

Clergy especially vulnerable when it comes to losing health insurance

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WASHINGTON (RNS)—While a sour economy and rising costs make it harder for small businesses to afford health coverage, one group of employees is especially vulnerable—clergy.

Many denominations provide health care for ministers, but pastors of small and independent churches can be hard-hit by rising health care costs.

Some clergy latch on to their spouses' health care, or take a second job that offers insurance. But as the job market tightens, even those secondary solutions are hard to come by.

For ministers, health care reform has become personal.

“So many churches are small and too many pastors are uninsured,” said Leith Anderson, president of the National Association of Evangelicals.

“As clergy age with the rest of America’s population, we may see a growing list of pastors entering retirement with bankrupting medical bills.”

According to an NAE survey last year, 80 percent of respondents said they receive health insurance outside of their church.

At the time, Anderson called it a growing problem for American pastors and churches. A year later, not much has changed.

“It’s so complicated,” Anderson said. “You take all of the variables of church sizes and denominations and you multiply that by all the laws and insurance plans. It’s difficult to find a plan for anyone.”

Layoffs and downsizing at churches have left many clergy members at risk because religious institutions are exempt from buying unemployment insurance, he noted.

Simeon May, chief executive officer for the National Association of Church Business Administration, said many pastors have seen the value of their 403(b) plans—the nonprofit employee’s equivalent of a 401(k) savings plan—drop dramatically in the recession.

In a 2006 NACBA survey of its members, only 26 percent of full-time ministers and their dependents were fully covered.

Many pastors cannot afford to pay out of pocket for their own plans. Denominations, too, face difficulties footing the bill for group plans, particularly when premiums rise as church staff ages.

“It was an ongoing problem before the economy tanked because it was just difficult for small churches and individual churches to get affordable health care,” May said.

Roy Taylor, stated clerk of the Presbyterian Church in America, said “solo pastors”—those leading a church by themselves—are finding the most difficulty.

“Ministers are just like everyone else having to deal with the economic downturn (and) the stark realities of the present situation,” Taylor said. “They find the same problems anyone would try to find some way of having health care coverage that is sufficient and also affordable.”

Some solutions lie in cooperatives such as Samaritan Ministries International, Taylor said, where pastors of all denominations pay for each other’s medical bills.

However, some younger ministers opt out of these plans, finding cheaper

rates on their own. This places a larger burden on other pastors to make up the difference for the cooperative premiums.

Some denominations—including the Conservative Baptist Association of America, as well as the Church of the Brethren—have dropped health insurance plans for their clergy, in part because of rising premiums.