

News & Views

A Quarterly Update from the Pension Boards

Summer 2008

Keeping Score



Michael A. Downs

Rising gas prices, a troubled housing market, increasing costs for groceries, volatility in the stock market – these all spell tough economic times. As you can see from your accompanying Quarterly Statement, Pension Boards Funds aren't immune to these economic woes. On an absolute basis, all Funds declined. On a relative basis, however, we beat our benchmarks by a wide margin, due in part to our low expenses and fees.

Another important score is your Health Risk Assessment baseline. Since our improved wellness program, **myhealthIQ**, rolled out on April 1, 318 UCC (Non-Medicare) Health Plan participants

have completed the Health Risk Assessment and Wellness Exam, receiving a baseline wellness score and \$50 incentive. They also receive numerous online tools customized to help improve their health profile. Annual improvements to the baseline score may also result in more incentives to both the Plan participant and employer. See p. 5 for more information on upcoming **myhealthIQ** events and how you may participate.

It is increasingly clear that whether a company is an environmentally forward-looking company is a significant factor in determining if the company is a strong long-term investment. This is not news to the Pension Boards. In partnership with the Interfaith Center on Corporate Responsibility, we have been encouraging corporations to improve their greenhouse gas

emissions, environmental policies and transparency about sustainability for more than 30 years – one more way PBUCC is keeping score.

Another significant score is your credit score. This is especially important in tight economic times. A high score can help you get a better rate on a loan, or qualify for certain loans that aren't available to consumers with lower scores. For example, a better score may result in a difference of ¼% to ½% on a 30-year home loan, which can amount to savings of \$50,000 to \$80,000. Even small improvements on your credit score can have a huge financial impact. (See p. 6)

A survey by AARP Financial showed that 16% of respondents owed more money because they didn't understand the tax implications of one of their investment decisions. Your funds invested with the Pension Boards receive

special tax treatment because of unique church plan exemptions. Please see the article on page 2 for more details.

You may also wish to consider opening a Flexible Spending Account. In 2009, the annual contribution limit for medical expenses will be increased from \$3,000 to \$5,000. See the article on p. 3 and look for more information in the months ahead.

Mindful of our commitment to you, the Pension Boards monitors and evaluates the results of all Plans so that we may provide the best possible products at the lowest possible cost. We covenant to be faithful stewards of the resources you entrust to us.

In partnership,

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Keep Cool
and
Healthy

New IRS Rules Place Added Responsibilities, Burdens on Church Employers

On January 1, 2009, all employers that sponsor 403(b) retirement plans – including churches and church-related organizations – will be required to comply with stringent new Internal Revenue Service (IRS) rules that assign to employers the burdens of:

- providing a plan document covering all employee 403(b) plans;
- monitoring the transfer of accumulations among multiple plans; and
- determining if an employee has made multiple plan contributions that exceed the complex limits allowed by the IRS.

UCC churches and related employers that contribute to their employees' retirement savings through the Annuity Fund 403 (b) will not be affected by these changes. However, churches that sponsor plans in addition to, or in place of, the Annuity Fund, will face increased financial and administrative burdens on January 1.

The Pension Boards is offering UCC employers affected by the new rules a way to navigate their way through these challenges by offering a streamlined and cost-effective way to provide their employees with retirement benefits through the Annuity Fund. As a church-sponsored retirement plan, the Pension Boards can administer all existing defined contribution plans while providing employees the flexibility and choice of investing their retirement savings among various professionally managed fund options. Because administrative costs are significantly lower than industry norms, dollars saved help support the church's mission and ministry and work toward providing employees with a more secure retirement.

And because the Annuity Fund is recognized as a church plan by the IRS, pension income paid to clergy in retirement can be designated by the Pension Boards as a housing allowance – a benefit not available through commercial 403 (b) plans.

Corporate Social Responsibility

Promoting Long-Term Investment: Sustaining the Environment and Communities

These days it seems that every company is going “green.” The Pension Boards, through its membership in the Interfaith Center on Corporate Responsibility (ICCR), has long been seeking more information on and commitment to sustainability from the corporations in which we invest. Sustainability is a term that encompasses a company's ability to improve its levels of productivity and revenue using good corporate governance while minimizing its negative impact on the environment, employees and community welfare. This approach acknowledges the dependence of corporate goals on external factors.

