

# BenefitNews

NEWS ABOUT THE MINISTRIES OF BROTHERS BENEFIT TRUST

FOURTH QUARTER 2005

## Reader Feedback

## Your Opinion Counts — Let Us Know What You Think

### BBT consolidates *Benefit News* and *Insurance Update*

For the past five years, Brethren Benefit Trust has produced *Benefit News* and several other newsletters to provide news and information about BBT's ministries, to give a broad perspective on financial investing and money management, and to provide tips on physical, mental, and financial wellness.

Due to rising costs and some overlap in coverage, BBT staff in October decided to merge the *Insurance Update* newsletter content into *Benefit News*. After weighing the factors of paper and postage costs and economies of scale, the decision was made to increase *Benefit News* from a four- to a six-page publication.

Expanding the issue by two pages gives us maximum flexibility at minimal cost. Using the back page as the mailing page means we

save the cost and labor associated with envelopes. Expanding the page count by only two means our paper costs will not increase, because of the way the spreads are laid out on the printing press. It also will keep the publication under the weight that would increase postage.

Beyond the cost savings, this addition will allow for three to four pages of news and information articles. It will also enable staff to continue running a feature from *Benefit News* (on financial well-being) and from *Insurance Update* (on physical and mental well-being).



#### Let us know what you think

*Benefit News* is the publication from Brethren Benefit Trust that gives

*Continued on Page 4*

## Staff News

### BBT implements several structural changes

In October, Brethren Benefit Trust announced three structural changes as the agency strives to improve the way it serves its members and clients.

Effective Jan. 3, 2006, the Pension Plan and Employee Financial Services will be combined with the Insurance Plans into one department — Employee Benefit Plans. **Jeff Garber** will become the director

of this department. Jeff's responsibilities will include management of the Pension Plan and Employee Financial Services operations. Other responsibilities and staffing in this new department will include —

- **Donna March**, Manager of Insurance Operations.
- **Lori Domich**, Member Services, Insurance.
- **Peggy Bruell**, Member Services, Pension Plan and Employee Financial Services.

“By combining all of the benefit programs into one department, we gain economies through better use of our employees' time and

*Continued on Page 5*

## Staff Contacts

**President:** Wilfred Nolen

**Publisher:** Nevin Dulabaum

**Managing Editor:** Lauryn Klotzbach

**Contributing Editor:** Will Thomas

*Benefit News* is published by Brethren Benefit Trust, an agency of the Church of the Brethren that provides insurance and pension benefits; employee financial services; credit union, investment, asset management, and deferred gifts services; and information technology services on behalf of the denomination and the wider church.

#### Address corrections and editorial suggestions:

Send to *Benefit News*, Brethren Benefit Trust, 1505 Dundee Ave., Elgin, IL 60120. Call 800-746-1505, ext. 374. Or send e-mail to [newsletters\\_bbt@brethren.org](mailto:newsletters_bbt@brethren.org).



(From left to right) Veronica Aragon, Darryl Deardorff, Donna March, Jeff Garber, Peggy Bruell, Eric Thompson, Lori Domich, Nevin Dulabaum, and Laura Nedli.

## Your personal financial portfolio and identity theft

In a nondescript room under the control tower at Chicago's O'Hare International Airport sit scores of laptop computers left behind by passengers who, for some reason, forgot to retrieve their hardware after going through the security screening.

The people whose laptops reside in this room are lucky.

For those who have a laptop stolen at O'Hare or anywhere, or any personal effect that contains personal identity information such as a purse, wallet, or checkbook, the results can be devastating. Armed with social security, credit card, or bank account numbers, which can also be obtained by rummaging through garbage cans, identity thieves can use personal information to wreak havoc on your life. They can open charge accounts or take out loans in your name. They can alter your mailing address so that bills are sent to the wrong location, making it impossible for you to know that your identity has been stolen until delinquent notices appear on your credit ratings. Thieves can also use your stolen identity to commit other crimes.

Federal Trade Commission chairwoman Deborah Platt Majoras in March told the U.S. Senate Committee on Banking, Housing, and Urban Affairs that a 2003 FTC survey "showed that over a one-

year period, nearly 10 million people – or 4.6 percent of the adult population – had discovered that they were victims of some form of identity theft."

