

Administrative Rule #106 – Member Couples

BOARD OF PENSIONS ADMINISTRATIVE RULES

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| Section | 1 (Eligibility) | Subject: | Member Couples |
| Rule Number: | 106 | | |
| Reference: | Article II, Section 2.1 (Effect. Salary) Article IV, Section 4.1 (Dues) Article V, Section 5.1 (Participation) Article XIII, Section 13.1 (COB) Administrative Rule 110 (Seminary Students) | Resource: | Member Services, Benefits, Pensions |
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The following Administrative Rule applies only if both the members of the couple are covered under the Traditional Plan.

Eligibility, Dues and Levels of Participation

When both husband and wife are members of the Traditional Plan, they are collectively referred to as a "Member Couple". A "Member Couple" can be two members serving as pastors in installed positions, a lay member and a minister/pastor or two lay members.

When both husband and wife are enrolled in the Affiliated Benefits Program (ABP) they are not considered a "Member Couple." If both husband and wife are enrolled in the ABP, they generally are enrolled for single coverage. If members have children under the age of 26, one member may enroll for single coverage and the other for member and children coverage. Also, one member can waive their coverage and the other member can enroll for Member and Spouse and/or Family coverage.

Additionally, when one member is enrolled in the Traditional Plan and the other is enrolled in the ABP they are not a "Member Couple." The member enrolled in the ABP should be advised to waive their medical coverage since they are covered as a dependent of the member enrolled in the Traditional Plan.

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The participation rules applicable to all employment classifications apply to Member Couples. Thus, if both members are ordained ministers (pastors) working in installed positions, each is required to participate fully in the Plan. If either spouse is in a lay position or a non-mandatory ministerial position, it is subject to the employing organization's benefits coverage provisions. The Book of Order does not mandate Plan participation for these types of positions. Those members must participate if the employer provides coverage. If the employer does not provide coverage to employees in that employment classification, the spouse is covered as the dependent of a Plan member. In the latter case, no pension credits will accrue for the non-participating spouse's coverage.

When both the husband and wife are enrolled in the Plan, as plan members, individual dues are required from their employer(s).

When a Member Couple Divides a Position

(This applies under the Traditional Coverage)

Ministers of the Word and Sacrament, who serve in positions where Plan participation is mandatory, are *individually* "called and installed" under the provisions of the Book of Order. They can serve as co-pastors, co-associate pastors, in either individual or multiple employing churches. While a Member Couple may share or divide a position and thus divide a salary, each

Minister's division of duties and terms of call are subject to the approval of the presbytery. (See Book of Order G-14.0511). Each minister has his or her own "call" to the installed position.

A member of the Member Couple may describe this co-pastoral relationship in several ways, including a shared position, a shared salary, or a joint salary. If a Member Couple divides a position into what may be described as a joint salary arrangement, the effect is that each individual is earning a salary equal to one-half of the position's salary and dues are calculated on that basis. Often, the minimum medical participation basis will apply. Less frequently, the minimum pension participation basis will also apply. A co-pastoral relationship may be divided unequally by the terms of the call. It is therefore important to determine what the terms of the call are.

Dues for each member are based on the higher of the designated portion of the joint salary or the minimum participation basis.

Note: If a manse is provided, the housing allowance should equal at least 30% of all other compensation included in the effective salary.

Medical Deductible

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Each member has both a member deductible and a deductible for his or her covered children. The deductibles are calculated as 1% or 1.5% (1%-in-network & non-network; 1.5% out-of-network) of effective salary, or 1% or 1.5% of the minimum medical participation basis, whichever is higher. For Member Couples in a joint salary arrangement, the deductible is calculated as the **greater 1% or 1.5%** of the designated portion of the shared salary, or 1% or 1.5% of the minimum medical participation basis.

Coordination of Benefits

Effective January 1, 2003, a new plan design has been implemented for Member Couples as follows:

- For each member, claims will be processed just once, under the member's account. There will be no secondary calculation under the spouse.
 - The member will not be subject to co-pay requirements for in-network or non-network office visits; the allowed amounts will be paid at 100%.
 - Each member's individual deductible will be based on the annual minimum medical salary, which changes each calendar year, regardless of the member's actual salary.
 - Once a member satisfies the individual deductible applicable to other expenses, the Plan will pay all eligible claims at 100% of the allowed amount.
- Claims for children will be processed per the birthday rule, only under the primary parent. There will be no secondary calculation under the non-primary parent's coverage
- Children will not be subject to deductible requirements and all eligible claims will be reimbursed at 100% of the allowed amount.

