

EPISCOPAL DIOCESE OF INDIANAPOLIS
PROGRAM OF SUPPLEMENTAL BENEFITS
For Clergy and Diocesan Lay Employees

Draft Revision of September 19, 2016

Administration:

Contracts related to supplemental benefit plans approved by the Bishop and Executive Council may be signed by the Canon for Administration, provided they are approved by the Chancellor. The Canon for Administration is responsible for the routine administration of all approved programs of supplemental benefits. This section supersedes any prior action which might be in conflict with it. These rules supersede all prior revisions of the Program of Supplement Benefit Documents. The Diocese disclaims the intent to create any employment contract.

II. Definitions:

- A. Full Time Employment means that an individual works at least 40 hours per week for a parish, mission, diocesan institution, or on the Bishop's staff. To enroll in our medical programs clergy must be canonically resident in this diocese or receive approval of the Personnel Policy and Compensation Committee except in the case of clergy serving interim pastorates. Interim positions may or may not be provided insurance based on the negotiation of the individual package. Such negotiations are the responsibility of the individual clergy person and the local congregation with the approval of the Bishop.
- B. Part-time clergy with benefits means a clergy person who is employed as Priest-in-Charge of one or more congregations of the Diocese for at least 20 hours per week and receives W-2 income.
- C. Part-time clergy without benefits means all other part-time clergy working less than 20 hours/week
- D. Part-time clergy with shared benefits means a clergy working part-time as Priest-in-Charge in this Diocese and part-time in a neighboring Diocese.
- E. A Dependent is a person who is in fact dependent upon an employee, as defined in tax regulations of the U.S. Internal Revenue Service.
- F. Lay Employee - For purposes of this document this refers only to current

lay employees on the diocesan staff and certain former lay diocesan employees for whom unique adjustments have been made to address below-standard compensation or benefits which existed during the term of their employment.

- G. Work After Retirement - Refer to the rules on the current Church Pension Fund web site www.cpg.org

III. Medical Programs:

- A. Full-time Employees & Part-time Clergy with Benefits - All qualified employees will be provided along with their dependents a choice of medical plans from those offered by the Episcopal Church Medical Trust. The diocese will provide for all lay and clergy employees, from among those plans offered, one plan in the appropriate tier (individual, self-plus-one, family) for which it will pay **81% in 2017** of the rate of the annual premium, and the employee is responsible for the remainder of the premium **at 19% which is taken as a payroll deduction**. (The employer contribution to the health savings account in **2017 will be 80%** of the deductible for that plan.) If an employee elects the HDHP/HSA plan an employer contribution to each HSA account shall be determined annually by the Personnel Policy & Compensation Committee prior to open enrollment and approved by the Executive Council.

All Medical Trust Plans allow children, to age 30, coverage under a parents plan. However, at the end of the month of a child's 26th birthday, imputed value of the child's coverage must be reported income on the clergy or lay employees W-2 unless this child is still a dependent.

- B. Part-time Clergy and Lay Employees without Benefits - With their dependents have the option of participating in the Diocesan Medical Insurance Programs at their own expense or at the expense of the organization they serve but must be working at least 20 hours per week and receive W-2 income.
- C. Part-time Clergy with Shared Benefits - The Diocese will share proportionally in the cost for the medical programs as agreed to with the neighboring diocese. Negotiations with the neighboring diocese will be undertaken under the oversight of the CTO and the Canon for Transition.
- D. Retired Clergy, Retired Diocesan Lay Employees and Clergy over Age 65 - Before reaching age 65, all employees are expected to register for Medicare. For active clergy retiring at age 65 The Church Pension Fund contributes to a post-retirement health supplement for you and your

eligible spouse. The amount of this contribution varies according to your years of credited service at retirement and is determined by the Pension Fund, which uses it to purchase the Medicare supplement available from the Episcopal Church Medical Trust. Retirees and spouses enrolled in Medicare may elect the supplement most advantageous to their particular situation, understanding that any upgrades in coverage and cost are their personal responsibility.

Clergy or laity who take early retirement between the age 62 and age 65 are responsible for their own medical insurance expense until they become Medicare eligible. *Thoughtful planning and extreme care should be taken by those who are considering early retirement, before Medicare or CPG retirements become available.*

Diocesan staff lay employees and their spouses receive at normal retirement age a dollar contribution, set annually, towards their Medicare supplement if they have worked full time for the diocese for 20 years having been employed by a unit of the diocese a minimum of 5 years immediately prior to retirement. For laity with between 10 and 20 years of service, the contribution will be prorated following the same prorated amounts paid by the Pension Group for clergy with 10-20 years of service. For laity with less than 10 years, there is no diocesan contribution. There is currently no benefit for laity through the Pension Fund for Medicare Supplement; therefore, the diocese will provide the same amount as provided for the clergy to achieve parity.

