

## 2024 BUDGET GUIDELINES

### TABLE OF CONTENTS

	<u>PAGE</u>
CLERGY MINIMUM CASH COMPENSATION .....	1
CLERGY COMPENSATION IN EXCESS OF MINIMUM .....	1
SOCIAL SECURITY REIMBURSEMENT - SELF-EMPLOYMENT (SECA) TAX .....	1
CLERGY HOUSING ALLOWANCE .....	1
CLERGY CONTINUING EDUCATION .....	2
CLERGY LIFE INSURANCE .....	2
CLERGY MEDICAL AND DENTAL INSURANCE .....	3
2024 MEDICAL AND DENTAL INSURANCE RATES .....	3
CLERGY DISABILITY INSURANCE .....	4
CLERGY PENSION .....	6
RETIREMENT SAVINGS PLAN .....	6
CLERGY TRANSPORTATION .....	7
CLERGY VACATION .....	7
CLERGY FAMILY LEAVE .....	7
SUPPLY CLERGY .....	7
COMMON MISSION SHARE PLEDGE GUIDELINES .....	8
COMPREHENSIVE GENERAL LIABILITY AND SEXUAL MISCONDUCT LIABILITY .....	8
FIDELITY BOND .....	8
LAITY PENSION .....	8
LAITY INSURANCE .....	9
LAITY SHORT & LONG-TERM DISABILITY PLAN .....	9
LAITY GROUP TERM LIFE AND AD&D .....	9

## **2024 BUDGET GUIDELINES**

### **CLERGY MINIMUM FULL-TIME CASH COMPENSATION for 2024**

\$73,506 which includes: Cash Stipend, Self-Employment Tax and Cash Housing allowance

\$53,592 which includes: Cash Stipend and Self-Employment Tax and assumes a residence and utilities are provided.

### **CLERGY MINIMUM PART-TIME CASH COMPENSATION for 2024**

As passed by the 2020 Convention in Resolution F-183 (amended), part-time clergy are to be "compensated at a level commensurate with the number of hours the clergy is providing to the congregation as a percentage of full-time clergy compensation." For example, if a clergy member is expected to work 20 hours or less per week, the above figures would be reduced by 50%. It would be expected that this formula would be used to calculate any other schedule other than full-time. Note: These figures include SECA tax reimbursement and are adjusted relative to the Consumer Price Index by each Diocesan Convention.

### **CLERGY COMPENSATION IN EXCESS OF MINIMUM**

Congregations are expected to consider additional cash stipend based on such criteria as tenure, parish size, parish growth, diversity in programming, performance, etc.

### **SOCIAL SECURITY REIMBURSEMENT - SELF-EMPLOYMENT (SECA) TAX**

SECA/Social Security Tax Reimbursement has been included in the amounts in the Minimum Cash Compensation amounts. SECA Tax rate is 7.65% (one-half of the total 15.3%). The reimbursement is taxable.

### **CLERGY HOUSING ALLOWANCE (Section 107 of the IRS tax code)**

The most important tax benefit available to clergy who own or rent their home is the housing allowance exclusion. Clergy who own or rent their home do not pay federal income taxes on the amount of their compensation that their employing church designates in advance as a housing allowance, to the extent that, the allowance represents compensation for ministerial services and it is used to pay housing expenses. **Housing expenses to include in computing your housing allowance exclusion:** Down payment on a home (but remember, a housing allowance is nontaxable only to the extent that it does not exceed the lesser of actual housing expenses or the fair rental value of a minister's home, furnished, plus utilities); mortgage payments on a loan to purchase or improve your home (include interest, principal, and mortgage insurance); rent for home, storage, garage; real estate taxes; property insurance; utilities (electricity, gas, water, basic cable TV, trash pickup, local telephone charges); furnishings and appliances (purchase and repair); structural repairs and remodeling; yard maintenance and improvements; maintenance items (pest control, etc.); homeowners association dues. Only expenses incurred for the minister's primary residence are eligible for the housing allowance exclusion.

