

# The Benefits Plan offers Financial Protection and Security

*Benefits Plan Overview*





## Education is available on benefits and finances

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Nationwide, the Board offers seminars on basic financial planning, health and well-being, and retirement planning for members and seminarians, as well as educational workshops and seminars for special groups, such as church treasurers, personnel committees, and financial officers.

## The Board of Pensions continues the tradition

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The Board of Pensions continues the tradition started with the Fund for Pious Uses in 1717. The Board fulfills its responsibility, as expressed in a 1974 report, “to see that the dignity and sense of worth sought by each individual in the vocation of the church is preserved both in retirement and in those crisis moments when sickness, disability or death alters the life pattern of those for whom Presbyterians have special responsibility.” Pursuing that ministry, the Board continues to adjust and expand the benefit offerings while being a faithful steward of the financial resources of the church.

## The Benefits Plan offers members peace of mind

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The Benefits Plan serves as a cornerstone for the ministry of the Presbyterian Church (U.S.A.). The pension, medical, death, disability, and optional benefits provide a comprehensive package of protection for participating church workers.

Those who serve the church can do so knowing that they and their families are protected in difficult times and are more secure in retirement. Churches and employing organizations rely on being able to offer these benefits.

By administering the Benefits Plan and the Assistance Program, the Board of Pensions serves ministers of the Word and Sacrament and lay workers of the Presbyterian Church (U.S.A.) throughout the United States and abroad. Benefits Plan coverage is required for installed pastors and available for other ministers, missionaries, lay church workers, unemployed members, seminary students under the care of presbytery, and eligible dependents.

## Church community shares support of church workers

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The Benefits Plan of the Presbyterian Church (U.S.A.) is designed to care for and protect the community of Benefits Plan members as a whole. The church as a community shares in meeting the cost of benefits for all Plan members and their families. Members’ needs are met based on the abilities and resources of all members and churches.

Churches and employing organizations contribute dues based on the salaries they pay their church workers, subject to minimum and maximum amounts. Participants in the Traditional Program of the Benefits Plan do not contribute for their pension, medical,

death, and disability coverage, but may contribute for optional coverage they select. Under the Affiliated Benefits Program, churches or church-related organizations may offer healthcare and other benefits to workers and may require them to contribute toward their cost.

*“For just as the body is one and has many members, and all the members of one body, though many, are one body, so it is with Christ. . . . God has so arranged the body . . . that there may be no dissension within the body, but the members may have the same care for one another. If one member suffers, all suffer together with it; if one member is honored, all rejoice together with it.”*

I Corinthians 12:12, 24-26 NRSV

## Members receive lifetime retirement pension benefits

The Pension Plan provides a defined benefit for the lifetime of each retired member and a survivor's pension for eligible survivors. These lifetime pension benefits help provide financial security.

For each year of Pension Plan participation, members accrue pension credits equal to a percentage of their effective salaries. When a member's effective salary is less than the churchwide median effective salary for his or her employment classification, that member's credits are based on the appropriate median salary.

An experience apportionment may be granted when investment returns and actuarial experience are favorable and reserves are adequate. This unique feature of the Benefits Plan permanently increases the value of the pension benefits of retired members and survivors, as well as the accrued pension credits of active, inactive vested, and disabled members.

## Additional support needed for assistance programs

In response to the special needs of church workers who serve the Presbyterian Church (U.S.A.), the Board of Pensions is committed to increasing the funds available to support the assistance programs. Through the Board's Assistance Program, the Board cares for the urgent financial needs of church workers and supports the special income and housing needs of retirees.

The Assistance Program is funded by gifts, legacies directed to the Board, income from endowments and from half of the Christmas Joy Offering. The Board must supplement these offerings through funds development efforts to keep pace with growing needs and to address emerging issues of importance to the church. Only in this way can it meet the ongoing commitments of the existing programs, as well as develop new initiatives aimed at supporting the faithful clergy that the church cannot afford to lose.

The giving spirit of the Presbyterian community has enabled the Assistance Program to be a source of hope for ministers and other church workers in need.

With the help of caring individuals, those who serve the church will be supported in their ministry so that they can provide the leadership to build a sound and lasting future for the Presbyterian Church (U.S.A.).

