

ANNUAL REPORT OF THE BENEFITS COMMITTEE FOR THE YEAR 2023
SUBMITTED TO THE 240TH CONVENTION OF THE DIOCESE OF NEW JERSEY

Each year the Benefits Committee is tasked with making any necessary determinations about the health, dental, life and disability insurance plans offered to clergy and lay employees throughout the diocese. The committee meets, on average, six times per year with the Fall being the busiest time preparing for any changes expected for the coming year.

Health Insurance for 2024

While Canon 74 requires that changes in the level of insurance benefits be submitted to the Standing Commission on Clerical Compensation for its study and recommendations at least 60 days prior to the Convention at which they are to be considered, Canon 36 authorizes the Benefits Committee to make changes in the case of urgent need without the approval of Convention. Due to the need for decisions to be made prior to October 1 and for Annual Enrollment to take place during October – November, it is not possible for the Convention to grant approval before decisions are finalized. Therefore, the Benefits Committee requested and received affirmation from the Standing Commission on Clerical Compensation before finalizing the health and dental plan selections for 2024.

The Benefits Committee selected health and dental plans for 2024 that it believes best meet the needs of both our clergy and lay employees as well as the fiscal responsibilities of our congregations. In the past we've usually seen an increase in our health insurance premiums of ~4-4.5% each year. However, this year the premium increases jumped to ~6% for PPO plans and 7% for CDHP plans (high-deductible).

While we have always selected the PPO 100 as the base plan for which our churches must pay 100% of the premium, this is becoming increasingly unsustainable for some of our churches. A church seeking to call a priest with a family now needs to budget almost \$45K for health insurance alone. This is simply not feasible for some of our smaller churches and affiliated congregations and it can result in congregations facing difficult decisions around calling new clergy.

To mitigate these increased costs, the Benefits Committee, with the support of the Bishop and the Standing Committee on Clerical Compensation has made the following recommendation for 2024. Churches that currently pay 100% of the premium for their existing clergy and staff should continue to do so unless there is a severe hardship which should be brought to the attention of the Bishop and the Benefits Committee. Churches calling new clergy or lay employees may choose to pay 100% of the premium for the PPO 90 level and require the

employee to pay the difference if they choose the PPO 100 plan. The Diocese will continue to pay 100% of the premium for the PPO 100 plan for all diocesan staff.

To provide an understanding of how this compares with other dioceses in surrounding states we reviewed what 12 other dioceses in the surrounding areas are doing. Of these 12 dioceses (Newark, New York, Long Island, Pennsylvania, Maryland, Delaware, Connecticut, Rhode Island, Massachusetts, Central New York, Rochester, and Western New York)

- The Diocese of LI uses the PPO 90 as a base plan that is 100% paid
- Five dioceses pay 100% of the PPO 80
- Five dioceses require a percentage cost share regardless of the plan chosen
- One diocese only pays the full premium for the CDHP plan
- Only 8 dioceses provide the option to buy up to the PPO 100

By selecting the PPO 90 as our base plan while encouraging congregations to pay the full premium for the PPO 100 when possible, we are still providing the highest value of health insurance among these dioceses.

In addition to selecting the base plan for health insurance the Benefits Committee has elected to cancel our current contract with Delta Dental and enroll our eligible clergy and lay employees in a Delta Dental plan through the Episcopal Church Medical Trust. Since the carrier will remain the same there will be no disruption in terms of the network of providers available. We will see some changes to the premium costs – up to about 34 churches may see an increase of ~\$73 per year while others will actually see a decrease in cost. These costs are related to a base plan that is similar to the plan we currently have with a few differences as follows:

- There will no longer be a deductible of \$50/person & \$150/family
- 3 cleanings per year will be covered instead of 2
- Coverage for major restorative services (caps, crowns, etc.) will be reduced from 50% to 40% (however, the \$2,000 annual maximum benefit remains the same)
- There will be no orthodontia coverage on the base plan, However, CPG offers 3 levels of plans so that we will offer the base plan as the fully paid plan with an option to buy up to one of the other plans (both include orthodontia, not just for children under 19 as our current plan covers but for adults also)

Employees will have the option to “buy up” to a higher level plan and the church can decide whether to pay the full premium or to require the employee to pay the difference between the Basic plan and the plan chosen. For diocesan staff the Diocese will pay the premium for the Basic plan and the employee will pay any additional premium if another plan is chosen. As a result of this change, billing for dental will be handled along with billing for health through CPG. This will alleviate a number of billing issues we’ve seen in the past. This will also allow clergy and lay employees to see their dental coverage in their mycpg account the same as they currently see their medical coverage.

Annual Workshop

The Committee planned and advertised an educational program to be held on October 7, 2023, however the event was cancelled due to lack of registrants. An educational program was provided to retired clergy on October 11, 2023. Individual consultations were provided as requested.

Active members of the Benefits Committee over the past year included Mr. Bill Harmer, Ms. Pat Hawkins (Chair and Diocesan Benefits Administrator), the Rev. Dr. Alan Salmon, Mr. Stephen Spencer and Ms. Geri Trost. The contributions of Bishop Sally French, Canon Phyllis Jones, and the Standing Commission on Clerical Compensation are deeply appreciated.