

BenefitNews

NEWS ABOUT THE MINISTRIES OF BROTHERS BENEFIT TRUST

SECOND QUARTER 2005

Brethren Medical Plan

HSA's and Blue Cross/Blue Shield on tap for 2006

Beginning Jan. 1, 2006, the Brethren Medical Plan will offer Health Savings Accounts (HSAs). This move is another step by the Brethren Benefit Trust Board to stabilize the Plan. Introducing HSAs was approved by the Church of the Brethren Benefit Trust Board in April, following its spring meeting in Elgin, Ill., and a follow-up day of discussion with denominational leaders in Richmond, Ind.

HSAs, which must be used in conjunction with high-deductible health plans, are a pre-tax way to set aside money for health-care related expenses. Unused funds in an account carry over from year to year and are not forfeited. When employment terminates, the employee keeps the account.

The Plan's HSAs will be used in conjunction with the national Blue Cross/Blue Shield medical provider network, which will replace all current Plan networks on Jan. 1, 2006. This move was finalized in early June in response to members' requests that the Brethren Medical Plan find networks with broader coverage.

The BBT Board approved two HSA plan designs — an option with a \$3,000 individual/\$6,000 family deductible and an option with a \$4,000 individual/\$8,000 family deductible. The Board also recommends a minimum annual employer contribution of \$500 for employees with individual healthcare coverage or \$1,000 for employees with family coverage. The traditional \$500 and \$1,000 deductible BMP plan designs will continue to be available.

In a related move, the Board during its April 16 meeting approved dropping prescription drugs from its Medicare Supplement Plan, effective Jan. 1, 2006. This decision was made because Medicare will offer a prescription drug plan. This change in plan design should provide premium savings within the Medicare Supplement Plan.

Among other actions, the Board —

- Authorized the purchase of a new computer system for the Brethren Pension Plan to streamline accounting for members' investments and to provide members online access to their Pension statements.
- Approved maintaining the interest assumption rate for "B" accounts in the Pension Plan at six percent from July 1, 2005, through June 30, 2006; this is the same rate that is currently in effect for the "B" accounts.
- Discussed how BBT might participate in offering property insurance to church members.
- Engaged New Amsterdam Partners of New York City to manage BBT's growth equity portfolios.



The Brethren Medical Plan will offer the national Blue Cross/Blue Shield network of medical providers, beginning on Jan. 1, 2006.

Annual Conference Events

Brethren Medical Plan to be the focus of much discussion at Annual Conference 2005

In addition to two insight sessions (see page two), this year's Annual Conference will feature three other Medical Plan-related events, brought on primarily by BBT due to the health insurance-related resolution it submitted to the Annual Conference Standing Committee in April. The schedule for these events is —

• Standing Committee

Standing Committee delegates are tentatively scheduled to discuss the proposed Brethren Medical Plan resolution on Friday, July 1, at 3 p.m., at the Peoria Civic Center, Rooms 220-221.

• Listening Session

A time for discussing issues related to the Plan by stakeholders and current and potential members will be held on Saturday, 9 p.m., at Pere Marquette Hotel, Cotillion Room.

• Annual Conference Business Item

The proposed Brethren Medical Plan resolution is tentatively scheduled to be discussed by Annual Conference delegates during the Monday morning business session. This event is dependent on the outcome of Friday's Standing Committee deliberations on the matter.

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BBT Events at Annual Conference 2005

Brethren Benefit Trust and Mutual Aid Association are joining together once again with a booth display and with the canvas BBT/MAA tote bags, which conferencegoers can pick up at the booth for free. Visit the BBT portion of the BBT/MAA exhibit area and –

- Open a new Credit Union account or a Christmas Club account and receive a free gift.
- Visit with Brethren Insurance Plan staff about the offering of the Blue Cross/Blue Shield network to the Brethren Medical Plan, Health Savings Accounts, or how new Medicare legislation might affect you.
- Meet with Marilyn Ziegler of the Brethren Pension Plan to project how much income your Pension Plan account would yield in retirement.
- Meet with Will Thomas of the Brethren Foundation to discuss gifting opportunities for individuals and asset management for congregations and agencies.
- Check your e-mail.

BBT will be presenting five insight sessions and co-presenting one insight session —

- **What will happen if we don't have a Brethren Medical Plan for Pastors?**
This session is for pastors only. Sunday afternoon, 12:30-1:30 p.m. – Civic Center, Room 200. Presented by Jeff Garber.
- **What Do We Do When a Gift Comes In?**
Sunday evening, 9-10 p.m. – Holiday Inn City Centre, Conference Room 4. Presented by Will Thomas.
- **Caring for One's Self**
Monday afternoon, 12:30-1:30 p.m. – Holiday Inn City Centre, Conference Room 4. This insight session is a joint presentation by BBT and ABC and will include panelists Mary Dulabaum, David Fouts, Nancy Garber, Ken Holderread, and Harry Rhodes.
- **Looking Retirement in the Eye?**
Tuesday morning, 7:30-8:30 a.m. – Holiday Inn City Centre, Conference Room 1. Presented by Will Thomas.
- **Should My Congregation Participate in the Brethren Medical Plan?**
Tuesday afternoon, 12:30-1:30 p.m. – Civic Center, Room 200. Presented by Jeff Garber.
- **Smart Steps for Dealing with Debt**
Tuesday afternoon, 12:30-1:30 p.m., Holiday Inn City Centre, Conference Room 3. Presented by Dennis Kingery.

