

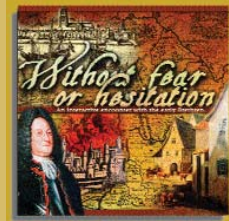
**April 20-21: Brethren Benefit Trust Board meeting, Elgin, Ill.** Meetings will be held at the Church of the Brethren General Offices. The schedule includes an employee recognition banquet.

**May 11: Atlantic Northeast District Board meeting, Lancaster, Pa.** BBT staff Jeff Garber and Wil Nolen will meet with the district board and area ministers on proposed changes to the Brethren Medical Plan.

**May 16: Tricon Global Restaurants stockholders' meeting, Louisville, Ky.** Will Thomas will present a resolution filed by BBT to make all Tricon corporate restaurants smoke-free.

**July 1: Fitness Challenge at Annual Conference, Louisville, Ky.** Co-sponsored by Brethren Benefit Trust and Mutual Aid Association. 5K race for runners and walkers. For a registration form, contact Susan Brandenbusch at [sbrandenbusch\\_bbt@brethren.org](mailto:sbrandenbusch_bbt@brethren.org) or 800-746-1505, ext. 393.

*Without Fear or Hesitation*, the interactive CD-ROM detailing the formation of the Church of the Brethren, is now available from Brethren Press. A joint project of eMountain Communications and Brethren Press, the CD-ROM combines photography, narration, and user-driven interfaces to walk the user through through the years of 1689 to 1736. To order online, visit [www.BrethrenPress.com](http://www.BrethrenPress.com). Or call 800-441-3712.



**In This Issue**

- **Medical Plan explores change**  
Insurance staff are beginning the process of moving toward a partially self-funded insurance plan.
- **Pension and investments**  
Examining Enron's collapse and how it may have impacted Pension Plan members and Foundation clients.
- **Charitable Gift Fund**  
Frequently asked questions regarding this tool for charitable giving.
- **Web helps**  
Tips for establishing and maintaining a dynamic Web presence.

Reprinting of articles is encouraged with this credit: "Reprinted from the April 2002 *Benefit News*." To access article text electronically, go to [www.brethrenbenefittrust.org/newsletters](http://www.brethrenbenefittrust.org/newsletters).

*Inside: BBT considers partially self-funded medical plan.*

# Benefit News

NEWS ABOUT THE MINISTRIES OF BRETHERN BENEFIT TRUST APRIL 2002

**Insurance Plans**

## BBT Board to consider partially self-funded medical plan

Changes appear to be on their way for members of the Brethren Medical Plan. If approved by the Brethren Benefit Trust Board, the Brethren Medical Plan on Jan. 1, 2003, will become partially self-funded with a new insurance carrier for all members.

While the plan will contain many new components, one driving force behind the change is the increasingly high cost of medical insurance. "We also expect better service from the carrier, which is another consideration that is important to our members," said Jeff Garber, director of Brethren Insurance Plans. "This new plan has the potential of doing a great job at meeting BBT's diverse insurance needs. However, it will modify the mutuality that has long been a cornerstone of the Brethren Medical Plan."

Plan members will now be rated based on age and geography. This means that the mutuality concept, where everyone pays the same premium regardless of these two factors, will be gone denominationally. However, it won't disappear organizationally. All members of an employer group will be individually rated and then averaged to establish a single rate for that group. For members of the Ministers' Plan, a "group" will be an individual congregation. Each church agency will be its own group.

Three benefit options are expected to be offered to each employer

group. Each option will provide a different range of benefits, from deductibles to out-of-pocket limits. A Preferred Provider Option will be available for many plan members.

"We hope that one or more of these options will be less costly than what we currently offer," Garber said.

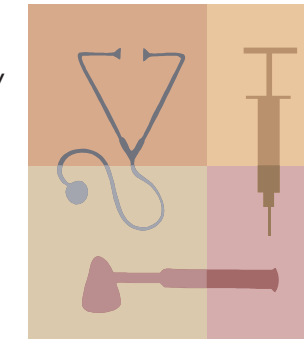
Retirees are expected to have one benefit option.

An open enrollment period will be held this fall, where any qualified agency and every Church of the Brethren congregation can enroll in this new plan regardless of the health or medical history of their employees. Congregations that do not currently have eligible employees but may wish to participate at a later time should apply during this open enrollment period to avoid the underwriting process.

Congregations and agencies that wish to join this new plan are required to have 75 percent of their eligible employees participate and must pay at least 50 percent of the premium; eligible employees who have health insurance from their spouse's employment are not included in this calculation.

