

Resolution #20 - Insurance For Retired Clergy

Subject: Health Insurance For Retired Clergy

From: Finance Committee

WHEREAS, previous Synods have recognized the need and benefit of supporting our retired clergy with their health insurance costs;

WHEREAS, these costs have been historically tied solely to the premiums for purchasing what is called "Medicare supplemental coverage;"

WHEREAS, the predominant provider of Medicare supplemental coverage has historically been Blue Cross Blue Shield but many other providers have now entered the marketplace;

WHEREAS, these other providers often have significantly lower premium costs but higher copays or deductibles;

WHEREAS, this change in the types of health insurance available to retired clergy and how its costs are charged has created the situation of significant differences in costs to the Province for reimbursing Medicare supplement premiums on a per pastor basis (currently ranging from \$81.50 to \$298.91 per month);

WHEREAS, this situation has also created the opportunity for significant differences on a per pastor basis in the actual out-of-pocket costs for our retired clergy simply based on the type of coverage they decide to purchase;

WHEREAS, the overriding concept of providing this benefit to our retired clergy should be to help them with their overall medical costs in retirement, not just their Medicare supplement premium costs;

WHEREAS, the current methodology of reimbursing retired clergy for the Medicare supplement premiums does not take into consideration the actual financial need that our retired clergy may or may not have;

WHEREAS, the cost of providing this support to our retired clergy has almost tripled over the last 10 years; and

WHEREAS, previous Synods have said that "the Provincial Financial Board be authorized to resolve any problems concerning this plan" and the Provincial Financial Board now feels that it would be beneficial to support all retired clergy equally based on their actual retiree medical expenses, regardless of how they are incurred; therefore be it

RESOLVED, That the first paragraph of section 870 of the Book of Order be moved to become the last paragraph; and

RESOLVED, That the second paragraph of Section 870 of the Book of Order which read as follows be removed:

Medicare Supplemental Coverage will be provided to all retired ministers who have reached the age of 65 and who have served the Southern Province of the Moravian Church for 10 years or more.

And that it be replaced with the following paragraph:

Reimbursement of retiree medical costs will be provided to all retired ministers who have reached the age of 65 and who have served the Southern Province of the Moravian Church under call for 10 years or more. Coverage of retiree medical costs will be limited to a monthly amount per retired clergy. Upon application in the form and manner prescribed by the Provincial Financial Board, an eligible retired minister may apply for additional benefits in excess of the monthly limit based upon an emergency situation or the need for extraordinary relief.

For information only, the entire Book of Order Section 870, would now read as follows:

870. Health Insurance for Retired and Disabled Ministers

Reimbursement of retiree medical costs will be provided to all retired ministers who have reached the age of 65 and who have served the Southern Province of the Moravian Church under call for 10 years or more. Coverage of retiree medical costs will be limited to a monthly amount per retired clergy. Upon application in the form and manner prescribed by the Provincial Financial Board, an eligible retired minister may apply for additional benefits in excess of the monthly limit based upon the need for emergency or extraordinary relief.

The cost of such coverage will be paid by the Province at a rate of 33 1/3% at 10 years of service and an additional 3 1/3% for each year of service thereafter giving 100% of the cost of coverage at 30 years of service.

Coverage for spouses and widows/widowers who have reached the age of 65 is paid at 100% of the rate paid for the retiree.

Disabled ministers receiving benefits from the Southern Province Disability Insurance Plan and their spouse and/or children that are covered under the church medical insurance plan at the time of the disability will have 50% of their medical insurance cost paid by the Province.

Approved by Finance Committee
Approved by Government Committee