



Together

COMMUNICATING THE MINISTRY OF
YOUR BOARD OF BENEFITS SERVICES



Dear Colleagues in Ministry,

“Personal renewal always precedes corporate renewal.” I learned that basic premise of revitalization at a retreat I attended recently. I went expecting to learn basic stuff to help keep our church from becoming stuck. What I got was a primer in how to keep myself from getting stuck.

I heard that emotional health and spiritual health are intricately intertwined and that unless I am emotionally healthy, I can never be truly spiritually healthy. (And that what is true for us personally is also true for us corporately.)

I was aware of this premise—but I’d never been pushed to deal with the hidden emotional pain that I had stuffed over the years. Trisha Taylor and Jim Herrington (authors, with Robert Creech, of *The Leader’s Journey: Accepting the Call to Personal and Congregational Transformation*) led us through a process of personal reflection and peer group care which brought some amazing discoveries.

This got me thinking about a statistic I heard recently: RCA clergy and their families use psychosomatic drugs at a rate one-and-a-half to two times higher than the national average. Maybe we are all the wounded healers that Henri Nouwen spoke of years ago. But those wounds left untended are having a devastating effect on our personal ministries and the ministry effectiveness of our churches.

Benefits Services believes that health care is not just about having insurance pay when we are sick but that it is about the integration of our whole self in life-fulfilling, life-sustaining ministry. Awareness of our spiritual and emotional health is as critical as awareness of our physical health.

That’s why Benefits Services offers ways to help pastors cope with the stress of ministry. These include personal counseling benefits, including the Quiet Waters CareLine; an excellent prescription drug program; and the HeartMath stress management program, with its emphasis on healthy living.

I’m grateful that because of the excellent stewardship of its resources, Benefits Services is now in a position to move discussions beyond dollars and cents to creative, helpful ways to promote health for both those who serve and those who are being served.

With you in ministry,

Phil Doeschot
President, Board of Benefits Services

Making Healthy Choices

by Benefits Services director
Woody Bedell

Benefits Services Finds Ways to Cut Costs



Benefits Services understands the difficulties many of our participants are facing due to the uncertainty and downturn in the financial markets. We want to do whatever we can to cut costs associated with the RCA retirement plan and pass savings on to plan participants whenever possible.

Finding ways to cut costs is challenging because, with respect to expenses, the RCA retirement program already ranks in the lowest quartile in comparison with all other pension programs in the United States. In other words, 75 percent of the pension programs in the U.S. have higher expenses or a higher percentage of expenses going toward administration than the RCA program.

But we’ve taken on the challenge; here are ways we’ve found to reduce expenses so far in 2009:

- The spring Board of Benefits Services meeting was conducted in a webinar format (an interactive online conference call), which saved over \$20,000.
- Benefits Services staff are restricting travel and using electronic forms of communication when possible in order to stay connected with participants and retirees.
- Members of the Board of Benefits

Healthy Choices

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Services are considering policy governance for the board's structure, which may reduce or limit the number of board members and change how they meet.

- Benefits Services has eliminated one staff position.
- Benefits Services staff is looking at strategies to provide temporary relief from expenses debited from participant accounts.

Why the Effect of These Cuts Is Limited

While it's gratifying to find ways to reduce expenses, it's also important that people understand that these reductions affect approximately one half of one percent of their retirement fund—that's the percentage that's deducted from accounts to pay to run the RCA retirement program. The other 99.5 percent of an

account is impacted by the turmoil in the financial markets.

The one half of one percent fee for administrative expenses is taken directly from participants' accounts after interest has been credited, and it appears on the quarterly statements provided by Fidelity. In the industry it is standard practice for investment and administrative expenses to be applied before interest has been credited to a participant's account. For full disclosure, and ever since we have been with Fidelity, we have been disclosing all Benefits Services administrative expenses. The fee covers the cost of three full-time staff members who provide administrative support and education and answer participants' requests for information. (Benefits Services staff is also required to approve and administer all retirement plan enrollments and distributions since the RCA transitioned to a non-qualified retirement plan at the end of 2000.) The fee also pays for cost-benefit analysis, rent, legal fees for QDROs (Qualified Domestic Relations Orders) and IRS compliance, travel, board expenses, supplies, legal consultation, annual audits, and equipment and basic services charges paid to the General Synod Council for in-house legal counsel and communication and financial services.

This fee also allows Benefits Services to help provide special grants for retired and disabled ministers and their spouses who are destitute. (Their needs come to Benefits Services' attention through the retired ministers who serve with the Senior Pastors program, meeting with and assessing the needs of retired RCA pastors, their spouses or widows, and dependent children throughout the U.S. and Canada.)

Benefits Services 2009 Budget

2009 Income

For 2009 we have a revenue stream of approximately \$1,700,000:

- \$1,300,000 from account fees
- \$250,000 from the general denominational assessment to provide financial assistance to retired pastors in need (This is in addition to the assistance provided through account fees.)
- \$50,000 in donations from individuals
- \$80,000 in interest on the pension reserve fund (This is maintained to meet the liability of annuities provided to pastors prior to the inception of the RCA retirement program.)