This new ministry will be a part of the Congregational Employee Plan, sponsored by Mennonite Mutual Aid. It

*Continued on Page 2*



**Pension Plan**

## Pension Plan guarantees highest assumption rate

The Church of the Brethren Pension Plan continues to be a leader in church pension plans with regard to interest rate assumptions used to calculate annuities. The Brethren Pension Plan guarantees an eight-percent return on investments during retirement, the highest rate of the church agencies reporting to the Church Benefits Association.

What does this mean for Brethren Pension Plan members? An assumption rate guarantees that your pre-retirement accumulations continue to earn for you in retirement. The higher the rate, the better the payout. At

	With 4% guarantee**	With 8% guarantee**
Account Balance	\$100,000	\$100,000
Age	60	60
Life expectancy*	77 years, one month	77 years, one month
Monthly payment	\$543	\$788

\*Based on the 2000 Individual Annuity Mortality Table  
\*\*Interest is compounded annually.

retirement, the member's monthly annuity is calculated based on the amount in the member's account, their choice of survivor option, their life expectancy, and eight percent interest earned annually for their life expectancy.

In 2001, 30 of the Church Benefits agencies, representing total pension membership of 467,188, reported guaranteed assumption rates. Of these, only seven — including the Brethren Pension Plan — guaranteed eight percent. Other denominations reported rates ranging from four to 7½ percent. — N.M.

*This table compares projected annuity incomes with rate assumptions of 4% and 8%.*

**Staff Contacts**

- President: Wilfred Nolen
- Publisher: Nevin Dulabaum
- Managing Editor: Nancy Miner
- Contributing Editor: Loyce Swartz Borgmann

*Benefit News* is published quarterly by Brethren Benefit Trust, an agency of the Church of the Brethren that provides insurance and pension benefits; employee financial services; 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).

## Protecting retirement assets in uncertain times Brethren Pension Plan not at risk of Enron-like losses

In the months following the collapse of Enron, the reports of stock losses, particularly in the company's 401(k) plan, have caused pension plan members to wonder what, if anything, they can do to protect their retirement savings.

"The key to limiting risk in investments is diversification," said Don Fecher, BBT Pension Plan and Employee Financial Services director. "For example, Brethren Pension Plan members have four investment fund choices. These choices generally allow risk-taking and risk-averse investors — and those somewhere in between — to develop an allocation in line with their investment goals and needs. Together, these funds provide options for growth, income, and safety."

BBT's investments are also protected by guidelines that set forth the direction and framework of the Pension Plan. Staff members, along with the Board investment com-

mittee, actively monitor these guidelines, which are available upon request from the Pension Plan office.

In the case of Enron, employees saw their retirement funds wiped out because much of their retirement savings was invested in company stock. Because BBT issues no stock of its own, Pension Plan members do not have to worry about this situation. However, some members may have pension plans through former employers, or have spouses with their own pension plans that do hold their own corporate stock. These individuals can take steps to protect their pension plan investments. A few suggestions —

● **Become informed.** Find out if your company matches your 401(k) contributions in company stock. Few Enron employees understood the risk of owning so much company stock — a company that they believed they knew. It is unwise to hold more than 10 to 20 percent of your investments in company stock.

Examine the company's annual financial

reports, becoming familiar with the company's operations and the challenges it faces.

Find out your company's policy of matching in company stock and learn what rules govern your ability to control your account assets. Many companies require employees to hold their match in stock until age 50.

● **Get involved.** Members of Congress have introduced numerous bills on 401(k) reform. One, Bill S.1836, introduced by Senators Barbara Boxer and Jon Corzine, would cap the amount of company stock in a 401(k) at 20 percent of the portfolio's value and would let employees diversify out of stock received through a company match 90 days after vesting. Current tax code gives a corporate tax deduction to companies making matching contributions in company stock. The Boxer-Corzine bill would limit the deduction to 50 percent of full market value for restricted shares, thus encouraging businesses to make cash contributions instead.

● **Contact an independent adviser.** Choose a knowledgeable professional who can give an unbiased opinion about the allocation of your retirement assets. Doing so will make you a wiser investor, and one better able to protect your retirement savings from whatever the market has to offer. — N.M.

### Insurance Plans

*Continued from Page 1*

will be partially self-funded, with BBT responsible for the first \$10,000 of claims for each member per year. Claims that surpass the \$10,000 threshold will be pooled together with six other denominational plans, which should help stabilize costs for the Brethren Medical Plan.

If the new plan is approved by the BBT Board during its April 20-21 meeting, staff will then hold a series of regional meetings throughout the denomination to highlight plan specifics and answer questions. — N.D.

## Flexible gifting option available through Foundation's Charitable Gift Fund

**Q:** *What is the Charitable Gift Fund, and how does it work?*

**A:** This fund allows a donor to make an immediate gift of cash or appreciated assets and later recommend how the funds might be distributed to charitable agencies. Donations received by the Foundation are managed according to socially responsible investment guidelines until the time of disbursement to qualifying charities.

