



# IOWA ANNUAL CONFERENCE



## TREASURY NOTES

June 2006

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### Annual Conference

By the time you receive this publication the Annual Conference Session will be in progress. However, I wanted to share a few items that may come out of the Session.

The Conference **Board of Trustees** is taking a motion to the Annual Conference that establishes a Conference mandatory participation program for Sexual Misconduct Liability Insurance. Here are the reasons the Board is suggesting such a policy. (a) Sexual misconduct insurance with appropriate limits for local congregations is becoming expensive; therefore, some congregations are not purchasing this insurance or they have very low limits. (b) Some insurance companies are limiting the coverage to very low amounts and including legal fees in the maximum coverage. (c) The size of a congregation or its ability to pay has no bearing on the final legal settlements. (d) More and more misconduct claims are being filed in courts; where individuals, Staff Parish Relations Committees, District Superintendents, the Bishop and the Conference have at different times been named in filed lawsuits. (e) Because of the polity of the United Methodist Church, when one congregation is in jeopardy because of a legal settlement, all congregations within the Conference can be adversely affected.

If all congregations in Iowa individually purchased the recommended coverage for sexual misconduct insurance, the estimated cost is \$645,000 (based on the premium

costs per church for those congregations insured through the conference insurance program. In this program, the limit is \$1,000,000 per occurrence.

Thus, the Conference Board of Trustees searched the market to see if there could be an advantage to a single policy that would include every congregation. There is a company available. The coverage would include a \$3,000,000 limit of liability for each victim and a \$6,000,000 annual policy period limit. The Annual Conference would be responsible for retention of \$250,000 for each victim. The company has an AM Best Rating of A+++. If the Annual Conference approves the recommendation, beginning January 1, 2007 each congregation could end their sexual misconduct coverage with their current insurance carrier and therefore, reducing this part of the premium.

The Conference premium for this coverage would be \$425,000. The cost could be direct billed to each church. During Annual Conference, the cost per congregation will be disclosed. The cost may be based on membership or total payroll. The Annual Conference will make the final decision.

The Conference **Board of Pensions** will offer an option to clergy and lay employees with their health insurance coverage. The option is a health savings account or a continuation in the current traditional plan. The health savings account will be a high deductible plan but any money that is put into this plan and not used for health insurance each year, belongs to the participant.

The cost to each church for a traditional plan or the health savings plan will be the same. The clergy cost will be different depending on which plan they select. Rates will be announced at Annual Conference for all plans.

The second item from the Conference **Board of Pensions** is a funding plan for the new Clergy Pension Plan. At the 2004 General Conference, the delegates voted on a new pension plan for clergy. The plan is a combination of the defined benefit and defined contribution plan. Our current plan which has been in affect since 1982 is a defined contribution plan. It is funded by billing each charge 12% of the pastor's compensation limited to the denominational average compensation. Thus, if a clergy's compensation was higher than the average for all clergy, the billing and their contribution into the plan is limited.

The Board of Pensions is recommending that the new plan be funded by billing each local congregation 11% of the pastor's compensation. Therefore, congregations whose pastor(s) received less than the denominational average will receive a slightly lower bill for pensions and those whose compensation is greater than the average will be billed 11% of the their cost with no cap or limitation.

Following Annual Conference I will report to you the outcome of the recommendations.

### **Flexible Benefits Plan** **Summary Plan Description**

Recently, a new Summary Plan Description for the Flexible Benefits Plan through the Iowa Annual Conference was sent to local church pastors, district superintendents and secretaries, conference center employees, deployed staff, camp directors and staff.

Our office discovered an error on page 2 under Medical or Medical-Related Expense Reimbursement Benefit. Number 3 stated that there is a maximum annual contribution of \$1,000.00. Our office contacted Kabel

Business regarding this, and that figure is an error. Please correct your copy to read \$ No Maximum per Kabel Business.

### **Deadlines for Journal Orders and Updates**

The deadline for Journal orders to be received is the last day of Annual Conference, June 11. Journal Order forms will be received in the Treasurer's office (the Gold Room in Hilton).

The deadline to receive updates for the new 2006 Conference Journal is July 28. Address, phone and email updates should be sent to Jill Stanton at [Jill.Stanton@iaumc.org](mailto:Jill.Stanton@iaumc.org) or mail to 2301 Rittenhouse St., Des Moines, IA 50321. If you have questions about orders or updates you may call Jill at 515-974-8917. Thank you for honoring these deadlines.

### **Conference Closed**

Conference offices will be closed Thursday, June 8 and 9 while Conference staff is attending the Annual Conference Session in Ames.

Also, the Conference Center will be closed Tuesday, July 4 in observance of Independence Day.

### **E-SERVICE**

"This is so cool. I am so glad to be able to do it this way." This is just one treasurer's comment on the newest method of sending the Conference your apportionments and other giving. It is called E-Service and all you need is your computer and the ability to go online. No more writing on the remittance form and stamping the gray envelope.

If you are interested in finding out more information, send me an email message telling me you are interested in the E-Service and I'll send you two Word attachments, one being the Registration Form and one with instructions. Contact Maggie Biggs at [mbiggs@iaumc.org](mailto:mbiggs@iaumc.org)