

September 14, 2016

TO: Parochial Clergy, Wardens, Administrators, Treasurers and Finance Leaders  
CC: Diocesan Council, Human Resource Committee & Diocesan Staff  
FROM: Todd Rubiano & Kristy Estey  
**RE: 2017 Compensation Policy & Budgeting Guidelines:**

*As you review these compensation policies, we encourage you to review the **Diocesan Employee Handbook** ([available on our Diocesan web site](#)). The handbook was designed to help our churches provide consistent and appropriate HR policies and practices.*

### **STAFF SALARY RANGES:**

Enclosed are salary ranges for clergy and lay staff positions in 2017. Please carefully review job descriptions for all *lay staff* positions to insure full **compliance with Federal & State requirements under the [Fair Labor Standards Act \(FLSA\)](#)**. These regulations provide minimum wage, over-time compensation requirements and the criteria for defining positions as either “Exempt” or “Non-exempt”. Remember that all employees, no matter how part-time, should be on a payroll service and must receive a W-2.

Each year, Vestries should review staff performance (relative to expectations and salary range) and make appropriate salary adjustments. Annual salary reviews are critical to retaining & recruiting the best staff. Vestries should continue to move compensation for experienced, well performing staff towards the upper half of the appropriate salary range. The most recent local wage surveys indicate that increases of about 3% are appropriate for staff in 2017.

### **HEALTH INSURANCE BENEFITS:**

For 2017 the Diocese will offer the same seven CPG Medical Plans offered in 2016. Please note that our High Deductible Health Plans, have been renamed Consumer Directed Health Plans (CDHP).

Our *minimum employer medical insurance subsidies* for 2017 will increase by about 3.5 % and cover an average of 92% of the premiums of our four lower cost plans. This is an opportune time for staff to carefully consider which plan provides the best balance between coverage and cost.

For 2017 the same three CPG/CIGNA Dental Plans introduced in 2016 will be available. All eligible employees (clergy & lay): scheduled to work at least 1,500 hours annually, must be offered dental coverage, with a *minimum employer subsidy* equal to 50% of the lowest cost plan for single, two person or family coverage. The proposed Diocesan Budget moves the responsibility for funding these minimum employer subsidies to churches for 2017.

This year’s **Open Enrollment period is 11/7/16 - 11/23/16**. Complete information regarding medical & dental plan coverage, premiums and all open enrollment details will be distributed in October.

**2017 PARISH APPORTIONMENT:**

[Enclosed is a chart of 2017 apportionments](#) included in our proposed operating budget. Additional details regarding apportionment rates, income ranges and “caps and floors” may be found under the Convention section of the Diocesan web site.

Please feel free to contact us with any questions or concerns on any of these items.

Best regards,

Todd & Kristy

## CLERGY SALARY RANGES:

The Diocesan Clergy Salary Ranges below reflect an increase of 2-3% for most church size categories (church “size” is based on Average Sunday Attendance - ASA). These changes are based on the most recent clergy compensation survey provided by the Church Pension Group (CPG) and analysis of peer diocese completed by the HR Committee, Bishop & Staff. These are the first increases to clergy salary ranges since we moved to the CPG church size structure three years ago.

2017 Clergy Salary Ranges by CPG Church Size	ASA:	Family 0-75	Pastoral 75-140	Transitional 140-225	Program 225-399	Resource 400+
<b>Diocese of Rochester Churches:</b>		<b>33</b>	<b>8</b>	<b>4</b>	<b>1</b>	<b>0</b>

### SALARY RANGE:

<i>Maximum</i>	\$	66,000	\$	84,000	\$	102,000	\$	120,000	\$	138,000
<i>Midpoint</i>	\$	55,000	\$	70,000	\$	85,000	\$	100,000	\$	115,000
<i>Minimum</i>	\$	44,000	\$	56,000	\$	68,000	\$	80,000	\$	92,000

