

# THE CONFERENCE BOARD OF PENSION & HEALTH BENEFITS INC.

## Report No. 4

### HEALTH REIMBURSEMENT ARRANGEMENT (HRA)

**For Information:** In 2007 and 2008, The Conference Board of Pension and Health Benefits Inc. arranged an HRA (Health Reimbursement Arrangement) with Kempton Group Inc., our self-insured Third Party Administrator. All insurance participants enrolled in the Active Healthcare Benefit Plan December 1, 2006, and December 1, 2007, were allowed to participate in the HRA plan. Each individual participant acquired funds which will remain in the participants account until the participant uses all funds or they terminate employment with the Oklahoma Conference The United Methodist Church. Only the employer can contribute to an HRA.

A unique feature of any HRA is the ability to rollover the unused amount at year-end. The rollover dollars may be used for covered medical services in subsequent years while enrolled in the plan. This rollover feature permits you to accumulate money for future health care needs.

If you participate in the Flexible Savings Account (FSA) and when your FSA funds are depleted then your HRA funds will be dispersed. No HRA funds were dispersed in 2009 - 2011.

#### REQUIRING ACTION:

The Health Benefits Committee recommends that the Oklahoma Annual Conference discontinue funding the Health Reimbursement Arrangement (HRA) as set up under the HRA guidelines 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. An HRA is an IRS approved tax-favored benefit that reimburses employees for qualified medical care expenses not reimbursed by an employer's health plan. HRAs are funded solely through employer contributions.

The HRA offers benefits contributed by the Board of Pension and Health Benefits including the following options of reimbursement:

Qualified medical expenses not covered in the Health Benefit Plan (such as deductibles, co-payments, co-insurance, prescription drugs, vision expenses, hearing expenses, and dental expenses) will be reimbursed.

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 "Full Time," and all other local pastors of the Oklahoma Annual Conference working a minimum of thirty (30) hours per week, and
- 3) Lay employees of a local church, institution, or agency of the Oklahoma Annual Conference certified by their supervisors as working thirty (30) hours per week.
- 4) If you were an active enrollee in the Oklahoma Conference The United Methodist Church Health Benefits Plan on December 1, 2006, and December 1, 2007 and you are an active enrollee in the Health Benefits Plan you will be allowed to participate in the Health Reimbursement Arrangement (HRA) Plan. There was no additional funding for 2009 or 2010.

As long as you remain with the Oklahoma Conference, the rollover dollars will stay in your account for future healthcare needs. Additional contributions, if over the age of 65, will not be received by retirees.

Participation in the HRA 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. Reimbursements for 2011 claims are only distributed 30 days into 2012.** Those who terminate the Health Insurance Plan may receive HRA funds up to 30 days after termination as long as the receipts are dated prior to termination date.

Those on incapacity leave will continue to have the funds available as long as they participate in the Health Insurance Plan.

Those on leave of absence, transitional leave, sabbatical leave or extension ministry will continue to have the funds available as long as they are on the Health Insurance Plan. If anyone in any of the previously mentioned groups terminate, HRA funds will terminate as terminated employees stated above.

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.

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