Ministers who live in church-provided housing do not pay federal income taxes on the fair rental value of the house. The fair rental value, furnished, plus utilities, plus any cash housing allowance, must be included in the self-employment tax computation. Ministers who live in church-provided housing and incur any out-of-pocket expenses in maintaining the house (such as utilities, property taxes, insurance, furnishings, or lawn care) should be sure that their employing church designates in advance a portion of their annual compensation as a housing allowance. The amount so designated is not reported as wages on the minister's Form W-2 at the end of the year (if the allowance exceeds the actual expenses, the difference must be reported as income by the minister). This is a very important tax benefit for ministers living in church-provided houses.

A resolution must be approved by the vestry or Bishop's Committee at the December meeting authorizing the amount of the Housing Allowance for the next year. A housing allowance must be designated in advance. Retroactive designations of housing allowances are not allowed.

It is important to note that the Housing Allowance is treated differently for:

- 1) Income tax\* purposes (it is **excluded**);
- 2) Self-employment tax purposes (it is **included**);
- 3) Pension calculation purposes (see notes herein).

\*For income tax purposes, a housing allowance (subject to certain limits) is **not** included as taxable income for the priest. On your priest's W-2, the **cash** housing allowance (as approved by resolution) does not go in the box 1 marked "Wages, Tips, Other Comp". It should be reported by placing it in Box 14 marked Other and typing Housing Allowance next to it.

For more information, please refer to the following resource:

<https://www.cpg.org/globalassets/documents/publications/tax-2023-clergy-tax-return-preparation-guide-for-2022-tax-returns.pdf>

#### **CLERGY CONTINUING EDUCATION**

A minimum of \$1,000 must be provided for full-time clergy for actual expenses. Receipts should be turned in to the employer for reimbursement.

#### **CLERGY LIFE INSURANCE**

Church Pension Fund makes a life insurance benefit available under the Life Insurance Plan to eligible participants in the Clergy Pension Plan. If you die while an Active participant in the Clergy Pension Plan, your beneficiary(ies) will receive a life insurance benefit equal to six times your Total Assessable Compensation, up to a maximum of \$150,000. **A congregation or the individual clergy member may purchase additional life insurance within thirty days of employment.** Please contact Anna Stefaniak (312) 751-4202, for this additional benefit.

**NOTE: The insured must pay income tax on the value of life insurance in excess of \$50,000. The imputed income amounts are forwarded to each clergy member toward the end of each calendar year.**

## CLERGY MEDICAL AND DENTAL INSURANCE

The minimum premium level to be paid by employers of full-time clergy in the Diocese for medical insurance shall be equal to the premium cost of the Consumer-Directed Health Plan (CDHP) with at least 75% of the Health Savings Account (HSA) funded or the full premium cost of the Anthem BCBS BlueCard PPO 70.

At least 75% of the Health Savings Account must be funded by the employer and would need to be established in January of the current year with full funding to occur either in January of the current year, quarterly in the year or on a monthly basis in the current year. Prorated amounts may **only** occur if a clergy member's hire date occurs within a calendar year. Each church must understand that if funding for the HSA does not occur in a lump sum in January of the current year, the clergy member may be required to fund their own medical/prescription payments out-of-pocket until their HSA is funded by the church.

The minimum premium level to be paid by employers of full-time clergy in the Diocese for dental insurance shall be equal to the premium cost of the Delta Dental Comprehensive Plan.

**If the priest declines Family Medical and Dental Coverage:** This is only recommended when the family medical and dental coverage is equal or better than that provided by the Diocese. The priest signs a waiver to forgo Diocesan coverage.

