Loans and ROTH contributions approved for Brethren Pension Plan

A vote to approve updates to the Brethren Pension Plan Legal Plan document will mean some exciting changes for Brethren Pension Plan members over the coming months. As a result of this vote, BBT will in the future be able to offer approved loans (secured by an employee’s personal contributions to the Plan) and ROTH contributions and rollovers, just to mention a few of the changes. There will also be an emphasis on helping to increase retirement readiness for our members. Our Plan sponsors will be able to provide automatic Pension enrollment for employees as soon as they are hired. They can also provide for annual, automatic increases in employee contributions to their Pension accounts. These and other changes will occur as BBT establishes the systems to support them.

The BBT Board also gave overarching approval to changes in the Church Workers’ Assistance Program grant guidelines in order to allow more people to qualify for assistance. The program is intended to help those who gave many years of their lives in service to the church, and are now in need of a little help to make ends meet. In 2015, BBT issued $251,663 in CWAP grants to 50 recipients.

The Board and staff also devoted a large chunk of time to brainstorming and strategizing about a myriad of topics and suggestions. Three main themes that emerged were concerns about investment options and fees, offering a non-annuity option to Plan members, and whether socially responsible investing is still important to our members. The constructive conversation that took place gave everyone food for thought and inspiration to work together to keep BBT strong and vital for many years to come.

Continued on Page 5

Who is in, who is out — 2016 DOD lists

Because BBT’s socially responsible investing incorporates screening, shareholder advocacy, and community investing, its funds are scrutinized for everything from environmental responsibility to fair hiring practices; from support of human rights on a global level to exclusion of investments in abortion, alcohol, firearms and other weapons, gambling, pornography, or tobacco. A unique service provided by BBT each year is its Department of Defense lists. These two lists are researched independently and approved by the BBT Board. They are used as a guide for our investments, and once the Board approves them, the lists are available for anyone to view on our website. Several household names appear on the lists, such as General Electric and Hewlett-Packard. If you are interested in knowing the top 25 publicly traded defense contractors, or firms that receive more than 10 percent of their revenue from the above mentioned sectors, you will find them at cobbt.org/screening.

Investments

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President’s Message

Over the past two years, we staff have heard a much louder demand for BBT to provide group health insurance to pastors, church workers, district staff, and camp personnel than we’ve heard since 2007, when the Church of the Brethren Annual Conference terminated the Brethren Medical Plan for the Ministers’ Group.

Since that time, we’ve been on the lookout to determine if and when we could launch a new insurance plan for the Ministers’ Group that would be competitive in terms of premiums, useful in terms of plan designs and network coverage, and viable in terms of having the sustainability to serve those in the Ministers’ Group for years to come.

A year ago it really felt like 2017 could be the time. The IRS was removing a tax advantage for insurance premiums for those not in a bona fide group plan, Brethren pastors have not had portability of insurance since the closing of the Brethren Medical Plan for pastors, and, as I stated, we experienced a spike in requests that we look at opening up a new plan. The final ingredient that we needed for this recipe was for all of the changes brought on by the Affordable Care Act to filter through and become routine. That appeared to be happening.

Thus, in January 2015, we started a process of obtaining census data from people within the Ministers’ Group with the hope of launching a new group plan that would be cost-effective, benefits-rich, and viable for the long term.

Late in the year, that work came to a screeching halt as we realized this initiative, and the timing of it, had come up against an immovable obstacle — the 2016 U.S. presidential election.

Look into the platforms of the three top remaining Republican candidates and you will see intent to rescind the Affordable Care Act. Meanwhile, the frontrunner for the Democratic Party defends the ACA and wants to strengthen it. Although the legislation has brought healthcare to more than 11 million Americans, and has helped stabilize rates in general, the firm stances the candidates are taking on the legislation, without the openness for discourse on what is best for the country as part of a governance process, is generating a lot of uncertainty in the insurance industry.

As I see it, if a Republican wins the White House and has a Republican Congress, work will be done to roll back at least some provisions of the Affordable Care Act, but as of now there is no certainty what that will be and what will take its place. If a Democrat wins the White House but must work with a Republican Congress, does anyone expect the current gridlock going on in Washington to change? If a Democrat wins the White House and one chamber of Congress — presumably the Senate — goes to a Democratic majority, then there could be some stability because change would be unlikely. That would be even more the case if the next Supreme Court Justice approved to replace the late Antonin Scalia is appointed by a Democratic president.

As we all know, the results of the election won’t be known until November; even the candidates for the general election won’t be known until mid-summer. And by that time, insurance renewal processes for 2017 need to be underway, tentative premiums need to be set, plan designs locked in, and budgets created by individuals and companies to pay for it all.

The problem, then, is that the political landscape and the uncertainty that it is having on the insurance markets juxtaposed on BBT’s need to offer a new plan in a market of stability and assurance are at odds with each other. In other words, political climate + insurance uncertainty ≠ a stable and viable option for a new Brethren Ministers’ Group medical plan.

