



Memo

Date: March 29, 2016
To: All Pastors, Parish Administrators and Business Managers
From: Brad Wilson, Chief Financial Officer, Office of Finance
Re: Policy for Remuneration of Priests and Salary Schedule

Please see the attached Policy for Remuneration of Priests and Schedule A, which includes the priest salary by years of service, SECA allowance and 403b match schedule.

This new salary schedule begins July 2016 and reflects the 2.0% increase recommended by the Council of Priests.

Please note the following:

- Food Allowance (Item 4): The allowance remains the same, but an ad hoc committee formed by the Council of Priests is reviewing the allowance and will make a recommendation. Once approved, it will be implemented.
- Automobile Allowance (Item 5): Specific guidelines on the reimbursement for auto insurance have been added.

If you have any questions, please email bwilson@archatl.com or contact Elsa Rullan at erullan@archatl.com.

Roman Catholic Archdiocese of Atlanta **2016**

Policy for Remuneration of Priests

For purposes of this document, an **Archdiocesan priest** is defined as a priest incardinated in the Archdiocese of Atlanta. An **Extern priest** is defined as a diocesan priest not incardinated in the Archdiocese of Atlanta. And a **Religious Order priest** is defined as a priest belonging to a religious order.

1. **SALARY** – Priests with a full time assignment receive a monthly salary based on the number of years of service as a priest, generally since their date of ordination. The Archdiocesan entity to which the priest is assigned as of the first day of the calendar month will be billed for the salary, SECA allowance, health insurance, food allowance, pension, long term care plan and 403(b) match for the entire month.

Leaves of absence do not count towards years of service. Priests who have transferred from other dioceses need to document their years of service with the other dioceses.

Priests who are fully retired do not receive a salary. Priests on assignment at another Diocese e.g. Military, receive a salary from that entity. Priest who are non-assignable, on LTD, or have other unique situations, are handled individually through the Office of Priest Personnel.

Salaries for Order priests are paid directly to their Order, if based in the United States. For Orders based outside of the United States, the Office of Priest Personnel will provide instruction on the proper administration.

All Archdiocesan priests and Extern Diocesan priests are paid via the Chancery centralized payroll system. Salary is paid in advance on the first Friday of the month. The salary scale is published annually by the finance office and is included here as **Attachment A**.

2. **SELF EMPLOYMENT TAX** - For Social Security purposes, priests are considered self-employed and must comply with the Self-Employment Contributions Act (SECA). Each priest receiving a salary who is enrolled in social security will receive a SECA allowance to cover the “employer” portion of the tax.

Priest who have opted-out of social security are not eligible for this allowance. However, the cost will still be billed to the entity to which the priest is assigned and the funds will be deposited into an account to assist with the long term health and retirement costs of those priests who have opted-out of the social security system.

The SECA allowance will apply to Order Priests whose Order is participating in the Social Security System and, like salary, will be paid directly to the Order.

Roman Catholic Archdiocese of Atlanta 2016

Policy for Remuneration of Priests

3. **HEALTH INSURANCE** – Archdiocesan and Extern Priests are covered under the Archdiocesan Health Insurance Plan which includes medical, prescription, dental, and vision coverage.

Health insurance is provided to Order priests when coverage is not available through their Order. If an Order does provide coverage, the Order is paid an amount equal to the cost of insuring a priest on the Archdiocesan plan.

Priests who are fully retired are covered by Medicare and have a Medicare Supplemental Plan. Priests on assignment at another Diocese e.g. Military, receive Health Insurance from that entity. Priests who are non-assignable, on LTD, or have other unique situations, are handled individually through the Office of Priest Personnel.

Questions about the Health Insurance plan should be directed to the Human Resources Department.

4. **FOOD ALLOWANCE** – *** Currently under Review by subcommittee of Council of Priests*** Each pastor is to decide the best way to provide food for the priests assigned to his parish and rectory/friary. In making the decision, the pastor should consider the fraternal benefits of communal dining and the health benefits of well-prepared fresh food. All priests residing in a rectory should have the same food allowance. If a condition exists where this is not equitable, then the pastor should consult with his Dean for an exception. If the pastor is the Dean, then he should consult with the Vicar General for an exception.

The food allowance varies based upon the availability of food preparation services in the rectory or house. If no meal preparation is available, then the allowance is \$800 per month.

