

# *United Brethren Association for Church Development*

7693 Brown's Mill Road, Chambersburg, PA 17202

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To: Subscribers and Church Treasurers,

September 30, 2016

The time of year has come again to talk about health care policy renewal. **It is imperative that conversations occur within your church administrative structure with regards to the changes in billing for health premiums as indicated below.** As we expected and attempted to prepare for over the last two years, the news is not great news. The Affordable Care Act has stressed the health insurance providers and they are making changes to the plans that are offered. These changes have affected the policies that are available to the UB Association. The policy that was to be grandfathered for us is no longer available.

Included in this packet is a description of the plans that are now being made available. Much time has been spent with our liaison to understand the policies available from which to choose and to make the selection that best correlates to the plans in which our member are currently enrolled. The results are included in this packet.

The biggest changes are:

1. Option A is a \$500 deductible plan. This is a change from the \$250 deductible plan.
2. Option B is a \$2000 individual; \$4000 family high deductible HSA plan. This structure has remained the same; however, the band rate billing method will cause cost changes.
3. The rates are now determined by an age band rate per individual that is covered on the plan. There are no enrollee/spouse plans. There are no parent/child plans. There are no family plans. A family will be charged the appropriate rate band rate for each individual in the family. The rates for dependent children will be charged per dependent child up to a maximum of 3. After 3 dependent children are enrolled, any additional dependent children will be enrolled at no additional cost.
4. The cost of every enrollment needs to be calculated independently based on the demographics of the individuals/families enrolling.
5. Pediatric Dental and Pediatric Vision are now included in the health plan. There may be no need to enroll dependent children in a stand-alone policy.

Enclosed in this packet are the invoices that reflect the changes to the health insurance policy effective December 1, 2016. If you were enrolled in the \$250 deductible plan, we have invoiced for \$500 deductible plan. If you were enrolled in the high deductible HSA plan, we have invoiced you for the high deductible HSA plan. If you were enrolled in the health care and dental or vision plans, we have removed qualified dependents from the Dental and Vision plans because of the presence of pediatric dental and pediatric vision available with the health care coverage.

It will be important for each member to review the changes and the effects of the changes on the premiums. The invoice for December's enrollments are due by November 15, 2016. If you choose to make any changes to your enrollment, please notify our office before November 15, 2016.

Please call the UB Association office with your questions. Christi Mong and/or I will do our best to serve you.

Faithfully in Christ,

*Angie*

Angela Monn

Executive Director

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## I. 2017 Core Health Plans: Policy effective December 1, 2016 till November 30, 2017

### Option A: Blue Cross PPO \$500.0 PD Rx \$0

<b>Healthy Benefits PPO 500.0 PD Rx \$0</b>			
<b>Member Age</b>	<b>Member Rate</b>	<b>Member Age</b>	<b>Member Rate</b>
0-18	\$260.09	43	\$555.82
19-20	\$260.09	44	\$572.21
21	\$409.60	45	\$591.45
22	\$409.60	46	\$614.38
23	\$409.60	47	\$640.20
24	\$409.60	48	\$669.68
25	\$411.23	49	\$698.76
26	\$419.43	50	\$731.53
27	\$429.26	51	\$763.90
28	\$445.23	52	\$799.52
29	\$458.33	53	\$835.57
30	\$464.89	54	\$874.48
31	\$474.71	55	\$913.40
32	\$484.54	56	\$955.58
33	\$490.69	57	\$998.18
34	\$497.24	58	\$1,043.63
35	\$500.52	59	\$1,066.17
36	\$503.80	60	\$1,111.63
37	\$507.06	61	\$1,150.95
38	\$510.36	62	\$1,176.76
39	\$516.91	63	1,209.13
40	\$523.47	64	\$1228.78
41	\$533.29	65+	\$1,228.78
42	\$542.71		

A subscriber's total rate can include a spouse, up to three dependent children under the age of 21 (if there are more than 3 qualifying dependents under the age of 21, they can be included on the policy at no additional charge), and any other enrolling dependents over the age of 21.

#### **Ancillary Products:**

<i>Product Name</i>	<i>Per Person</i>
<b>Healthy Dental PPO Plus A</b>	\$31.25
<b>Healthy Vision 12/0 A</b>	\$3.54

#### **Required Ancillary Products Subject to Computation:**

\$10,000 Group Term Life and Accidental Death and Dismemberment Insurance (\$5.25 per month)  
Long Term Disability, 60% of total salary and housing, 6 month waiting period. See computation below.

**Option B: Blue Cross PPO HSA 2000.0 PD**

This is a High Deductible Health Plan with a \$2000 individual deductible, or \$4,000 family deductible, coupled with a Health Saving Account. The power of this option is that the difference in the premium in the family coverage is enough to fully fund the HSA. If medical costs do not reach the level of the \$4,000 contribution to the HSA, that money belongs to you and continues to grow tax free.

<b>Healthy Benefits PPO HSA 2000.0 PD</b>				
<b>Member Age</b>	<b>Member Rate</b>		<b>Member Age</b>	<b>Member Rate</b>
0-18	\$208.48		43	\$445.54
19-20	\$208.48		44	\$458.67
21	\$328.33		45	\$474.10
22	\$328.33		46	\$492.49
23	\$328.33		47	\$513.16
24	\$328.33		48	\$536.80
25	\$329.63		49	\$560.12
26	\$336.21		50	\$586.38
27	\$344.10		51	\$612.33
28	\$356.88		52	\$640.89
29	\$367.40		53	\$669.78
30	\$372.65		54	\$700.97
31	\$380.52		55	\$732.17
32	\$388.40		56	\$795.98
33	\$393.33		57	\$800.12
34	\$398.59		58	\$836.56
35	\$401.21		59	\$854.63
36	\$403.84		60	\$891.06
37	\$406.46		61	\$922.59
38	\$409.10		62	\$943.28
39	\$414.35		63	\$969.21
40	\$419.60		64	\$984.98
41	\$427.48		65+	\$984.98
42	\$435.02			

A subscriber’s total rate can include a spouse, up to three dependent children under the age of 21 (if there are more than 3 qualifying dependents under the age of 21, they can be included on the policy at no additional charge), and any other enrolling dependents over the age of 21.

**Required Ancillary Products on both Options Subject to Computation:**

\$10,000 Group Term Life Insurance (\$5.25 per month)  
 Long Term Disability, 60% of total salary and housing, 6 month waiting period.

**In order to compute the cost of the Long Term Disability premium follow the steps below.**

1. Add all taxable income (salary, housing,)
2. Multiply that total by 60% to determine the maximum annual benefit
3. Example: 40,000 total salary x 60% = 24,000 max benefit /12 = 2,000 = monthly benefit
4. Multiply the total of all taxable income by .29 per hundred to determine the annual premium.
5. Example: (40,000/100) x .29 = (400 x .29) = 116.00; 116 /12 = 9.67 monthly premium.

***II. Dental and Vision coverage may be elected without the health plans. The Life Insurance and Long Term Disability Insurance are required in all group plans.***

***III. Voluntary Coverages Based on Minister/Employee Election.***

These premiums are to be paid on an after tax basis to avoid taxation of the benefits.

- A. Group Term Life and ADD Insurance in units of \$10,000 up to \$500,000 maximum. Spouse and children can also be added to this coverage.
- B. Short Term Disability with a two week waiting period and a 6 month coverage period.
- C. AFLAC and USABLE Company plans can be pretax except for the life and short term disability.