Better Pension service to come with new vendor

This summer, Northwest Plan Services will replace Empower Retirement as the recordkeeper for Brethren Pension Plan. BBT has chosen to partner with this new company to better serve its members.

BBT sees a big advantage to partnering with a smaller, niche-style recordkeeper that will be better able to manage the unique, complex structure of Brethren Pension Plan, as well as troubleshoot and solve problems for members and improve their overall experience. NWPS has made unique pension plans its specialty, and both organizations believe the new partnership will be an excellent fit.

A recordkeeper change will not require immediate action on the part of Plan members; however, the change will require a short blackout period, which is standard with a recordkeeper transition. There is much being done behind the scenes by BBT, the staff of the previous recordkeeper, and NWPS to prepare for the transition, which is currently scheduled to take place in late May/early June.

The new recordkeeper will bring improved customer service and streamlined processes that will enhance the experience of Plan members. One such improvement is the call center operations. During business hours, all calls will be answered in person, eliminating the automated system that was previously in place. BBT heard from many members that this was problematic and therefore made it a priority to find a new way to handle the many daily incoming calls. Another benefit of the switch to a small, dedicated team at NWPS is that there is a greater likelihood customers will deal with only one person on an issue, and not have to repeat their information several times with every representative they speak to. This alone should be a welcome boost in the experience of calling with questions. Customer service improvements are a priority, but the recordkeeper change will also provide many efficiencies that will benefit internal operations for staff.

Parking Lot Tax

Last December, the IRS imposed a corporate tax liability on parking, in accordance with new U.S. tax codes. This is something Brethren Benefit Trust was paying attention to, because the new Section 512(a)(A) of the Internal Revenue Code states that Congress created a federal income tax on the cost of employee parking provided by churches, charities, and other nonprofits. One relevant factor, however, is the issue of reserved parking spaces for employees. In the fine print it states that if employees use less than 50 percent of the spaces, it is possible that entity could be exempt from the new tax. This does seem to indicate that most churches would be in the clear; most church parking lots are used by employees during the work week, but accommodate the congregation for weekend services with many more spaces. But just in case, the IRS also gave organizations an opportunity to eliminate (or reduce) reserved parking spaces in order to try to reduce tax liability.

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How can BBT better serve you?

What is a compelling vision?

The answer to that question is subjective, but I believe a vision that is compelling is one that will lead to a desired result with which one resonates, and in which they see value and would want to participate.

I raise this issue because the question of what constitutes a compelling vision is being asked right now within the Church of the Brethren. This includes you, whether you are a member of the denomination or serve as an employee of a Brethren-affiliated organization. For the past year the Church of the Brethren has been discerning what its compelling vision might be for the future through a series of nationwide conversations.

BBT Board members and senior staff have engaged in one or more compelling vision conversations, and through these experiences it is clear that there are expectations by individuals and groups throughout the denomination surrounding the role of the conversations and the expected outcomes. We have heard a variety of opinions of what this process will have achieved when it is concluded, but until all of the conversations are disseminated and the Compelling Vision Process Team is able to distill direction and/or outcomes, uncertainty will continue.

But not for BBT. We were formed by the Church of the Brethren Annual Conference to serve all members and organizations of the denomination, and others of like mind.

We acknowledge that on some issues there is dissension and disagreement within the denomination, and we are uncertain where all of this will lead. But we also acknowledge that BBT’s role is not to engage in the debate that is challenging unity, but rather to serve all who are members of Church of the Brethren congregations, all employees of affiliated agencies and organizations, and others of like mind.

To that end, BBT is working to strengthen its ministries to continue being competitive in the marketplace so that we can fulfill our obligations to those we serve for decades to come.

Strengthening our ministries

On Jan. 1, we passed a rate increase to participating Brethren Medical Plan members of less than one percent; this was the result of successfully transitioning to a partially self-funded Plan in 2018. In March we fired an underperforming investment manager. Currently we are updating a two-year-old study that is a blueprint for achieving long-term viability by Brethren Pension Plan. This summer we’ll be changing to a new Pension Plan recordkeeper and adding seven new lower-cost indexed investment funds to the Pension Plan investment platform.

Being competitive in the marketplace

A year ago we engaged a pension plan consultant to perform a comprehensive assessment for us, not to gauge the long-term viability of the plan, but rather to identify the value our Plan brings to our members. Our consultant serves 180 secular and faith-based plans, has performed 200 request for proposal tasks for those plans, and works with 18 pension plan record keepers. Through that team’s analysis, Brethren Pension Plan stacks up competitively when compared with other plans. There are a number of services that we routinely provide that others don’t, and there are a number of reports that our Plan Sponsors don’t have to complete because of our Church Plan status, which ERISA-governed 401K plans have to fill out. There’s value in what Brethren Pension Plan brings to its members; we just need to do a better job articulating what that value is.

