

## **Budget Planning for 2008**

### **What does it cost to have an employee:**

#### **Lay Employee Payroll**

##### Wages:

Employers in San Francisco – minimum wage \$9.36/hr [http://www.sfgov.org/site/mayor\\_page.asp?id=46399](http://www.sfgov.org/site/mayor_page.asp?id=46399)

Employers outside of San Francisco – minimum wage \$8.00/hr <http://www.dol.gov/esa/minwage/america.htm#California>

FICA & Medicare = 7.65% of taxable income

#### **Clergy Employees on payroll (refer to Clergy Minimum Compensation for 2008)**

Stipend (includes employer portion of Self Employment Tax)

Housing Allowance

18% of TOTAL Compensation paid to Church Pension Fund \*\*

#### **Employee works 20 – 29 hours per week (benefits required per diocesan & national canon)**

1. Lay Pension Plan \*\* = Budget for 9% of salary. Employer must contribute 5% of salary and match up to 4% of employee's contribution to lay pension. The employer may impose a waiting period not to exceed one year for eligibility in this plan. This must be set forth in a published personnel manual.
2. Short-term Disability (lay employees only – clergy receive STD at no extra charge per participation in the Church Pension Fund) = .44% of first \$108K compensation
3. Long-term Disability (lay employees only – clergy receive LTD at no extra charge per participation in the Church Pension Fund) = .98% of first \$108K compensation
4. Salary Continuation (unemployment) = .4 % of first \$72K of compensation (schools pay 1%)

#### **Employee works 30 or more hours per week (benefits required per diocesan canon)**

1. All costs of working 20-29 hours
2. Life Ins. = see current year's benefit rate sheet
3. Employee Assistance Plan = see current year's benefit rate sheet.
4. Dental = see current year's benefit rate sheet
5. Medical = see current year's benefit rate sheet

#### ***How Is the Insurance Paid For?***

All insurance premiums, including those for dependent coverage, are billed to the employer by the Diocese. The employer may require a reimbursement from the employee for costs above the lowest equivalent medical insurance plan rate (currently, the Kaiser plan rate) - this must be set forth in a published policy. Contact the Diocese Payroll Office to request the Ins. Cost Share (pre-tax) Payroll Deduction Authorization form.

\*\* The pension plans are billed to the employer by the Church Pension Fund. It is the responsibility of the employer to contact The Church Pension Fund to enroll the employee (Lay & Clergy) and set up the account. Any ordained person (deacon or priest working in any capacity) is eligible for a housing allowance and their total compensation is to be assessed 18% pension per national canons.

**The Church, School, or Institution is the employer. The Diocese processes the payroll & benefits for your employees. All entities with employees must have a personnel policy on file.**

**A sample personnel policy is available online:**

**[www.episcopalbayarea.org/admin](http://www.episcopalbayarea.org/admin)**

## Clergy Minimum Compensation for 2008

### Congregation Classification Key:

| 1. Number of pledging units:  |        | 2. Average weekly attendance at Sunday services:  |              |
|---|--------|---|--------------|
| Number  | Points | Attendance  | Points       |
| 000-100   | 3      | 00-100  | 3            |
| 101-200   | 6      | 101-200   | 6            |
| 201-300   | 9      | 201-300   | 9            |
| 301-400   | 12     | 301-500   | 12           |
| 401-above   | 20     | 501-above   | 20           |
| 3. Total Annual Operating Income-Line A of Parochial Report (figs adjusted for 04): |        | 4. The points from these three categories are added together to determine the congregation classification from the table Below: |              |
| Amount  | Points | Total Points  | Salary Grade |
| \$0 to \$63,146   | 4      | 0--10   | A            |
| \$63,147 to \$126,292   | 8      | 11--20  | B            |
| \$126,293 to \$252,584  | 12     | 21--30  | C            |
| \$252,585 to \$505,169  | 16     | 31--40  | D            |
| \$505,170 and above   | 20     | 41++  | E            |

### 2008 Mandatory Minimum Salaries (includes 50% Self Employment Tax & Housing Allowance)

| Congregation Classification | Years of Credited Service<br>0-4 Years | Years of Credited Service<br>5-9 Years | Years of Credited Service<br>10+ Years |
|-----------------------------|--|--|--|
| A                           | 58,764                                 | 62,029                                 | 65,293                                 |
| B                           | 60,723                                 | 64,314                                 | 67,905                                 |
| C                           | 62,704                                 | 66,599                                 | 70,516                                 |
| D                           | 65,293                                 | 70,516                                 | 75,740                                 |
| E                           | 71,823                                 | 78,352                                 | 84,881                                 |

Associate clergy minimums are based on cleric's YCS at two grades below actual congregation classification. When a rectory is provided the cash compensation is 20% below the minimum figures.

