

THE EPISCOPAL DIOCESE OF PENNSYLVANIA

Commission on Clergy Compensation and Employee Benefits

Handbook

Revised July 2016 by Ms. Margaret E. Ullman

This handbook has been produced with aid from the members of the Commission on Clergy Compensation and Benefits in an attempt to provide understanding of the duties and functions of this Commission. The Commission hopes this Handbook will assist newly elected and/or appointed members in their efforts to comprehend all the complexities of the work we do for the lay employees, Clergy and their dependents, and the Diocese of Pennsylvania.

Commission on Clergy Compensation and Employee Benefits Handbook

Table of Contents

Table of Contents	2
Commission Organization.....	3
Commission Functions and Responsibilities.....	5
Benefits Committee.....	6
Loans and Grants Committee	8
Salary Monitoring Committee	11
Appendices	12
Appendix I—Commission on Compensation and Employee Benefits History.....	12
Appendix II. The Governing Canons.....	15
<u> </u> Canon 4—Diocese of Pennsylvania.....	15
<u> </u> Canon 7—Diocese of Pennsylvania.....	16
<u> </u> Canon 19 Institution—Diocese of Pennsylvania	19
<u> </u> Title I, Canon 8—Of The Church Pension Fund—Episcopal Church.....	20
Appendix III. Retired Clergy Medical Assessment (RCMA)	23
Appendix IV. Clergy Financial Assistance Fund (CFA)	24
Appendix V. Explanation of Diocesan Assessments.....	25
Appendix VI. Clergy Financial Aid Request Form	26
Appendix VII. Glossary of Commonly Used Terms and Acronyms.....	27
Appendix VIII. Records Retention Policy.....	28
Appendix IX. Resolutions	29
Appendix XII. On CCCEB’s relationship with the Christmas Fund.....	33

Commission on Clergy Compensation and Employee Benefits Handbook

Commission Organization

Authority: The Commission shall administer the Clergy Financial Assistance (CFA) Assessment, as provided in Canon 7.5. It shall also act as the Church Pension Fund Committee of the Diocese, as provided for in Canon 7.6. It shall make an annual report of its work to the Convention. In addition, it shall have the duty and authority to study, investigate and make recommendations to the Convention, Diocesan Council, or any parish concerning all matters relating to compensation for the clergy in the employ of the Diocese, its parishes or its missions.¹

The Commission consists of 12 members elected by Convention—6 clergy and 6 lay all of whom shall serve 3-year staggered terms so that two lay members and two clergy are elected each year. One lay member and one clergy member is elected by the Convention and one lay member and one clergy member is elected by Diocesan Council. Members may only serve 2 terms.

Officers are:

Bishop is the *ex officio* Chair of the Commission

Vice Chairperson

Asso. Vice Chairperson

Secretary

Treasurer

Ex-officio members are:

Staff persons:

The Canon for Transition Ministry supports the Loans and Grants Committee

The Canon to the Ordinary for Pastoral Services supports the Benefits Committee

The Commission is made up of 3 Committees:

1. Benefits Committee
2. Loans and Grants Committee
3. Salary Monitoring Committee

The Executive Committee is made up of:

the Vice-Chairperson

the Associate Vice-Chairperson

¹ See Appendix I, Cannon 4.

Commission on Clergy Compensation and Employee Benefits Handbook

the Treasurer

the Secretary

the Chairperson of the Benefits Committee

The Commission meets regularly on the second Wednesday of each month.

Commission on Clergy Compensation and Employee Benefits Handbook

Commission Functions and Responsibilities

1. Informs parishes leaders and clergy² on rulings governing:
 - a. The Church Pension Fund
 - b. The Church Medical Trust
 - c. The Federal, state and local taxation of clergy income
 - d. Qualifications for clergy assistance
 - e. Guidelines for equitable compensation and benefits for all clergy
2. Proposes Resolutions to Convention for changes when necessary
3. Monitors whether clergy pension premiums are current
4. Monitors whether clergy salaries are in accordance with convention resolutions
5. Administers the clergy Financial Assistance Fund
6. Maintains a handbook for incoming members of the Commission and Diocesan auditors
7. Supports Diocesan staff in meeting benefit obligations
8. Provides support for annual FASB 106 funded liability for retiree benefit audit
9. Prepares the annual resolutions that are made to the Diocesan Convention for CFA Assessments and for clergy salary ranges.

² Active and retired, disabled clergy and active lay

Commission on Clergy Compensation and Employee Benefits Handbook

Benefits Committee

Authority: The Commission being canonically-chartered, the responsibilities are defined in the Diocesan Canons: 4.5, 7.5, 7.6, and 7.8.³

Duties:

The Committee defines and administers the Denominational Health Plan; develops and manages supplemental health benefits and monitors the Retired Clergy Medical Assistance (RCMA) funding. These activities are all done in accordance with the Episcopal Church canons and The Episcopal Diocese of Pennsylvania canons.

Benefits Committee Functions

1. Evaluate and select plan options for:
 - medical, pharmacological, mental health, dental, and vision
 - group life and supplemental life for clergy and lay
 - disability: short and long term,
 - accidental death and dismemberment
 - health reimbursement accounts
2. Support enrollment/termination
3. Provide health and wellness education
4. Support premium billing, collection, payment
5. Study, evaluate and set the RCMA funding to cover:
 - medical insurance for disabled clergy
 - cover/subsidize medical insurance for clergy widows(ers) and dependents
 - subsidize Medicare supplement policy and dental insurance for eligible retired clergy
 - subsidize medical/dental insurance for retired clergy w/spouse/dependents
6. Support lay pension (A-138) implementation and health care insurance implementation
7. Provide assistance to retirees
8. Act as liaison between the Church Pension Fund and its beneficiaries
9. Support administration of the Wellness Funds from the Widows' Corporation

³ See Appendix III The Governing Canons

Commission on Clergy Compensation and Employee Benefits Handbook

10. Determine eligibility of clergy and lay participants

Commission on Clergy Compensation and Employee Benefits Handbook

Loans and Grants Committee

Authority: The CCCEB has the canonical responsibility to insure that The Clergy Financial Assistance Assessment is administered in accordance with Canons 4.5.2 and 7. Sec. 7.5.

