

September 18, 2019

TO: Parochial Clergy, Wardens, Administrators, Staff, Treasurers and Finance Leaders
CC: Diocesan Council, Human Resource Committee & Diocesan Staff
FROM: Todd Rubiano & Kristy Estey
RE: 2020 Compensation Policy & Budgeting Guidelines:

SALARY & LABOR LAW CHANGES:

Enclosed are salary ranges established for clergy and lay staff positions in 2020. Vestries should carefully review job descriptions for all *lay staff* positions to verify full compliance with Federal & State laws regarding minimum wage, overtime compensation requirements and the criteria for defining positions as either “Exempt” or “Non-exempt”.

Annual salary reviews are critical to retaining & recruiting the best staff. Each year, Vestries should review staff performance (relative to expectations and salary range) and make appropriate salary adjustments that move compensation for experienced, well performing staff towards the upper half of their respective salary range. **The most recent local wage surveys indicate that increases of about 3% are appropriate for staff in 2020.**

Increases to both the [NYS minimum wage](#) (\$11.80) and minimum exempt salary (\$46,020.00) go into effect 12/31/19. Please keep in mind that there is no such thing as a “part-time”, exempt position. And, all employees, no matter how part-time, should be on a payroll service and must receive a W-2.

Starting January 1, 2020, the [NYS Paid Family Leave](#) wage replacement benefit increases to **60%** of the employee’s average weekly wage, up to a cap of **\$840.70** (which is 60% of the current Statewide Average Weekly Wage of \$1,401.17). The number of weeks eligible employees can take under the **NYS Paid Family Leave law** remains at 10 weeks for 2020. The contribution rate for employees will also increase in 2020 to **0.270%** of gross wages, up to the current Statewide Average Weekly Wage of \$1,401.17, with a maximum annual employee contribution of **\$196.72**.

HEALTH INSURANCE:

For 2020, we will offer the same array of medical & dental plans from Anthem Blue Cross Blue Shield (BCBS) and CIGNA. Our *minimum employer medical insurance subsidies* for 2019 will increase by about 4.4% for all coverage *Types*, except *Family* coverage, which will increase by 6.2%. Our goal is to bring *Family* coverage into equal balance with all other coverage types by 2021. That is, for all coverage types, the employer subsidy will equal the same proportion of premium of the lowest cost plan offered.

This year’s **Annual Enrollment period is 10/28/19 - 11/15/19**. This is the time for all employees to carefully consider which plans provide the best balance between coverage and cost. Complete information regarding health plan coverage, premiums and all open enrollment details will be distributed in early October.

2020 PARISH APPORTIONMENT:

[Enclosed is a chart of 2020 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 website.

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 have been increased by 2.2% – 4.5%, with larger percentage increases for smaller churches, and smaller percentage increases for larger churches (church “size” is based on Average Sunday Attendance - ASA). These changes in salary ranges 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.

2020 Clergy Salary Ranges:		Family	Pastoral	Transitional	Program	Resource	
by Church Size		ASA:	0-75	76-140	141-224	225-399	400+
SALARY RANGE:							
<i>HI</i>		\$ 69,000	\$ 87,000	\$ 105,000	\$ 123,000	\$ 141,000	
Midpoint		\$ 57,500	\$ 72,500	\$ 87,500	\$ 102,500	\$ 117,500	
<i>LOW</i>		\$ 46,000	\$ 58,000	\$ 70,000	\$ 82,000	\$ 94,000	

- All ¼, ½, ¾ time positions are calculated as a % of the relative full-time position shown above.
- For clergy serving multiple congregations, use aggregate parish ASA to determine church “size”.
- Salaries for Lay Pastoral Leaders, Associates & Assistants are dependent on several 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:

Salary (incl. Housing Allowance):		\$ 50,000
Allowance for SECA @	15.3%	<u>\$ 7,650</u>
Total Cash Compensation		\$ 57,650

Benefits:

Pension, Life & Dis. Ins. (CPF)	18.0%	\$ 10,377	
Contribution to Medical Ins.		\$ 7,140	Single
Contribution to Dental Ins.		\$ 216	Single

Reimbursable Expenses:

Business Expenses	Estimate	\$ 1,200
Professional Development	Estimate	<u>\$ 500</u>
TOTAL BUDGET:		\$ 77,083

- If a rectory is provided, the parish must obtain an estimate of the fair market value (FMV) for the 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 are as follows:

- 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 church and back at the IRS standard mileage rate.

IRS MILEAGE RATES: The current IRS standard mileage rate is 58 cents per mile. We will communicate changes as they are announced.

WAGES FOR LAY PARISH EMPLOYEES:

Wage ranges for lay staff positions are difficult to standardize due to the wide variety of job descriptions, education, skills and experience in these positions. In addition, there are geographic differences in the local job markets across the Diocese. The 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 has been updated to keep pace with changes in the minimum wage and provide pay ranges that are appropriate for our area. Depending on the job requirements (education, skills & abilities) and local prevailing wages, positions may be categorized as Level I, II or III. Depending on individual experience and performance, compensation will vary from “Low” to “High”. The wage rates below DO NOT include payroll taxes or any other health & pension benefits.

