



IOWA ANNUAL CONFERENCE



TREASURY NOTES

November 2010

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IRS Information

In a welcome step, IRS has **announced** it will *not* require reporting the value of employer-sponsored health coverage on employees' Forms W-2 for 2011. This year's comprehensive health care reform law created a host of new reporting and disclosure requirements for employers, including a mandate to show the value of employer-provided coverage on Forms W-2 starting in 2011.

Reason for relief. IRS delayed the reporting requirement to give more time for payroll system updates and other changes that will be needed to collect data and report health coverage information. Instead, employers should anticipate reporting an employee's employer-sponsored coverage in 2012 on the W-2 forms typically issued early in 2013.

More guidance to come. A **draft** Form W-2 indicates that employers will report health coverage in Box 12 using Code DD. IRS intends to provide additional guidance later this year, which presumably will identify what data employers will need to collect and how they should calculate the value of an employee's health coverage for Form W-2 reporting.

Employer coverage remains tax-free. Even though the value of employer-sponsored health coverage will have to be included on the Forms W-2 issued for 2012, the reporting will be for information purposes only and will not cause the coverage to be taxable to employees.

Boy Scouts

The GCFA legal department, in its most recent newsletter to chancellors, points out that many local United Methodist churches sponsors a Boy Scout troop. This requires the local church to enter into an Annual Charter Agreement with a Boy Scouts local council. Many local churches wrongly believe they only provide space for the troop's activities. In reality, the agreement imposes a far more significant role for the local church, including the selection of the troop leader

It is imperative that local churches and other United Methodist organizations that sponsor Boy Scout troops take their responsibilities under this agreement seriously. The Boy Scouts troop should be viewed as an important part of the mission and ministry of the local church, not just as a group using the church's facilities. Work has begun between GCFA and the national Boy Scouts of America organization to review and clarify this relationship. In the meantime, local churches should also review their relationship and sponsoring agreement with the troop they sponsor and make sure they are living up to the obligations and expectations of that agreement.

October Receipts

As reported below, the income for this month has not matched that of previous years. Our current receipts are now 1% below what was received last year. Also, last year at this time, the Conference office had received about \$606,000 in prior-year apportionments paid. To date for 2010 that amount is \$386,306. The ministries that are supported by these receipts thank you for your continued and constant support. We hope that as we enter the season of thanksgiving and as we prepare to receive the blessings of the gift of the Christ child we will be able to share God's blessing even more abundantly.

Thank you for your continued support of Christ's ministry through the United Methodist Church.

	2009	4 YR AVG	2010
General Church	1,679,822 61.79%	1,416,381 57.81%	1,653,695 63.51%
Conference Ministries	5,667,802 55.03%	5,748,274 57.00%	5,446,319 53.24%
Conference Missions	1,629,988 48.97%	1,533,194 50.43%	1,663,364 48.68%
Total Apportionments	8,977,613 54.92%	8,697,850 55.85%	8,763,377 53.92%

Year End Dates

It is that time again when we need to inform you of year-end deadlines. Receipts you are sending to the Conference to be credited to the year 2010, either advance special gifts or apportionments, should be in the Conference Center office or at the lock box by Monday, January 10, 2011.

Of course you may send money for 2010 apportionments after this date and it will be credited to your church and reported as prior-year apportionments paid. Thank you in advance for your cooperation.

Information from the Benefits Office:

Retiree Medicare Rates for 2011

The rates for the 2011 Medicare programs are as follows. Standard Medicare Supplement (Protection Plan III) insurance for 2011 will be \$195.70, which is a 4% increase from last year. This program does not include a Medicare Part D drug program. The Medicare Advantage rate for 2011 will be \$270.61; this is a 1.2% decrease. The Conference will subsidize these rates for most retirees for the year 2011 with a \$100 per contract per month with the retiree paying the balance. The subsidy will change for future retirees with a retirement date of July 1, 2011 or after.

Enrollment Time for Active Health Insurance Participants

Now is the time to enroll in the health insurance plan for 2011. All participants must enroll and must use the Blues Enroll process on line. **VERY IMPORTANT:** Everyone must enroll in either single or family High-deductible Health Plan (HDHP) even you have been on the plan for your entire ministerial career. Also **very important** is for all participants to enroll in the Health Saving Account (HSA) or if they do not qualify, enroll in the Health Reimbursement Account (HRA) by completing the appropriate form. (No money will be put into your HSA or HRA until you have completed the enrollments.) Please take a few minutes to complete your paper work today, if not already completed. *Thank you from the Benefits Office!*

Health Reimbursement Arrangement

Introduction: for Those who do not qualify for the Health Savings Accounts

A Health Reimbursement Arrangement, more commonly known as an HRA is a benefit that is for those who for various reasons cannot qualify for a health savings account. An HRA is funded

entirely by your employer and provides dollars to pay for a portion of your deductible and coinsurance. The amount for 2011 will be \$2,000 which is the same as for those with a health savings account.

How The Plan Works:

Your employer has determined a dollar amount to make available to you that can be used to reimburse you for qualified expenses. You can request a reimbursement form from Kabel Business Services at www.kabelbiz.com or 515-224-9400.

Your Responsibilities:

You are responsible for paying the medical provider, i.e. the doctor, the full amount due. You are also responsible for requesting reimbursement for your portion of the bill you receive from your medical provider.

Claims Reimbursement Process:

You must complete a Reimbursement Claim Form and attach a copy of the Explanation of Benefits (EOB) you receive. The bill must include the name of the provider, the date of service, the service or product purchased, the person it was purchased for, and the amount. If the person it was purchased for is not on the bill make sure to put the person's name on the claim form.

The Request for Reimbursement along with the supporting documentation can be faxed or mailed to Kabel Business Services, 1454 30th Street, Unit 202, West Des Moines, Iowa 50266, Fax: 515-224-9256.

Claims are paid daily.

Reminders

If you have not already done so please complete the church officer forms that are available on the login link on the conference home page. Instructions are on-line at www.iaumc.org/dashguide.

In December you will receive information about the year-end Statistical Reporting. Please watch for the letter that will be sent to the church pastor and the church treasurer.

Conferences offices will be closed on Wednesday November 24 at 2:30 and remained closed until Monday November 29 for Thanksgiving Holiday.

