



**Wespath**

BENEFITS | INVESTMENTS



CONFERENCE FORUM

**Welfare Plans Update**

# Agenda

- General Conference Changes—Implementation
- Comprehensive Protection Plan (CPP)  
Claim Statistics
- Voluntary Transition Program (VTP)

# General Conference Implementation

## Effective January 1, 2017

- **Mandatory participation** for eligible clergy
  - Serving full-time
  - Compensation equals 25% of denominational average compensation (DAC)
- **Not eligible**
  - Clergy appointed half-time or quarter-time
    - **222 lost coverage**

**Premium calculation: 3% of plan compensation\* (*housing plus cash salary*)**

**\* Plan compensation excludes “cash in lieu of group health coverage”**

# General Conference Implementation

- Three-quarter time clergy
  - Full and provisional members (including deacons and elders)
  - Associate members
  - Members of other Methodist denominations
- Three-quarter time local pastors
- Leave of absence for **no more than 12 months**
  - Voluntary leave (personal, family, transitional)
  - Medical leave (not CPP disabled)
  - Attend school
  - Sabbatical leave

# Plan Sponsor Elections

Election	Number of Conferences
No election (cover full-time clergy only)	18
3/4-time ordained (full, provisional, associate members and deacons)	39
3/4- time local pastors	16
Medical leave (non CPP- disabled)	21
Voluntary leave of absence (personal, transitional, family)	11
Attend school	11
Sabbatical leave	25

- **27** conferences previously had less-than-full-time Special Arrangements
- **22** conferences previously had leave of absence (LOA) Special Arrangements

# *UMLifeOptions* Eligibility

- Expand eligibility to cover less-than-full-time clergy not covered in CPP
  - Three-quarter time, one-half time or one-quarter time “ordained” and local pastors
- Conference or local church can elect to cover clergy

# UMLifeOptions Coverage

Election	Number of Conferences
Less-than-full-time election	13/12 local church
1/4-time “ordained”	4
1/4-time part-time local pastor	0
1/2-time “ordained”	16
1/2-time part-time local pastor	3
3/4-time “ordained”	2
3/4-time part-time local pastor	0
Newly covered clergy	211

**27** conferences had less-than-full-time Special Arrangements

# *UMLifeOptions* Marketing—July 2017

**Target local churches with:**

**3+ Lay Employees**

**Part-Time Clergy**

Not eligible for CPP,  
including pastors



# CPP Claims Data

# CPP At a Glance

2016 Plan Year	All CPP	Liberty Mutual Book of Comparable Business
New claims received	71	N/A
Total open claims	592	N/A
Total incidence	3.3% of eligible population	3.4% of eligible population
Average duration of open claims	7.4 years	7.6 years
Top 3 diagnoses (% of CPP claims)	<ul style="list-style-type: none"> <li>• Mental health—22%</li> <li>• Musculoskeletal system—19%</li> <li>• Nervous system 17%</li> </ul>	<ul style="list-style-type: none"> <li>• Mental health—20%</li> <li>• Musculoskeletal system—19%</li> <li>• Nervous system—18%</li> </ul>
Top 3 diagnoses—average duration (years)	<ul style="list-style-type: none"> <li>• Mental health—8.3</li> <li>• Musculoskeletal system—7.2</li> <li>• Nervous system—8.0</li> </ul>	<ul style="list-style-type: none"> <li>• Mental health—9.3</li> <li>• Musculoskeletal system—7.8</li> <li>• Nervous system—8.6</li> </ul>

# Liberty Making A Difference

## Total Claims

**2013: 845**

**2016: 592**

	<b>Liberty Mutual</b>	<b>Unum</b>
Adjudication timeline	42 days	89 days
Claim approval percentage	81%	81%
Top diagnosis for new claims	Neoplasms	Mental Health
Average new claims per year	89	120
Average claim closures per year	99	60

# What Are Participants Saying About Liberty Mutual

Thank you very much for your service and attention. God bless you.

My case manager was very attentive and compassionate.

Kelly showed compassion as she explained the details of the policy.

Our service was great; we were very cared for.

# What Liberty Mutual Is Saying

## Confusion on participant expectations



- Medical records are necessary for determination
  - Liberty Mutual will require updated medical during the duration of the claim
- Part-time work will require a possible offset
- All participants need to apply for Social Security Disability (SSDI)

# Wespath Response



- Disability Checklist
  - For conferences to use when discussing application process
- Conduct phone calls with participants applying for disability
- Conduct web conferences for district superintendents
  - August/September timeframe

# Social Security Advocacy Group



Successfully Navigating the Social Security Process

- Assist participants in applying for SSDI
- Files claims and/or appeals on behalf of participant
- No cost to participant
- NEW—assist with overpayment process

<b>Quicker repayment through EFT</b>	
Doherty, Cella and Kane	95% approval rate for submitted applications
Participants applying on their own	46% approval rate

# Voluntary Transition Program (VTP)



# Voluntary Transition Program

## 2017 Changes

- Associate members—eligible
- Clergy on personal leave—eligible

**Program “sunsets” December 31, 2020**

Unless General Conference takes action  
to extend life of program

# Voluntary Transition Program—Usage

<b>Number of Conferences</b>	<b>Average Age</b>	<b>Average Years of Service</b>	<b>Average Payout</b>	<b>Male/ Female</b>
<b>19</b>	<b>49.5</b>	<b>15.5</b>	<b>\$29,600</b>	<b>30/7</b>

<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017 YTD</b>
4	7	17	7	2



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