### MEDICAL AND DENTAL INSURANCE 2024 ANNUAL RATES:

Medical Plan /Yearly Rates 2024	Single	Emp. plus 1 (spouse or child)	Family
Employee Assistance Program Only (Must be paid for by employer – employees are not eligible to pay for this plan)	\$ 48.00	\$ 48.00	\$ 48.00
Anthem BCBS Consumer-Directed Health Plan with a 75% (of either \$3,200 single or \$5,450.00 plus one/family deductible) Funded HSA Total Cost	\$ 11,232.00 + \$ 2,400.00 = \$13,632.00	\$20,220.00 + \$ 4,087.50 = \$24,307.50	\$31,452.00 + \$ 4,087.50 = \$35,539.50
Anthem BCBS PPO 70	\$12,816.00	\$23,064.00	\$35,880.00
Anthem BCBS PPO 80	\$14,916.00	\$26,844.00	\$41,760.00
Anthem BCBS PPO 90	\$16,380.00	\$29,484.00	\$45,864.00

Anthem BCBS MSP PPO 70 <b>(MEDICARE AS SECONDARY PAYER – for employers with less than 20 employees)</b>	\$10,236.00	\$18,420.00	\$28,656.00
Anthem BCBS MSP PPO 80 <b>(MEDICARE AS SECONDARY PAYER – for employers with less than 20 employees)</b>	\$12,096.00	\$21,768.00	\$33,864.00
Anthem BCBS MSP PPO 90 <b>(MEDICARE AS SECONDARY PAYER – for employers with less than 20 employees)</b>	\$13,260.00	\$23,868.00	\$37,128.00

Dental Plan / Yearly Rates 2024	Single	Emp. plus 1 (spouse/partner or child)	Family
Delta Dental Premium	\$ 972.00	\$ 1,752.00	\$ 2,724.00
Delta Dental Comprehensive	\$ 732.00	\$ 1,320.00	\$ 2,052.00
Delta Dental Basic	\$ 492.00	\$ 888.00	\$ 1,380.00

For more information on health or dental insurance, call Anna Stefaniak, 312-751-4202.

## CLERGY DISABILITY INSURANCE

### Short-Term Disability

The Short-Term Disability Plan is intended to provide an income replacement benefit to assist employers with expenses incurred if you are unable to work due to a short-term disability. To qualify, you must be an [Active](#) participant in the Clergy Pension Plan immediately prior to the time you become disabled (as defined below), your physician must certify that you are disabled, and CPF's Medical Board, designated as Aflac, must also concur. CPF may require that any determination of disability be made by an appropriate provider of CPF's choosing and at CPF's expense. CPF may also require treatment by what is determined to be an appropriate provider.

You will be considered disabled if you are unable to perform (or are limited in performing) the material and substantial duties of your own job for more than 14 calendar days due to illness or injury. (This 14-day period is referred to as an elimination period.) Interpersonal conflicts or environmental or other hazards in the workplace will not be a factor considered when determining whether you can perform your own job. You also will be considered disabled if you give birth to a child. (There is no elimination period if your disability is due to childbirth.)

Once approved for short-term disability, your employer will receive the benefits described below, but only if your employer continues to provide you with 100% of your compensation and benefits, including paying [Assessments](#) to CPF, that it was providing prior to your disability.

The weekly short-term disability benefit is equal to 70% of your weekly compensation on which Assessments were last paid, as determined immediately prior to your disability, less any formal salary continuation and wages, salary, or other compensation (excluding passive income). The maximum weekly benefit is \$1,000.

Short-term disability benefits will begin once the 14-day elimination period, if applicable, has ended. Benefits will be paid for up to 24 weeks or until you are no longer disabled, if earlier.

If your disability is due to childbirth, short-term disability benefits will begin on the date that you give birth and will continue for 12 weeks (or longer, in accordance with the paragraph above, if you continue to be disabled).

Short-term disability benefits will end if

- the benefit is paid for the maximum period described in the two paragraphs above, as applicable, or
- you are no longer disabled, as defined under the Short-Term Disability Plan, or
- you are able to earn 80% or more of your [Total Assessable Compensation](#), as determined immediately prior to your disability, or
- the Short-Term Disability Plan is no longer offered.

