

Why Bethany Benefits?

Covenant churches and camps are not required to use Bethany Benefits for staff insurance, though there are many compelling reasons to do so. With so many options available now for health insurance, how do churches and camps make decisions about how to handle benefits?

Option 1: Give employees a salary increase and do not offer benefits◊

Pros	Cons
Church doesn't need to worry about paying premiums and shopping around.	All financial ownership is transferred to the employee.
Employee can choose how much coverage they want.	Employee risks low-quality coverage and no personal advocacy.
	Salary increase is taxable, so the employee has less to spend on health insurance than the employer would have.
	If applying for coverage through the Marketplace, salary increase is considered income and may reduce the premium subsidy, causing health insurance to cost more than initially assumed.
	Salary increase must be unconditional with no proof of insurance or premiums paid required.

Bethany Benefits rates are comparable to Marketplace plans* with similar coverage levels:

	Bethany Benefits	Assurant PPO Chicago, IL	BCBS PPO Overland Park, KS
Deductible	\$300	\$0	\$1500
Coinsurance rate	80/20	75/25	90/10
Max out-of-pocket	\$1500 (\$3000 family)	\$2000 (\$4000 family)	\$3500 (\$7000 family)
Premium for individual (age 50)	\$574/month (not taxable)	\$897/month (after income taxes)	\$508/month (after income taxes)
Premium for family of four (ages 32, 30, 7, 5)	\$1541/month (not taxable)	\$1802/month (after income taxes)	\$1020/month (after income taxes)
Total financial exposure[^] per year	Single: \$8,688/year Family: \$22,092/year	Single: \$12,764/year Family: \$25,624/year	Single: \$9,596/year Family: \$19,240/year
Take note:	Dental and vision included	No deductible, but higher total exposure	Higher deductible before benefits kick in

Option 2: Provide health insurance to your employees

Churches and camps are not required to use Bethany Benefits as their health insurance provider, but Bethany Benefits is a competitive option with low out-of-pocket costs to protect pastors and employees from financial hardship in their times of physical hardship. Our premiums are comparable with low year-to-year increases.

Bethany Benefits is staffed at Covenant Offices by people who love the Covenant family. We work as our members' advocates to resolve claims issues and questions. Other plans do not include this kind of service and care.

When comparing plans, consider the total financial exposure of the policy, both to the employer and the employee. Consider the employee's total out-of-pocket costs—not all health insurance plans are created equally!

Some employees would be happy to contribute a portion of the premium in order to receive higher-quality benefits. Have open communication with your pastors about their preferences and needs.

Still not sure what to do?

If you have gathered data on a few options, contact Bethany Benefits to help you compare. We would be happy to give you honest advice.

Bethany Benefit Service

800-313-8955

Bethany@covchurch.org

◇ Effective January 1, 2014, employers may no longer reimburse employees for or directly pay for **individual** health insurance policy premiums and exclude them from the employee's gross income.

* **Marketplace plans** are individual health insurance plan options offered through the government. Visit www.healthcare.gov to research and apply for Marketplace plans.

^ **Total financial exposure** is the maximum that could be paid for the year, which is premium plus maximum out-of-pocket amounts. It does not take into account income taxes taken out of the employee's pocket before they have access to the money to pay their premiums.