Therefore, plans are being tabled for 2017 with the hope that the future direction of U.S. healthcare will be more stable a year from now. If, at that time, we can find a methodology for putting together a new plan that appears to be affordable, stable, and viable, we will do so. — N.D.
Patient advocacy

An elderly couple was traveling in another state when the wife fell and broke her femur. She received good care in the unfamiliar hospital but after surgery, needed to be moved to a rehab facility. The hospital had an excellent rehab program, with a strict and somewhat frustrating quota system that did not allow her to qualify for one of the available beds. This resulted in a complicated discussion about her various options. Navigating this complex decision-making process was difficult enough for her husband as he spent time comforting his wife, but would have been impossible for the patient in her weakened state. When their son arrived, he was able to work with his father to advocate strongly for the best option for his mother.

Many people could tell a similar story. The health care system is complicated. Health insurance policies are sometimes perplexing. Doctors, under the pressure of busy schedules, might offer rapid diagnoses and instructions. How can the one who is ill or injured sort through everything he or she hears in order to make an informed decision about the needed care? The answer is obvious. The patient, like my friend’s mother, needs an advocate.

This need has become so important that there are actually professional patient advocates. Some are on the hospital staff. Some are independent consultants. For a fee they will negotiate all the difficulties and complexities and fight for your needs and rights. Of course, the more common advocate is often a family member who is not a professional and may have never waded through this before.

There was an elderly man in very good health and whose mind was very sharp. He was at first slightly offended when his daughters insisted that one of them should always accompany him to his doctor’s appointments. He knew he was capable of asking questions and advocating for himself. But after thinking carefully, he changed his mind and agreed that one of his daughters always be present. He said, “I realized that two sets of eyes and ears are always better than one. There might be some things I would miss.”

These examples seem to imply that only the elderly need advocates, but regardless of your age, it is always a good idea to take someone with you when you visit the doctor, go to the emergency room, or enter the hospital.

Here are some things to do if you are an advocate, or that an advocate should do:

1. Stay with the patient. If he or she is in the hospital and you have to leave for some reason, have someone else stay.
2. Use pen and paper or a note-taking app on your phone or e-tablet to write down information from doctors and nurses. Be sure to write down your questions and the patient’s questions so you don’t forget when the doctor or nurses are present.
3. Ask questions about anything you do not understand, especially medications.
4. Whether in a doctor’s office, the ER, or the hospital, be sure anyone who comes in contact with the patient washes his or her hands or uses sanitizer.
5. Make sure new staff members entering the hospital room always check the patient’s wristband before doing anything for the patient.
6. Make sure medications, IV bags, and other equipment are labeled with your patient’s information. Know the patient’s blood type in case he or she needs to be given blood.
7. Understand the discharge instructions.

Get prescriptions for new medications. Be sure you understand the medications list and what the patient is to take at home.
8. Be sure you have all contact information for scheduling follow-up appointments with the doctor, home care services, or testing facilities.
9. Read the patient’s bill of rights given to the patient during registration. If the patient is in the hospital for a life-threatening injury, illness, or procedure, be sure you have a copy of his or her living will, and know who has health care power of attorney.
10. Most importantly, be a good and reassuring companion to the patient. Show kindness, compassion, and concern. Proceed with calmness and good humor.

Modern medicine offers an astonishing array of treatments, surgeries, procedures, and therapies involving equipment and facilities beyond our imagination and carried out by an almost bewildering variety of medical professionals. The possibilities for treatment and cure are almost miraculous when compared with what was possible only a short time ago. But it is these incredible possibilities that make patient advocacy so important. — J.L.
Stay the course! What does that mean?

Some of you manage your pension funds closely, trying to think carefully about where the money should be and when to make changes. Some of you pay little attention. Others may leave the management up to one of BBT’s Target Date Funds. But whatever your approach, a market downturn is never part of the plan. Nothing can upset a portfolio, cause you to suddenly pay attention, or make you doubt even a Target Date Fund more than a market correction. Yet, the standard advice during a downturn is to “stay the course,” which may at times seem to defy logic. So what does it mean to stay the course? Is it really that simple?

Think ahead and prepare for a downturn:

• Actually, the ability to stay the course begins well before the necessity to do it. You need to prepare yourself for what it means. If you haven’t, then use the present downturn to prepare for the next one. Use it to remind yourself to think ahead. Prepare yourself to think logically and long term.

• It will help you to keep in mind that there are two kinds of risk — financial and emotional. Know the difference. Your financial capacity for risk will change over time. Generally, you are able to sustain more risk in your younger years, and less as you approach retirement. Thus, financial risk is determined by how much you have, how much you hope to have, and where you are in your life cycle. Emotional risk is more subjective. How capable are you of staying calm? Do you freak out easily? Do you need to feel safe? Know your own risk tolerance and make sure your portfolio is as conservative as you need it to be.

