

September 22, 2022

TO: Parochial Clergy, Wardens, Administrators, Staff, Treasurers and Finance Leaders
CC: Diocesan Council, Human Resource Committee & Diocesan Staff
FROM: Todd Rubiano & Kristy Estey
RE: 2023 Compensation Policy & Budgeting Guidelines:

SALARY, WAGES & LABOR LAW CHANGES:

Enclosed are salary ranges established for clergy and lay staff positions for 2023. Annual salary reviews are critical to retaining & recruiting the best staff. Each year, Vestries should review staff performance (relative to expectations and salary range) and make appropriate salary adjustments that move compensation for experienced, well performing staff towards the upper half of their respective salary range. **The most recent wage surveys indicate that increases of about 5% are appropriate for staff in 2023.**

Vestries should carefully review job descriptions for all lay staff positions to verify full compliance with Federal & State laws regarding minimum wage, over-time compensation requirements and the criteria for defining positions as either “Exempt” or “Non-exempt”. Please keep in mind that there is no such thing as a “part-time”, exempt position. And, all employees, no matter how part-time, should be on a payroll service and must receive a W-2.

Rates for supply clergy and substitute organist have not changed in some time and are both being increased effective 01/01/23.

The current NYS minimum wage (\$13.20) and minimum salary for overtime-exempt administrative employees (\$990 per week or \$51,480 annually) went into **effect 12/31/21**. Annual increases to the minimum wage are set to continue until the rate reaches \$15.00. The annual increases will be published by the Commissioner of Labor on or before October 1. They will be based on percentage increases determined by the Director of the Division of Budget, based on economic indices, including the Consumer Price Index. There is also proposed legislation to increase the NYS Minimum Wage to \$14.20, which has not yet been determined. *We will update this information when available.*

The **NYS Paid Family Leave** wage replacement benefit remains at **67%** of the employee’s average weekly wage, up to a cap of **\$1,131.08** (which is 67% of the current Statewide Average Weekly Wage of \$1,688.19). The number of weeks eligible employees can take under the NYS Paid Family Leave law remains at **12 weeks** for 2023. The contribution rate for employees has been reduced to **0.455%** of gross wages, up to the current Statewide Average Weekly Wage of \$1,688.19, with a maximum annual employee contribution of **\$399.43**.

HEALTH INSURANCE:

For 2023, we will offer the same array of medial & dental plans from Anthem Blue Cross Blue Shield (BCBS) and CIGNA. Our **minimum employer medical insurance subsidies** for 2023 will increase by about **3.9%** for all coverage types. The employer medical subsidy covers **86%** of the lowest cost plan offered, for all plan types (Single, 2-Person, etc.).

This year's **Annual Enrollment period is 10/26/22 - 11/16/22**. This is the time for all employees to carefully consider which plans provide the best balance between coverage and cost. Complete information regarding health plan coverage, premiums and all open enrollment details will be distributed in mid-October.

2023 PARISH APPORTIONMENT:

Enclosed is a chart of 2023 apportionments included in our proposed operating budget. Additional details regarding apportionment rates, income ranges and “caps and floors” may be found under the Convention section of the Diocesan web site.

Please feel free to contact us with any questions or concerns on any of these items.

Best regards,

Todd & Kristy

CLERGY SALARY RANGES:

The Diocesan Clergy Salary Ranges for 2023 were increased by \$2,000 – 3,000, based on the most recent clergy compensation survey provided by the Church Pension Group (CPG) and analysis reviewed by the HR Committee, Bishop & Staff.

2023 Clergy Salary Ranges		Family	Pastoral	Transitional	Program	Resource
<i>by Church Size</i>	ASA:	0-75	76-140	141-224	225-399	400+
<i>by Church Size</i>	Members:	0-150	151-300	300-600	600-1200	1200+
<i>HI</i>	\$	72,000	\$ 90,000	\$ 108,000	\$ 126,000	\$ 144,000
Midpoint	\$	60,000	\$ 75,000	\$ 90,000	\$ 105,000	\$ 120,000
<i>LOW</i>	\$	48,000	\$ 60,000	\$ 72,000	\$ 84,000	\$ 96,000

- All ¼, ½, ¾ time positions are calculated as a % of the relative full-time position shown above.
- For clergy serving multiple congregations, use aggregate parish ASA to determine church “size”.
- Salaries for Lay Pastoral Leaders, Associates & Assistants are dependent on several unique factors and should be determined in consultation with the Bishop’s Staff.
- Salary ranges *include housing allowance* but DO NOT include allowances for SECA taxes, pension contributions, health benefits or reimbursement for expenses (see example below):