**Q:** *Will I receive a tax deduction for my gift to the Fund?*

**A:** Donors receive an income tax deduction for a charitable gift for the year in which the gift is made. On gifts of appreciated securities or real estate, the donor avoids income tax on capital gains.

**Q:** *Am I limited in the type of gift I am able to make?*

**A:** Gifts of cash, securities, real estate, commodities, or items with a fair market value can be donated. Brethren Foundation turns the contribution into cash and places the money in the Charitable Gift Fund, which is re-invested in the Brethren Foundation investment program.

**Q:** *Is the money in the Fund still mine?*

**A:** The gift represents an irrevocable contribution to the Foundation and is not refundable.

**Q:** *How do I make a gift from the Fund?*

**A:** At any time, donors can make recommendations for distributions from the fund to

charitable organizations. Assuming the organization's goals are consistent with Brethren values, the Foundation will make the gift.

**Q:** *I'm unable to make a large donation at this time. Can I still contribute?*

**A:** Donors can level out giving by making larger donations into the Charitable Gift Fund in high-income years and smaller donations in low-income years. The Charitable Gift Fund is also available to donors who wish to accumulate funds over a longer period of time for one or more special projects.

More information about the Charitable Gift Fund and other services of the Brethren Foundation are available at [www.brethrenbenefittrust.org](http://www.brethrenbenefittrust.org) or by calling 888-311-6530.

### eMountain Communications

## Is your congregation or business on the Web?

For those beginning to construct a Web site, this is the first of a two-part series of helpful tips —

1. **Organize for your guests.** When determining organization flow, anticipate the needs and questions of your visitors. Start by creating an organizational diagram, a site map. Begin at the "home" page and then determine which content should be linked to the second layer of pages. Web sites use "links" that allow visitors to move from one page to the next. Keep building layers until all of the content is included.



2. **Getting from here to there.** Many sites have common navigation bars that appear on each page, allowing a person to get to the basic site categories at any time. Determine which categories should be on your navigation bar for your visitors to easily find what they are looking for.

3. **Collect content.** Once the site map is finalized, select a good mix of text with interesting

photos and line art. Say what you need to on each page but don't get too text heavy. Consider your visitors' time and interests.

4. **Design for the Web.** Redesign existing publications or promotional materials specifically for the Web, including additional text, graphics, or photos. This value-added Web content will drive traffic to your site.

5. **Don't overextend your site.** Your site could contain the coolest features with the niftiest design, but it will only be a success if new content can be added frequently and easily. Develop a Web design that your Web administrator can effectively keep up-to-date.

6. **Blend software with skills.** There are many resources available to assist with Web site creation, whether a person wants to write their own coding or use design software. Bookstores and the Internet contain resources with instructions, free graphics and scripts, and other materials for the development of Web sites. Many organizations choose to perform their Web updates in-house, but hire a graphic designer to create an

attractively functional site template.

7. **Develop an overall graphics strategy.** Your graphics may need to be of different resolutions and size. Web images are generally 72 dpi and are quite small. Desktop printers can produce crisp images at their original size at 150 dpi. Images produced on a printing press look best at 300 dpi. It is best to have a master set of images that are at the highest dpi and the largest size for which they could possibly be used. They then can be reduced in dpi and size as needed.

8. **Optimize your site for speed.** Graphics can make downloading Web pages a miserable experience if the file sizes are too large. Instead of importing photos into a Web page with the photo being oversized, resize master graphics to a specific space. Use the GIF file format for line art and the JPG file format for photos. — N.D.

*eMountain Communications provides Web site development and hosting and other Internet services to Church of the Brethren agencies, congregations, and individuals who own or work at businesses that conform to Brethren values.*

### BBT Investment News

## Pension Plan and Foundation held Enron stock

BBT's investment managers held Enron Corporation common stock in two equity portfolios during 2001. Part was held in the core fund, which bought Enron stock because it was included in the Standard & Poor's 500 index. The other manager bought Enron stock because of its perceived strength at the time of purchase.

The Enron stock in the core fund was held for most of the year and then sold when the stock was removed from the S & P index. The stock in the other fund was sold when the company's weakness became apparent. Unfortunately, as did most Enron investors, the Pension Common Stock Fund experienced losses of approximately one-third of one percent and the Brethren Foundation Domestic Fund losses of approximately one-half of one percent.

The action of those managing the core fund precisely matches the expectations under which the core manager operates. As is the case with all investments, our managers used the best information available to make their investment decisions. In recent discussions, both equity and bond managers have reaffirmed their commitment to thorough analysis of the available information on all potential investments and on those currently held in their portfolios. Our investment managers must still rely on publicly available, audited, financial information as the basis for their analysis. They will continue to examine and to question the assumptions and choices inherent in financial reporting. — Will Thomas