The Pension Boards has encouraged power and extractive companies to address their sustainability plans in the past. We engage in this work because companies with a strong long-term vision may prove to be attractive long-term investments. As a pension fund, we invest on a long-term basis. An analysis of the supply and demand for water, oil and other natural resources indicates that those companies with the most fully realized sustainability plan may be the most prudent investments. Likewise, those companies that treat their workers as a precious commodity by securing their health and welfare could be considered more viable on a long time horizon.

The Pension Boards believes that companies that benchmark their sustainability is a compelling way to secure the future of our natural resources, the workers of the world and the communities in which they live. We are committed to these goals through our work with ICCR and the ecumenical community.

Is It Covered or Not?

My doctor gave me a referral for a certain procedure, so my UCC Medical Benefits Plan will pay for it. Right?

Not necessarily.

Your UCC Plan has specific rules and limits on certain types of care, and other types of care are not covered at all. In situations involving referrals for additional care or services, it's important to know what your benefits are.

The Plan may only pay for medically necessary care, and benefits may be restricted to drugs, devices, treatment and procedures where the safety and effectiveness have been proven to be comparable or superior to conventional therapies.

Many medical, surgical and behavioral health care services or procedures are only covered when your case meets the documented exceptional criteria. The most common situations in which a provider may refer a patient for a non-covered service deal with speech therapy, durable medical equipment, plastic surgery and general surgery.

So remember, even though your provider may write you a referral, your UCC Plan is very specific about what's covered and what's not covered.

*For more information about benefits covered under the UCC Medical Benefits Plan, please refer to the Schedule of Benefits included in your highlights document, available online at the NEW Pension Boards' web site (www.pbucc.org), or contact a member of the Health Plans Team toll-free at **1.800.642.6543, ext. 2824**.*



Coming in 2009 – An Increased Opportunity to Save on Healthcare!



With healthcare costs rising faster than both salaries and inflation, wouldn't it be great to find a way to reduce your out-of-pocket expenses AND pay for them with before-tax dollars? The Flexible Spending Account (FSA) Plan for UCC Ministries allows to you do both and beginning in 2009, will provide an even greater opportunity to save.

You can set aside a portion of your earnings before taxes are withheld to pay for certain medical and dependent care expenses for the coming year. These are expenses that you would pay with or without the FSA – why not ease the burden? And in 2009, the maximum you can defer for qualifying medical expenses will increase from the current \$3,000 to \$5,000. You can also defer up to \$5,000 per year to pay for dependent care.

When an eligible expense is incurred, you simply file a claim with National Associates, the Plan's claims administrator, and you'll receive a reimbursement check, up to the amount of your annual elected deferral.

Open enrollment materials for the FSA Plan will be mailed in late October. Before you can enroll, your employer must contact the Pension Boards to establish itself as a participant in the FSA Plan and pay a one-time employer set-up fee of \$100. Employees must enroll no later than December 31, 2008 for coverage effective January 1, 2009; no exceptions can be made for late enrollment. *For further details, visit the ALL-NEW Pension Boards' web site at www.pbucc.org or contact Sheila Chatterjee, Manager-Ancillary Benefits, toll-free at **1.800.642.6543, ext. 2858** or by e-mail at schatterjee@pbucc.org.*

Health Plan Premium Holiday Welcome News to Participants

In late spring, Pension Boards' President and CEO Michael A. Downs announced a one-month "premium holiday" for participants in the UCC Medical Benefits Plan.

The first round of health premium credits for participants in the UCC (Non-Medicare) Health Plan was reflected in the third quarter 2008 invoices sent to UCC employers and self-paying employees on May 30. Participants in the UCC Medicare Supplement Plan, who normally pay for their own health coverage, were mailed checks reimbursing them for one month's premium in mid-June.

The total amount of the "premium holiday" credited back to employers and employees is \$4.4 million, and is due to better than anticipated claims experience in calendar year 2007.

"We are glad to be able to share this good experience with the church," said CEO Downs. "This is a one-time opportunity, which reflects the benefits of being part of a self-insured plan, and of our working together to control and reduce costs. We are grateful for the church's support of the UCC Medical Plan and of the Pension Boards' many initiatives to improve service."