2009 Expenses

Projected expenses for 2009 are approximately \$1,685,000:

- \$970,000 for administration (staff, rent, legal fees, insurance, board expenses, etc.)
- \$380,000 for financial aid and grants
- \$200,000 for basic service charges
- \$135,000 for the Senior Pastors program

Benefits Services staff take seriously their responsibility to support those in ministry to the RCA by providing benefits during times of transition and financial need. Please be assured that we will continue to review all areas, looking for ways to cut costs and pass these savings on to our participants. We want to do all we can to help our participants in these difficult times.

Screenings Can Improve Health of Participants and the RCA Plan

Benefits Services' latest biometric screening was a great success, with over 400 RCA health plan participants taking part.

The goal is to empower participants to improve their health through what they will learn as a result of their biometric screening. The screening measured participants' risk factors for heart disease, diabetes, stroke, and other illnesses.

Benefits Services offered a \$400 incentive to complete both the biometric screening and online health assessment.

Over the long run, knowing their risk factors should lead participants to adopt better health practices. This in turn should reduce costs to the RCA medical insurance plan and make it healthier too.

Benefits Services will also use the screening results (in aggregate; individual results are confidential) to help tailor the RCA health plan and wellness programs to meet participants' needs.

Benefits Services Rewards Your Steps toward Health Improvement

New Empower You! Program

Starting in May, Benefits Services will begin offering two new health improvement programs, both designed to combat risks associated with metabolic syndrome.

One program will focus on eating, exercise, and personal habits and needs, while the other will promote a peaceful, healthy lifestyle and teaches ways to revitalize your energy level and turn stress into productivity.

Participants who apply to, are accepted into, and complete either of these programs will receive a \$200 cash reward. More information on the programs will be coming your way soon.

Continuing Rewards

Ongoing "Empowered Health Coaching" and "Healthy Incentives" programs offer a number of wellness activities that support efforts to improve health.

The Empowered program offers coaching and individualized support, and Healthy Incentives lets partici-

pants accumulate points that can be redeemed for up to \$125 in gift cards that can be used at a wide variety of retail stores, restaurants, and entertainment venues or donated to a charity.

Non-Payment Issues a Concern for Benefits Services

As of February, overdue Covenant of Care payments and long-term disability (LTD) and life insurance premiums in the amount of \$350,000 had not been paid to Benefits Services.

"These payments are important for the health of the plan," says Benefits Services director Woody Bedell. "And, in effect, congregations that are in arrears are being subsidized by all the other churches in the denomination."

Bedell points out that the Covenant of Care payments help underwrite the RCA insurance plan and guarantee that a pastor can access benefits through the RCA plan at a later date if he or she wishes to do so.

He adds that LTD and life insurance coverage for all RCA pastors is mandated by the *Book of Church Order*. "It's not optional," says Bedell. "Benefits Services is required to provide that coverage."

However, Benefits Services does not have the authority to collect the arrearages; that responsibility lies with the classes.

"It's time for a definitive resolution on what's going to be done about this," says Bedell. "Benefits Services plans to bring to the 2009 synod a recommendation to assess different classes proportionately with different amounts depending on what's owed by congregations in that classis."

The Board of Benefits Services statement on full participation in the RCA insurance program, which includes a link to the paper "Covenant of Grace/Covenant of Care," is posted on the RCA website at www.rca.org/coc.

Go Green with Paperless Fidelity Statements

Log on to www.mysavingsatwork.com to find out how to receive your Fidelity statements electronically, view various tools to check that you are on track, create a retirement savings plan, or manage your savings.

New IRS Regulations Place Requirements on Employers

As mentioned in the fall 2008 *Together* newsletter, the United States Internal Revenue Service has issued new regulations that apply to employers who contribute to 403(b) plans.

RCA churches and affiliates will receive a mailing in May with resources explaining their new responsibilities with regard to these regulations. The mailing will include a document called the "RCA 403(b) Retirement Program Adoption Agreement," which the employer will need to fill out and photocopy. The employer keeps the original and the photocopy must be returned to Benefits Services by June 30, 2009.

One objective behind the new regulations is to allow employees to readily obtain from their employer information on the benefits to which they are entitled. Instead of asking each church to create a plan document, Benefits Services created the "RCA 403(b) Retirement Program Adoption Agreement" to satisfy this part of the requirement. The new plan document is posted at www.rca.org/403b.

Church administrators will also find another document in the May mailing—the "Compliance Guide for Participating Employers in the RCA 403(b) Retirement Program"—to help them calculate contributions to and pre-retirement distributions from the 403(b) plan.

Most importantly, the regulations are aimed at controlling administration when an employee has had contributions go to more than one vendor since January 1, 2005. The regulations also apply to employees who have church contributions go to the RCA 403(b) plan and elective deferrals go to another vendor.

In order to adhere to prescribed limits on contributions, employers will have to coordinate contributions being sent to the Benefits Services office and the other vendor(s). In most cases, employers will be notified when a plan participant initiates a loan or hardship request in order to confirm whether multiple vendors are being utilized. The new regulations do not apply to retirees or to participants in the RCA Retirement Program or in Roth IRAs.



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