Loans and Grants Committee: The Loans and Grants Committee is charged with overseeing the financial health of the Clergy Financial Assistance Fund, to which parishes are required to contribute on a regular basis. The Fund exists to provide assistance to Clergy in transition or to Clergy who have specific financial needs due to particular health and career factors. The Committee monitors the status of the Fund, in general, and specifically, where parishes may be delinquent in remittances to the Fund. Another mission of the Fund is to provide assistance to Clergy with specified needs. In its Loans and Grants functions, the Committee receives, reviews, and acts on applications for assistance. These contain sensitive information regarding individual Clergy's mental and physical health, employment status [unemployment, underemployment, and transitional] and financial health. This information is highly sensitive and is treated as Confidential. Specific duties and requirements follow.

Duties

1. Administers the Clergy Financial Assistance Fund
2. Monitors parish remittances to the Clergy Pension Fund
3. Reports overall activity to the Commission at each monthly meeting
4. Reports financial status quarterly to the Finance Committee

Loans and Grants Functions

Financial assistance is available for: (1) clergy in transition from one parish to another, (2) moving from parochial to non-parochial ministry, and (3) in cases of household distress.

Loans and grants are approved for up to a period of three months. Notification of approval or rejection shall be made to all applicants by the Commission in writing. Loans are available for congregations to apply.

Commission on Clergy Compensation and Employee Benefits Handbook

Eligibility

- Disability: physical, mental, emotional⁴
- Unemployment due to lack of funding⁵
- Unemployment under Episcopal Church Canon 3.9.13⁶
- Interns seeking re-location within the intern program
- Returnees from posts outside the Diocese⁷
- Transitions with a salary gap
- Transitions from full to part-time

Application Process

- Clergy, canonically resident, must have a Clergy Profile that is active and not more than 2-years old at the time of application
- Initiate a discussion with the Bishop's staff person to determine if applying to the Fund is appropriate for the situation
- Stipendiary clergy licensed by the Bishop must have his/her recommendation before making application
- Complete the Clergy Application for Financial Aid.⁸
- Discuss the Application with the Canon for Transition Ministry.
- The Loans and Grants Committee will acknowledge receipt of the application within two weeks.

These confidential applications are carefully reviewed by the committee with advice and input from the Canon for Transition Ministry and the Bishop. Decisions are subjective and judgmental with a need to be both compassionate and responsible stewards of the monies provided by the parish assessments. In general, no grant is approved to pay any pension, medical insurance premiums or to assist in any emergency situation for more than three months at one time.

The committee monitors payments by the churches to the Church Pension Fund for currency. The committee receives a monthly report of pension payments that are in arrears. Some churches remit monthly, some quarterly.

When the arrears become significant and after consultation with the Canon for Transition Ministry and the Bishop, the committee may request a staff person to call the clergy person as a

⁴ Requires medical proof to be submitted with Application.

⁵ Requires evidence of job search and expected time needed to secure employment.

⁶ Requires date of final salary payment

⁷ Includes military, missionaries, and Episcopal Church

⁸ See the form in Appendix V.

Commission on Clergy Compensation and Employee Benefits Handbook

reminder, and/or send a standard letter to the wardens of the church and the clergy person, addressing the matter and pointing out the consequences of non-payment.

Commission on Clergy Compensation and Employee Benefits Handbook

Salary Monitoring Committee

Authority: Canon: 4.5.3. The lay members of the Commission shall confer with the vestries and advisory committees of parishes and missions which are paying less than the minimum compensation, with the purpose of stimulating increased payments. Also refer to Canon 4.5.4., Appendix I.

Duties:

1. Establishes clergy grade levels based on complexity of task in relation to formulas established from time to time by the CCCEB.
2. Recommends annually to the Convention of the Diocese the minimum, mid-point, and maximum compensation for the appropriate grade level based on the COLA for the Philadelphia area.
3. Reviews periodically all facts involved in clergy compensation; Including:
 - a. Medical insurance
 - b. Dental insurance
 - c. Disability Insurance
 - d. Allowances for SECA
 - e. Allowances for automobile use
 - f. Equity buildup toward retirement housing
 - g. Allowances for professional expenses
 - h. Allowances for continuing education
4. Reviews and recommends compensation levels for supply and substitute clergy
5. Proposes Resolutions to Convention for changes when necessary
6. Provides parishes and missions with guidelines for assessing clergy performance
7. Educates parish and mission leaders on equitable compensation for clergy
8. Informs parishes leaders and clergy on rulings governing the:
 - a. Church Pension Fund
 - b. Federal, state and local taxation of clergy income
9. Audits clergy salaries annually to ensure compliance with recommended minimums
10. Review exception requests and approved as appropriate. Submits approved exceptions to the Bishop for approval.

Commission on Clergy Compensation and Employee Benefits Handbook

Appendices

Appendix I—History, Commission on Compensation and Employee Benefits

In 1970, the Commission on Clergy Salaries and Pensions (CCSP⁹) was established with the Diocesan Bishop¹⁰ serving as the chairperson. The Commission consists of 13 members: the Bishop plus 6 clergy and 6 lay members. The duties were as follows:

1. Administer the clergy salary and compensation standards as set by the Diocesan Convention
2. Act as the Church Pension Fund Committee for the Diocese
3. Make recommendations to Convention on standards for clergy compensation

One of the first tasks of the CCSP was to review the basis for setting clergy salaries. In 1973 clergy were required to be paid a minimum salary of \$7,600 plus an annual increment for each year for the first 20 years of their ministry¹¹. The result was that the minimums actually became the maximums for most clergy.