The allowance is pro-rated downward based upon the availability of food preparation, regardless of the priest's choice to eat the prepared food. Based on \$5 breakfast, \$7 lunch, and \$14 dinner, the proration is as follows:

<u>Food Preparation</u>	<u>Monthly allowance</u>
All week	- \$0
5 days a week	- \$200 per month
Less than 5 days per week	- \$400 per month
None available	- \$800 per month

If food is provided outside of the rectory as part of a priest's assignment, e.g. at school, then the allowance should be adjusted downward accordingly.

The food allowance is paid through payroll (not accounts payable) and is included in taxable income. The food allowance will apply to Order Priests and, like salary, will be paid directly to the Order.

- 5. AUTOMOBILE ALLOWANCE** – Each priest is responsible to provide his own automobile. Priests may elect one of two methods to recover a portion of the cost of a single automobile:
- a. 80% of all normal operating expenses including insurance, gas, oil, repairs, auto tags, emission testing, etc. This reimbursement is processed through accounts payable and it is taxable income. The priest will receive a 1099 form from the entity who reimbursed the expense.
 - b. An amount per mile, as published annually by the IRS, for mileage driven on Church business. This reimbursement is processed via expense reports that include appropriate documentation.
 - c. **Auto insurance, whether through an archdiocesan fleet policy or an individual policy, must be paid by the priest himself and not be paid by the parish/school. Priests on the 80% plan may request reimbursement as they would for other reimbursable expenses. Priests on the mileage method should not request specific reimbursement; the mileage rate includes an auto insurance component in the rate.**

Order priests are provided automobiles by their Order. The Order is reimbursed through a fixed automobile allowance paid directly to the Order.

The entity to which the priest is assigned is responsible for the automobile allowance.

Operating expenses do not include extraordinary replacements such as a new engine or transmission. Reimbursement does not take place for personal trips or for accident repair cost in excess of that covered by insurance.

Priests are encouraged to purchase automobile insurance through the Archdiocesan fleet policy. If a priest declines the fleet policy and instead procures insurance coverage independently, then the outside coverage must include a \$1,000,000 combined single limit of liability with the Archdiocese named as an additional insured party. A copy of the outside policy and certification must be presented by the priest to the finance office.

- 6. PENSION PLAN** – The Archdiocese has a defined benefit retirement plan for priests incardinated in the Archdiocese. Benefits are based on years of service. Benefits may begin at age 65 **and** after 10 years of service. No pension benefit is available to priests with less than 10 years of service. Priests may elect to receive benefits even if actively working.

Questions about the Pension Plan should be directed to the Human Resources Department.

Roman Catholic Archdiocese of Atlanta

Policy for Remuneration of Priests

2016

A monthly billing for pension will be made to all entities to which a priest is assigned. The funding will be used as follows:

- For Archdiocesan priests, the funding will go into the Archdiocesan Pension Plan;
- For Order priests, the funding will be used to contribute to the Order's Pension Plan, if any;
- For Extern Priests, the funding will be used to contribute to the home Diocese's Pension Plan, if any;
- Any remaining funds will be contributed to the Archdiocesan Pension Plan.

7. **403(b) RETIREMENT PLAN** – Priests can contribute to the 403(b) Plan (a defined contribution plan) through payroll withholding. Contributions to the 403(b) Plan are made on either a pre-tax basis or a post-tax (Roth) basis. Priests are 100% vested in contributions to the plan. Contribution limits are published annually in the Benefits Guide.

Additionally, Priests incardinated in the Archdiocese are eligible to receive a dollar for dollar match up to 10% of salary. Note that Extern Priests who have a written plan to become incardinated in the Archdiocese may also receive the match.

The entity to which the priest is assigned will be billed for the cost of the 403(b) match.

Contact the Human Resources Department to enroll in the 403(b) plan.

8. **LONG TERM CARE PLAN (LTCP)** – Incardinated Archdiocesan Priests who are also active members in the Archdiocesan Priest Pension Plan will automatically qualify for this benefit. The LTCP provides a daily benefit for priests in need home care, assisted living or skilled nursing care. The benefit is based on the level of care required, \$50 per day for home care, \$100 per day for assisted living and \$167 per day for skilled nursing care. The benefit is limited to 10 years after certification of eligibility by the Archdiocese.