Church Size		FAMILY
		(ASA < 75)
EXAMPLE:		
Salary (includes housing allowance)		\$ 50,000
Allowance for SECA @	15.3%	\$ 7,650
TAC		\$ 57,650
Church Pension Fund	18.0%	\$ 10,377
Contribution to Medical Ins.	Single	\$ 7,920
Contribution to Dental Ins.	Single	\$ 240
TOTAL COMPENSATION:		\$ 76,187

- If a rectory is provided, the parish must obtain an estimate of the fair market value (FMV) for rental of the property and may then reduce cash salary by that amount. Please note that the calculation for clergy pension changes when a rectory is provided.

SUPPLY CLERGY RATES: Rates for Supply Clergy have been increased and are now:

- One Saturday or Sunday main Eucharist \$175
- Each additional Saturday or Sunday service + \$50
- Mid-week other than main Eucharist \$100

In addition, supply clergy should be reimbursed for mileage from home to the church and back at the IRS standard mileage rate.

IRS MILEAGE RATES: The current IRS standard mileage rate is 62.5 cents per mile. We will communicate changes as they are announced.

WAGES FOR LAY PARISH EMPLOYEES:

Wage ranges for lay staff positions are difficult to standardize due to the wide variety of job descriptions, education, skills and experience in these positions. In addition, there are geographic differences in the local job markets across the Diocese. The hourly wage rates below are structured to accommodate for these variances. Supervisors should clarify job descriptions/expectations and then use local data sources to align compensation for each specific role with that of the local community.

The chart below has been updated relative to the current minimum wage and provides pay ranges that are appropriate for our area. Depending on the job requirements (education, skills & abilities) and local prevailing wages, positions may be categorized as Level I, II or III. Depending on individual experience and performance, compensation will vary from “Low” to “High”. The wage rates below DO NOT include payroll taxes or any other health & pension benefits.

Hourly Wage Range for Administrative & Maintenance Staff (Subject to increase in the Minimum Wage):

	Low	Mid-pt.	High
L-I	\$14.00	\$18.00	\$22.00
L-II	\$16.00	\$21.00	\$26.00
L-III	\$18.00	\$24.00	\$30.00

Substitute Organists: \$110.00 - \$140.00 per Sunday

LAY PENSION BENEFITS:

Resolution A138 of the 2009 General Convention requires that all lay employees scheduled to work 1,000 hours or more annually be provided with a lay pension plan administered and designed by The Church Pension Fund (CPG). For Defined Contribution Plans (DC), employers must contribute not less than 5% of the employee’s compensation AND also match (on a dollar-for-dollar basis) not less than 4% of compensation. Therefore, an employee that contributes 4% of their own pay would receive another 9% from the employer, for a total contribution of 13%. **This resolution forms the minimum requirement that applies to all employers within the Diocese of Rochester.**

Effective 01/01/15, the Diocese recommended that all employers contribute 8% of the employee’s salary as the *employer base contribution* and up to an additional 4% *employer matching contribution*. This formula results in a 12% maximum employer contribution for employees that contribute 4% or more to their own plan. Employers may elect to “migrate” to this higher level of benefit by changing the base contribution by 1% point, per year until they reach 8% *employer base contribution*, while still maintaining the 4% *employer matching contribution*.

MEDICAL & DENTAL INSURANCE:

The 77th General Convention reaffirmed that **all parishes and missions are to be enrolled in the Episcopal Church Medical Trust** and that there be parity in cost-sharing between clergy and lay employees. All lay and clergy employees *scheduled to work 1,500 hours or more annually* **must be offered these health insurance subsidies, as detailed below.**

2023 MINIMUM EMPLOYER MEDICAL SUBSIDY (Full-time employees):

	Single	Plus Spouse	Plus Child	Family
<i>Monthly</i>	\$660	\$1,320	\$1,190	\$1,980
Annual	\$7,920	\$15,840	\$14,280	\$23,760

The Diocese uses the same eligibility requirements for both dental insurance and medical insurance (as noted above). The minimum employer dental subsidy is equal to 50% of the lowest cost dental plan offered for single, two person or family coverage.