Using the Pridegram Report, the Commission initiated a new initiative. The components¹² were:

- (1) minimum salary would be linked to the amount of responsibility inherent in a particular parish. Parishes were assessed and given a designation of levels: C, D E, etc. Interns and curates were given levels A or B.
- (2) separate salary ranges were established for each level.
- (3) incumbents with competence and of long tenure would receive a salary at or above the midpoint of the appropriate range.
- (4) parish leaders would understand the nature of the work required and the skills needed for their situation
- (5) parish leaders would develop ways to evaluate clergy performance

Using these components parish leaders could set a fair salary scale for their parish. By 1992 an analysis showed that about 50% of the parishes were within 10% of midpoint and 40% were above midpoint.

⁹ The name Commission on Clergy Salary and Pension (CCSP) was changed at the 2011 Convention to Commission of Clergy Compensation and Employee Benefits (CCCEB).

¹⁰The Rt. Rev. Robert L. DeWitt was Bishop.

¹¹ Intended minimums were: \$12,150 for 20 years of service, \$12,650 for 30 years, and \$13,150 for 40 years

¹² This methodology was common for non-profit organizations.

Commission on Clergy Compensation and Employee Benefits Handbook

In 1987, Bishop Bartlett requested a committee to review the Diocesan Canons as they applied to the Commission.

By the early 1990's, the Commission was examining options and picking health insurance plans which were mandatory for clergy in Church employment and available to lay employees at the employer's discretion. Church House employees were included; however, many lay employees of congregations and diocese-affiliated institutions were not participating. The choice on plans and prices made by the Commission was forwarded to the Finance and Property Committee, which approved them with little if any debate.

By 1994, the situation of the health insurance industry had begun to change ever more rapidly. The indemnity plans in which insured clergy and lay employees were reimbursed a fixed percentage of the fees paid for procedures and medications were becoming unaffordable because of rapidly rising premium costs. New forms of health insurance, such as Health Maintenance Organizations (HMO's) were becoming prominent in the Philadelphia area.¹³ Because the carrier we used then, the Episcopal Church Medical Trust [ECMT] was unable at that time to offer these new kinds of coverage, we changed our carrier to the local Blue Cross affiliate, Independence Blue Cross. Our groups of insurees were covered under the provision for small businesses, "Community Rating", which meant that we benefited from an averaging of costs and premiums over a wide range of small groups. Our costs fell greatly. At this point we engaged a company named, Patient Partner, to administer and bill for our health insurance.

As the twenty-first century approached, the sharp increases in health care costs and thus premiums continued. In 2004, Diocesan Convention adopted a canonical change providing that the Commission on Clergy Salaries and Pensions, being the body which examines and administers the health coverage plans which will be made available, would make the decision on the levels of coverage to be offered.

In 2006, the Diocesan Convention decided to separate the reserve funds held for insurance premiums by the establishment of the Diocese of Pennsylvania Diocesan Health and Welfare Benefits Trust [DHWBT], a separate corporation¹⁴ from the Diocese. The Board of Directors of this corporation would be the elected members of the CCSP. The DHWBT also assisted the Diocese in administering the programs funded through the Retired Clergy Medical Assessment [RCMA], which is proposed annually by the CCSP to the Diocesan Convention.

¹³ The Episcopal Church Medical Trust is an arm of the Church Pension Group.

¹⁴ This 'corporation' is not incorporated.

Commission on Clergy Compensation and Employee Benefits Handbook

In the past five years, several initiatives have been undertaken by the CCSP (CCCEB):

1. The salary standards (and the indices on which they are based) have been adjusted to meet the present situation of congregations and clergy in the Diocese. An online calculator has *been provided to assist both clergy and congregations in adhering to the standards approved annually by Diocesan Convention*
2. *In preparation for the arrival of the Denominational Health Plan [DHP] approved by General Convention in 2009, the CCSP undertook an examination of the various carriers available to us for our health insurance programs. The CCSP decided that the best course of action was to return to the ECMT as our insurance carrier starting January 1, 2012.*
3. The CCSP has been examining the issues presented by the proposed January 1, 2015, implementation of the parity standards between clergy and lay employees' benefits and the additional requirements for lay employees working over 1500 hours per year to receive health insurance premium payments on the same basis as other employees (including clergy).4. The CCSP has offered assistance to the Diocese as the provisions for mandatory lay pensions for all employees working over 1000 hours per year take effect at the beginning of 2013.

In view of this expansion of the Commission's role (mandated by changes to national Canons), the 2011 Diocesan Convention, at the request of CCSP, changed the name of the Commission to the Commission on Clergy Compensation and Employee Benefits [CCCEB].

In 2012 and 2013, the Clergy, their dependents and lay employees were transitioned smoothly to the Episcopal Church Medical Trust (ECMT). CCCEB began implementing the 'Final Report' of the 'The Retired Clergy Medical Assessment (RCMA) Working Group'. The RCMA had begun running a deficit beginning in 2010. The downward trend in parish participation caused CCCEB to consider ways to remedy the situation. A recommended a three-year phase out of the parish assessments was approved by Convention.

CCCEB proposed a change to Canon Sec. 19.4 in 2014 and Convention approved the changes. This action clarified CCCEB's authority and responsibilities in the management of insurance premiums and reserves held in the Diocesan Health and Welfare Trust accounts.

In 2015, CCCEB proposed a change to Canon 7.8.7. The change was brought about The Episcopal Church's mandate to begin providing parity in the funding of lay and clergy health benefits. The changes were approved by Convention and will allow parishes more flexibility in devising suitable health care for their individual situations.