## Church workers may seek assistance for special needs

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The Assistance Program supports church workers when their needs go beyond the protection of the Benefits Plan. The Board hopes to build additional programs to help attract and retain high-quality people to parish ministry. Please call the Board for the guidelines for all these programs:

- Shared Grants are made in partnership with governing bodies or employing organizations to assist church workers with special financial needs or in emergency situations.
- Emergency Assistance Grants help church workers pay for emergency expenses and assistance when the employing organization is unable to help.
- Adoption Assistance Grants help parents who are members of the Benefits Plan with adoption-related expenses.
- Income Supplements help retired church workers and their surviving spouses.
- Housing Supplements assist retirees so they may find appropriate and adequate housing.
- Seminary Debt Assistance helps reduce educational debts for a minister serving in a first call at a small congregation.

Support for these programs comes from contributions to the annual Christmas Joy Offering, gifts and legacies directed to the Board of Pensions, and income from endowments. These programs are not funded by dues. The Board and the recipients of the program grants are grateful for the generosity of donors who have supported this ministry of the Presbyterian Church (U.S.A.).

## Healthcare coverage protects members in times of need

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The Medical Plan protects its members from major financial loss when medical expenses are incurred. It offers comprehensive coverage.

To control rapidly rising healthcare costs, members are encouraged to use the services of PPO (preferred provider organization) networks for treatment. This saves both the Plan and the members money because participating providers offer discounted fees in exchange for patient volume and prompt payment. When members use the hospitals, physicians and other medical providers that participate in the networks for medical care and mental health/substance abuse services, they receive a higher level of reimbursement.

The Medical Plan is designed to encourage members to actively take care of themselves by providing information about and coverage for recommended preventive care services. Members have access to a prescription drug program, an employee assistance program, disease management programs, and a nurse hotline.

The Medical Continuation Program is available by subscription for eligible members and dependents no longer covered under the Plan.

## Retirees may subscribe to Medicare Supplement

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Retired members and their eligible dependents who are participating in Medicare Parts A and B may subscribe to the Medicare Supplement to augment the traditional Medicare program. The Medicare Supplement coordinates with Medicare and covers the same healthcare services as the Benefits Plan.

Vacancy and Post-retirement Service dues help to subsidize the cost of the Medicare Supplement to the subscribers.

Retirees not yet participating in Medicare may be eligible for extended medical continuation coverage.

## **Disability benefits protect members and their families**

Disability benefits are important for all ages; nearly one in three people between the ages of 35 and 65 experiences a serious disability lasting three months or longer.

When a member is certified as disabled under the Benefits Plan, the Plan provides replacement income equivalent to a percentage of the member's effective salary at the time of disability (subject to minimum and maximum amounts). A member's benefit is offset by Social Security, workers' compensation or other employment-related payments received.

Disabled members continue to accrue pension credits and receive coverage for medical and death benefits, including optional death benefits when applicable, at no charge to themselves or their churches or employing organizations. Benefits begin on the 91st day of disability. While on disability, members receive any disability benefit increase granted. The Board also supports programs to help disabled members return to work.

## **Death benefits safeguard the families of members**

Families receive financial support when a member dies. The benefits help ensure adequate financial protection. The Benefits Plan death benefits consist of a 12-month salary continuation benefit, a lump-sum death benefit (for active members only), and a children's education benefit.

The salary continuation benefit is based on the member's effective salary or 25% of the pastor's median. For retirees, a \$6,000 minimum benefit is paid.

The lump-sum benefit for active and disabled members is a multiple of the member's salary at the time of death or disability, up to a maximum salary of \$90,000. The multiple for the lump sum is higher for younger members who have had fewer career years to save. For members without eligible dependents, the estate receives a benefit of the lesser of the annual effective salary or \$90,000.

Terminally ill members may request some of these death benefits in the two years before their death.

When a covered member dies, each dependent child who is under age 25 may receive up to \$9,000 annually (a maximum total of \$36,000) when he or she enrolls as a full-time student in study after high school.

## **Members may choose to add optional benefits**

Members may also be eligible to purchase optional benefits including a dental plan, the Retirement Savings Plan, additional death benefits at various levels, long-term care insurance, and optional supplemental disability coverage.