Service to others

BBT and its affiliates were created to serve members and employees of the Church of the Brethren. We provide a variety of seminars to educate attendees on a number of finance, benefits, governance, and planned giving topics. We work to help pastors with their financial literacy through our involvement with the Church Benefits Association, and with our addition of a retirement planning consultant on staff to serve as an advocate for retirement readiness among Brethren Pension Plan members. We recently also visited Puerto Rico to determine if there are benefits or services that we could provide to employees and members of that Church of the Brethren district.

How can BBT better serve you?

As we work to strengthen our ministries, to be competitive, and to serve, we would be glad for you to weigh in on the following questions, as we discern BBT’s evolving vision for the future —

- How has BBT served you?
- How can BBT serve you better?
- Are there products and/or services that you would like BBT to provide?

We value your feedback and would be glad for you to respond to newsletters@cobbt.org.

Our vision is to serve Church of the Brethren employees and members, and others of like mind, helping them be strong stewards of their financial resources. We hope you find our vision to be compelling. — N.D.
An app for your health

There are days when it seems that every area of our life is affected by the “digital revolution.” And more and more, these developments appear to be centered in the smart phone we carry in our purse or pocket. There is an app for almost everything. So it is no surprise that health insurance companies have joined the app revolution.

And at the same time there is an increasing emphasis on preventive health care as people and insurance companies recognize that keeping people healthy has huge consequences for keeping down the costs of health care and health insurance.

These two growing realities come together in a new program that Brethren Benefit Trust is offering to those who have health insurance with BBT. It’s called Sharecare, and it is both innovative and very useful. But the purpose of writing about Sharecare is not to recommend it to those readers of Benefit News who are insurance clients, but to use it to discuss these two growing realities.

The Sharecare platform conducts tests and analysis to measure your “age” in terms of the state of your health, instead of your actual age. They call this your “RealAge.” It then makes recommendations for lowering this “real age” — things you can do to improve your health and help you live longer.

The Sharecare app can track your blood pressure, cholesterol, smoke exposure, stress level, and alcohol consumption as well as your steps and overall fitness. It can record your vitals over time, your various health conditions, your medications, and your lab tests. It can evaluate your progress and give you “Live Well Rewards.” You can earn “Green Days,” which are the “health currency” used to measure your progress. Each Green Day you earn reduces your RealAge.

This rather extensive application of health-support digital technology is growing; we can only expect to hear more. Preventive health care is not a new idea. Nor is applying technology to medicine. Doctors have been preaching prevention for a long time, and technology has been driving innovation in the medical field for many decades. But the coalescence of the two has the potential for encouraging us all to pay attention to our health — through the same experience that captures our attention the way Facebook, Twitter, Instagram, or news briefs do from our phones. If smart phones are going to invade our lives, why not use them to encourage healthy choices?

BBT began with the creation of the Pension Plan in 1943. Later, insurance services were added, and then the Foundation, with asset management and deferred gifts. These efforts are meant to encourage people to be proactive about their personal and financial wellbeing.

Anyone can take advantage of the services offered through Sharecare. Those with coverage through Brethren Insurance Services have access to the features described in this article. But no matter who your insurance provider is, be sure to explore the creative ways technology can be utilized for monitoring your health — J.L.
What to do when —
retirement planning through the stages of life

Fifty years ago it was unusual for people in their 20s to think about retirement. Now, it’s common to advise 20-year-olds that it is never too early think about retirement.

This leads to some important questions. How does someone in their 20s plan for something more than 40 years away? Does planning change as people get older and closer to retirement? The answer to this latter question is, of course, yes. The things you consider and the ways you plan will change as you move through the life stages.

In your **20s** you are laying the foundation and developing good spending and saving habits.

- Begin to follow the 70/20/10 rule—70 percent of your income used for living expenses, 20 percent set aside for retirement, and 10 percent put into an emergency fund.
- Select investments that offer growth potential and diversification.
- Create a budget; set a pattern of always paying bills on time; avoid debt.
- Make a plan to pay off student loans.
- Learn how to use credit; build up your credit score.
- Maximize your employer’s matching contributions to your retirement plan.

In your **30s** resist the temptation to “keep up with the Joneses.” Don’t overreach.