For more information:

<https://www.cpg.org/active-clergy/retirement/clergy-pension-benefits/additional-benefits/benefits-if-you-are-disabled-prior-to-retirement/short-term-disability-benefits/>

### **Long-Term Disability**

If you are disabled for more than 26 weeks, you may be eligible for benefits under the Long-Term Disability Plan. (The 26-week period is the elimination period for a long-term disability and equal to the maximum short-term disability period.) To qualify, you must have been an [Active](#) participant in the Clergy Pension Plan immediately prior to the date you were determined to be disabled under the Short-Term Disability Plan, your physician must certify that you are disabled (as defined below), and CPF's Medical Board, designated as [Aflac](#), must concur.

You will be considered disabled if you are unable to perform the material and substantial duties of your own job for up to the first 24 calendar months following approval of benefits under the Long-Term Disability Plan. After this 24-month period, you will be considered disabled if you are unable to perform any occupation by which you are able to earn at least 80% of your Highest Average Compensation, as determined immediately prior to your disability. Interpersonal conflicts or environmental or other hazards in the workplace will not be a factor considered when determining whether you can perform your own job. CPF may require that any determination of disability be made by an appropriate provider of CPF's choosing and at CPF's expense. CPF may also require treatment by what is determined to be an appropriate provider.

<https://www.cpg.org/active-clergy/retirement/clergy-pension-benefits/additional-benefits/benefits-if-you-are-disabled-prior-to-retirement/long-term-disability-benefits/>

## CLERGY PENSION

The Clergy Pension Plan is provided to eligible Episcopal clergy serving in a domestic diocese of the Episcopal Church; their eligible surviving spouses or other named beneficiaries; and their eligible children. The plan is designed to offer a dependable source of income replacement in retirement.

This is a defined benefit pension plan, which provides a benefit based on a predefined formula that takes into account your years of service with the Episcopal Church and compensation history. Benefits are funded by employer contributions called [Assessments](#) (although there are certain limited circumstances when you may contribute yourself).

<https://www.cpg.org/active-clergy/retirement/clergy-pension-benefits/the-clergy-pension-plan/>

Changes in compensation must be reported to the Church Pension Fund. The formula for calculating the pension contribution is 18% applied to the total of cash salary, Social Security tax reimbursement, utilities, and housing.

New Assignment Notice and Change in Compensation:

<https://www.cpg.org/globalassets/documents/forms/employment-change-form---2018-new-assignment-and-compensation-changes.pdf>

## RETIREMENT SAVINGS PLAN (RSVP)

The Episcopal Church Retirement Savings Plan (RSVP) is a 403(b) tax-deferred retirement savings plan that gives clergy and lay employees in our **defined benefit pension** plans the option of contributing their own money toward their retirement savings.

RSVP features include:

- Pre-tax and after-tax contribution options
- Ability to transfer assets and change the allocation of future contributions online or by phone
- 24/7 access to your account
- Daily valuation
- Loan option
- Investment tools to manage risk
- Distribution option in retirement

Learn more from our [Retirement Savings Webinar Workshops](#) presented in partnership with Fidelity.

**CLERGY TRANSPORTATION**

Clergy must be reimbursed for actual travel expenses. Receipts and documentation should be turned in to the employer on a monthly basis. If payment to clergy for transportation is an allowance or flat amount and the actual travel cost is not accounted for, it must be included as a part of the cash stipend.

**CLERGY VACATION**

Four weeks per year, including five Sundays, for full and part-time employment.

**CLERGY FAMILY LEAVE**

A priest with at least one full year of employment with the church is entitled to leave if they or their spouse gives birth to a child(ren) or takes legal custody of a minor child who enters their home. This leave is for twelve consecutive weeks with full pay. If eligible, the congregation shall utilize short-term disability coverage. A priest with less than one full year of employment with the church may be allowed to take leave but must negotiate the terms of leave with the Vestry/Bishop's Committee.