Resolved:

1. That the minimum transportation allowance be \$0.485/mile for congregation-related travel; to be adjusted in accordance with IRS published rates for 2008.
2. That any deviation below these minimums will be permitted by the Bishop for serious cause, with the Bishop using the Personnel Practices Commission as a council of advice.
3. That employers of all clergy pay to each cleric 50% of the self-employment tax assessed on the cleric's base compensation as a portion of total compensation. ( 7.65% of base compensation) **This amount is included in the above schedule.**
4. That all churches, wherever possible, increase the clergy and lay staff compensation 3.4% for 2008 to accommodate inflation.

**Note: Compensation increase is based on the Consumer Price Index for All Urban Consumers in San Francisco, Oakland and San Jose as of June 30th, 2007.**

### SUNDAY SUPPLY & INTERIMS Year 2008 Rates for Payment to Clergy

|                           |          |                          |          |
|---------------------------|----------|--------------------------|----------|
| 2 Services with Sermon    | \$211.97 | 1 Service with Sermon    | \$185.08 |
| 2 Services without Sermon | \$122.01 | 1 Service without Sermon | \$ 95.12 |

| Interims                | Annual   |
|-------------------------|--|
| 5 days including Sunday | 100% of minimum salary per congregation grade & clergy YCS |
| 4 days including Sunday | 80% of minimum salary per congregation grade & clergy YCS  |
| 3 days including Sunday | 60% of minimum salary per congregation grade & clergy YCS  |
| 2 days including Sunday | 40% of minimum salary per congregation grade & clergy YCS  |
| 1 day including Sunday  | 20% of minimum salary per congregation grade & clergy YCS  |

**Benefits to be added:**

1. 48.5¢ per mile for Church related travel (non-commute).
2. Full benefit package if working 30 hours or more / wk
3. All disability & unemployment premiums if working 20 hours or more.
4. Church Pension Fund premiums (18% of base plus housing & utilities) if compensation exceeds \$200 per month for 3 consecutive months.

## 2008 Employee Benefit Rates

| Carrier/Plan   | Code | Participants  | Monthly Premium |
|--|------|---|-----------------|
| <b>Benefits required by Diocesan canon for all full-time employees (working an avg. of 30+hrs/wk)</b>        |      |   |                 |
| <b><u>Kaiser</u></b>   | 705  | Employee  | \$386.93        |
|  | 715  | Employee+1  | \$773.85        |
|  | 730  | Employee+2 or more  | \$1,095.01      |
| <b><u>Blue Sheild HMO</u></b>  | 505  | Employee  | \$643.58        |
|  | 515  | Employee+1  | \$1,312.77      |
|  | 530  | Employee+2 or more  | \$1,931.50      |
| <b><u>Blue Shield PPO</u></b>  | 570  | Employee  | \$642.41        |
|  | 580  | Employee+1  | \$1,191.33      |
|  | 590  | Employee+2 or more  | \$1,852.16      |
| <b><u>Cigna-Dental</u></b>   | 210  | Employee  | \$62.78         |
|  | 220  | Employee+1  | \$115.34        |
|  | 230  | Employee+2 or more  | \$169.30        |
| <b><u>Life Insurance</u></b>   | 825  | Basic Life-\$50,000   | \$15.38         |
| <b><u>Employee Assistance Plan - Concern</u></b>   | 300  | Employee (+ dependents)   | \$3.21          |
| <b>Benefits required by Diocesan canon for all employees working an average of 20-29 hrs/wk</b>              |      |   |                 |
| <b><u>Disability Insurance</u></b>   |      |   |                 |
| Short Term Disability (lay employees only – Clergy disability provided as part of Pension benefit with CPG.) | 405  | .44% of First \$108,000 of Compensation   |                 |
| Long Term Disability (lay employees only – Clergy disability provided as part of Pension benefit with CPG.)  | 408  | .98% of First \$108,000 of Compensation   |                 |
| <b><u>Unemployment Insurance</u></b>   |      |   |                 |
| School Employees   | 402  | 1% of First \$72,000 of Compensation  |                 |
| Other Employees  |      | 0.4% of First \$72,000 of Compensation  |                 |
| <b><u>Lay Pension</u></b>  |      |   |                 |
| Not billed by Diocese via benefit invoice.   |      | Employer base contribution 5% of salary + match employee contribution \$to\$ up to 4% of salary |                 |

**The Episcopal Diocese of California**  
**Proposed Assessment Formula for the 158th Diocesan Convention**

**Assessment Formula for 2008**

1. 5% assessment on the first \$58,764 of a parish or mission's operating income for 2006 as defined on Line A of the 2005 parochial report
2. 20% assessment on all such income above \$58,764 provided that,
3. No parish or mission shall have an increase over 2007's initial assessment before appeals of more than 50% or \$15,000, whichever is less.