



Referrals to GBPHB from General Conference 2012

Conference Forum 2016



General Board

Pension and Health Benefits

Caring For Those Who Serve

Referrals and Reports

2012 General Conference Petitions

- Retiree Health “Portability” — **Petition 20412**
- Aligning Investments with Israel-Palestine Resolutions—
Petition 21071

Quadrennial Report of Benefit Liabilities

- Retirement Plan Defined Benefit (DB) Liabilities
- Retiree Medical Benefit Obligations

Retiree Health Portability

- Church Systems Task Force petition
- Petition intent—Reduce barrier to clergy transfers between conferences or agencies
- 2012 General Conference action:
 - GBPHB to study financial impact, and implementation costs and processes
 - Report to General Conference 2016

Retiree Health Petition Report

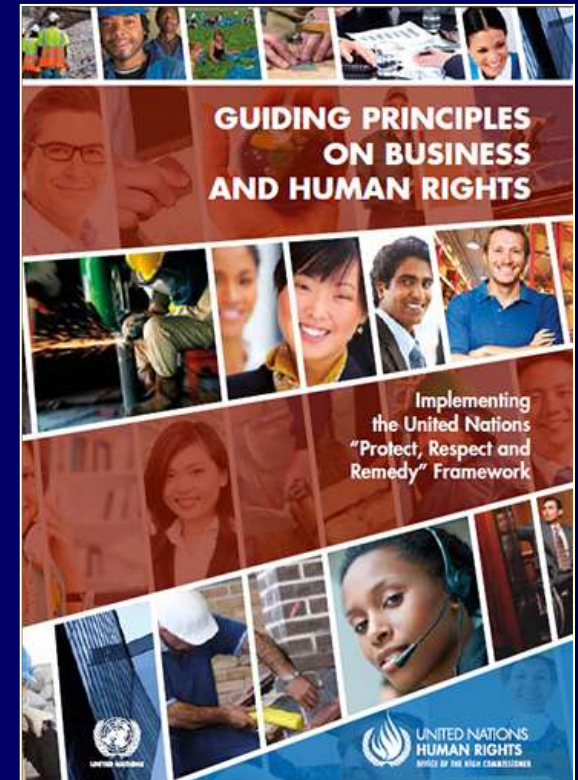
- **Retiree Health Trends**
 - Decreasing conference funding
 - Increasing differences among conferences
- **Conclusions**
 - Need for “portability” solution—decreasing
 - Complexity of a solution—increasing
 - Effort required may outweigh benefits

Retiree Health Recommendation

- No new or re-submitted petition
- Intentional education for and discussion with clergy considering transfers
- Retiree health policy documentation and communication (§1506.20)

Aligning Investments—Petition

- GBPHB to explore:
 - Peace-making strategies
 - Positive investment
- UMC agencies urge companies to adopt United Nations Guiding Principles*



* UN Guiding Principals on Business and Human Rights

Aligning Investments—Response

- Encouraging UN Guiding Principles adoption
- Human Rights Investment Guideline
- Human rights engagement web pages www.gbophb.org/humanrights/
- Equity Social Values Plus Fund
- Exploring positive investment in Palestine
- Peace-making efforts with other United Methodists



