

General Conference 2008

Legislative Changes Impacting
General Board of Pension and Health
Benefits Plans and Programs

Participant Highlights



GENERAL BOARD OF PENSION AND HEALTH BENEFITS
OF THE UNITED METHODIST CHURCH

Caring For Those Who Serve



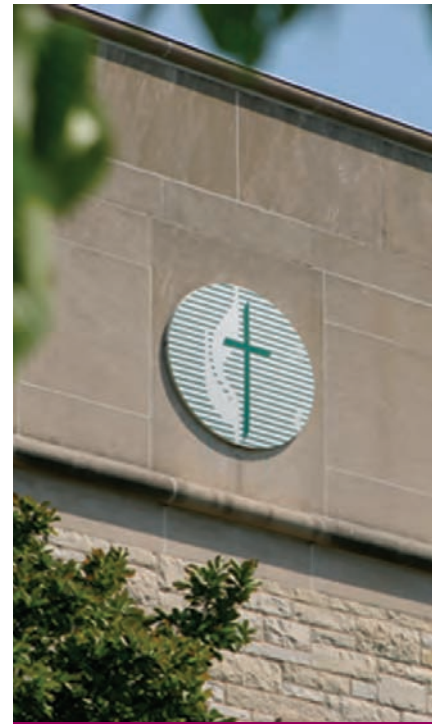
Introduction

The General Board of Pension and Health Benefits (GBOPHB) is a 100-year-old, not-for-profit administrative agency of The United Methodist Church. Since we were established in 1908, one mandate has been central to all that we do: *stewardship*.

As faithful stewards, we are responsible for the general supervision and administration of the retirement, health and welfare benefit plans and programs for more than 74,000 active and retired clergy and lay employees of the Church. GBOPHB is the largest faith-based pension fund in the U.S. and ranks among the top 100 pension plans in the country.

All GBOPHB plans and programs are designed to help us fulfill our mission—*to serve and support the financial well-being of participants guided by the principles of The United Methodist Church.*

This brochure summarizes some of the petitions impacting GBOPHB participants submitted by GBOPHB—as well as petitions affecting plans and programs administered by GBOPHB that were submitted by others. All of the petitions submitted by GBOPHB were approved by General Conference 2008.



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Retirement Petitions



Petition 80168: Early Retirement for Clergy

This petition changes the years-of-service requirement for early retirement eligibility. Effective January 1, 2009, clergy will be eligible for early retirement at age 62 or after 30 years of service, whichever comes first. Previously, they were eligible at age 62 or after 35 years of service.

Petition 81101: Change Retirement Age for Clergy

This petition increases the mandatory retirement age for clergy from age 70 to age 72, effective January 1, 2009.

Petition 80650: CRSP Technical Corrections

This petition makes technical corrections and minor plan design changes to the Clergy Retirement Security Program (CRSP), effective January 1, 2010 (except where another effective date is specified). The following summarizes some of the revisions affecting participants:

- **Cash-Out Rule Revision:** If a participant's defined benefit (DB) and annuity payments from CRSP, the Ministerial Pension Plan (MPP) and the Pre-82 Plan together would be less than \$100 per month, the lump-sum actuarial equivalent of these benefits will be transferred to the participant's CRSP defined contribution (DC) account instead of being paid out in cash. As always, account balances of less than \$5,000 will be cashed out at retirement or termination—however, going forward, this calculation will cover all GBOPHB-administered plans. For example, if a participant has a \$4,000 balance in CRSP DC and a \$2,000 balance in another GBOPHB-administered plan, for a total of \$6,000, the balances will not be cashed out.
- **Daily Service Counting:** DB credited service will be counted in daily, rather than quarterly, increments.
- **Part-Time Appointment Percentages:** Clergy reported as being appointed less than one-quarter-time will not receive DB credited service.