BBT will also present or participate in a number of Annual Conference activities —

- **Credit Union dinner**
Join members and conferecegoers at the first Church of the Brethren Credit Union dinner to be held at Annual Conference. Eric Kabler, a financial adviser and BBT Board member, will speak on "Ten Personal Finance Tips for Brethren." This event will be held Saturday, July 2, at 5 p.m.
- **Fitness Challenge**
Join nearly 150 other Brethren for this annual 5K run/walk on Monday, 7:15 a.m. This year's event will be held in conjunction with the Peoria Jaycee's annual 5K Firecracker 5000 run/walk.
- **BBT's Business Report**
This annual report to Annual Conference delegates is scheduled for Tuesday, 9:45 a.m.
- **Memorial Tribute**
This year's time to honor Pension Plan members and/or their surviving spouses who passed away during the preceding year is scheduled for Tuesday morning, July 5, following BBT's business report.



Nevin Dulabaum



Nevin Dulabaum



Eric Thompson



Eric Thompson



Eric Thompson



Eric Thompson

Your personal financial portfolio and planned giving

If your household is like most in the United States, you contribute time, money, or both to one or more charitable causes. A reported 72 percent of U.S. households made at least one charitable contribution in 2002. For many, charitable giving is an important component of overall household financial planning.

Financial Planning

Maintaining control of household finances requires careful planning. If the planning is to be effective, though, it must include all major elements of household spending. Any financial plan will include various sources of income along with major categories of spending such as housing, food, clothing, and entertainment. If charitable intent is part of the household's goals, that should also be reflected in the overall financial outline.

According to *Giving USA*, individuals contributed \$179.4 billion to charities in 2002, the most recent year for which the data is available. Charitable giving represented 2.7 percent of household income for those making more than \$100,000 per year and about 4.2 percent of income for those earning less than \$25,000.

Including charitable giving along with food, insurance, and clothing is the best way for a family to be sure to meet all of its financial goals.

Charitable Giving possibilities

Opportunities for supporting charities are as varied as the individuals and charities themselves. Here are some of the primary methods in use today —

Direct support. From the church collection plate to volunteer activities, many people prefer to offer their support in the most direct

and immediate ways possible.

Bequest. Leaving something to charity in your will is one way to make sure that your charitable goals continue after your death. Gifts of property, cash, and appreciated securities are common in estate plans. While some choose to name a specific dollar amount, others prefer to leave a stated percentage of their estate to support organizations they supported in life.

Donor-advised fund. Over the last few years, these funds have grown dramatically, both in number and in the dollar amount committed to them. Contributions to a donor-advised fund (DAF) are deductible immediately by the donor, even if the funds are not sent on to charities until later. A DAF can help accumulate annual contributions into one large donation, with charitable deductions each year along the way. They can also split a single asset into multiple gifts or create a fund that family members can give away over many years, even beyond the original donor's lifetime.

Deferred Gifts. Charitable Gift Annuities, Charitable Trusts, and other formal deferred giving arrangements offer the donor current charitable deductions, lifetime income, and a final gift to one or more charities upon the donor's death. These instruments offer a variety of forms to fit the donor's charitable and financial goals.

An individual or household is better able to achieve charitable goals when the goals are fully described and incorporated into an overall financial plan. To learn more about deferred gift instruments that can be used for myriad gifting opportunities, go to www.brethrenbenefittrust.com/Foundation%20page/foundindex.html. — W.T.

What's new with the CoBCU

The Church of the Brethren Credit Union has a number of major new initiatives it is undertaking. Since the membership elected to expand the Credit Union's charter to all Brethren members and their families and to change its name to the Church of the Brethren Credit Union, the organization has been going through a transformation.

To date, almost all of the changes have been behind the scenes. This winter, though, the Credit Union plans to change its computer system to streamline daily operations and improve efficiency. This conversion is scheduled to take place Dec. 1, 2005. The Credit Union will need to be closed that day to accommodate the conversion process.

The software conversion opens the door to the Credit Union's next major initiative: online banking. The Credit Union plans to offer its members online access to their account information 24 hours a day, seven days a week. This access will not only allow members to view their accounts, but also to initiate transactions. With a membership across the country, online access will improve accessibility for all members.

The Credit Union is working on launching many new products such as home equity loans, money market accounts, GAP insurance, and mechanical breakdown insurance. Home equity loans are a preferred borrowing method. They offer great rates and can be especially beneficial for the member. Money market accounts will offer a higher rate of return on savings, without the term restrictions of Certificates of Deposit (CDs).

A final major initiative is spreading the word about its new expanded role within the Church of the Brethren. We are energized by the number of new members joining the Credit Union. We continue to invite others to join and enjoy the mutual benefits available to all members. — Dennis Kingery



ON-LINE
SERVICES
AHEAD



Kevin Dulbourn

Brethren Medical Plan District Advocates, along with national and district representatives, met in May 2005 to discuss Health Savings Accounts. HSAs, which will be offered to Medical Plan members in 2006 along with two traditional Plan options, provide tax and potential retirement savings benefits while striving to contain the ever-increasing cost of medical insurance. Also new in 2006, the Brethren Medical Plan will offer the Blue Cross/Blue Shield provider network nationwide.

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Reprinting of articles is encouraged with this credit — “Reprinted from the Second Quarter 2005 Benefit News.” To access article text electronically, go to www.brethrenbenefittrust.org/newsletters.

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