2023 MINIMUM EMPLOYER DENTAL SUBSIDIES (Full-time employees):

	Single	Plus Spouse	Plus Child	Family
<i>Monthly</i>	\$20.00	\$40.00	\$36.00	\$60.00
Annual	\$240	\$480	\$432	\$720

- Employees are responsible to pay the difference in cost between the medical/dental plan they select (below) and the employer subsidy (above).
- The employer subsidy may be pro-rated for part-time employees (scheduled to work 1,000 hours or more, annually) based on the full-time subsidies shown above.
- Increasing benefits above the pro-rated amount is at the discretion of the Parish.
- Cost sharing for both Medical and Dental insurance must be the same for all eligible lay and clergy employees.

MEDICAL PLANS - monthly premiums:	Single	Plus Spouse	Plus Child	Family
Anthem BCBS BlueCard PPO 100	\$945	\$1,890	\$1,701	\$2,835
Anthem BCBS BlueCard PPO 90	\$843	\$1,686	\$1,517	\$2,529
Anthem BCBS BlueCard PPO 80	\$765	\$1,530	\$1,377	\$2,295
Anthem BCBS CDHP	\$690	\$1,380	\$1,242	\$2,070
<i>PLUS: Employer H.S.A. contribution:</i>	\$75	\$150	\$135	\$225

For employees 65 or over (who are eligible for Medicare), Federal regulations require that employers offer the same medical insurance plans to these employees, if they are scheduled to work a minimum of 1,000 hours annually OR are paid more than \$684 per week. The employee may decline coverage if, for example, they are covered under a spouse’s employer. However, employers may not provide any incentives for the employee to refuse coverage (i.e. paying for alternative medical coverage). Any such payments may violate IRS regulations. If an employee has a legitimate basis for declining coverage, they should sign a waiver doing so.

Medicare Secondary Payer (MSP) Plans:				
Anthem BCBS BlueCard MSP PPO 100	\$755	\$1,510	\$1,359	\$2,265
Anthem BCBS BlueCard MSP PPO 90	\$674	\$1,348	\$1,213	\$2,022
Anthem BCBS BlueCard MSP PPO 80	\$613	\$1,226	\$1,103	\$1,839

DENTAL Plans - monthly premiums:

	Single	Plus Spouse	Plus Child	Family
CIGNA - Preventative Dental	\$40.00	\$80.00	\$72.00	\$120.00
CIGNA - Basic Dental 50/150	\$48.00	\$96.00	\$86.00	\$144.00
CIGNA - Dental & Ortho 25/75	\$66.00	\$132.00	\$119.00	\$198.00

GROUP LIFE INSURANCE:

Clergy who are active participants in the Church Pension Fund (CPF) receive life insurance coverage of up to \$150,000, provided that all pension assessments are paid. If a priest is not canonically resident in a diocese of the Episcopal Church and cannot participate in the Church Pension Fund, the congregation is required to purchase the same level of coverage as that provided by CPF.

Group Life Insurance up to \$50,000 is available to lay parish staff through the Diocesan group policy with Church Insurance. Please contact Kristy Estey for coverage and cost information.

NYS PAID FAMILY LEAVE, DISABILITY INSURANCE & PAYROLL TAXES:

Under the New York State Paid Family Leave Law (NYSPFL) eligible employees can take up to 12 weeks of paid leave in 2023 to bond with a new child, care for a sick family member, or assist loved ones when a family member is deployed abroad on active military service.

The NYSPFL benefit rate remains at 67% of an employee's average weekly wage, up to the weekly maximum of \$1,131.08, for a maximum of 12 weeks (subject to the 52-week lookback). The weekly maximum benefit rate is based on 67% of the state's average weekly wage of \$1,688.19 for 2023.

The contribution rate for employees has been reduced to 0.455% of gross wages. The maximum annual employee PFL contribution for 2023 will be \$399.43.

Employers may elect to cover this cost. However, employers are still responsible to pay premiums for the related insurance coverage. Each parish should work directly with their disability insurance carrier to implement this coverage and then confirm appropriate withholding with their payroll services provider.

IMPORTANT NOTE: Clergy are not covered by this law, and therefore should not participate in any payroll withholding for NYS Paid Family Leave. Clergy are also exempt from mandatory New York State Disability Insurance (NYSDI) and NYS Unemployment Insurance (NYSUI). All other parish staff should be covered by NY SDI & SUI. All staff, clergy and lay, must be covered by Workers Compensation Insurance.

Clergy who are active participants in the Church Pension Fund receive short term disability coverage (up to 12 months) provided that all pension assessments are paid. If a priest is not canonically resident in a diocese of the Episcopal Church and cannot participate in the Church Pension Fund, the congregation is required to purchase the same of coverage as that provided by CPF.

In addition, ALL clergy and lay staff should consider their individual need for additional short and long-term disability coverage as part of their personal financial planning.