According to a different survey, conducted in 2004 by Identity Theft Resource Center, 66 percent of the victims reported that their personal information had been used to open a new credit account. Twenty-eight percent reported the purchase of cell phone service. More than one-third of the respondents said that thieves had committed check account fraud.

### Monitor your credit report

The best way to determine whether your identity is being used for malicious purposes is by monitoring your credit report.

There are three companies from which you can obtain your credit report – Equifax, Experian, and TransUnion. To obtain one free basic credit report per year from each of these companies, go to [www.annualcreditreport.com](http://www.annualcreditreport.com) or call **877-322-8228**.

### If you are an identity theft victim

According to the FTC, there are four steps

you should take if you believe your identity has been stolen —

First, place fraud alerts on your credit reports and review your credit reports.

Each of the credit score companies has a toll-free fraud line – Equifax (**800-525-6285**), Experian (**888-397-3742**), and TransUnion (**800-680-7289**). Once a fraud report is filed with one of these firms, the information will automatically be sent to the other two firms. You then are also entitled to order free copies of your credit reports.

Second, all accounts that are known or believed to be tampered with should be closed. Notify banks and credit card companies in writing, sending such notices by certified mail with return receipts requested. Keep a file of all correspondence and enclosures.

Third, file a report with your local police or the police in the community where the theft took place.

Fourth, file a complaint with the Federal Trade Commission.

For more information or for a number of related resources, go to the FTC's identity theft website at [www.consumer.gov/idtheft/index.html](http://www.consumer.gov/idtheft/index.html). — N.D.



## Don't let your 2005 flexible spending account dollars get away from you

For Brethren Medical Plan members who take advantage of the flexible spending accounts for either medical reimbursement or dependent care costs through Brethren FlexCare, please note that you must spend the remainder of the money in your flexible spending account(s) by Dec. 31.

If you have an outstanding balance, you recently received notice indicating how much is left in your account. While you have until March 31 to submit your account withdrawal forms and receipts to BBT for reimbursement, the actual expenditures must take place before the end of this calendar year. That means any purchases or visits to

providers must be completed prior to the new year. Otherwise you risk losing the balance of money left in your account.

Withdrawal forms were included in your enrollment packet. If you need additional forms, you can either call Lori at **800-746-1505** or download the form from BBT's Web site. In addition to these forms, the Eligible Expense form for Medical Reimbursement Accounts is also available online. Go to [www.brethrenbenefit-trust.org](http://www.brethrenbenefit-trust.org) and click on "Forms" and then "Insurance."



Brethren FlexCare

## ABC's wellness program for church members

LIGHTEN UP!  
BRETHREN!



The Association of Brethren Caregivers (ABC), in partnership with Brethren Benefit Trust and the Church of the Brethren General Board, invites all church members to participate in "Lighten up, Brethren!" a campaign focused on personal wellness.

Although statistics indicate that obesity is far too common among adults, this ministry is not geared just to weight loss. Rather, it provides an opportunity for individuals or groups to decide which element of their own lives they want to address, to set goals, and to celebrate progress.

ABC's board of directors has decided as a group on a weight-loss goal. Congregations have also made group goals for losing weight and have set timelines for making their achievement. Some churches have even kicked off their efforts with a healthy-dish potluck dinner.

Lifestyle choices may also be part of a "Lighten up, Brethren!" plan. Becoming more physically active, achieving a better balance between work and personal time, or improving one's general level of fitness might be the most appropriate place to begin. The key is for each individual or each group to choose a goal that meets their needs.

Recognizing the unity of mind, body, and spirit, "Lighten up, Brethren!" encourages Brethren to take charge of their own overall wellness. Set goals that are achievable. Celebrate accomplishments. Enjoy a sim-

pler life. Enjoy having more energy to get through the day.

ABC has created a weekly e-mail listserve to encourage and support those who have registered. To sign up, go to [www.brethren.org/abc/health/lighten.html](http://www.brethren.org/abc/health/lighten.html) and click on the link at the bottom of the page. The linked page is also the address to read prior postings or to post a message to the list.

More than 30 percent of adults in the U.S. are obese; almost two-thirds of adults are overweight. These figures come from the 1999-2000 National Health and Nutrition Examination Survey (find a fact sheet at <http://win.niddk.nih.gov/statistics/index.htm>). Overweight and obese adults are at increased risk for a variety of health problems, including diabetes, stroke, heart disease, and hypertension, among others.

