

# 2023 Clergy Health Plan Design Changes

## Frequently Asked Questions (and answers)

- 1) Q: How many health plans will be available to active clergy appointed at 75% or greater? A: There will be two plans available starting January 2023. One plan is the Blue Cross Blue Shield PPO plan which is identical to the current plan and the second option is the Blue Cross Blue Shield High Deductible Health Plan coupled with a Health Savings Account (HDHP/HSA).
- 2) Q: When is open enrollment? A: November 2022
- 3) Q: Can a participant in one plan switch to another plan? A: Yes, but only during the open enrollment period and beginning on the next calendar year.
- 4) Q: If an active pastor disaffiliates, do they lose their health coverage? A: A pastor is no longer covered by active health coverage when he/she drops below 75% appointment status so if a church disaffiliates and is closed by cabinet, the pastor would lose all health coverage at the point. So, yes.
- 5) Q: Is the HSA *employee* contribution mandatory? A: No, it is completely optional and is limited to the IRS maximum allowed total combined employer (\$2,500) plus employee deferral. So, a pastor with individual coverage would be allowed to defer up to \$1,150 in 2022, bringing the total contribution to his/her account to \$3,650. The family limits are greater.
- 6) Q: Is the HSA *employee* contribution taken out of pre- or post-tax from the pastor's payroll check? A: Post-tax. The AWFUMC Conference does not have a qualified Section 125 Cafeteria Plan so this deduction must be taken out post-tax. It is then allowed as a deduction *for* Adjusted Gross Income on line 25 of the pastor's 1040 statement.
- 7) Q: Is there a difference in premium for the local church between the two plans? A: No.
- 8) Q: What is the source of the HSA employer contribution? A: The source of the contribution is from direct bill payments from local church and apportionments to the Board of Pension and Health fund. It is anticipated that the cost savings to the conference will help fund the contributions longer term.
- 9) Q: A clergy and spouse both turn 60 in **2022**, the clergy is full time and the spouse is on the medical plan. Do her benefits change? A: If the clergy and spouse stay on the

active plan until they are eligible for Medicare, they can both participate in the AWFUMC MedSupp plan. They are grandfathered by virtue of the fact that the clergy member turned 60 *prior to 1/1/2023*.

- 10) Q: If I turn 60 after January 1, 2023, do I receive the post-retirement medical benefits?  
A: No. Only those who are 60 prior to January 1, 2023 will be eligible to participate in the MedSupp plan if they meet other eligibility requirements. In no event does anyone receive pre-65 post retirement medical benefits as this plan goes away entirely as of January 1, 2023 for anyone not currently receiving benefits under the Pre-65 plan.
- 11) Q: If an active clergy member is not age 60 by January 1, 2023, what are his/her options for ongoing retirement benefits? A: There are Medicare Supplement plans available to purchase from third party insurance providers. For those clergy who elect the HDHP/HSA plan, they would potentially have savings that could be applied toward those costs.
- 12) Q: How long does a clergy member or their spouse need to be on the active health plan in order to qualify for post-retirement medical benefits? A: In addition to other qualifications (be age 60 prior to 1/1/2023 and be at Medicare eligible at retirement age), a clergy member must also be on the active plan for the five years directly preceding their retirement in order to qualify for the MedSupp plan. A clergy spouse must have also been on the health plan for five years.
- 13) Q: For a clergy couple who are both appointed at least 75% and elect the HDHP/HSA plan, do they both get the HSA contribution? A: Yes. To encourage participate in and savings to the Health Savings Account, a clergy couple who meet eligibility requirements will both get a \$2,500 contribution to their Health Savings Account in 2023.
- 14) Q: What does the *Book of Discipline* require a conference to provide for health benefits to active clergy? A: This is covered in Paragraph 639, item 7. The conference shall sponsor a group health care plan...that covers the annual conference's own full-time clergy employees...For the purpose of this paragraph, group health care plan shall mean a health insurance plan...the covers benefits for major medical and hospitalization expenses.
- 15) Q: If a clergy person is already retired and received benefits, is there any change to their benefits? A: No.