If a Member Couple divorces, the conventional maintenance of benefit rules will apply to the claims of the parents and the children, effective as of the date of the divorce.

When Member Leaves Eligible Service

If the husband or wife leaves eligible service, he/she has the following options:

- Remain active in the Plan by remitting dues on the transitional participation basis (if actively seeking church-related work).
 - a. The terminating member can remit dues for just the Pension Plan. The member will receive 30 days of free medical coverage, if applicable. After the free coverage period terminates, the member will remain covered for medical as a dependent of his or her spouse. The special Member Couple coordination of benefit (provisions will no longer be in effect and the MOB provisions will apply).

Or

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- b. The member can remit dues for both pension and medical coverage. The member will receive 30 days of medical coverage and 30/60/90 days of free death and disability coverage, if applicable.
- Discontinue plan membership
 - a. Terminate from the Plan, receive 30 days of free medical coverage, and then become eligible for medical coverage as the spouse of an active Plan member. The COB provision will apply during the 30 days of free medical coverage.

When One Member Retires

If one member in a member couple retires, the retiring member becomes eligible for medical coverage as the spouse of an active Plan member. The retiring member is eligible for thirty days of free coverage prior to transferring to the active member's records. The retiring member **SHOULD NOT** subscribe for Medicare Supplement or Medical Continuation coverage. If the retiree is over age 65, the active Plan coverage will coordinate with Medicare based on the number of employees at the employing organization (under 20, Medicare is primary; 20 or more, the Board is primary).

After the retired member is covered as the spouse of the active member, a life change event may occur that would require the retired member to subscribe for retiree medical coverage (Medical Continuation or Medicare Supplement depending on his or her age). The retired member will be allowed to subscribe for coverage because, at the time of retirement, he/she had to enroll under the Active spouse and not subscribe for his or her own coverage.

If the Active Member Dies:

The retired member is now classified as both a retired member and a surviving spouse of a member and is entitled to the same privileges available to other members surviving spouses. (See Benefits Plan, Sections 13.14 and 13.15). At age sixty-five or over, the member can subscribe for Medicare Supplement. The retired member should enroll for Part B coverage, if he or she has not already. (Coverage must be elected within 90 days of death).

If the retired member (also a surviving spouse) is under age sixty-five, he or she may subscribe for Medical Continuation coverage for the period of time prior to his or her becoming eligible for Medicare. (Coverage must be elected within 90 days of death.) If the retired member is still covered by the medical provisions of the Plan at the time he/she reached age sixty-five, he or she can subscribe for Medicare Supplement provided that he or she has enrolled in Medicare Parts A and B.

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Important Note: A retired member over age 65 who is not eligible to receive Medicare Part A (because they don't have enough quarters or because they opted out of Social Security) will not be allowed to subscribe for Medicare Supplement unless they pay the premium for Medicare Part A and Part B.

If the Active Member's Service Terminates:

If the retired member is under age sixty-five, he or she may subscribe for Medical Continuation coverage for the period specified under the Continuation rules. If the retired member or the terminate Active Member's service meets the "70 rule," (i.e., member's age plus years of service [at the time of retirement or when the Active Member's service terminates] is equal to or greater than seventy) he or she may continue coverage to age 65. At age sixty-five he or she may subscribe for Medicare Supplement provided that medical coverage under the Benefits Plan has been continuous and he or she has enrolled in Medicare Parts A and B. The retired member must elect coverage within 90 days of the active member's termination.

The Active Member can continue active participation by remitting dues on the transitional participation status or discontinue membership and remit dues on the Medical Continuation subscription basis or as the dependent of the retired member. Free coverage is available following termination of service. (See section ***When a Member Leaves Eligible Service***)

If the Member Couple Divorces:

If the retired member is under age sixty-five, he or she is now classified as an ex-spouse and can subscribe for Medical continuation coverage until age sixty-five. (See Benefits Plan, Section 13.15.) At age sixty-five he or she can subscribe for Medicare Supplement provided that medical coverage has been continuous and he or she has enrolled in Medicare Parts A and B. Coverage must be elected within 90 days of the date of the divorce.

If the Active Member Retires:

The previously retired member is eligible to subscribe for Medical Continuation or Medicare Supplement coverage and the active member who is retiring elects his or her own individual retirement coverage.

Seminary Student Member Couples

If a husband and wife are both seminary students, it is not necessary for both to enroll for individual Plan membership to receive medical coverage. One student can cover the other as a

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spouse by electing the member & spouse dues rate. (See Administrative Rule 110 – Seminary Students). If there are children involved, one student can enroll the spouse and dependent children by electing the member and family dues rate.