,927

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 29 **THE BOARD OF PENSION AND HEALTH BENEFITS**
 30 **WELFARE PLAN SECTION**

31
 32 **Report Number One**

33
 34 **Welfare Plan Structure**

35 The welfare plan made available to South Carolina Conference clergy is the Comprehensive Protection Plan
 36 ("CPP") sponsored by Wespath.

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 38 The CPP disability benefits are as follows:

- 39 • Clergy disabled on or after January 1, 2002, the CPP disability benefit equals 70 percent of Plan
 40 Compensation, with compensation capped at 200 percent of the DAC (Denominational Average
 41 Compensation.)
- 42 • Clergy disabled prior to January 1, 2002, will continue to receive the same CPP disability benefit per
 43 the plan document in-force at the time of their disability claim originated.

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 45 The following general describes the death benefit amounts payable under the CPP to eligible participants and
 46 their beneficiaries.

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 48 **Active Participant Death Benefits:** payable upon the death of an eligible active CPP participant, as follows:

- 49 • Participant: \$50,000, payable in 12 monthly installments or one lump sum
- 50 • Spouse of active participant: 20% of DAC (Denominational Average Compensation) in the year of
 51 death
- 52 • Surviving spouse of active participant: 15% of DAC in the year of death
- 53 • Child of active participant: 10% of DAC in the year of death
- 54 • Annual surviving spouse annuity benefit of 20% of DAC, less the annuity benefit payable from CRSP.
- 55 • Annual surviving child benefit of 10% of DAC, payable in 12 monthly installments (for those age 17
 56 and younger; benefits are paid through the month in which the child attains age 18)
- 57 • Annual surviving child educational benefit up to 20% of DAC, payable in equal installments (for those
 58 age 18 through 24 and attending school full-time)

59
 60 **Retired Participant Death Benefits:** to be eligible for death benefits in retirement, a clergyperson must
 61 have been covered in CPP for a specified number of years. The 2012 General Conference approved a change to
 62 the CPP program which increases the length of service requirement for retirees. Retirees with 25 or more years of
 63 enrollment in CPP are eligible for the death benefits in retirement, and the eligibility for those with fewer than 25
 64 years in CPP is phased in with one-year increments, as detailed on the following table. **Those who retire under
 65 the 20-year rule are ineligible for CPP Death Benefit.

CPP Enrollment Requirement for		1
Retirement Year	Death Benefit Eligibility	2
2013	6 of last 10 years	3
2014	7 of last 10 years	4
2015	8 of last 11 years	5
2016	9 of last 12 years	6
2017	10 of last 13 years	7
2018	11 of last 14 years	8
2019+	12 of last 15 years	9

The Death Benefit amounts associated with retired participants are detailed in the following table: 10

Plan Provision	Clergy Who Retire Before January 1, 2013	Clergy Who Retire January 1, 2013 or later	12
Death of retired participant	30% of DAC in year of death	\$20,400	14
Death of retiree's spouse	20% of DAC in year of death	\$15,300	15
Death of retiree's surviving spouse	15% of DAC in year of death	\$10,200	16
Death of retiree's child	10% of DAC in year of death	\$8,160	17
Annual surviving child benefit, payable in 12 mo. installments	10% of DAC	10% of DAC	19
Annual surviving child educational benefit, payable in installments	20% of DAC	20% of DAC	21

Denominational Average Compensation 22

Several of the pension and welfare plans incorporate the Denominational Average Compensation ("DAC") into the 24
formula for determining the plan benefit. As reported by Wespeth, the DAC is projected to increase from 2020 to 25
2021 as follows: The 2020 DAC is **\$72,648**. The 2021 DAC is **\$74,199**. 26