- All ¼, ½, ¾ time positions are calculated as a % of the relative full-time position shown above.
- For clergy serving multiple congregations, aggregate parish ASA to determine church “size”.
- Salaries for Lay Pastoral Leaders, Associates & Assistants are dependent on a number of unique factors and should be determined in consultation with the Bishop’s Staff.
- Salary ranges include housing allowance but DO NOT include: Allowances for SECA taxes, pension contributions, health benefits or reimbursement for expenses (see example below):

### Example:

Total Salary:		<b>\$ 60,000</b>	<i>includes: housing allowance/rectory FMV</i>
SECA @	15.3%	\$ 9,180	
Total Assessable Comp. (TAC)		<b>\$ 69,180</b>	

Pension, Life & Dis. Ins. (CPF) 18.0% \$ 12,452

### Other Benefits:

Contribution to Medical Ins. \$ 6,480 *Minimum Employer Subsidy/single*  
 Contribution to Dental Ins. \$ 156 *50% Employer Subsidy/single*

### Reimbursable Expenses:

Business Expenses \$ 1,000 *Estimate*  
 Professional Development \$ 500 *Estimate*

**TOTAL BUDGET: \$ 89,768**

- If a rectory is provided, the parish must obtain an estimate of the fair market value (FMV) for rental of the property and may then reduce cash salary by that amount. Please note that the calculation for clergy pension changes when a rectory is provided.

**SUPPLY CLERGY RATES:** Rates for Supply Clergy will remain at the same levels for 2017.

- One Saturday or Sunday main Eucharist \$150
- Two Saturday or Sunday main Eucharist \$175
- Three main Eucharist services \$200
- Mid-week other than main Eucharist \$ 85

In addition, supply clergy should be reimbursed for mileage from home to the church and back at the IRS standard mileage rate.

**IRS MILEAGE RATES:**

The current IRS standard mileage rate is 54 cents per mile. We will communicate any changes as soon as they are announced.

**RECOMMENDED WAGES FOR LAY PARISH EMPLOYEES:**

Wage ranges for lay staff positions are difficult to standardize due to the wide range of job descriptions, education, skills and experience in these positions. In addition, there are geographic differences in the local job markets across the Diocese. Hourly wage rates below are structured to accommodate for these variances. Rectors and supervisors should clarify job descriptions/expectations and then use local data sources to align compensation for each specific role with that of the local community.

The chart below provides pay ranges that are appropriate for our Diocese. Depending on the job expectations (Level I – III) education, skills, experience, geographic differences in the cost of living and level of benefits provided - individual compensation may vary.

- The wage rates below DO NOT include payroll taxes or required health & pension benefits.

<i>Hourly Wage Range:</i>		Low	Mid-point	High
<b>Administrative Staff</b>	L-I	\$ 11.00	\$ 15.00	\$ 19.00
	L-II	\$ 13.00	\$ 17.50	\$ 22.00
	L-III	\$ 15.00	\$ 20.00	\$ 25.00
<b>Maintenance Staff (Sextons)</b>	L-I	\$ 10.00	\$ 13.50	\$ 17.00
	L-II	\$ 12.00	\$ 16.00	\$ 20.00
	L-III	\$ 14.00	\$ 18.50	\$ 23.00
<b>Musician</b>		\$ 12.00	\$ 23.00	\$ 34.00

Substitute Organists: \$95.00 - \$125.00 per Sunday

**LAY PENSION BENEFITS:**

Resolution A138 of the 2009 General Convention requires that all lay employees scheduled to work 1,000 hours or more annually be provided with a lay pension plan administered and designed by The Church Pension Fund (CPF). For defined contribution plans, employers must contribute not less than 5% of the employee’s compensation AND also match (on a dollar-for-dollar basis) not less than 4% of compensation. Therefore, an employee that contributes 4% of their own pay would receive another 9% from the employer, for a total contribution of 13%. **This resolution forms the minimum requirement that applies to all employers within the Diocese of Rochester.**

Effective 01/01/15, the Diocese recommended that all employers contribute 8% of the employee’s salary as the *employer base contribution* and up to an additional 4% *employer matching contribution*. This

policy results in a 12% maximum employer contribution for employees that contribute 4 % or more to their own plan. Employers may elect to “migrate” to this higher level of benefit by changing the base contribution by 1% point, per year until they reach 8% *employer base contribution* – while still maintaining the 4% *employer matching contribution*.

