



“From Where I Sit ...”

The “Retiree” Insurance Plan of the CME Church!

This article is written in response to questions raised about The “Retiree” Insurance Plan of the CME Church. This Plan was initiated on May 1, 2006. Its purpose was to provide limited life insurance for those who have retired from the CME Retirement Plan.

Participants in the CME Retirement Plan are insured for one times their salary when the source of their salary contributes to the Plan an amount equal to 12% of their annual salary. The participant is also covered for short-term disability insurance up to a maximum of \$250 per week for 13 weeks. In addition, a participant’s spouse is insured for 50% of the amount of the insurance on the participant. Premiums for this insurance is charged to the participant’s retirement account at a group rate.

What led to the development of the “Retiree” Insurance Plan was the realization that when participants in the CME Retirement Plan (*primarily ministers*) retired and the funds in their accounts were disbursed, their life insurance, spousal coverage and disability insurance was terminated because the account from which the premiums had been paid had been depleted. Since many of the ministers had retired near the mandatory retirement age of 74, they were unable to secure continued life insurance at a reasonable cost and in many cases could not afford premiums for a person in their 70’s.



After two years of researching, we were able to find our present program which offered up to \$10,000 of life insurance for newly retired participants until they reach age 99, and up to \$5,000 on the life of their spouse during the insured lifetime of the retired participant. The plan was rolled out effective May 1, 2006 and was presented and initiated as a **no-cost feature** of our Retirement Plan. Naturally, such a plan was well received!

Less than two years later, the insurance carrier began charging a premium for this specialized program which has grown from approximately \$2,000 per year in 2008 to approximately \$36,000 per year in 2018. This cost has been borne by the General Board of Personnel Services so that retired participants from the CME Retirement Plan who may have limited resources may receive this benefit **without cost** in appreciation for their long-term service in the (*clergy or lay*) ministry of the Church.

This benefit continues to be offered to those retirees from the CME Retirement Plan who are at least 72 years of age at the time the funds in their accounts are disbursed. The most important feature about retiring is planning and participants, who are planning to retire in their 70’s, are encouraged to schedule for the distribution of their accounts to occur when they are at least 72. Also, be reminded that the new schedule for distributions of retirement payments is by the **last day** of the months of **March, September and December**. The “Retiree” Insurance Plan is a free benefit to the faithful servants of the CME Church and none of our participants should miss this opportunity due to poor planning or scheduling. *Or at least that’s the way it looks to me...*

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(Copies of earlier articles may be found on the

Personnel Services Webpage of the CME Website at www.thecmechurch.org)