**SUPPLY CLERGY****Weekend Supply Work**

- o \$200 for one service
- o \$250 for two services
- o \$300 for three or more services

**Weekday Services Supply Work**

- o \$100 for one service
- o \$75 each additional service

**Consultant Rate**

- o \$50 per hour
- o \$300 maximum per day

In addition, clergy should be reimbursed for travel. NOTE: If you would otherwise meet the criteria for mandatory participation except that you are expected to be employed for less than five consecutive months, you and your employer may choose to participate in the Clergy Pension Plan if you have a letter of agreement (or other contract of employment) that provides for the payment of Assessments on your behalf by your employer. Assessments are not required for retired clergy who are drawing their church pension.

## COMMON MISSION SHARE PLEDGE GUIDELINES

The following are the 2024 Common Mission Share pledge guidelines:  
Using Line A on the 2020 Parochial Report:

<u>Parochial Report</u>	<u>Common Mission Share</u>
Up to \$100,000	11%
From \$100,000 to \$200,000	13%
Above \$200,000	15%

## COMPREHENSIVE GENERAL LIABILITY AND SEXUAL MISCONDUCT LIABILITY

Canon 39, Section 6 requires that all buildings and their contents be adequately insured and adequate insurance against liability and other insurable risks shall be maintained. Most churches in this Diocese are insured through Church Insurance Company (1-800-293-3525 for service; 1-800-223-5705 for claims). Insurance through another carrier **must** provide misconduct coverage which is comparable to the Church Insurance Company policy.

## FIDELITY BOND

Canon 39, Section 3 requires that churches have treasurers and other custodians of assets adequately bonded. This coverage is part of the basic liability coverage on the Church Insurance Company policy and must be purchased if coverage is with another carrier.

## LAITY PENSION

Lay employees working 1000 hours or more per year (approximately 20 hours per week) must receive a pension contribution. The Church Pension Fund has information about their plans at <https://www.cpg.org/active-lay-employees/retirement/>

The required employer contribution to a Defined Benefit Plan is at least 9% of salary. The required employer contribution to a Defined Contribution Plan is at least 5% of salary with a requirement to match employee contributions up to an additional 4%. **Please note, any lay employee expected to work 1000 or more hours per year, must be enrolled in the lay employee pension immediately upon hire.**

<https://www.cpg.org/active-lay-employees/retirement/lay-defined-benefit-plan/>

<https://www.cpg.org/active-lay-employees/retirement/defined-contribution-plan/>

## **LAITY INSURANCE**

At the 2010 Chicago Diocesan Convention, the following Denominational Health Plan resolution was proposed:

**Resolved,** that any employee, clergy or lay at a parish or mission in the diocese, working a minimum of 1500 hours per year (approximately 30 hours per week) shall be provided equal access to health care benefits and must be treated equally with regard to cost-sharing of the plan premiums. Any employee working 20-29 hours per week may voluntarily participate. Parishes or missions will pay equal minimum amounts for both clergy and lay employees that work the required hours as set above. Under the terms of the DHP, clergy and lay employees who have healthcare benefits through approved sources will be allowed to waive healthcare coverage under the DHP and may choose to maintain their healthcare benefits through the approved source. (Examples of approved sources include coverage through a spouse or partner's employment, healthcare benefits through a government sponsored program or coverage from a previous employer). Coverage for healthcare benefits must be purchased through the Episcopal Church Medical Trust.

## **LAITY SHORT & LONG-TERM DISABILITY for LAY EMPLOYEES**

**Enrollment for both short and long-term disability must occur within 30 days of employment. Please call Anna Stefaniak, Associate for Human Resources at 312-751-4202 for more information.**

## **LAITY GROUP TERM LIFE AND AD&D**

Episcopal Church employers may provide group term life insurance to lay employees through Church Life Insurance Corporation, a Church Pension Group affiliate. This coverage may be provided as a full benefit. Plans include coverage for accidental death and dismemberment and may also cover spouses and dependent children. There is no change to the group life insurance and AD&D premium rates for 2024. For more pension information, call CPG at (866) 802-6333 or go to their web site at:

<https://www.cpg.org/active-lay-employees/insurance/life/group-life/?ref=tabbedBanner>