### Metabolic Syndrome

Many adults and children who are overweight or obese experience a cluster of conditions known as metabolic syndrome or Syndrome X, which puts the individual at increased risk for several life-threatening chronic conditions.

The most widely accepted guidelines for diagnosing metabolic syndrome include experiencing at least three of the following —

- Abdominal obesity (a large waist).
- High blood levels of fats and "bad" cholesterol.
- Low blood levels of "good" cholesterol.
- High blood pressure.
- High blood levels of glucose.

Individuals with metabolic syndrome, which includes an estimated 50 million Americans, are at increased risk for atherosclerotic cardiovascular disease and Type 2 diabetes. The majority of those with the syndrome have not been



diagnosed and are thus unaware of the risk.

Physical inactivity, aging, genetic predisposition, and a diet rich in saturated fat and cholesterol are either associated with developing the condition or with increasing the risk of heart disease among those with metabolic syndrome. The most obvious indicator, though, is the one hanging over one's belt. A waist measurement in excess of 40 inches for a man or 35 inches for a woman is a high-risk factor for developing diabetes.

Fortunately, the best way to avoid or to control metabolic syndrome is to increase physical activity and reduce the prevalence of refined carbohydrates in the diet. Even moderate changes can produce a dramatic reduction in risk. Walking just 20-30 minutes per day, for example, can be enough to help prevent the development of diabetes. For an

obese individual, even losing a few pounds can improve cholesterol and glucose levels.

The Cleveland Clinic offers several resources for understanding and treating metabolic syndrome. A simple search for "metabolic syndrome" at [www.cleveland-clinic.org/health/search](http://www.cleveland-clinic.org/health/search) will find them.

Understanding the risks of being overweight or out of shape is an important first step toward changing the behaviors that put one at risk. Having a supportive group and good strategies like "Lighten up, Brethren!" might provide enough incentive to get started. — W.T.

This column provides a roundup of resources, tips, and reflections for a healthy heart, mind, and soul. Do you have a health tip or a heart-healthy dish to share? How about a reflection on faith and fitness? Send your ideas to *Benefit News*, Brethren Benefit Trust, 1505 Dundee Ave., Elgin, IL 60120. Or send e-mail to [newsletters\\_bbt@brethren.org](mailto:newsletters_bbt@brethren.org).

## CoBCU publishes brochure series on IRAs and ESAs

If you are like most people, learning about Individual Retirement Accounts (IRAs) is not something you get excited about. However, saving for retirement is critically important. To help its members better understand their retirement saving choices, the Church of the Brethren Credit Union has produced five new brochures explaining the unique benefits of, and differences among, Traditional IRAs, Roth IRAs, and Coverdell Education Savings Accounts (ESAs). These brochures are available at the Credit Union and also online. Go to [www.cobcu.org](http://www.cobcu.org) and click on "IRAs and ESAs."

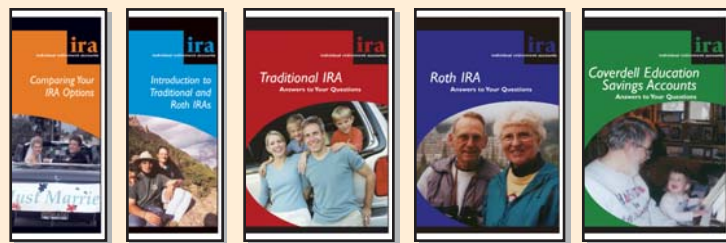
In the meantime, try to curb your enthusiasm as we give you a brief summary of the different types of IRAs —

### Traditional IRAs

Traditional IRAs are primarily used for retirement savings. Anyone under the age of 70½ who has income (or who is filing jointly with a spouse who earns income) can contribute to a traditional IRA. In 2005, individuals are allowed to contribute up to \$4,000 (\$4,500 if 50 or older). Contributions may be tax deductible depending on your income level and whether you are active in an employer-sponsored pension plan. In addition, earnings grow tax-deferred until withdrawn. Withdrawals may be made, penalty free, for qualified higher education expenses, a first-time home purchase, and for certain other qualified expenses. Individuals may also begin making withdrawals at age 59½; they are required to begin making minimum withdrawals by age 70½. Individuals have until April 17, 2006, to make their 2005 tax-deductible deposits in a Traditional IRA.