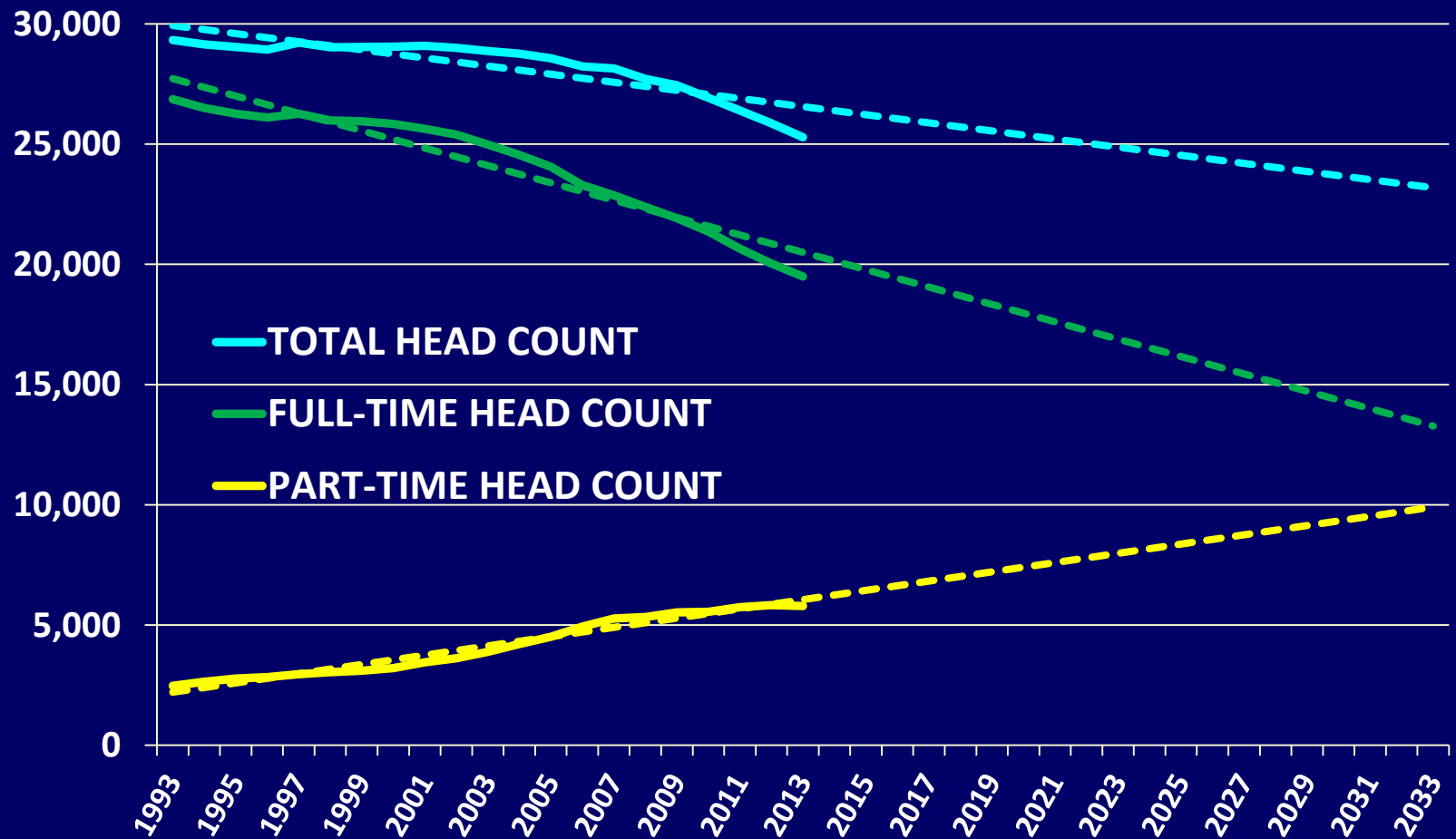
UMC Benefit Liabilities (¶1506.6)

- Clergy Trends and Demographics
- Retirement Plans
 - CRSP* Defined Benefit
 - MPP** Annuities
 - Pre-82 Plan
- Retiree Medical Obligations