Commission on Clergy Compensation and Employee Benefits Handbook

Appendix II. The Governing Canons

Canon 4—Diocese of Pennsylvania

SEC 4.5 *The Commission on Clergy Salaries and Pensions*

4.5.1 There shall be a Commission of the Diocese to be known as “The Commission on Clergy Salaries and Pensions,” consisting of the Bishop, *ex officio*, who shall be the Chairperson, and twelve other members, six clergy and six lay, all of whom shall serve three-year terms staggered so that two lay members and two clergy are elected each year. One lay member and one clergy member shall be elected by the Convention and one lay member and one clergy member shall be elected by Diocesan Council. The Commission shall have power to fill vacancies among the members elected by Convention until the next Stated Convention, and the Diocesan Council may fill vacancies among the members elected by it. Any member shall be eligible for re-election, but except for having been chosen to fill a vacancy and to serve out the unexpired term of another, no person shall serve for more than two full terms consecutively.

4.5.2 The Commission shall administer the Clergy Financial Assistance Assessment, as provided in Canon 7.5. It shall also act as the Church Pension Fund Committee of the Diocese, as provided for in Canon 7.6. It shall make an annual report of its work to the Convention. In addition, it shall have the duty and authority to study, investigate and make recommendations to the Convention, Diocesan Council, or any parish concerning all matters relating to compensation for the clergy in the employ of the Diocese, its parishes or its missions. No such recommendation shall be made to the Convention unless the same shall have been submitted to the Diocesan Council for its information no later than the first day of the fourth month prior to the month in which such Convention shall occur; provided that Diocesan Council may waive the foregoing requirement.

4.5.3 The lay members of the Commission shall confer with the vestries and advisory committees of parishes and missions which are paying less than the minimum compensation, with the purpose of stimulating increased payments.

4.5.4 The Commission may also receive from the warden of a parish, aided parish, mission, or boards of directors of diocesan corporations, with the written consent of the clergy whose compensation is involved, appeals for permission in exceptional circumstances to pay its clergy less than the total minimum compensation established by Convention. The Commission may adopt such reasonable appeal procedures as it deems necessary and appropriate. If permission is granted, the provisions of Canon 7.5 with respect to minimum compensation of clergy shall not apply to such parish or unit of the Church for the duration of the period of time for which such

Commission on Clergy Compensation and Employee Benefits Handbook

permission was given. When such permission has been granted by the Commission, written notice of the reasons and terms of the permission shall be given to the Bishop for approval. The decision of the Commission when so endorsed by the Bishop, shall be binding upon the Diocesan Council, the Commission, and the unit of the Church which made the application.

4.5.5 The Commission shall provide a report of its activities to the Finance Committee at least once every three months.

Canon 7—Diocese of Pennsylvania

SEC. 7.5. Clerical Compensation, Assessments and Financial Assistance

7.5.1. The Convention shall from time to time, by Standing Resolution, establish schedules of the minimum compensation, including salaries, payments for health and life insurance and additional material provisions or expense allowances to be received by all Clergy engaged in full- or part-time ministry, in the employ of the Diocese, its parishes, or its missions.

7.5.2. The Commission on Clergy Salaries and Pensions, in these Canons hereinbefore provided for, shall estimate and recommend to each Stated Convention the amount believed to be necessary, in the form of grants or loans, in the next ensuing calendar year; (a) to augment to the minima, as above established, the compensation of clergy whose churches are unable to pay that compensation in full, (b) for making such payments of Church Pension Fund assessments as may be necessary to prevent in this Diocese the existence of such arrearages in Church Pension Fund assessments as might impair the rights of the clergy and their surviving spouses and children under the Church Pension Fund system, and (c) to provide interim financial assistance to displaced clergy as may be requested by the clergy in writing for relocation or other necessary expenses. The Commission shall likewise recommend an amount to provide financial assistance grants to clergy and parishes to facilitate clergy Sabbath leaves, provided the Commission and the Bishop are assured that neither the clergy nor the congregation can meet these financial needs themselves.

7.5.3. Such sum as may be approved by the Convention for the above purposes shall be known as “The Clergy Financial Assistance Assessment,” and the Diocesan Council shall assess the same upon and collect it from the parishes in union with the Convention on the same basis and in the same manner as in the case of the Assessment for the Support of the Episcopate.

7.5.4. The Treasurer of the Diocese shall be the Treasurer of the Clergy Financial Assistance Assessment.

7.5.5. The Treasurer shall, upon recommendation of the Commission, make payments of loans and grants: (a) to augment the compensation of clergy to amounts not exceeding the minima fixed by the Convention (see Resolutions of Convention), (b) to cover arrearages in Church Pension Fund assessments, and (c) to provide assistance to the clergy above provided for.

7.5.6. The Commission, may, at its discretion, withhold any of the payments above provided for, in individual cases; provided, however, that whenever such payments are withheld without the consent of the parties affected, the Commission shall state the facts in its annual report to the Convention.

Commission on Clergy Compensation and Employee Benefits Handbook

7.5.7. Any Convention, upon recommendation of the Commission, may suspend the right of representation in the Diocesan Convention of any parish failing to pay its clergy the minimum compensation fixed by the Convention, such suspension to continue until terminated by the Convention itself.

SEC. 7.6. *The Church Pension Fund*

7.6.1. In conformity with the resolution adopted by the General Convention of 1913, setting forth the principles upon which a pension system for the clergy of this Church and their dependents should be constructed, pursuant to which the Corporation of the Church Pension Fund has been created to carry these principles into effect, the Diocese of Pennsylvania adopts the system of the Church Pension Fund.

7.6.2. The Commission of Clergy Salaries and Pensions shall be the Church Pension Committee of the Diocese of Pennsylvania. It shall be the duty of this Committee:

7.6.2.1. To furnish annually to the Church Pension Fund the list of names of the clergy canonically resident in other Dioceses or Missionary Districts who may be licensed to officiate in this Diocese, with a statement of the stipends received by each of such clergy from any parish or mission in this Diocese or other organization in this Diocese, which either is subject to this Convention, or being engaged in religious or charitable work as a Church institution elects to come into the Church Pension Fund.