• Ask a financial adviser to show you what would happen to your portfolio in a market crash. Readjust your portfolio to the level of risk and growth you set for yourself.

• Remember that downturns are inevitable. They will happen!

During a downturn … things to consider

• Did you know that since 1973, stocks have had a fall of more than 10 percent eight times and have subsequently rebounded?

• Stay with the level of risk and growth you set for yourself.

• Know your portfolio. Understand your investments and how specific assets represent different goals and outcomes. Know and respect your asset allocation.

• Often the best thing to do is nothing. Don’t check your investments constantly to see how they are doing. Do the opposite. Take a vacation from your portfolio.

• If you need to do something, revisit your goals and plans. Don’t make changes, but learn from the downturn.

• Consider opportunities. Working with a financial adviser, determine whether this might be a good time to take advantage of investment opportunities in line with your long-term plan. Proceed cautiously.

• Realize that selling is not the only temptation. The other is to jump in and make some “great buys.” Resist both temptations. Remember your asset allocation and stick to it.

• Remember — you are not alone. Don’t hesitate to ask someone for help. You might even consider talking over your investments with friends who have similar portfolios and strategies.

• Remember that you own stocks not for their value in the next six months, but for the growth and profits of those companies over many years, and the returns these will yield. — J.L.

Avoid IRS penalty upon retirement

Important news from the AARP Bulletin about Retirement and HSA funds for people who are getting ready to retire soon:

For those planning to start Social Security Retirement Benefits

If you are 65 or older, as soon as you apply for retirement benefits, you are automatically enrolled in Medicare Part A (for hospitalization). There is no opting out of this. And once you are on Medicare, you can no longer pay into a Health Savings Account.

You can, of course, keep any HSA money you have in your account, and continue to use it to pay qualified medical bills, until it runs out.

NOTE: If you are older than 65 when you apply for Social Security, your Medicare application will be backdated by up to six months. So as part of your retirement planning, you’ll want to stop HSA contributions six months before the date your benefits start. Otherwise, penalties will apply.

(According to retirementeducationplus.com, the penalty is 6 percent on any contributions and their income until withdrawal of such amount from your account.)
BBT job opening in the Benefits department

If you or a person you know is looking for employment, BBT has a position to fill in the Benefits department. The Employee Benefits specialist is someone who has knowledge of pension and insurance systems, is detail-oriented, and enjoys interaction with customers on a service level. We look forward to welcoming a new staff person to our high-energy benefits team. Please visit cobbt.org/careers to learn more about the position, or contact Donna March at 800-746-1505, ext. 371, if you have questions.

BBT Board members re-elected

Tom McCracken, who has served on the BBT Board since 2012, was elected by the Pension Plan members to serve a second four-year term (representing the Retirement Communities).

Tom, along with Eric Kabler, who was elected in November by the BBT Board, and another Board member who will be elected by the 2016 Annual Conference delegates, will all officially begin their new terms in July.

BBT’s 5K Fitness Challenge — July 2

We are always looking for ways to engage with our members and clients, and one of the more exciting opportunities for this is at our BBT Fitness Challenge, held at Annual Conference. If you are attending Conference and would like to participate in this 5K run or walk through beautiful Country Park in Greensboro, N.C., you can register by visiting cobbt.org/fitness-challenge. There’s an early bird registration discount through May 27, but you can also register at the BBT booth at Conference up until July 1, or on race day from 6 to 6:30 a.m.

If you have questions, contact Diane Parrott at 800-746-1505, ext. 361 or dparrott@cobbt.org.

We hope to see you there!

“News from the April BBT Board meeting” continued from Page 1

Other topics of interest from the 2016 April Board Meeting —

• BBT received a clean opinion for its 2015 audited financials, and during closed session, the auditors confirmed that the staff is using sound internal controls and following good business practices.

• With three board participants having gained valuable insights at the Board Source conference just last fall, it was decided to renew the membership with this national organization, which focuses on governance and training for not-for-profit board leadership.

• BBT typically will conduct a review of one investment manager at each meeting, and every investment manager comes under formal review every three years. At the April 2016 Board meeting, Kayne Anderson Rudnick, BBT’s small cap equity manager, was approved to continue as an investment manager for three more years.

• With the market challenges in the past three quarters, there was much discussion about how BBT’s funds are being managed. The Board will continue to keep a watchful eye on all investment managers and fund performance.

• The next meeting of the BBT Board will be held on Sunday, July 3, in Greensboro, N.C., following Annual Conference.

BBT Board members re-elected

Tom McCracken

Board of Directors

Board member Donna Rhodes and Director of Client Relations Scott Douglas contribute to the brainstorming session.
Loans and ROTH contributions approved for Brethren Pension Plan

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One of the ways BBT saves money is by posting its Annual Report with 2015 financials online rather than mailing it to each member. This year, the report will be available online on June 20 at cobbt.org/annual-report.

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