* CRSP: Clergy Retirement Security Program

** MPP: Ministerial Pension Plan

Clergy Trends



Retiree Medical Report

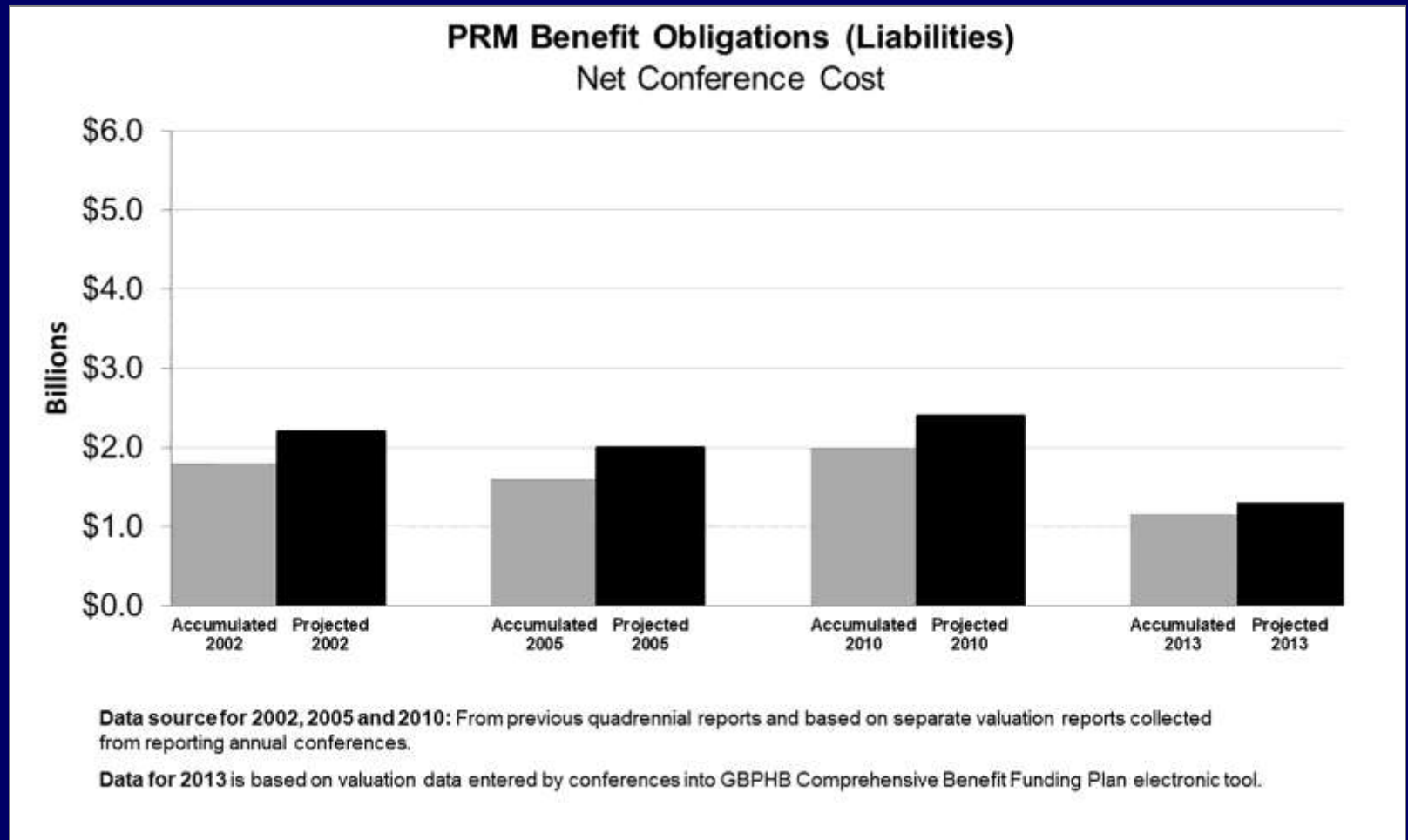
- Demographics—majority of clergy are retired
- Liabilities and funded status
 - Decreasing conference liabilities
 - 30% of conferences fully funded
- Benefits and cost-sharing

Benefits and Cost-Sharing (Retirees)

- Cost shifting to retirees
 - More stringent eligibility for conference funding
 - Higher share of premium paid by participant
- Individual Medicare supplements with HRAs* replacing group Medicare supplement plans

* HRAs: Health reimbursement accounts

Post-Retirement Medical Benefits



Retiree Medical—Conclusions

- Retiree medical benefit obligations: **lower than prior years**, despite more retirees
- Challenges remain: **50% funded** overall
- Continuing needs
 - Funding plans for retiree health benefits
 - Cost-sharing and funding strategy adjustments



General Board

Pension and Health Benefits

Wespath 
Investment Management