7.6.2.2. To receive from the Church Pension Fund annually a statement of the assessments necessary to be paid by each parish, mission or other organization, in order that the clergy in receipt of stipends from them may be entitled respectively to pensions.

7.6.2.3. To inform the Church Pension Fund, from time to time, of the clergy and the surviving spouses and minor orphans of clergy who may be entitled in respect of this Diocese to receive pensions from the Church Pension Fund.

7.6.2.4. In general, to inform the clergy and laity of the Diocese of the pension system created by the General Convention, and committed by it to the operation of the Church Pension Fund whereby the clergy of the Church are assured of pensions as of right to themselves, in the event of old age or disability, and in the event of their death, to their surviving spouses and minor orphans, and to do all things that may be necessary or advisable in the premises to the end that the monies necessary to be paid by the parishes, missions and other ecclesiastical organizations may be fully and systematically paid.

7.6.3. It shall be the duty of the Treasurer of the Diocese to provide for the annual payment to the Treasurer of the Church Pension Fund of the assessments payable on behalf of the Bishop of the Diocese, and also of the Bishop Coadjutor and the Bishop Suffragan, if there be such; and shall also pay the assessments payable on account of all stipends paid by the Diocese to other clergy.

7.6.4. It shall be the duty of the Diocesan Council to provide for the payment of the premiums on account of such portions of all clerical stipends as are paid out of the missionary funds of the Diocese.

Commission on Clergy Compensation and Employee Benefits Handbook

7.6.5. It shall be the duty of every member of the clergy receiving a stipend or stipends, and of every parish, mission and other organization as aforesaid, paying a stipend or stipends, to furnish a statement of such stipend or stipends to the Church Pension Fund, whenever the Church Pension Fund shall, in writing, ask for such a statement.

SEC. 7.8 Major Medical Insurance

7.8.1. The Bishop, Bishop Coadjutor, Bishops Suffragan, and clergy who are employed primarily by the Church, all of the above being canonically resident in this Diocese, will be covered by a diocesan insurance policy together with spouses and dependents for the purpose of providing protection as herein specified against the cost of injury and sickness.

7.8.2. Holders of the offices above at age sixty-five, who retire with their last five years active service in the Diocese, and are canonically resident in the Diocese upon retirement, surviving spouses of those deceased clergy who at the time of death met these qualifications and who remain unmarried, disabled clergy as defined by the Church Pension Fund, and dependents of the above for whom the Bishop feels coverage is warranted will likewise be insured for the purpose of providing protection as herein specified against the cost of injury and sickness. Those persons who do not qualify because of less than five years active service in the Diocese may join the existing health plan at their own expense.

7.8.3. Spouses of retired clergy are eligible for such insurance coverage if they have been married to the qualified priest for five years prior to the priest's sixty-fifth birthday. Otherwise, they may join the existing health plan at their own expense.

7.8.4. If the retired person or spouse is covered by another medical insurance plan, that other plan shall provide coverage.

7.8.5. If a retired priest reaches age 65 and is eligible for such insurance benefits and the spouse of that priest is younger, the priest or spouse will be responsible for payment of any premium in excess of the insurance costs for a person sixty-five or older, if such coverage is desired.

7.8.6. *(Adopted November 6, 2004)* The protection shall be that specified by the Commission on Clergy Salaries and Pensions.

7.8.7. Employers subject to the authority of the Diocese of Pennsylvania will offer eligible clergy and lay employees equal access to all of the health benefit plans offered through the Diocese. These employers will make an equal minimum contribution, as determined annually by the Commission on Clergy Compensation and Employee Benefits ("CCCEB"), towards premiums and/or health savings accounts for all eligible full-time employees enrolling in Diocesan benefits. Employers may elect to offer coverage greater than the minimum parity levels, provided they offer equal coverage to all clergy and lay employees. Employers may offer benefits to eligible part-time employees.* The vestries of aided and mission parishes will request sufficient funding from the budget for Convention and diocesan expense to insure such equal coverage. Either the Diocesan Budget approved by annual Convention or an assessment of an amount established by the Committee on Finance and Property will

Commission on Clergy Compensation and Employee Benefits Handbook

fund the purchase of health insurance protection for all others. Notwithstanding anything contained herein, current letters of agreement are grandfathered.

*To be eligible to purchase employee benefits, the employee must be scheduled to work at least 20 hrs. per week or 1000 hours per year. (Adopted 7 November 2015.)

Canon 19 Institution—Diocese of Pennsylvania

Sec. 19.4 The Diocesan Health and Welfare Benefits Trust

The Commission on Clergy Compensation and Employee Benefits of the Episcopal Diocese of Pennsylvania is hereby designated and appointed the entity to collect, hold, oversee and administer health, life, disability and other related insurance premiums and reserves in trust for the Diocese, and its parishes, missions and institutions. It shall exercise complete management and control of all these funds held in trust, including the existing power of disbursement of the same; provided, however, that no such disbursement of any funds and other property held in trust shall be made other than in accordance with the Commission's policies.

Commission on Clergy Compensation and Employee Benefits Handbook

Title I, Canon 8—Of The Church Pension Fund—Episcopal Church

Sec. 1. Clergy and lay pension and health plans.

The Church Pension Fund, a corporation created by Chapter 97 of the Laws of 1914 of the State of New York as subsequently amended, is hereby authorized to establish and administer the clergy pension system, including life, accident and health benefits, of this Church, substantially in accordance with the principles adopted by the General Convention of 1913 and approved thereafter by the several Dioceses, with the view to providing pensions and related benefits for the Clergy who reach normal age of retirement, for the Clergy disabled by age or infirmity, and for the surviving spouses and minor children of deceased Clergy. The Church Pension Fund is also authorized to establish and administer the lay employee pension system and denominational health plan of the Church, substantially in accordance with the principles adopted by the General Convention of 2009 in Resolution 2009-A177, with the view to providing pensions, health care and related benefits for the eligible Clergy and eligible lay employees of this Church, as well as their eligible beneficiaries and dependents.