- Work with a financial adviser to develop an investment strategy.
- In addition to your employer’s retirement plan, look at other tax-advantaged accounts.
- Set a goal of having 1 to 3.5 times your salary in savings.
- When you get a tax refund, raise, or bonus, use it to increase your savings.
- Start estate planning.
- Continue to keep to a budget and avoid debt.
- Wait to start a family or buy a house until you have the financial resources.
- Remember that compound interest is your friend. Saving early has large benefits.
- Insurance is less expensive when you are younger. Consider disability and life insurance.
- Start a college fund for your children so you will not have to draw on retirement savings when the time comes.

Your **40s** are when both earnings and expenses are at their highest.

- A mortgage, college tuition, and additional vehicles can add to your growing expenses.
- Because your social security benefits will be based on your best 35 years of earnings, earn as much as possible, as long as possible.
- Contribute as much as you can to your retirement accounts.
- Continue to keep to a budget and avoid debt.
- Your goal should be to have 3 to 6 times your salary saved.
- Consolidate pension funds from various employers to better manage the assets and fees.
- Monitor your life, disability, and health policies. Consider long-term care insurance.
- Consult your financial adviser as your finances become more complicated.

In our next issue, we will explore retirement planning for age 50 and beyond.

— J.L.
In February Ellen Lennard resigned as BBT’s Employee Benefits Specialist and relocated to New York City to start a new employment adventure there. Ellen came to BBT on a temporary basis in June 2016 for the Employee Benefits department. In October 2016 she transitioned to her full-time position. Ellen also served on BBT’s “Green Team” initiative, researching ways to save money through recycling office materials. We pray that God watches over Ellen as she enjoys this exciting next phase of her life.

BBT staff welcomed Debbie Butcher on March 25, 2019, as the new Employee Benefits Specialist. Debbie worked for 24 years providing customer service for a publishing company, and has also served in many volunteer roles, including several under the Girl Scouts and the Boy Scouts of America. Debbie and her family reside in Algonquin, Illinois.

“BBT announces new recordkeeper …” continued from Page 1

An additional change in tandem with the transition is the addition of seven new index funds, a move intended to give members a lower-cost option for investments. Although the new index funds would provide a savings of approximately 0.4 percent, they would not be actively managed, nor would they adhere to Brethren Value Investment screens.

BBT expects the transition to NWPS as well as the addition of index funds to be seamless, and looks forward to working with this new vendor to provide Plan members with new options and a richer experience in retirement planning.

“BBT Newsbriefs …” continued from Page 1

Housing Allowance
The Seventh Circuit Appeals Court in Chicago ruled on Friday, March 15, that the housing allowance provision that provides pastors with a tax benefit for housing expenses is constitutional. The Freedom From Religion Foundation had brought suit against the housing allowance, claiming that because it favored ministers and churches over secular non-profit groups, it was unconstitutional. BBT president, Nevin Dulabaum, describes why this ruling is a victory for pastors. “Many church budgets are tight, as is compensation to pastors. The housing allowance is one provision that provides much-needed tax savings to pastors; without it, many pastors would be hard pressed to take on an additional tax burden.”

QSEHRA
It’s not too early to start thinking about the Qualified Small Employer Health Reimbursement Arrangement. This enables church workers who meet the criteria to use pre-tax dollars to pay for medical insurance. To take advantage of this provision, there are a few hoops to jump through, and arrangements have to be made in advance, which is why we want to remind you about it now. You’ll find information, including who qualifies for QSEHRA, on the BBT website, at cobbt.org/qsehra-healthcare-reimbursement.

Church Benefits Association
Nevin Dulabaum was re-elected to the board of the Church Benefits Association, for his second three-year term. As a board member, Nevin serves as the liaison to the Human Resources group. He is also a member of the Church Alliance.

New Information Statement release coming soon
The 2019 Information Statement will be released in June with copies available at Annual Conference. This disclosure resource for Brethren Foundation Funds clients provides important information about BFFI and its processes, fees, investment options, and performance. Audited financial statements for 2018 are also included.

Ancillary insurance services expands by nearly 90 new certificates
Since the 2018 Open Enrollment period, Brethren Insurance Services has added 89 new insurance clients, in the form of additional contracts, individual insurance ancillaries, and additional employee clients.
New recordkeeper for Brethren Pension Plan will mean better service for Plan members

BBT’s Annual Report will be available to members and clients electronically via our website after June 30. If the online version is not an option for you, please contact us to request a printed copy.

The 2019 Information Statement is scheduled for release at the end of June and copies will be available thereafter.

Reprinting of articles is encouraged with this credit — “Reprinted from the Spring 2019 Benefit News.”

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