

**ARCHDIOCESE CONVENTION REPORT
DEPARTMENT OF CLERGY INSURANCE AND RETIREMENT
PHOENIX, AZ – JULY 2023**

Under the *omophorion* of His Eminence Metropolitan SABA, the Department of Clergy Insurance and Retirement consists of Archpriest Michael Ellias (Chair), Archpriest Thomas Zain (Vicar General), Archimandrite Jeremy Davis and Fr. Paul Matar (Hierarchical Assistants), Mr. Salim Abboud (CFO), Archpriest Michael Tassos (Comptroller), Ms. Marlene Ayoub (Registrar), and Ms. Mary Winstanley-O'Connor, Esq. (Order of St. Ignatius).

The Department met at the Archdiocese headquarters on Wednesday, May 20, in order to provide His Eminence with an overview of the work of the Department and to familiarize him with the policies and practices of the Archdiocese with respect to clergy compensation, as well as to elucidate the challenges facing the Department for the near term and the future.

SIGNIFICANT POLICY CHANGES

The most recent revision of the **Clergy Compensation Manual** appeared in January 2023. The Archdiocese distributes a copy of the manual to both pastors and parish council chairs at each publication. Call or email the chancery to obtain a current copy.

1. **Stipend Guidelines** – The Department has applied a Cost of Living Allowance (COLA) increase in accordance with the Consumer Price Index (CPI) issued by the Bureau of Labor Statistics of the U.S. Department of Labor over 2022 levels in this year's edition of the manual. Parishes should keep in mind that these levels are "guidelines" and "minimums." Fr. Paul Matar reviews clergy compensation packages when a new assignment or a transfer occurs in order to assure that parishes are fulfilling their responsibilities. He also reviews parish packages on an annual basis.

2. **Life Insurance** – Participation in the Archdiocese's Life Insurance and Long-Term Disability plan is mandatory for all full-time pastors. **Cigna** has been our carrier since 2018. The rate of \$135/month is actually insufficient to cover actual premiums, and the Department is currently evaluating an appropriate increase for next year. The Archdiocese has been subsidizing any shortfall. It is important to note that the premium also covers the costs of insuring an increasing number of retired clergy. The current death benefit is \$150,000 which decreases to \$75,000 at retirement or at age 70, to \$50,000 at age 75, and finally to \$25,000 at age 80. The Department will work with the CFO and the Comptroller to investigate the costs of increasing these death benefits in the year ahead.

3. **Long-Term Disability** - Within that same monthly premium **long-term disability** benefits have increased from \$1,500 to \$2,000 per month for as long as total disability lasts or until age 65, whichever comes first. These payments begin after the first ninety (90) days of disability. There is a 30-day elimination period plus a 60-day period during which the Archdiocese provides \$500 per month.

4. **Health Insurance** – The rapidly rising cost of health care continues to be a major challenge for parishes and for the nation as a whole. The **Joint Orthodox Health Plan (JOHP)**, therefore, made the decision to shift from its traditional PPO plan to a **Health Reimbursement Arrangement** through **Aetna**. This decision lowers costs for parishes, but it shifts some responsibilities to the insured participants. Information on enrollment, a detailed plan description, and current rates for the period May 1, 2023 through April 30, 2024, is available at

www.orthodoxhealthplans.com. Participation in this plan is not mandatory; however, the coverage provided by the plan is the benchmark by which the adequacy of health insurance coverage is assessed.

LONG-TERM CARE

The group Long-Term Care plan previously offered through the JOHP is no longer available. Those already enrolled will remain covered as long as they continue to pay the premiums. Individual enrollment is available but not at group rates. Please call GDC Financial at (203) 367-4070 for more information.

CONFIDENTIAL ASSISTANCE PLAN (CAP)

The **Confidential Assistance Plan (CAP)** is a service available to clergy and their family members **free of charge** through the Joint Orthodox Health Plan. Trained counselors are available 24 hours a day, 365 days a year to help manage a wide range of personal, marital, family, and mental health matters. Call (866) 641-0791 for more information.

DEFINED CONTRIBUTION PLAN & RETIRED CLERGY HOUSING ALLOWANCE

On January 1, 2013, the Archdiocese instituted its first contributory retirement plan. Under this **Defined Contribution Plan**, also known as a **401(k)**, the priest invests at least 3% of his stipend, the parish matches that investment, and the Archdiocese adds \$100/month if all conditions are met. The accumulated funds which are under the control of the individual participants now exceed \$10 million. The Order of St. Ignatius of Antioch makes an annual contribution to the support of retired clergy of \$270,000 per year, and the Archdiocese budget adds \$50,000 per year. (Due to both Canadian and U.S. laws, the clergy in Canada participate in a separate plan which operates according to the same principles.) In the coming year the Department will work with the CFO and the Comptroller to increase the archdiocesan contribution in order to address inflation.

The Archdiocese Board of Trustees has addressed the actuarial shortfall in the non-contributory **Retired Clergy Housing Allowance Fund (RCHAF)**, also known as the “old plan,” by establishing a \$5 million reserve fund. This fund will remain untouched until it has generated \$1 million for the RCHAF. We should note that this allowance is actually a grant which is distributed at the sole discretion of the Metropolitan. There is no entitlement.

CLOSING REMARKS

The Department anticipates close cooperation with the office of our new Metropolitan, the CFO, and the Comptroller, as well as with all the bishops who advocate for their clergy, and we extend heartfelt thanks to the members of the Order of St. Ignatius of Antioch for their generous support.

Respectfully Submitted,

Very Rev. Fr. Michael Ellias, Chairman