Sec. 2. Election of Trustees.

The General Convention at each regular meeting shall elect, on the nomination of a Joint Committee thereof, twelve persons to serve as Trustees of The Church Pension Fund for a term of six years and until their successors shall have been elected and have qualified, and shall also fill such vacancies as may exist on the Board of Trustees. Effective January 1, 1989, any person who has been elected as a Trustee by General Convention for twelve or more consecutive years shall not be eligible for reelection until the next regular General Convention following the one in which that person was not eligible for reelection to the Board of Trustees. Any vacancy which occurs at a time when the General Convention is not in session may be filled by the Board of Trustees by appointment, *ad interim*, of a Trustee who shall serve until the next session of the General Convention thereafter shall have elected a Trustee to serve for the remainder of the unexpired term pertaining to such vacancy.

Sec. 3. Royalties assessments.

For the purpose of administering the pension system, The Church Pension Fund shall be entitled to receive and to use all net royalties from publications authorized by the General Convention, and to levy upon and to collect from all Parishes, Missions, and other ecclesiastical organizations or bodies subject to the authority of this Church, and any other societies, organizations, or bodies in the Church which under the regulations of The Church Pension Fund shall elect to come into the pension system, assessments based upon the salaries and other compensation paid to Clergy by such Parishes, Missions, and other ecclesiastical organizations or bodies for services rendered currently or in the past, prior to their becoming beneficiaries of the Fund. For the purpose of administering the lay employee pension system and denominational health plan, The Church Pension Fund shall be entitled to collect from all Parishes, Missions, and other ecclesiastical organizations or bodies subject to the authority of this Church, and any other societies, organizations, or bodies in the Church which under the regulations of The Church Pension Fund shall elect to come into the lay employee pension system, assessments and/or contributions based upon the salaries and other compensation paid to eligible lay employees by such Parishes, Missions, and other ecclesiastical organizations or bodies, determine the eligibility of all Clergy and lay employees to participate in the denominational health plan through a formal benefits enrollment process, and The Church Pension Fund shall be entitled to levy upon and collect contributions for health care and related benefits under the denominational health plan from all Parishes, Missions, and other ecclesiastical organizations or bodies subject to the authority of this Church with respect to their Clergy and lay employees.

Commission on Clergy Compensation and Employee Benefits Handbook

Sec. 4. Limit on allotment.

The pension system shall be so administered that no pension shall be allotted before there shall be in the hands of The Church Pension Fund sufficient funds to meet such pension, except as directed by the General Convention in 1967.

Sec. 5. Minimum retiring allowance.

To every Member of the Clergy who shall have been ordained in this Church or received into this Church from another Church, and who shall have remained in service in the office and work of the Ministry in this Church for a period of at least twenty-five years, and in respect of whom the conditions of this Canon shall have been fulfilled in the payment of assessments on such reasonable basis as The Church Pension Fund may establish under its Rules of Administration, The Church Pension Fund shall provide a minimum retiring allowance the amount of which shall be determined by the Trustees of the Fund, and shall also provide surviving spouses' and minor children's allowances related thereto. In the case of a Member of the Clergy in whose behalf assessments shall not have been fully paid for a period of at least twenty-five years, The Church Pension Fund shall be empowered to recompute the aforesaid minimum retiring allowance and the other allowances related thereto at a rate or rates consistent with the proper actuarial practice. The Trustees of The Church Pension Fund are hereby empowered to establish such Rules and Regulations as will fulfill the intention of this Canon and are consistent with sound actuarial practice. Subject to the provisions of this Canon, the general principle shall be observed that there shall be an actuarial relation between the several benefits; *Provided, however*, that the Board of Trustees shall have power to establish such maximum of annuities greater than two thousand dollars as shall be in the best interest of the Church, within the limits of sound actuarial practice.

Sec. 6. Initial Reserve Fund.

An Initial Reserve Fund, derived from voluntary gifts, shall be administered by The Church Pension Fund so as to assure to clergy ordained prior to March 1, 1917, and their families, such addition to the support to which they may become entitled on the basis of assessments authorized by this Canon as may bring their several allowances up to the scale herein established.

Sec. 7. Merger of General Clergy Relief Fund and Church Pension Fund.

The action of the Trustees of the General Clergy Relief Fund, in accepting the provisions of Chapter 239 of the Laws of 1915 of the State of New York authorizing a merger with The Church Pension Fund, upon terms agreed upon between said two Funds, is hereby approved. Any corporation, society, or other organization, which hitherto has administered clergy relief funds, may to such extent as may be compatible with its corporate powers and its existing obligations, and in so far as may be sanctioned in the case of diocesan societies by the respective Dioceses, merge with The Church Pension Fund, or if merger be impracticable, may establish by agreement with The Church Pension Fund the closest practicable system of co-operation with that fund. Nothing herein contained shall be construed to the prejudice of existing corporations or societies whose funds are derived from payments made by members thereof.

Sec. 8. Pensions for women.

Women ordained to the Diaconate prior to January 1, 1971, who are not employed in active service on January 1, 1977, shall continue to have the benefit of their present provisions for pension protection at the expense of their employers, through the Pension Plan for Deaconesses provided by the Church Life Insurance Corporation, or through some other pension plan providing equivalent or better guarantees of a dependable retirement income, approved by proper authority. Women ordained to the Diaconate prior to January 1, 1971, and who are employed

Commission on Clergy Compensation and Employee Benefits Handbook

in active service on or after January 1, 1977, shall be entitled to the same provisions for pension protection as other Deacons based on prospective service on or after January 1, 1977. Women ordained to the Diaconate on or after January 1, 1971, shall be entitled to the same pension protection as other Deacons.

Sec. 9. General Convention reserves right to amend.