**MEDICAL INSURANCE – EMPLOYER SUBSIDY:**

The 77th General Convention reaffirmed that **all parishes and missions are to be enrolled in the Episcopal Church Medical Trust** and that **parity in cost-sharing shall be achieved between clergy and lay employees by December 31st, 2015**. All lay and clergy employees scheduled to work 1,500 hours or more annually must be offered these medical insurance benefits.

The *minimum employer medical insurance subsidies* for full-time employees in 2017 are:

	Single	Plus Spouse	Plus Child	Family
Monthly	\$540	\$1,080	\$970	\$1,535
Annual	\$6,480	\$12,960	\$11,640	\$18,420

- Employees are responsible to pay the difference in cost between the plan they select and the employer subsidy.
- The employer subsidy may be pro-rated for part-time employees, based on the full time subsidies shown above.
- Increasing benefits above the pro-rated amount is at the discretion of the Parish.
- Cost sharing for medical insurance must be the same for all eligible lay and clergy employees.

**In addition, Federal regulations require that employers offer the same medical insurance plans to all employees (even those over age 65) who are scheduled to work a minimum of 1,000 hours annually, OR who are paid more than \$455 per week.** The employee may decline coverage if, for example, they are covered under a spouse’s employer. But, the parish may not provide any incentives for the employee to refuse coverage (i.e. paying for alternative medical coverage). Any such payments may violate IRS regulations. If an employee has a legitimate basis for declining coverage, they should sign the attached waiver.

**DENTAL INSURANCE:**

For 2017, it is expected that church employers will provide the “employer dental subsidy” detailed below for all eligible employees (clergy & lay) scheduled to work at least 1,500 hours annually. The minimum employer dental subsidy is equal to 50% of the lowest cost plan for single, two person or family coverage.

	Premium: Lowest cost plan		50% Employer Subsidy	
	Monthly	Annual	Monthly	Annual
Single	\$26.00	\$312.00	\$13.00	<b>\$156.00</b>
Plus Spouse	\$52.00	\$624.00	\$26.00	<b>\$312.00</b>
Plus Child	\$47.00	\$564.00	\$23.50	<b>\$282.00</b>
Family	\$78.00	\$936.00	\$39.00	<b>\$468.00</b>

The remaining premium is paid by participants through payroll deduction.

**GROUP LIFE INSURANCE:**

Clergy who currently participate in the Church Pension Fund receive life insurance coverage of up to \$100,000, as long as pension assessments are paid. If a priest is not canonically resident in a diocese of the Episcopal Church and cannot participate in the Church Pension Fund, the congregation is required to purchase the same level of coverage as that provided by the Church Pension Fund.

Group Life Insurance up to \$50,000 is available to lay parish staff through the Diocesan group policy with Church Life Insurance. Please contact Kristy Estey for coverage and cost information.

**DISABILITY INSURANCE:**

Clergy who currently participate in the Church Pension Fund receive short term disability coverage (up to 12 months) as long as pension assessments are paid. If a priest is not canonically resident in a diocese of the Episcopal Church and cannot participate in the Church Pension Fund, the congregation is required to purchase the same of coverage as that provided by the Church Pension Fund.

Clergy are also exempt from mandatory New York State Disability Insurance (NYSDI). Therefore, there is no need for parishes to pay for NYSDI on behalf of clergy that are already covered through their Church Pension Fund assessments. All other parish staff must be covered by NYSDI.

In addition, ALL clergy and lay staff should consider their individual need for additional short and long term disability coverage as part of their personal financial planning.