- **Credited Service for Part-Time Disabled Participants:** Clergy who served less than full-time prior to becoming Comprehensive Protection Plan (CPP)-disabled or going on incapacity leave will receive DB credited service during disability in proportion to their prior appointment percentage. However, a two-year “look-back rule” will be used to determine the appointment percentage, since some clergy may have reduced their appointment percentage in the years just prior to disability due to their inability to work a full schedule.
- **Terminated Disabled Participants:** Disabled participants whose conference relationship has been terminated will not continue to accrue DB credited service or receive DC contributions.

Petition 80900: Distribution Percentages

This petition increases the maximum lump sum or period-certain annuity from 25% to 35% of a clergy person’s MPP account balance. This change is effective for benefits paid after January 1, 2009. GBOPHB is including an insert explaining this new distribution rule with MPP applications for benefits.



Health and Welfare Petitions



Petition 80648: CPP Amendments

This petition makes technical corrections and minor plan design changes to CPP, effective January 1, 2009, except where another effective date is specified. The following summarizes some of the revisions affecting participants:

- **Limit on Retroactive Long-Term Disability Benefits:** The retroactive period for long-term disability benefits will be limited to 180 days for claims submitted between 181 and 365 days after the date of disability.
- **Cessation of CPP Contributions to CRSP DC:** On January 1, 2010, the plan will cease making contributions to the CRSP DC accounts of long-term disabled participants whose conference relationship is terminated. However, disability benefits will continue for these participants.
- **Members of Other Methodist Denominations:** For CPP purposes, clergy of other Methodist denominations will have the same eligibility as clergy members of United Methodist annual conferences if they are appointed full-time, in accordance with ¶346.1 of *The Book of Discipline*.
- **Retiree Death Benefit Eligibility I:** Participants will be eligible for retiree death benefits if they were covered in the plan for:
 - at least two years immediately preceding retirement (current plan provision),
 - any five of the 10 years immediately preceding retirement, or
 - 25 years.
- **Retiree Death Benefit Eligibility II:** Beginning January 1, 2012, participants will be eligible for retiree death benefits only if they were covered in the plan for:
 - any five of the 10 years immediately preceding retirement, or
 - 25 years.
- **Additional Special Arrangements for Extension Ministries:** Non-conference plan sponsors to which clergy are appointed in extension ministries will be allowed to make special arrangements to cover clergy with less-than-full-time appointments.
- **Surviving Spouse Annuities:** The plan provides a minimum level of income in the form of an annuity for surviving spouses of active clergy who die before earning significant pension benefits. The plan will no longer terminate the minimum surviving spouse annuity benefits for surviving spouses who remarry. Surviving spouses whose benefits were terminated due to remarriage may submit a claim to begin their benefits again, but only on a prospective basis (i.e., from the time of the renewal request). GBOPHB will not proactively reinstate these surviving spouses' benefits.

- **Overpayment Recovery:** GBOPHB may reduce the CPP payments to participants who receive overpayments from another GBOPHB administered plan—e.g., MPP—by an amount equal to the overpayment from that plan.
- **Beneficiary Designation Percentages:** Participants and surviving spouses will be allowed to designate an unequal division of benefits among their beneficiaries.

Petition 80654: Denominational Health—Annual Conference Retiree Health Care Access

Beginning January 1, 2009, each annual conference must provide its eligible retired clergy, lay conference employees and their spouses with some level of assistance in obtaining access to health and prescription drug plans that supplement Medicare. Such assistance can take the form of, but is not limited to, a Medicare supplement-type plan, a fixed-dollar benefit for health care, a reimbursement arrangement, subsidized Medicare Part B or Part D premiums or a group contract with an insurer. Providing assistance in obtaining access does not compel a conference to fund such coverage (i.e., coverage can be retiree-pay-all). However, a conference may share the cost of coverage with its retirees at its discretion.





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1201 Davis Street
Evanston, Illinois 60201
1-800-851-2201
www.gbophb.org