The General Convention reserves the power to alter or amend this Canon, but no such alteration or amendment shall be made until after the same shall have been communicated to the Trustees of The Church Pension Fund and such Trustees shall have had ample opportunity to be heard with respect thereto.

Commission on Clergy Compensation and Employee Benefits Handbook

Appendix III. Retired Clergy Medical Assessment (RCMA)

RCMA is one of three assessmentsⁱ¹⁵ which together fund the Diocese's core operating budget. The commission on Clergy Compensation and Employee Benefits is responsible, under the Canons, for setting the assessment for two of the three.

The rationale behind this assessment is that many clergy have been paid low salaries for many years and have small pensions. Frequently they eventually have significant medical and dental expenses. While they receive Medicare, there is no dental insurance provision. Historically, DIOPA has helped subsidize benefits coverage for eligible retired clergy by upgrading their supplement policy and providing dental coverage, a small death benefit, widows' medical insurance, and retired clergy spouses/dependents under 65.

The Diocese also covers medical benefits for disabled clergy/dependents until they are eligible for Medicare.

In 2013, CCCEB began implementing the 'Final Report' of the 'The Retired Clergy Medical Assessment (RCMA) Working Group'. The RCMA had begun running a deficit beginning in 2010. The downward trend in parish participation caused CCCEB to consider ways to remedy the situation. 'The Final Report' recommended a three-year phase out of the parish assessments. Beginning in 2014, the payments will be 25% less than the previous year. The RCMA will continue to pay a subsidy for an enhanced Medicare supplement for those 80 years or older; and, where the monthly clergy pension falls below the hardship level calculated by CPG.

¹⁵ The 3 assessments are: Episcopate Assessment (EA) which support the diocesan operation and staff, the Retired Clergy Medical Assistance (RCMA) and the Clergy Financial Assistance (CFA) fund.

Commission on Clergy Compensation and Employee Benefits Handbook

Appendix IV. Clergy Financial Assistance Fund (CFA)

The Clergy Assistance Fund was established by the Convention of the Diocese. It is funded by a yearly assessment assigned to each parish or mission. The Fund may make either grants or loans to qualifying clergy or churches.

Each year the CCCEB presents a resolution to the Convention of the Diocese requesting the amount to be provided the Fund by assessing each parish. The monies are placed in a separate account to be dispensed by the Commission for clergy it determines are in financial need and meet the eligibility and criteria requirements. The Loans and Grants Committee of the Commission administers these monies. The monies may be given either as a loan or a grant.

A portion of this Fund is used to support sabbatical leave where churches cannot entirely fund their clergy person's leave. At this time \$20,000 annually is set aside for this purpose.

Commission on Clergy Compensation and Employee Benefits Handbook

Appendix V. Explanation of Diocesan Assessments

Formula

The Assessments are allocated in the following manner. They are determined by their respective groups and totaled. Each church pays a percentage of the total assessment based on the proportion that their normal operating income is of the total diocesan operating income. This is based on parochial reports from two years prior.

The assessments are paid directly to the diocese.

The formula is as follows:

1. Normal operating income from line A of the parochial report from two years prior is determined.
2. This amount is divided by the sum of the same amount from all churches from the same year to calculate a percentage
3. That percentage is then multiplied times each assessment to determine the amount due.

Commission on Clergy Compensation and Employee Benefits Handbook

Appendix VI. Clergy Financial Aid Request Form

APPLICATION DEADLINE – SECOND WEDNESDAY OF EVERY MONTH

Clergy Application for Financial Aid

To: Loans and Grants Committee, Commission on Clergy Salaries & Pensions

From: _____

DATE: _____

I hereby make application for financial aid from the Commission on Clergy Salaries and Pensions under Diocesan Canon 7, Section 5

Lump Sum \$ _____ Loan; \$ _____ Grant

Monthly for the months of _____ (3 month maximum)

\$ _____ Loan; \$ _____ Grant

- I. My financial need is substantiated by attached statement of income, expenses and bills now due or past due.
- II. The present situation regarding my present and prospective employment is as follows (Include any special factors which affect your situation; use separate sheets if necessary or refer to previous records):
- III. Current/Last Diocesan Employment: _____
If terminated, date of termination: _____
Settlement granted (including housing, separation agreement, etc.) _____
- IV. Desired positions/employment:
Part-time or temporary _____
Permanent _____
Outside the Church _____
- V. Sources of Job Search Counseling and Guidance [E.g., Pennsylvania Department of Unemployment or private counseling.]
- VI. To earn money for myself and my family until I am fully employed, I am doing the following:
- VII. My own savings, assets and/or private resources can supplement my income to the following extent:
- VIII. Diocesan Aid from all sources in the past 12 months:
- IX. Financial assistance from any other source (E.g., personal loans, family assistance, etc.)

Additional Factors that will aid the Committee's review:

Please return to: Canon for Transition Ministry, DIOPA, 3717 Chestnut Street, Suite 30 Philadelphia PA 19104

Commission on Clergy Compensation and Employee Benefits Handbook

Appendix VII. Glossary of Commonly Used Terms and Acronyms

1.	ASO	Administrative Support Services
2.	CCCEB	Commission of Clergy Compensation and Employee Benefits
3.	CCSP	Commission on Clergy Salaries and Pensions
4.	CFA	Clergy Financial Assistance
5.	Check Signers	Members of CCCEB who are authorized to co-sign checks for the Benefits Trust
6.	COLA	Cost of Living Allowance
7.	CPG	Church Pension Group
8.	DHP	Denominational Health Plan
9.	DHWBT	Diocese of Pennsylvania Diocesan Health and Welfare Benefits Trust
10.	DIOPA	Diocese of Pennsylvania
11.	ECMT	Episcopal Church Medical Trust
12.	FICA	Federal Insurance Contributions Act
13.	HMO	Health Maintenance Organizations
14.	HRA	Health Reimbursement Account
15.	RCMA	Retired Clergy Medical Assessment
16.	TPA	Third Party Administrator
17.	CS&P	Commission on Clergy Salaries and Pensions (old name of CCCEB)
18.	Medical Trust	The Medical Trust of the Church Pension Group
19.		
20.		
21.		

