



Policies developed by the Conference Board of Pension & Health Benefits:

This summary statement is provided to assist the clergy and employees of the Upper New York Annual Conference understand the eligibility guidelines and funding policies of the Health Care Program. The Health Care Program and its Policies are the responsibility of the Annual Conference and the Conference Board of Pension and Health Benefits and are subject to change. Eligibility guidelines are presented in summary; if there are any conflicts between the information in this summary and the terms of the Plan Document, the terms of the Plan Document shall control. Benefit information may be found at www.unyumc.org. Further information may also be obtained from the Benefits Office.

1. HEALTH CARE ELIGIBILITY

a. Full-time Active Clergy at Local Churches or appointed to staff positions.
b. Conference or church lay employees working 30 hours / week.
c. Local church lay employees are not eligible for HealthFlex benefits unless church adopts their own sub-adoption agreement directly with Wespath.
d. Full-time clergy on leave, other than Medical, enrolled prior to leave (18-month maximum coverage continuation then termination).
e. FULL-TIME ACTIVE CLERGY 65 AND OVER: All eligible and enrolled persons in HealthFlex, who are over 65 years of age, must enroll in Medicare A and B, if eligible, and are responsible for the Part B premium. If Medicare Parts A and B are not in place by the first day of the month the person turns 65, that person will lose their portion of the HealthFlex premium credit (see 2.i & j Health Care Funding)
f. SPOUSES: Eligibility of an under 65 spouse is dependent upon the HealthFlex options chosen by the participant at each enrollment period.
g. DEPENDENTS and surviving dependents of participants; children subject to age and status rules (up to age 26 regardless of student status). Disabled child may be covered longer than age 26 - if one has a disabled child, contact HealthFlex (or benefits administrator prior to dependent turning 26).
h. RETIREES (clergy and conference lay staff): Must have been enrolled in HealthFlex for five (5) continuous years immediately prior to retirement, with Upper New York as the plan sponsor to receive retiree health care funding. (Coverage under another Conference's HealthFlex is not counted in the five (5) years immediately prior to retirement.)
i. SURVIVING SPOUSES OF CLERGY WHO WERE NOT IN RETIREMENT STATUS: Surviving spouses receive the eligible participant's elected benefits upon death of the participant for the remainder of the Plan Year with no cost increase. Each successive Plan Year, the surviving spouse will be responsible for an additional 25% of the Plan Premium cost (ie. Year 1 - 25% of Premium, Year 2 - 50% of Premium, Year 3 - 75% of Premium, Year 4 - 100% of Premium). If in the 5 th year the surviving spouse has not reached age 65, no HealthFlex coverage is available to the surviving spouse.

A new spouse of a surviving spouse is not eligible for any coverage.

- j. Any break in coverage may affect eligibility.

2. HEALTH CARE FUNDING

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| a. Local churches are billed the blended premium rate based on eligibility of full-time clergy person, regardless of enrollment in or waiving of coverage. |
| b. Blended premium rate: all churches with a full-time pastor are charged the same rate. Rate is based on average cost of benefits across all tiers. This is done for connectional equity purposes. |
| c. Local church lay employees are responsible for 100% of actual premium elections. Churches may choose to enter into a cost share arrangement with the lay employee. |
| d. ALL ACTIVE PARTICIPANTS - Lay and Clergy - The Conference covers a portion of healthcare costs in the form of a premium credit provided to participants. Participants pay their Personal HealthFlex Contributions of any election amounts over and above premium credit. |
| e. Conference Clergy and Staff and District Superintendents premium credits are paid through the shared ministry budget; premium credits are the same as active clergy. |
| f. A portion of retiree medical costs are billed to all churches based on a proportional basis as a direct bill item, i.e. Retiree Premium. |
| g. SHORT TERM LEAVE: The salary paying unit (Church or Conference) continues to pay health insurance. |
| h. LONG TERM DISABILITY: Conference pays full premium for participant and family for the remainder of the Plan Year, then on a reduced schedule for family members in years 2-5. CBOPHB may consider special circumstances. |
| i. RETIREES OVER AGE 65 AND OVER: The Conference's annual Health Reimbursement Account (HRA) funding is based on full-time years of service: Funding starting 1/1/2027 will be \$120 per full-time equivalent year of service up to 30 years of service and the retiree must have been enrolled in the Conference's Healthflex Plan for five (5) years immediately prior to retirement (see 1.h Health Care Eligibility). CBOPHB determines the fully funded HRA amount annually. |
| j. Retirees who end their membership with the UNYUMC forfeit their eligibility for retiree medical coverage in Via Benefits™ including the Health Reimbursement Account (HRA). |

- k. **SPOUSES OF RETIREES:** In 2027, spouses (over 65) of retirees will receive the difference of the couple's 2026 allocation and the 2027 retiree's allocation. As an example, if a retiree and spouse received the maximum of 30 years in 2026 in the amount of \$2,678 each, in 2027, the amount received by the retiree will be \$3,600 and the spouse \$1,756 which totals the combined amount received in 2026 of \$5,356 in the joint HRA.

Beginning in 2028, the allocation for spouses of retirees in the HRA amount will step down by 25% each year, eliminating the spousal HRA benefit in 2031 (i.e. in 2028 - \$1,317, in 2029 - \$878, in 2030 - \$436 and no benefit in 2031).

Participants retiring after 2026 receive no HRA benefit for the spouse.

HealthFlex premiums for spouses of retirees under the age of 65 will remain at the current policy rate as retirees under age 65.

SURVIVING SPOUSES (Clergy and Lay Employees): If the death of a participant occurs prior to 2027, the surviving spouse will maintain their current HRA benefit until the end of 2027. Starting in 2028, the HRA allocation will decrease in 25% increments over 4 years until the HRA allocation reaches half of what the deceased participant would be funded (i.e. in 2028 - \$2,458, in 2029 - \$2,239, in 2030 - \$2,019 and 2031 - \$1,800). Beginning in 2027, new surviving spouses over 65 will automatically receive half of the deceased participant's qualifying HRA allocation.

Under 65 surviving spouses will continue to follow 1.f until benefits eligibility expire or Medicare enrollment-whichever comes first.

- l. **RETIREEES UNDER AGE 65:** Conference will pay 3% of actual premium credit based on Full-time equivalent years of service up to 30 years. Elections over the premium credit amount is the responsibility of the retiree plus, an additional amount of 5% of premium for each year under age 65, (up to a max 15%). Retiree Health Insurance years of service include all full-time UMC church appointments or conference staff; adjusted for part-time.

- m. New spouses of retired participants receive no benefits. New spouses pay 100% of their premium when participant is under age 65 and receive no HRA when participant is over age 65.

- n. Premiums for legally dependent adult children is determined by CBOPHB.

- o. Churches with clergy serving part-time should include in their salary support packages a "health Insurance allowance" in an amount that relates to the blended rate to enable the clergy person to obtain health insurance or fund a Health Savings Account. The amount must be added to taxable salary.

NOTES:

Via Benefits™ is a separate organization that specializes in helping individuals understand, select and enroll in Medicare supplemental health coverage. Through Via Benefits™, eligible retirees and their spouses can explore coverage options, compare plans and receive one-on-one guidance from licensed benefit advisors to help choose and enroll in a Medicare supplement plan. Via Benefits™ is the administrator for the Conference's health reimbursement accounts (HRAs).