

Oct. 2: **Interfaith Center on Corporate Responsibility Annual Fall Event, New York City.** Will Thomas will represent BBT and will chair the board meeting following the event. (See article on page 1)

Oct. 7-9: **Congregational Employee Plan participating plans meeting, Syracuse, Ind.** Jeff Garber, Donna March, and Wil Nolen will attend this meeting being hosted by Mennonite Mutual Aid. The meeting will bring together the denominational administrators of all the groups participating in CEP.

Nov. 21-22: **Brethren Benefit Trust Board meeting, McPherson, Kan.** Current Pension and Insurance Plan members and Foundation clients are invited to join the business session at the morning break and stay through lunch on Friday, Nov. 21. If interested in attending, contact Susan Brandenbusch at 800-746-1505 or sbrandenbusch_bbt@brethren.org.

How are we doing?

The editorial staff of *Benefit News* welcomes input from our readers. Please let us know how we are doing regarding the following —

- Variety of content
- Timeliness of information
- Helpfulness of information
- Frequency of publication
- Overall look

Please call us with your comments at 800-746-1505, ext. 374 or e-mail us at newsletters_bbt@brethren.org.



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Inside: BBT's Will Thomas assumes role as ICCR Governing Board chair

Benefit News

NEWS ABOUT THE MINISTRIES OF BRETHERN BENEFIT TRUST

SEPTEMBER 2003

Investment News

Thomas anticipates new role as chair of ICCR board Work goes hand-in-hand with BBT's socially responsible investing

When BBT's Will Thomas attends the Annual Fall Event of the Interfaith Center on Corporate Responsibility (ICCR) in New York City in October, he will be wearing a new hat. After attending the fall fundraising event for the past two years as a representative of BBT, this year he will be attending as chair of the ICCR governing board.

The board, which gathers for three regularly scheduled meetings each year and convenes by telephone other times as needed, will gather following the annual event for the first time since this summer's election of officers. In addition to conducting the board meeting, Thomas will set the agenda, taking into consideration the tasks the members want to have addressed.

Sister Patricia Wolf, executive director of ICCR, was not surprised that Thomas was elected chair after only one year on the board. His active participation prior to becoming a board member, she explained, was a testimony to his leadership.

"Will brings numerous strengths to the position of board chair," said Wolf. "He brings commitment to the mission of ICCR and socially responsible investing (SRI), which is faith-based investors using the power of investments for the benefit of people. He also brings organizational strength through his financial and technological expertise. And he has a wonderful temperament. Will is very responsive and attentive

to the needs of the organization."

Thomas' election as chair of the 15-member board comes at a time when ICCR is implementing a new structure for its work with corporations.

"One of the first tasks the board faces is to complete the development of the new structure," said Thomas. "We need to see that it is fully implemented and functioning properly, with staff having the resources and support they need."

In the new structure, the work that was previously done through six issue groups is now being done through the following nine working groups —

Access to Health Care; Contract Supplier System; Corporate Governance; Enabling Access to Capital; Environmental Justice;

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BBT's Will Thomas (right) and Margaret Cowden, previous ICCR board chair, meet with other ICCR board members during the 2002 annual fall meeting.

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Pension Plan

Time for ministers to figure their housing allowance

This is the time for pastors who claim part of their income as housing allowance to be reviewing their 2003 projections while also making projections for 2004.

Ministers do not pay federal income tax on the amount of their compensation that is designated as a housing allowance, even though it is taxable for social security purposes. But there are limits to the housing allowance exclusion. The exclusion is subject to the



lesser of three limits — the fair rental value of the minister's home (furnished plus utilities), the actual documented housing expenses, or the stated housing allowance as recorded in the church minutes.

