

**THE CONFERENCE BOARD OF PENSION & HEALTH BENEFITS INC.**

**Report No. 3**

**FLEXIBLE BENEFIT PLAN (CAFETERIA PLAN)**

**REQUIRING ACTION:**

The Health Benefits Committee recommends that the Oklahoma Annual Conference continue the Cafeteria Plan as set up under section 125 of the Internal Revenue Code and in accordance with all other applicable regulations and federal and state laws for the period January 1, 2011 through December 31, 2011.

The Flexible Benefit Plan will continue to offer flexible benefits elected in advance by each participant by reduction of compensation, including the following options of payment with pre-tax dollars:

- 1) Premiums for the Oklahoma Conference Health Benefit Plan
- 2) Qualified medical expenses not covered in the Health Benefit Plan (such as deductibles, co-insurance payments, vision expenses, hearing expenses, and dental expenses) by monthly reimbursement, up to an annual limit of \$5,000, and
- 3) Qualified dependent care expenses by monthly reimbursements, up to an annual limit of \$5,000;

Eligible participants include the following:

- 1) Full and Provisional Elders and Deacons, transitional deacons, associate members, ministers serving under the provisions of ¶ 346.1 or 346.2, and full-time local pastors of the Oklahoma Annual Conference who are appointed full-time, and
- 2) Clergy appointed "Less Than Full Time," and all other local pastors of the Oklahoma Annual Conference working a minimum of twenty (20) hours per week and one thousand (1,000) hours per year, and earning at least minimum wage on their pastoral duties, and
- 3) Lay employees of a local church, institution, or agency of the Oklahoma Annual Conference certified by their supervisors as working twenty (20) hours per week and one thousand (1,000) hours per year, and earning at least minimum wage.

**An election form must be returned to the Conference Treasurers office within 31 days of eligibility and a new election form must be completed and returned to the Conference Treasurers office by November 23<sup>rd</sup> every year.** If a person fails to return a completed election form on or before the specified due date for any Plan year they shall be deemed to have elected cash compensation in lieu of such optional benefit regardless of their election during the previous year.

**A participant may revoke a benefit election for the balance of a Plan Year and file a new election only if they have not terminated employment and both the revocation and the new election are on account and consistent with a qualified change in status.**

The local church or agency treasurer will remit to the Oklahoma Annual Conference Treasurer's Office all monthly flexible benefits elected by their participants by the first of each month. The grace period for late payment can be no longer than the end of the month for which the payment is due. Non-payment of elected flexible benefits will mean that the flexible benefits for the year will be invalidated.

Deposits of funds from salary reductions are to be made to the Conference Treasury and qualified medical and dependent care expenses are to be withdrawn therefrom.

The plan will be funded through unused deposits only.

Participation in the Cafeteria Plan terminates when a person ceases to be an employee. **A terminated participant may only submit and be reimbursed for medical services or expenses that are dated prior to the date of termination.**

**GRACE PERIOD**—If you have not spent all the money in your Health Flexible Spending Account or Dependent Care Flexible Spending Account by the end of the Plan Year, you may continue to incur claims for expenses during the "Grace Period." The "Grace Period" extends 2 1/2 months after the end of the Plan Year, during which time you can continue to incur claims and use up all amounts remaining in your Flexible Spending Account. You must submit claims no later than 30 days after the end of the Grace Period. However, if you terminate employment during the Plan Year, you must submit your claims within 90 days after your termination of employment.

This document and the full Plan Document can be accessed on our Web site at [www.okumc.org/healthcarebenefits](http://www.okumc.org/healthcarebenefits). All information regarding our Healthcare Benefits Plan including links to PPO networks, enrollment forms, the Flexible Benefits Plan Document, forms, and privacy notices are also accessible on this site.

Mouzon Biggs Jr., Chair The Conference Board of Pension and Health Benefits Inc.

Phillip Ware, Vice Chair Board of Pension and Health Benefits

Rick Kelly, Chair Health Benefits Committee

T. Brian Bakeman, Conference Treasurer/Benefits Officer

Janet A. Tofani, Health Benefits Director