- E. Survivors Benefit - If an employee who is entitled to medical insurance at diocesan expense dies while active in this diocese, their spouse or domestic partner and dependent(s) shall continue to be covered for 18 months or until other insurance becomes available, whichever shall occur first. A letter will be required annually to verify the above provisions. Following the 18 month limit a spouse or domestic partner may continue coverage at their own expense.
- F. Medical program During Periods of Disability - Having qualified as stated above, an employee who becomes inactive because of temporary disability will be continued under the plan while disabled. A physician's statement will be required annually verifying a continued disability. If rehabilitated for other employment, coverage will be terminated with the right of petition to the Personnel Policy and Compensation Committee.
- G. Disability Retirement Medical Assistance – If a clergy or lay person becomes permanently disabled while working full time for the diocese we will continue the medical insurance for 18 months with the expectation that the individual will file for social security disability and Medicaid

within the first 6 months of the disability.

- H. Canonically Resident Clergy Not Employed by the Diocese - Such clergy may be covered at their own expense or the expense of their sponsoring institutions, provided that it can be established that no similar medical insurance program is available in their localities. This privilege is at the discretion of the Personnel Policy and Compensation Committee and if granted, the premium is payable during the quarter in which it is due. If payment is in arrears more than ten days from the end of the quarter coverage will be terminated.
- I. Commencement and Termination of Medical Insurance - Employees will be eligible for the Diocesan Medical Insurance on the first day of their first full month of employment. Coverage will terminate on the final day of the month in which they leave employment with the diocese. A 36 month extension of benefits is available through Church Medical Insurance upon termination. The employee is responsible for arranging the initiation of such coverage, and for payment of premium.

IV. The Group Term Life Insurance Plan

- A. General Provisions - All contracts are held by the Diocese with payments for keeping them in force paid by the Diocesan office. The Diocese reserves the right as circumstances warrant to amend, change, alter or cause to be rewritten the provisions of all related contracts, and to increase, decrease or discontinue such benefits. Any such action shall be subject to the approval of the Bishop and Executive Council.
- B. Provisions -
 - 1. Clergy enrolled in the Church Pension Fund have coverage equal to four times your current total compensation, with a maximum value of \$100,000 and it is considered primary. If your church carries additional coverage there is a further taxable benefit since any additional coverage would be secondary to that of the Pension Fund. Diocesan full time lay employees receive \$50,000 term coverage through the diocesan budget and if participating in the Lay Church Pension Fund Defined Benefit Plan they also have additional term coverage. This provides parity with clergy coverage.
 - 2. Full time lay employees on the diocesan staff following 20 years of service receive a term life insurance policy upon retirement at age 62 or older. This coverage is currently \$10,000. Retired clergy are

provided by Church Pension Group \$50,000 term upon retirement with 25 years of service.

V. Dental Coverage:

- A. There are currently three dental programs available to employees working at least 20 hours per week. The plans are voluntary with the employee covering their own premium payments.
- B. Enrollment must occur at the beginning of the first full month after the employee is hired and terminate the end of the month the individual would cease to be employed. The coverage is chosen or terminated on an annual basis by the employee.

VI. Employee Assistance Plan:

- A. All employees participating in one of our medical plans are covered under a CIGNA EAP program. Those not enrolled on a medical plan through the Medical Trust, may participate in the CIGNA EAP program for a monthly premium.
- B. Vocational deacons canonically and geographically resident are covered under the CIGNA EAP with the full contribution for this benefit covered by the diocese.

VII. Pensions and Long Term Disability:

- A. Clergy Pensions and Disability - The clergy are covered under the Church Pension Fund in a Defined Benefit Plan. Premiums of 18% of compensation are paid by the employer. Long Term Disability may be purchased by the individual at their time of employment.
- B. Lay Pensions and Disability - The Diocesan Lay Employees (over age 21) are covered under a Defined Benefit Plan with Church Pension Fund, unless the Personnel Policy and Compensation Committee allows a new employee already enrolled in another plan (such as the CPG Defined Contribution Plan) to continue in that. Coverage begins as soon as an employee begins working 1000 hours per year or 20 hours or more per week. Diocesan Lay Employees pension accounts will receive a contribution of 9% of their gross salary. Long Term Disability may be purchased by the employee at the time of employment.
- C. Annually it will be determined if there will be a percentage match to a

diocesan lay employee 403(b) or Defined Contribution Plan. As there is a difference in pension contributions this offers some parity and incentive for employee participation. In 2017 there will be up to a 4.5% match.

VIII. Workmen's Compensation:

- A. All employees who work for the church and are participants of the diocesan group Property and Liability Insurance have coverage.

IX. Income Replacement:

- A. Clergy are covered through The Church Pension Group (See www.cpg.org for plan description) All churches are responsible for 100% of the clerics salary when clergy is on income replacement and the insurance as in C below is paid directly to the church.
- B. Provided for Lay Employees of the Diocesan office staff.
- C. There is a 30 day elimination period then the plan pays for up to 52 weeks @ 70% of weekly earnings to a maximum of \$1,000/week. This payment may be reduced by deductible sources of income.
- D. Disability benefits are taxable income to the disabled employee.