The housing allowance portion of the Internal Revenue Service Code was under scrutiny during the last few years. In 2000, the Warren v. Commissioner of Internal Revenue case called into question the use of fair rental value as part of the housing allowance limitations. The case went through tax court and into the Ninth Circuit Court of Appeals and appeared to be on its way to the Supreme Court before it was stopped by the passage of the Clergy Housing Allowance Clarification Act of 2002. The passage of this act reinstated the fair rental value clause that was removed due to the Warren case.

A housing allowance is always prospective, not retroactive, meaning the allowance is always stated in

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Medical insurance rates to be available in late October

Insurance enrollment packets will be mailed in late October to churches and other employers who are currently carrying medical coverage through the Brethren Medical Plan. Included in the packet will be the 2004 medical insurance rates. Rate quotes cannot be made for current participants before that time. Those not currently participating in the Brethren Medical plan may join during the open enrollment period (see below).

Several components are involved when calculating the renewal rates. Medical trend (inflation) is the most readily identifiable and is currently running close to 20 percent. Claims experience is the more potentially volatile component. The renewal rates will take into account claims experience of the Brethren Medical Plan for claims under \$10,000 and will include large claims exceeding \$10,000 from all denominations that participate with us in the Congregational Employee Plan (CEP). Unfortunately, claims costs through July are higher than expected. This will undoubtedly lead to an increase significantly higher than the 20-percent trend. Please bear this in mind as you do your budget planning.

Open Enrollment

An open enrollment period for active employees wishing to enroll in the Brethren Insurance Plans will take place beginning in



November, for coverage effective Jan. 1, 2004. Insurance products being offered for open enrollment are medical, dental, vision, and flexible spending accounts.

Employers wishing to enroll in the Medical Plan need to obtain a premium rate quote. Those congregations and other employers not currently participating in the Medical Plan may request a quote after October 13. Quote request forms are available by calling the insurance office at **800-746-1505** or by visiting the BBT Web site at www.brethrenbenefittrust.org. Click on "Insurance Services" then scroll down and click on "Request for Insurance Quote."

Unbundling of Insurance products for the Ministers Group

Beginning Jan. 1, 2004, participation in the Brethren Insurance Plans will no longer be packaged together, meaning Plan members will be able to participate in one or more of BBT's Medical, Life, and Long-term disability insurance plans without participating in all of them.

Individuals who are eligible to participate in these plans may now enroll, bearing in mind that those newly entering the Life Insurance Plan will be required to provide proof of insurability. Those choosing to join the Medical and/or Long-term disability plans can do so without proof of insurability during the open enrollment period. — Jeff Garber

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Global Warming; Promoting Human Rights; Violence and Militarization of Society; and Water and Food. Each working group has staff time allocated in addition to ICCR member time.

Rather than working through legislative channels to initiate change, ICCR members identify issues related to corporate social responsibility and address them through shareholder advocacy. For shareholder advocacy efforts, ICCR sometimes partners with other organizations such as the Coalition for Environmentally Responsible Economies and the Union of Concerned Scientists, combining scientific and legislative expertise with ICCR's shareholder strategies.

ICCR is run by four program staff and 10 support staff, all headquartered in New York

City. ICCR is a not-for-profit organization and depends upon membership fees, donations, and grants to fund its work. The Annual Fall Event brings in much-needed funds while giving members the opportunity to meet and work with one another.

Thomas' work with the ICCR board goes hand-in-hand with his role in overseeing BBT's SRI strategy. In response to his election as board chair, BBT management adjusted Thomas' workload to allow more time for his SRI work.

"I'm very pleased with BBT's response," said Thomas. "They have stepped up to assume some of the responsibility on behalf of the board in order to see that those joint responsibilities get done."

The Church of the Brethren's involvement in ICCR dates back to the early 1970s. For a brief period in the late 1990s Brethren membership in ICCR was discontinued. In the fall of 2000 BBT became a member to strengthen the shareholder advocacy component of its overall SRI efforts.