Hourly Wage Range for Administrative & Maintenance Staff:

	Low	Mid-pt.	High
L-I	\$12.00	\$15.00	\$18.00
L-II	\$13.50	\$17.50	\$21.50
L-III	\$15.00	\$20.00	\$25.00

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 (CPG). For Defined Contribution Plans (DC), 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 formula 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 & DENTAL INSURANCE:

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 health insurance benefits.

2020 MINIMUM EMPLOYER MEDICAL SUBSIDY (Full-time employees):

	Single	Plus Spouse	Plus Child	Family
Monthly	\$595	\$1,190	\$1,070	\$1,725
Annual	\$7,140	\$14,280	\$12,840	\$20,700

The Diocese continues to use the same eligibility requirements used for dental insurance and medical insurance (as noted above). The minimum employer dental subsidy is equal to 50% of the lowest cost dental plan offered for single, two person or family coverage.

2020 MINIMUM EMPLOYER DENTAL SUBSIDIES (Full-time employees):

	Single	Plus Spouse	Plus Child	Family
Monthly	\$18.00	\$36.00	\$32.50	\$54.00
Annual	\$216	\$432	\$390	\$648

- Employees are responsible to pay the difference in cost between the medical/dental plan they select (below) and the employer subsidy (above).
- The employer subsidy may be pro-rated for part-time employees, based on the full-time subsidies shown above.
- Increasing benefits above the prorated amount is at the discretion of the Parish.

- Cost sharing for both Medical and Dental insurance must be the same for all eligible lay and clergy employees.

For employees 65 or over (who are eligible for Medicare), Federal regulations require that employers offer the same medical insurance plans to these employees, if they are scheduled to work a minimum of 1,000 hours annually OR are paid more than \$455 per week. The employee may decline coverage if, for example, they are covered under a spouse's employer. However, employers 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 a waiver doing so.

2020 Health Insurance Plans:

MEDICAL PLANS - monthly premiums:	Single	Plus Spouse	Plus Child	Family
Anthem BCBS BlueCard PPO 100	\$795	\$1,590	\$1,431	\$2,385
Anthem BCBS BlueCard PPO 90	\$710	\$1,420	\$1,278	\$2,130
Anthem BCBS BlueCard PPO 80	\$644	\$1,288	\$1,159	\$1,932
Anthem BCBS CDHP	\$581	\$1,162	\$1,046	\$1,743
<i>PLUS: Employer H.S.A. contribution:</i>	<i>\$75</i>	<i>\$150</i>	<i>\$135</i>	<i>\$225</i>

Medicare Secondary Payer (MSP) Plans:				
Anthem BCBS BlueCard MSP PPO 100	\$636	\$1,272	\$1,145	\$1,908
Anthem BCBS BlueCard MSP PPO 90	\$568	\$1,136	\$1,022	\$1,704
Anthem BCBS BlueCard MSP PPO 80	\$516	\$1,032	\$929	\$1,548

DENTAL Plans - monthly premiums:

	Single	Plus Spouse	Plus Child	Family
CIGNA - Preventative Dental	\$36.00	\$72.00	\$65.00	\$108.00
CIGNA - Basic Dental 50/150	\$46.00	\$92.00	\$83.00	\$138.00
CIGNA - Dental & Ortho 25/75	\$63.00	\$126.00	\$113.00	\$189.00

GROUP LIFE INSURANCE:

Clergy who are active participants in the Church Pension Fund (CPF) receive life insurance coverage of up to \$150,000, provided that all pension assessments are paid. If a priest is not canonically resident in the 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 CPF.

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

NYS PAID FAMILY LEAVE & DISABILITY INSURANCE:

Under the New York State Paid Family Leave Law (NYSPFL) eligible employees can take up to 10 weeks of paid leave in 2020 to bond with a new child, care for a sick family member, or assist loved ones when a family member is deployed abroad on active military service.

The number of weeks employees can take will continue to rise through 2021, at which time employees will be able to take up to 12 weeks of job-protected, paid time off to be there for family when they are most needed.

The NYSPFL benefit rate will increase to 60% of an employee's average weekly wage, up to the weekly maximum of \$840.70, for a maximum of 10 weeks (subject to the 52-week lookback). The weekly maximum benefit rate is based on 60% of the state's average weekly wage of \$1,401.17 for 2020.

The contribution rate for employees will also increase in 2020 to 0.270% of gross wages. The maximum annual employee PFL contribution for 2020 will be \$196.72.

Employers may elect to cover this cost. However, employers are still responsible to pay premiums for the related insurance coverage. Each parish should work directly with their disability insurance carrier to implement this coverage and then confirm appropriate withholding with their payroll services provider.

IMPORTANT NOTE: Clergy are not covered by this law, and therefore should not participate in any payroll withholding for NYS Paid Family Leave. Clergy are also exempt from mandatory New York State Disability Insurance (NYSDI). All other parish staff must be covered by NYSDI.

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

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.