Questions in relation to LTCP should be directed to the Human Resources Department.

9. **VACATION** – Priests are entitled to 30 days of vacation per calendar year with a maximum of four weekends. The vacation benefit is pro-rated for periods of service less than a full year. Vacation not taken may not be carried over into the next year unless approval is obtained from the pastor. The pastor, or his delegate, is responsible for arranging coverage for priests who are on vacation.

10. **HOUSING** – Priests assigned to a parish are expected to live in the parish provided housing (rectory / friary). When a priest's work assignment is different than his residence, the employer must pay the location in which the priest resides \$500 each month.

Residence includes the following expenses:

- Heat
- Electricity
- Local telephone service
- Internet

Roman Catholic Archdiocese of Atlanta 2016

Policy for Remuneration of Priests

- Television
- Water
- Sewer
- Garbage
- Repairs and maintenance
- Landscaping, yard and drive maintenance
- Household cleaning and supplies
- Pest control
- Insurance
- Furnishings and appliances, with their maintenance

11. LAUNDRY & DRY CLEANING – Laundry and dry cleaning is provided or paid by the priest's work assignment

12. ONGOING FORMATION – Priests are encouraged to participate in ongoing formation opportunities. Some of these programs may be offered locally through the Committee for the Ongoing Formation of Priests (COFP). Other opportunities are offered in other dioceses or through national organizations by way of seminars, workshops, conventions, etc.

Priests of the Archdiocese of Atlanta are permitted one full week for ongoing formation annually. Archdiocesan priests have a maximum allowable of \$2,200/year, while religious order priests are allowed \$1,650/year. Half of this amount comes from the parish/ministry and half from the Archdiocese through the Ongoing Formation Office. Requests for this funding should be sent to the Director of Ongoing Formation of Priests well in advance of the program.

13. DIOCESAN RETREAT, PROVINCIAL ASSEMBLY AND CONVOCATION -

Archdiocesan priests are required to make an annual retreat. The Archdiocese provides this retreat every other year. The parish/ministry is responsible for the cost of the retreat.

On alternate years all priests serving in the Archdiocese are required to attend the Archdiocesan Convocation of Priests. The parish/ministry is responsible for the cost of the Convocation.

The provincial Assembly of Priests is offered annually. This is a gathering of the priest along with the Bishops of the Province of Atlanta (Atlanta, Charleston, Charlotte, Raleigh and Savannah). Each of these dioceses takes turns in hosting the event. The parish/ministry is responsible for the cost of participating in the Provincial Assembly.

Periodically the COFP will coordinate and offer days of reflection, study days and workshops designed to help the priest in his pastoral ministry. Priests are encouraged to attend. *For more information refer to the Ongoing Formation of Priests Guidelines.*
<http://www.archatl.com/vocations/priests/ofp>.

Roman Catholic Archdiocese of Atlanta

Policy for Remuneration of Priests

2016

- 14. SABBATICAL** – Archdiocesan priests are eligible for a sabbatical after every seven years of service. The ordinary length of a sabbatical is three to six months. Religious Order priests are not covered by this policy. Funding for sabbaticals is limited to \$10,000. Costs in excess of this amount are the responsibility of the priest. *For more information refer to the AoA Sabbatical Policy for Priests.*
- 15. LIFE and AD&D INSURANCE** – The Archdiocese provides each Archdiocesan priest with a life and accidental death and dismemberment (AD&D) insurance policy in the amount of \$50,000 for each insurance category. The intended beneficiary for this policy is the Archdiocesan Seminary Fund (ASF). If a priest designates a beneficiary other than the ASF he will be expected to bear the costs of the policy. The director of Human Resources will ensure that the priest is billed on a periodic basis. Supplemental life insurance coverage in increments of \$10,000 up to a maximum of \$250,000 is available to priests at their own expense as a payroll withholding. Supplemental insurance allows the priest to name their own beneficiary.
- 16. PERSONAL INSURANCE** – The Archdiocese carries personal liability insurance on each priest in the amount of \$300,000 and personal property is covered on and off premises up to an annual aggregate of \$25,000. Additional insurance can be purchased in increments of \$5,000 based on a professional appraisal value of the property. An inventory schedule has to be prepared by Catholic Mutual for collectibles and artifacts.
- 17. MOVING EXPENSES** – The cost of relocating to a new assignment is the responsibility of the new work location.
- 18. TREATMENT PROGRAM** – Priests incardinated in the Archdiocese of Atlanta and serving here full-time, while away from the Archdiocese at a treatment center, shall be paid a full salary by the Archdiocese for the first six months in a treatment center. For the following six months period, 80% of salary shall be paid to him. After the second six months of continued treatment, the priest shall be put on long term disability, which is 60% of salary, and shall be retained indefinitely on the Archdiocesan health insurance. At the discretion of the Archbishop, the periods of treatment may be considered to be cumulative. The priest is expected to pay for all personal expenses out of personal resources. The insurance does not pay for such expenses as telephone calls, personal clothing, travel, etc.