Commission on Clergy Compensation and Employee Benefits Handbook

Appendix VIII. Records Retention Policy

The Commission adheres to the current Diocesan Retention Policy. This policy can be found on the Diocesan web site under Resources/records management for parishes.

Commission on Clergy Compensation and Employee Benefits Handbook

Appendix IX. Resolutions

Resolution on Health Reimbursement Account (HRA) Money September 2013)

WHEREAS, The HRA was greatly underutilized in 2012 and so far in 2013; and

WHEREAS, We have accumulated a considerable amount of money as a result; and

WHEREAS, We are not offering HRA in 2014; and

WHEREAS, We have had discussions on how to handle money; therefore be it

RESOLVED, That we pay all remaining 2013 HRA claims from the HRA reserves that were accumulated up to 12/31/2012, assuming that the amount of that 12/31/2012 balance would not be difficult for BDG to calculate and could be reconciled to the audit that was just completed; and

RESOLVED, That we continue to bill for the HRA and HSA through 9/30/2013; and

RESOLVED, That BDG not bill for the HRA and HSA for the last quarter of this year: and be it further

RESOLVED, that the HSA accounts be funded for the last quarter from excess HRA monies.

- This can be done if BDG is notified of the change by September 20, 2013.
- CCCEB will let churches know that they will not be billed for the last quarter.

Commission on Clergy Compensation and Employee Benefits Handbook

Resolution on the Working Relationship Between The Bishop, the Canon to the Ordinary for Pastoral Services, and the Commission on Clergy Compensation and Employee Benefits, September 2013

The Bishop, the Canon and the CCCEB will collaborate to plan and design salary structures, financial assistance and health care options for the health and welfare of the Clergy, their families, and the lay employees of the Diocese of Pennsylvania consistent with the Canons of The Episcopal Church, USA and The Episcopal Diocese of Pennsylvania.

The Canon will act as advisor to the Commission on Clergy Compensation and Employee Benefits (CCCEB).

The Canon to the Ordinary for Pastoral Services and the CCCEB will implement the plans in consultation with the Bishop and Diocesan Council.

Resolution on Authorizing Financial Transactions by the Commission on Clergy Compensation and Employee Benefits (CCCEB) September 2013

The Executive Officers of the CCCEB and the Staff employee of the CCCEB are able to authorize: withdrawals, transfers; and the opening and closing of accounts.

The Canon for Financial Administration has electronic access to our accounts. The Canon will be authorized to make withdrawals, transfers, and open or close accounts by the receipt of 2 emails of approval from either two officers of CCCEB or 1 officer of CCCEB and the staff employee of CCCEB.

This process was approved by the auditors when we were audited (date).

Commission on Clergy Compensation and Employee Benefits Handbook

Resolution for CCCEB on Actions for 2014 (Approved December 2013)

WHEREAS, The Commission on Clergy Compensation and Employee Benefits (CCCEB) is canonically responsible for selecting medical and dental insurance plans to be offered to all diocesan employees who qualify according to the rules of the Episcopal Church Medical Trust and the Canons of the Episcopal Church; therefore, be it

RESOLVED, That the minimum premium level to be paid by employers of full time clergy in the Diocese shall be equal to the medical plan Empire BCBS EPO 80; and

RESOLVED, That CCCEB acknowledges the Medical Trust recommendation to move employees toward the HDHP plan with a funded HSA plan in the interest of controlling costs *; and

RESOLVED, That for employees who select the HDHP plan for 2014, the recommended HSA account to be funded in 2014 will be \$2700 for individuals and \$5450 for family in equal portions throughout the year, beginning in January 2014; and

RESOLVED, That employers will fund the HSA directly and not be billed by the Medical Trust; and

RESOLVED, That employees be informed of how to make additional contributions to their personal HSA accounts; and

RESOLVED, That HRA accounts will not be offered in 2014; and

RESOLVED, That CCCEB will recommend alternatives to HRA that both employers and employees can contribute to in the interest of paying co-pays and other medical expenses; and

RESOLVED, That the minimum premium level include Basic Dental as offered by Medical Trust; and be it further

RESOLVED, That CCCEB bring to Diocesan Convention necessary resolutions and canonical proposals to address the parity provision for eligible employees, clergy, and lay.

*(This requires a careful education plan by both Medical Trust and CCCEB so that employees understand the advantages and the risks of the HDHP/HSA. plans)

Commission on Clergy Compensation and Employee Benefits Handbook

Resolution for Transfer of Funds (Approved July 2014)

Be it

Resolved, that Margaret Ullman is authorized by the DHWBT to transfer up to \$500,000 from accounts managed by BDG to other DHWBT accounts, making provision that the account or accounts which will receive the transfer provide adequate FDIC protection,

Be it further

Resolved, that these funds will be transferred from “Retained Earnings” portion of the DHWBT Balance Sheet dated June 30, 2014, and that funds will still be “Retained Earnings” on the Balance Sheet for the account receiving the transfer.

Commission on Clergy Compensation and Employee Benefits Handbook

Appendix XII. On CCCEB's relationship with the Christmas Fund

The Christmas Fund (CF) provides financial assistance to disabled people: clergy, their families, seminarians and lay employees of churches or the diocese who have retired after 5 years of active service and have a specific need. CCCEB has traditionally made requests to the CF for the funding to cover disabled persons who have applied for to the Loans and Grants Committee for assistance due to some disability.

We have been receiving approximately \$160,000 to supplement our CFA funds. Annually, CCCEB makes an assessment based on projected need. This calculation is made before Convention and the request is presented to the Christmas Fund Treasurer.