"We are delighted that the Church of the Brethren is active in ICCR," said Wolf. "With its commitment to peace and the care of all creation, the church makes a valuable contribution. Will's commitment and sensitivity to issues that endanger people, along with his gentleness, embody the spirit of the Church of the Brethren."

For more information on ICCR, visit www.iccr.org. — N.M.

Annual Conference helps Brethren Pension Plan celebrate 60 years

The unlikely presence of noisemakers brought a party-like atmosphere to the 2003 Church of the Brethren Annual Conference in Boise, Idaho, as conference participants helped to celebrate the Brethren Pension Plan's 60th anniversary during the BBT report to the delegate body.

The video report blended images of candles on a birthday cake with photos and narrative representative of BBT's 60 years of ministry, including a number of vignettes of Pension Plan members sharing what they enjoy about retirement. At the conclusion of the report, BBT President Wil Nolen led conferencegoers in a rousing chorus of "Happy Birthday to You," after which the arena erupted with the sound of party horns and laughter.

In a separate report, BBT joined with the other official Annual Conference agencies to present "Journey of Hope," the denominational live report. BBT's segment of the report told of the Community Development Investment Fund, one component of BBT's socially responsible investing strategy. Highlighting the work



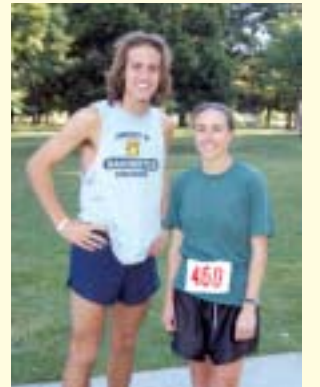
Conference delegates joined in the celebration with noisemakers as the Brethren Pension Plan celebrated its 60th anniversary.

of Chicago's ShoreBank and The Resurrection Project, the report showed that while BBT's investment strategies work for "just us," offering excellent returns on investments for clients and plan members, they also work for "justice," bringing social change to communities in need.

The annual 5K Fitness Challenge once again brought record-

breaking participation. Eighty-nine participants ran or walked the course along the Boise River.

Dick Pogue and Fred Bernhard were elected as Board chair and vice-chair, respectively, when the BBT Board reorganized during the week. Conference delegates elected Eric Kabler and affirmed the appointment of Janice Bratton by the BBT Board and Brenda Reish, who was elected by plan members, all to four-year terms. Recognized for completing their terms of service were out-going Board chair Ann Quay Davis; out-going vice-chair Ray Donadio; and Melvin Wampler. — N.M. (Photos by Nevin Dulabaum)



Fitness Challenge top male and female runners, pictured above, were Aaron Lahman of Glendale, Ariz., and Jamie Spence of Valparaiso, Ind. Finishing first in the walking categories were Bev Anspaugh of Mount Joy, Pa., and Dave Fouts of Maysville, W.Va.

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advance of the coming year. The 2003 housing allowance should have been declared in late 2002. Therefore, now is the time to make a

Circumstances that may cause you to adjust your housing allowance —

- Purchase of a new home
- Sale of an existing home
- Significant increase in minister's salary
- Unexpected home repairs
- Purchase of new furniture or appliances

review of your housing allowance to see if it is in line with what was projected in early 2003. It is also time to make projections for 2004.

As an example, let's assume it is the end of August 2003 and you have an allowance of \$1,000 per month — \$12,000 per year — for 2003 for your current housing allowance needs. However, you have just found out that you need to replace your roof at the cost of \$4,000. You may request that your church increase your housing allowance to \$16,000 for 2003, keeping in mind that the additional \$4,000 is available for use from August to December 2003 only, not for any missed expenses prior to August 2003.

If you have questions regarding your housing allowance, please contact the pension office at **800-746-1505**. — Don Fecher

Editor's note: Don Fecher is available to lead a workshop titled "The Pastoral Package," which explains pastoral compensation, housing, taxes, and benefits. Call the Pension office to schedule this workshop.