### Roth IRAs

Roth IRAs have rules similar to those for traditional IRAs with a few major exceptions. Anyone with income can contribute to a Roth IRA; there are no age limits as with traditional IRAs. The maximum contribution limits are also the same as traditional IRAs, although



they may be reduced for higher income earners. One major difference with the Roth IRA is that its contributions are not tax deductible. The earnings from Roth IRAs can be tax-free, however, if the IRA is open for at least five years and the funds are withdrawn for a qualified purpose. Qualified purposes include disability, death, a first-time home purchase, or being at least age 59½. Unlike the traditional IRA, you are never required to make withdrawals. Your entire Roth IRA can be passed on tax-free upon your death.

### Coverdell ESAs (formally called Education IRAs)

A Coverdell ESA serves as an education savings tool and can be established for any child under the age of 18. The maximum contribution for a Coverdell ESA is \$2,000 per child per year and can be from anyone who has income — whether it is from the child, parents, or grandparents. Like a Roth IRA, Coverdell ESA contributions are not tax deductible. Earnings may be tax-free, however, if withdrawals are for qualified education expenses such as tuition, fees, books, and computer equipment. Coverdell ESA funds can even be used for primary and secondary education expenses.

IRA investments are transferable from one financial institution to another so you are never locked into a particular financial institution. IRAs are available from most financial institutions, including the Church of the Brethren Credit Union. Call **888-832-1383** for more information. — Dennis Kingery

## Reader Feedback

"We want to hear from you" Continued from Page 1

the most complete and up-to-date news and information about BBT's ministries, which include Brethren Insurance Plans, the Brethren Pension Plan, Church Workers' Assistance Plan, Employee Financial Services, the Brethren Foundation, and Church of the Brethren Credit Union.

But does this resource meet your needs? I would like to know which sections of the newsletter you find useful. I would like to know if there is additional information that you would like to see us

provide. Would you rather receive the publication electronically as an e-mail or as an attached file? Would you rather read this publication online? Other suggestions?

I encourage you to take a careful look at this publication. Read the articles and analyze the content. And then let me know what you think. Write to me at [ndulabaum\\_bbt@brethren.org](mailto:ndulabaum_bbt@brethren.org) or at 1505 Dundee Ave., Elgin, IL 60120.

I look forward to hearing from you. — Nevin Dulabaum, Publisher

## Tax news for 2005 and 2006 planning

Although tax planning does not top the list of fourth-quarter chores for most individuals, it does pay – sometimes literally – to know how tax laws are changing and how best to take advantage of them. Several provisions are new for 2005; others will take effect for 2006. Some highlights —

### For 2005

- **Qualifying child definition** — For earlier tax years, there were multiple definitions of a “qualifying child” for purposes such as calculating the earned income credit, determining head-of-household filing status, qualifying for the child tax credit, and taking the dependency exemption. Tax returns for 2005, however, will follow one consistent definition that applies four tests – relationship, residency, age, and support.
- **Charitable contributions of cars** — Beginning in 2005, the deduction allowed for donating a car or boat to charity is limited to the amount received by the organization when it sells the vehicle. This applies if the organization sells the car without making significant use of it or making improvements. When the vehicle is used or improved before being sold, the donor can typically deduct the full market value. In any case, the donor must receive an acknowledgement from the charity. Without the acknowledgement, the donor cannot take a charitable deduction.
- **Several beneficial increases** — The personal exemption increased to \$3,200 for taxpayers with incomes below the limits. The benefit begins to decline for single taxpayers with income greater than \$145,950; for married taxpayers filing a joint return, the phaseout begins at \$218,950. Most taxpayers who do not itemize deductions will see an increase in the standard deduction as well. Finally, the mileage rates for business use, charitable use, medical trips, and moves are higher for 2005.
- **KETRA** — The Katrina Emergency Tax Relief Act offers several notable benefits. In addition to those specifically targeted to recovery from the hurricane, there are provisions that apply to everyone. The most significant change allows individuals who make cash donations to public charities to deduct an amount equal to their adjusted gross income (AGI). Generally, the limit for deductions is 50 percent of AGI. This change does not apply to contributions to donor-advised funds. It may, however, make it possible to take a large distribution from an IRA, or to sell securities, make a contribution to a public charity, and deduct the full amount in the current year. This might reduce overall taxes and increase the amount available for charity. The requirements, which apply to donations between Aug. 28 and Dec. 31, are complicated. Individuals should consult with their tax advisers before attempting to take advantage of this change.