SCHEDULE A

ROMAN CATHOLIC ARCHDIOCES OF ATLANTA

Priest Salaries, SECA and 403b Match

PRIEST SALARY			SECA (b)		403b Match(c)	
Effective July 1, 2016 - June 30, 2017					Effective Jan 1, 2016 - Dec 31, 2016	
Years of Service (a)	Annual Salary	Monthly Salary	Annual Amount	Monthly Amount	Annual Amount	Monthly Amount
0 - 9	\$ 27,390	\$ 2,283	\$ 2,613	\$ 218	\$ 2,712	\$ 226
10 - 14	\$ 28,880	2,407	\$ 2,719	227	\$ 2,859	238
15 - 19	\$ 30,370	2,531	\$ 2,824	235	\$ 3,007	251
20 - 24	\$ 31,860	2,655	\$ 2,929	244	\$ 3,155	263
25 - 29	\$ 33,350	2,779	\$ 3,034	253	\$ 3,302	275
30 - 34	\$ 34,839	2,903	\$ 3,140	262	\$ 3,450	287
35 - 39	\$ 36,329	3,027	\$ 3,245	270	\$ 3,597	300
40 and up	\$ 37,819	3,152	\$ 3,350	279	\$ 3,745	312

a - Years of service refers to years of priestly service since date of ordination into the priesthood , in this Diocese or any of

b - Self Employment Contributions Act (SECA); for social security purposes, Priests are considered self employed.

SECA makes up for the lack of employer portion to fund social security.

c - This is the maximum amount to be matched in a calendar year. It applies to Diocesan Priests only and any priest in a program leading to incardination in the Archdiocese of Atlanta. Priest personnel can confirm priests on a program. Does not apply to Extern Priests not on a program leading to incardination.

d - The schedule reflects a 2.5% increase from prior year.



ROMAN CATHOLIC ARCHDIOCESE OF ATLANTA

RELIGIOUS* PERSONNEL COMPENSATION SCHEDULE

Effective July 1, 2016 - June 30, 2017

Annual Salary
Health, Dental, Life, Rx
and Vision (Premier)
Retirement (10%)
Social Security (7.65%)

Annual Payment
Monthly Payment to Order

10 MONTH		
Full Time	Part Time	
\$ 30,360	\$ 18,215	
13,395	-	
3,036	-	
2,323	1,394	
\$ 49,114	\$ 19,610	
4,092.83	1,634.13	

12 MONTH		
Full Time	Part Time	
\$ 36,414	\$ 21,848	
13,395	-	
3,641	-	
2,786	1,671	
\$ 56,236	\$ 23,520	
4,686.37	1,959.98	

The numbers reflect a 2.0% cost of living increase.

Payment for the work performed by a Brother or Sister is made to their Order not to the individual.

Part time is 20 hours per week or less. Full time means 30 + hours per week.

There is no housing or food allowances provided by the employer.

Each Religious person is responsible to provide their own transportation and auto insurance.

An allowance for transportation should be considered in arriving at the total compensation for each Religious.

The entity to which the Religious is assigned is responsible for the travel allowance.

The value of this allowance will vary depending on the amount of travel required by the individual ministry.

The travel allowance paid can be based on actual miles traveled for work related trips or a fixed

amount negotiated and stated on the Religious Order Employment Agreement.

Miles traveled from home to work are not reimbursable. If business travel begins from home, total home to work distance is deducted from total miles traveled.

*applies to Sisters and Brothers only