



"From Where I Sit ..."

General Secretary Announces Changes to Retiree Insurance Plan

Nine years ago, the Retiree Insurance Plan was inaugurated by the General Board of Personnel Services. Because the life insurance included in the general structure of the CME Retirement Plan that covers the participant and their spouse ended when the participant retired, and because a participant who had faithfully served the CME Church and who, at age 74, would be hard pressed to find new life insurance at a reasonable cost, the Retiree Plan was a proactive attempt to provide a limited amount of life insurance to participants in the CME Retirement Plan when they retired. After two years of researching, we were able to find our present program which offered up to \$10,000 of life insurance for newly retiring participants until they reach age 99, and up to \$5,000 on the life of their spouse during the life of the retired participant. The plan was rolled out effective May 1, 2006 and was presented and initiated as a no-cost feature of our Retirement Plan. Naturally, such a plan was well received!

However, after only twenty (20) months, the insurance carrier gave notice of their intent to impose premiums to cover the insurance benefits for the retirees and their spouses. Faced with the dilemma of either cancelling the Retiree Insurance Plan or assuming the costs on an on-going basis, and having made the promise to both the church and the retirees, the only reasonable option was to accept the latter choice and continue the plan by making every effort to find the necessary funds to cover the premiums. For the last seven years we have been successful in that endeavor even though the annual premium for this Plan has increased from about **\$2,000 in 2008** to nearly **\$18,000 in 2014** and it continues to grow.

Unfortunately, due to a limited budget and the rising cost of premiums, it has become necessary for the General Board of Personnel Services to make some revisions to the Plan in order to facilitate its continuance while remaining true to the original intent. Therefore, effective March 1, 2015, those persons who retire and receive the funds from their retirement account no earlier than age 72 will be included in the Retiree Insurance Plan. Additionally, those retirees under the age of 72 who are already in the Plan as of March 1, 2015 will be "grandfathered" in the Plan and will continue to be covered along with their spouses (*which means persons who, as of March 1, 2015, retire between the ages of 65 and 71 will no longer be covered by the CME Retiree Insurance Plan*).



Although the General Board of Personnel Services will continue to provide the payments of the premiums for this revised CME Retiree Insurance Plan, the basic attributes of our original intention remain in place with the following three points considered:

- 1) *The Plan will still provide to newly retiring participants (who are at least age 72) up to \$10,000 of life insurance up to age 99 and up to \$5,000 on the life of the retiree's spouse during the life of the retiree therefore lessening their burden to obtain additional life insurance at an age so near to mandatory retirement.*
- 2) *Age 72 permits persons to retire and receive this benefit up to two years prior to mandatory retirement.*
- 3) *Age 72 also permits Bishops and General Officers who, based on the month and year of their birth, may be required as early as age 72 or 73 to retire as mandated by the Discipline of the CME Church at "the conference of authority (i.e. General Conference)" nearest their 74th birthday."*

Although this has been a difficult decision, it has been by far the fairest outcome for the majority of those who are or will be affected. The Plan that began without any intended premium will continue even though its annual costs are continuing to rise; the retirees in the Plan continue to receive life insurance benefits without having to pay a premium; and future retirees who wish to take advantage of this benefit need only consider the best timing to schedule the distribution from their retirement account. In the meantime, the General Board of Personnel Services will continue to seek the funds required to maintain this Plan and its future viability. If, according to the old proverb (*not a biblical proverb*), having “half a loaf is better than none” then certainly having the opportunity to get the whole loaf at a later date (*and at no additional cost*) is even better ... Or at least that’s the way it looks to me ...

“From Where I Sit”

Tyrone T. Davis, D.Min, is the General Secretary of the Board of Personnel Services

(Copies of earlier articles may be found on the

Personnel Services Webpage of the CME Website at www.thecmechurch.org)