GOOD NEWS
FROM THE UCC MEDICAL PLAN!

ONE FREE MONTH

The UCC Medical Benefits Plan is pleased to announce that **one month's premium** for your third quarter UCC Health Plan coverage has been credited back to you in the form of the enclosed check. This one-time **Good Claims Experience Credit** is a direct result of lower-than-projected claims costs.

We are grateful for the opportunity to serve you through the Plan and glad that the dollars saved in health care costs through this credit will provide you with a little extra in these challenging economic times.

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Hearing Aid Coverage Coming September 1

The UCC Medical Benefits Plan will offer coverage for hearing aids starting September 1. Because this is a Plan benefit enhancement, **participants do not need to enroll or apply separately for this coverage.**

Coverage provides up to a maximum allowance of \$2,500 every three years and includes a hearing exam, prescription for the fitting of hearing aids, hearing aid devices for one or both ears and follow-up evaluations and adjustments. The benefit is available whether you see a provider in the Highmark network or an out-of-network provider, and covers both physician specialists and licensed audiologists.

A Member Education Conference Call on the new hearing aid benefit is scheduled for **Wednesday, September 10 at Noon (Eastern)**, where you can receive additional information on the new benefit and have your questions answered by Pension Boards' Health Team staff. To participate, use the toll-free **Conference Call dial-in number: 1.888.635.9299**; at the prompt, enter the **Access Code: 905128. (TTY dial-in: 1.800.855.2881)** If you are unable to participate, a recording of the Conference will be available for one month following the call at **1.800.475.6701, Access Code: 905128.**

For more information about hearing aid coverage, or if you have any questions about your health coverage, contact a Health Team representative at 1.800.642.6543, ext. 2824.

Non-Sedating Antihistamines

The UCC Plan's pharmacy benefit does not cover non-sedating antihistamines (NSAs), such as Clarinex or Allegra. However, Plan participants can choose to self-pay for the cost of the medication using Medco's Home Delivery Pharmacy service.

To use this service, a participant will need to send Medco a prescription for a 90-day supply of the NSA. Once received, Medco will contact the participant to clarify that there is no pharmacy benefit coverage AND to confirm that the he/she will pay 100% of the cost. The participant will have to make a choice at this point and give permission to Medco to go ahead and process the claim AND:

- charge their credit card the cost of the medication (when auto charging) for immediate processing, or
- agree to send in a check for the balance of the cost of the medication. Please note that Medco will only hold the medication for payment for seven days so checks must be mailed promptly.

Member Education Conference Calls

The Pension Boards' Member Education Conference Call Series offers members an opportunity to learn more about benefits plans and have their questions answered by knowledgeable Pension Boards staff. Conference calls are scheduled for the **second Wednesday of every month** and begin at Noon (Eastern).

Join us for the following discussions by calling the toll-free conference call number at **1.888.635.9299** and entering Access Code **905128**.

August 13 - New regulations impose onerous responsibilities on churches that sponsor 403(b) plans outside the Pension Boards' Annuity Fund. Join us to learn how the Pension Boards can help relieve churches of that burden.

September 10 - In an effort to provide you with improved benefits, the UCC Medical Benefits Plan will soon cover hearing aids. Call in to learn more.
TTY dial-in: 1.800.855.2881

October 8 - Join us in a discussion about the 750 Dental Plan with the Pension Boards' Health Leadership Team as open enrollment for the Plan begins.

If you are unable to participate, a recording of each conference is available for **one month** following the call at **1.800.475.6701**, Access Code: **905128**

myhealthIQ - New Approach to Wellness

myhealthIQ, a wellness program designed to give you the information and tools you need to make or sustain positive lifestyle choices, is now available to UCC (Non-Medicare) Health Plan participants.

Upcoming **myhealthIQ** Wellness Exams:

August 13th
Marion, Ohio
United Church Homes

September 12th
Palmerton, Pennsylvania
Penn Northeast Conference

October 3rd
Wichita, Kansas
Conference Annual Meeting

*If you have any questions regarding **myhealthIQ**, please feel free to contact the Health Plans Team toll-free at **1.800.642.6543, ext. 2872**.*

2008 Regional Retirement Seminar Schedule

Retirement seminars are held annually in each of the six geographic regions of the United Church of Christ for individuals age 58 and older and their spouses/partners. Invitations and registration information will be mailed to qualifying members in each of the regions in advance of each event.



