EMPLOYEE BENEFITS IN THE DIOCESE OF NEBRASKA

Each parish in the diocese should establish an employee benefits program (for both clergy and lay) in compliance with National and Nebraska Canons. Each parish has some flexibility in determining its employee benefit policies; however, there should be parity between clergy and lay except in cases where plan designs do not permit it. Policies should be reviewed on an annual basis and revised as needed.

See Exhibit A for programs/plans offered by Church Pension Group.

Employee benefit policies need to include:

- **Health Insurance** - Employees who are compensated more than 1,500 hours in a year are required by National Canons to participate in the Medical Trust health plans. Employees who are regularly scheduled to work between 1,000 and 1,499 hours per year are eligible to participate voluntarily.

Under the terms of the DHP, clergy and lay employees who have medical benefits through approved sources will be allowed to waive medical coverage under the DHP (“opt out”) and choose to maintain their medical benefits through the approved source. Examples of approved sources include coverage through a spouse’s or partner’s employment, medical benefits through a government-sponsored program such as Medicaid or TRICARE, or coverage from a previous employer. The list of approved sources is subject to change based on the federal healthcare reform law. An employee may elect to waive coverage at the initial point of employment, during annual open enrollment, or at the time of any significant life event. The employee will need to reaffirm the election to waive coverage on an annual basis, as determined by the Medical Trust.

Parishes are encouraged to enroll employees that have waived health insurance coverage in the stand-alone EAP Program. This benefit is required to be paid by the employer.

- **Group Life Insurance** – All salaried employees who work more than 20 hours per week and under age 70 must receive a $50,000 group life insurance policy including Accidental Death & Dismemberment that is paid by the employer. All salaried employees who work more than 20 hours per week and over 70 must receive a $12,500 group life insurance policy that is paid by the employer.

- **Clergy Defined Benefit Plan** – Assessments must be paid for:
  - Clergy serving full time
  - Clergy serving part time
  - Clergy in supply or interim positions who are paid at least $200 per month for three or more consecutive months. This doesn’t include reimbursements made to clergy under an accountable plan as defined by the IRS.
Lay Pension Plan Benefit – Lay pension plan benefit is required for employees who are scheduled for 1,000 hours or more of compensated work annually. Parishes can choose between a defined contribution plan (suggested plan) or a defined benefit plan. The employer must contribute at a minimum the following:

- **Defined Contribution Plan**
  - the employer contributes not less than 5% of the employee’s compensation as defined by the plan.
  - the employer also matches on a dollar-for-dollar basis not less than 4% of the employee’s compensation.

- **Defined Benefit Plan** - the current assessment is 9% of the employee’s compensation.

The diocese request employers to suggest dental insurance and encourage clergy to make employee contributions to the RSVP plan. Employees should be made aware of the other programs offered by CPG.

Family leave for newborns and adoptions are important for both mothers and fathers, please contact the diocesan office for assistance in ascertaining the best way to accomplish this.
SAMPLE EMPLOYEE BENEFIT POLICIES

Health Insurance – Each year the Bishop will determine the plans at the Medical Trust that will be available in the Diocese of Nebraska. The parish should determine the benefit that it will provide to all eligible employees.

Example 1 – The parish will pay 100% of the premium cost (either individual or family) of the high deductible health plan (HDHP) offered by the diocese for all employees who are compensated for more than 1,500 hours per year. It will also contribute for all employees eligible for contributions to a health savings account (HSA) $675 at the first of each calendar quarter ($2,700 annually) for individual coverage and $1,000 at the first of each calendar quarter ($4,000 annually) for family coverage. The parish will pay 0% of the premium cost for employees who work between 1,000 and 1,499 hours per year.

Employees who elect to be covered by their spouses plan and not the medical trust will receive additional cash compensation of $333.33 per month.

Employees who waive health insurance coverage will be enrolled in the stand alone EAP Program paid by the parish.

The parish will pay 100% of the premium cost of the lowest cost plan available from the Medical Trust in the Diocese of Nebraska for employees who are eligible and elect to be covered by Medicare Secondary Payer/Small Employer Exception.

The cost differential between the cost of the plan selected by the employee and the cost of the above plans will be deducted from the employee’s paycheck.

Example 2 – The parish will pay XXX% of the individual premium cost plus XX% of the difference between the individual premium and the family premium of XXXXXX Plan.

The cost differential between the cost of the plan selected by the employee and the cost of the above plans will be deducted from the employee’s paycheck.

Dental Insurance –

Example 1 – Premiums for dental insurance will be deducted from the employee’s paycheck.

Example 2 – The parish will pay XX% of the least expensive plan available from the Medical Trust.
**Group Life Insurance**

All salaried employees who work more than 20 hours per week and under 70 will receive a $50,000 group life insurance policy including Accidental Death & Dismemberment paid by the employer. All salaried employees who work more than 20 hours per week and over 70 will receive a $12,500 group life insurance policy that is paid by the employer.

**Pension Plans**

**Clergy** – Pension assessments will be paid to the Church Pension Group for all full time, part time and clergy supply or interim positions who are paid at least $200 per month (excluding travel) for three or more consecutive months as required by the plan. If a rectory is provided, assessable compensation in which pension assessments will be paid on will be increased by 40% of the cash compensation paid to the clergy.

Clergy are encouraged to enroll and make employee contributions to the RSVP plan at CPG.

**Lay employees**

**Example 1** - The parish will contribute 9% of the employee’s compensation to the lay pension defined contribution plan at CPG for employees who are scheduled for 1,000 hours or more of compensated work annually. Employee contributions to the plan are encouraged.

**Example 2** – The parish will contribute 5% of the employee’s compensation to the lay pension defined contribution plan plus match dollar-for-dollar up to 4% of the employee’s compensation.
Employee Benefit Programs and Plans Offered by Church Pension Group

- Health Insurance - The diocese selects the plans that will be offered in Nebraska
  - Health Savings Accounts (if applicable)
- Dental Insurance
- EAP (stand-alone benefit)
- Group Life Insurance
- Individual life insurance
- Short Term Disability
- Long Term Disability
- Clergy Defined Benefit Plan
- Clergy Retirement Savings Plan (RSVP)
- Lay Defined Contribution Plan
- Annuities and IRA’s