- **College Tuition deduction** — This deduction is only available for 2004 and 2005 tax years.
- **Deduction for educators** — Through 2005, primary and secondary level educators can deduct up to \$250 for supplies they purchase. This deduction, too, is scheduled to expire at the end of 2005.



### For 2006

- **Retirement Fund contribution limits** — Maximum contributions by employees to 401(k) and 403(b) plans will increase to \$15,000 in 2006. There are additional catch-up provisions available to taxpayers who will be at least 50 years old by the end of 2006. — W.T.

## Staff News

“Structural changes” Continued from Page 1

skills,” said Wil Nolen, president. “We also will have the benefit of a staff totaling more than 60 years of benefits experience, which will undergird all of our benefit plans.”

The second change was to move Information Services management and oversight from the Communications Department to the Financial Operations Department. **Laura Nedli** is the director of this combined department and will continue to report to **Darryl Deardorff**, Chief Financial Officer. **Eric Thompson**, Network Administrator, has moved to this department and reports to Laura. **Veronica Aragon** has assumed increased responsibilities as system specialist supporting the systems of several BBT programs.

“Combining Information Systems with financial operations makes it easier to integrate all of our systems with the Finance department, thus generating better internal controls,” Nolen said.

Based on feedback received by BBT Board members, the Communications Team will soon begin implementing a new plan that calls for increased time and focus on marketing, which is a prominent priority in BBT’s current strategic plan. **Nevin Dulabaum** will continue to serve as Director of the Communications Department.

“The shift of Information Services out of Communications will free Communications staff to focus on promotion and to generate new alliances with individuals and groups to participate in BBT’s financial ministries,” Nolen added.

Both Garber and Dulabaum will continue to serve on the BBT management team with Nolen and Deardorff. — N.D.

## AC study committee on Insurance Plans

The Brethren Medical Plan Study Committee met for an organizational meeting in Elgin, Ill., on Sept. 11-12. The committee was elected at the 2005 Annual Conference to review the Brethren Medical Plan and respond with recommendations regarding the denomination's participation in the plan.



Nevin Duldourn

The study committee comprises James Gible of Atlantic Northeast District, Willie Hisey Pierson of Illinois and Wisconsin District, Brian Markle of Southern Pennsylvania District, and Donna Shumate of Southeastern District. The committee called Shumate as chair and Pierson as recorder.

The Annual Conference resolution charged the committee with evaluating the Brethren Medical Plan and assessing the continuing need for and feasibility of such a denominational medical insurance plan. A full copy of the resolution is available at [www.brethren.org/ac/medicalplan.html](http://www.brethren.org/ac/medicalplan.html). The committee has been asked to bring recommendations to the 2006 Annual Conference in Des Moines, Iowa.

The committee began its work by meeting with BBT's Wil Nolen, Jeff Garber, and Donna March to gather facts relating to all aspects of the current plan. The committee plans to meet with representatives of other agencies and districts in the near future. The committee also welcomes comments from individuals and congregations at [annualconference@brethren.org](mailto:annualconference@brethren.org).

### In This Issue

- **Staff News**  
BBT implements several structural changes.
- **Your Money**  
Your personal financial portfolio and identity theft.
- **Brethren FlexCare**  
Use or lose your account balance.
- **Credit Union**  
New IRA/ESA brochures coming.
- **Tax Law Changes**  
Tax news for 2005 and 2006 planning.

Reprinting of articles is encouraged with this credit — "Reprinted from the Fourth Quarter 2005 *Benefit News*." To access article text electronically, go to [www.brethrenbenefittrust.org/newsletters](http://www.brethrenbenefittrust.org/newsletters).

"Lighten Up, Brethren!" Inside

800-746-1505  
847-695-0200  
Fax 847-742-0135

[www.brethrenbenefittrust.org](http://www.brethrenbenefittrust.org)

1505 Dundee Avenue  
Elgin, IL 60120

CHURCH OF THE BRETHERN  
BENEFIT TRUST



FIRST CLASS  
U.S. POSTAGE  
PAID  
ROCKFORD, IL  
PERMIT NO. 4454