



*Holston
Conference
of The
United
Methodist
Church*

**Please share this information with all of your employees that participate in the
Holston Conference Health Insurance and Clergy Pension Plan.
OPEN ENROLLMENT ENDS NOVEMBER 30TH, 2011**

It's that time of the year again when you have the opportunity to choose the best health benefits for you and your family! Please take a few moments to review your existing health plan coverage, participation or lack of participation in the Flexible Spending Accounts, and your existing pension contributions to your UMPIP account.

Health Insurance

You can choose between one of our existing three plans-High, Middle, and H.S.A. plans. To change plans, you must contact Ken Luton at 865-293-4136 or email kenluton@holston.org prior to November 30th, 2011, in order for changes to become effective January 1, 2012. **If you do not need to make any changes to your existing health plan, you do not need to do anything. However, you must complete a new enrollment form for the Flexible Spending Account (FSA) or Dependent Care Account (DCA) if you plan to participate in these programs during 2012. These enrollment forms can be accessed on our website.**

Highlighted Health Plan changes:

- New health insurance rates for 2012 will be reflected on your billings sent on December 15th, 2011. You can find these rates in the Book of Reports or on our website at <http://medplans.holston.org>.
- The 2012 Church paid portion remains constant at \$8,220 for all plans. This will continue to be billed in monthly increments of \$685 per month.
- High Plan-Participant rate increase 2%.
- Middle Plan-Participant increase 0%.
- H.S.A. Plan-Participant increase 0%. Also, beginning January 1, 2012, you can have your H.S.A. deductions deposited into an H.S.A. account at the Holston Methodist Credit Union or HealthEquity (formerly FirstHorizon). Also, contributions for the Conference amount paid will be deposited by January 10, 2012, for the entire year of contributions. New enrollees must sign-up for an account at the Credit Union or HealthEquity and provide this information to the Conference Office in order to receive the contribution from the Conference.
- The retiree premium increase is 3% and early retiree increase will be 10% based upon an analysis of our claims costs for these distinct groups. Please see the enclosed rate sheet or reference the 2011 Book of Reports.

Flexible Spending and Dependent Care Accounts

Previously, the Conference used AFLAC to administer its section 125 cafeteria plan. As we announced at Annual Conference, beginning January 1, 2012, the Holston Conference will begin using PBS to administer our plans to provide the tax savings of participating in the Flexible Spending and Dependent Care Accounts. It is our intention to begin billing any elections you make as a part of the normal health insurance bill to assist you in keeping adequate records with a target date of December 15th, 2011. **If you have an existing AFLAC policy, you can continue these policies with your existing agent, but they will be paid directly to AFLAC, instead of to the Holston Conference. You and your AFLAC agent will need to coordinate this transition.**

Significant Tax Savings

When selecting your new plan-year benefits, consider the advantages of a health care **Flexible Spending Account (FSA)** and/or the **Dependent Care Account (DCA)**. The FSA and DCA are separate programs that are valuable benefits when paying for health-related, out-of-pocket medical costs not covered by your insurance FSA and paying for dependent care expenses DCA. The more you use these programs, the more you save through reduced tax dollar savings. If you have not considered an FSA or DCA in the past, it pays to take another look.

*Mailing Address:
Post Office Box 850
Alcoa, TN 37701*

*Street Address:
217 S Rankin Road
Alcoa, TN 37701*

*865/690-4080
Toll Free 866/690-4080
Fax 865/690-3162*

www.holston.org

The FSA and DCA programs make sense for anyone who will incur out-of-pocket expenses for flexible or dependent care, especially for Clergy that pay both sides of FICA. Take a moment to consider the out-of-pocket health care costs you might have this year for doctor visits, dental work, prescriptions, glasses and contact lenses, etc. An average family of four in the U.S. can expect to pay close to \$2,000 annually on the type of expenses that are covered by the FSA. In addition, the cost of child care is rising and many families are now spending more than \$5,000 annually on dependent care expenses.

You work hard for your paycheck, and we want you to keep as much of your money as possible. With a health care FSA and DCA, every dollar you set aside provides increased tax savings and accessible income. Your annual program election amounts are deducted from your paycheck each pay period before federal income taxes, Social Security taxes, and state income taxes (in most cases) are taken out, which means you do not pay taxes on your FSA and DCA contributions. You'll be surprised at how much you will save with just a couple hundred dollars of expenses.

For Example:

If you contribute \$2,000 into a health care FSA, you can save over \$500 in taxes!
If you contribute \$5,000 into a Dependent Care DCA, you can save over \$1,500 in taxes!

Accessing your FSA and DCA funds can be as easy as a swipe of a card. The Progressive Benefit Solutions FSA and DCA come with the PBS Prepaid Benefits Card! The PBS Prepaid Benefits Card is loaded with the value of your annual elections amounts, helping you keep cash in your wallet.

You can use your PBS Prepaid Benefits Card to pay for eligible medical expenses in the FSA plan such as:

- Covered prescription and doctor copayments and deductibles
- LASIK surgery, eyeglasses & Contacts
- Out-of-pocket dentist or other provider fees
- Health plan deductibles and coinsurance
- Patient balance due
- Orthodontics
- RX Mail Order

Simply present the PBS Prepaid Benefits Card at locations that accept MasterCard® and the amount of your eligible expense will be automatically deducted from your account. When you use the card, you'll have no claim forms to complete and you won't have to wait to get a reimbursement check in the mail. If you participate in both the FSA and DCA programs, your contributions are loaded on the same card. The card is programmed to know which account to take your funds from when swiped. **DON'T FORGET!** Always save your receipts for FSA and DCA purchases, as you may be asked to submit receipts to verify that your expenses comply with IRS guidelines. Additionally, you can check your account balances or account details anytime using the PBS On-line system or through a quick phone call.

Open enrollment to make changes to existing health benefit plans ends November 30th, 2011. You can read more details about these plan details and other items on our website at <http://medplans.holston.org>. You will receive your PBS debit card by December 31st, 2011.

We are also going to be making some changes to the format of our billings beginning January 1, 2012. It is our intent to attempt to make our billings more "user-friendly." If you are an appointed clergy member, please report any FSA, Dependent Care, and Health Insurance Premium deductions on line #17 of your 2012 Pastor's Support Worksheet.

Pension Plan (clergy only)

In 2012, the pension direct invoice will continue to be 16.3% of line #12 on your submitted pastor's support worksheet (PSW). If your compensation changes as of January 1st, the new compensation amount will be reflected on your bill processed on January 15th. During 2012, the General Board of Pensions will continue to bill your church for any elective amount that you have withheld from your paycheck, which is not an expense of the church, since it is withheld from your paycheck. These elective amounts withheld should be listed on lines #13, #14, and #16 of your 2012 PSW. Any elective changes, such as a % change, must also be reported to the General Board of Pensions on their required forms. If you are leaving your % the same for 2012, no action is necessary to effectuate this change.