Tuesday, September 30, 2008
Mid-Atlantic Region
Holiday Inn BWI
890 Elkridge Landing Road
Linthicum, MD 21090

Wednesday, November 19, 2008
Great Lakes Region
Radisson Hotel
651 Huron Road
Cleveland, OH 44115

*For additional information, please contact Sharon Thomas, Member Education Services Coordinator, at **1.800.642.6543, ext. 2712** or by e-mail at **sthomas@pbucc.org**.*

ALL-NEW Pension Boards Web Site Launched in Mid-July

Recent visitors to **www.pbucc.org** have seen an ALL-NEW Pension Boards web site, launched in mid-July. Already, the site is proving to be a helpful resource for members seeking information about their pension accounts, benefit plan coverage, member education activities and more, recording over 145,000 hits in the first week alone.

Here's what members are saying about the new PBUCC site:

"It has a fresh, crisp, clean look to it."

"I am certainly impressed with the ease of use of the PB site. It is 'easy on the eyes,' not cluttered, with a clear, readable font."

"Glad you can donate online to the Christmas Fund."

"I have spent a few hours looking at the site, multiple times. If I hadn't gotten some strawberries to make freezer jam today, I would still be on the site. This site has 'empowered me!'"

"I found it very user friendly, extremely accurate and well done! Congratulations!"

"Nicely done web site. At first blush, it seems to be very user-friendly."

If you haven't visited the site yet, take a few minutes today to see all the features available to you. Go to **www.pbucc.org** and click on the large blue WELCOME button on the left side of the home page. You'll need your seven-digit Pension Boards member ID number to log in for the first time (Please note: the log-in password you used for the old Pension Boards site will not work on the new site; you will need to create a new user name and password once you have logged in with your member ID. *If you need assistance retrieving your ID number, please contact Member Services toll-free at **1.800.642.6543, Option 6.***)

We welcome your feedback and suggestions on how to make the site a more useful tool for you. Please use the "Contact Us" link on the navigation bar to send us your comments and ideas.

Are the Cards Stacked Against You?

The Pension Boards and the United Church Board for Ministerial Assistance (UCBMA) are receiving calls from a number of persons who used to be able to make ends meet, but with the escalating costs of energy find they have had trouble making even minimum payments on their credit cards. As soon as a credit card payment is missed, or received late by even one day, some have found that their interest rates skyrocketed to 20% or more.

Once into this cycle, very few people can deal with the situation on their own. The cards are indeed stacked against them. Most people need an advocate to work on their behalf.

If you find yourself, or someone you know, in this situation, we recommend that you begin searching for help with a reputable not-for-profit credit counseling agency. You might start by calling Consumer Credit Counseling Services' (CCCS) 24/7 toll-free hotline at **1.866.889.9347** for an evaluation and referral to a local affiliate that can help you structure a debt management program.

CCCS is a part of the Money Management International (MMI) network, and has been around since 1958. MMI and CCCS are non-profit community service organizations that provide confidential financial guidance, free consumer credit counseling services, educational resources and debt management assistance.

PB Mourns Passing of Former Director of Ministerial Assistance



Rev. Donald Stumpf
1933-2008

The Rev. Donald Stumpf, who served as Director of Ministerial Assistance from 1985 until 2004, died June 5 in Claremont, California at Pilgrim Place, a senior community serving individuals called to careers in Christian service.

Stumpf was ordained to the Christian ministry in the United Church of Christ in 1959. An international traveler, he enjoyed visiting churches in various parts of the world and established several gift annuities to benefit retired clergy and church professionals in Honduras, Mexico, Argentina and Uruguay.

“During his tenure at the Pension Boards, Don demonstrated care and compassion for the clergy of the United Church of Christ when they encountered difficult times,” said the Rev. Dr. M. Douglas Borko, Stumpf’s successor as Director of Ministerial Assistance. “He was known for ministering to immediate needs while at the same time helping people access long-term assistance available through other agencies. Don is fondly remembered by visitors in the Annuitant Visitor Program, who appreciate the work he did in setting the stage for the expansion this ministry is experiencing today.”