***SAMPLE PARISH BENEFITS***

**MEMORANDUM**

**TO: Employees of** (***Parish Name & City)***

**FROM: *(Name of Pastor / Administrator)***

**DATE:**

**SUBJECT:** **Employee Compensation & Benefits**

The following is a description of the compensation and benefits that are provided for employees of \_\_\_\_\_\_\_\_\_\_\_\_\_***(Parish Name)*** (hereafter referred to as the Parish), as revised, effective \_\_\_\_\_\_\_\_\_\_***(date).*** Please note that eligibility for the various benefits is governed by an employee’s status as described in the *Catholic Diocese of Saginaw Employee Handbook* and the *MCC Lay Employees’ Retirement Plan and Trust Agreement*, and by the specific language contained in each of the insurance policies and/or summary plan descriptions. (Where differences in language might occur, the language of the individual policy or summary plan description will govern the benefit.) Where a dispute exists concerning the meaning or application of a benefit described in this Memorandum, the Parish shall retain complete and unfettered discretion to resolve any such dispute as it deems appropriate.

This memorandum replaces and supersedes all prior benefits memoranda. The Parish reserves the right, within its complete discretion, to increase, decrease, modify, or delete compensation and benefits with or without notice.

**I. WAGE AND SALARY ADMINISTRATION *(Recommend)***

For all lay employees, payday will be ***(…weekly, bi-weekly, monthly, and specify what day …)***. If a payday falls on a holiday and the offices are closed, the date of check distribution will be at the discretion of the pastor/administrator.

The Parish intends that all employees, exempt and non-exempt, should be reviewed once every twelve months by their immediate supervisor. This review should usually take place before the beginning of the fiscal year, which is July 1. At the time of the review, both performance and wage rate should be considered. Employees may be eligible for a wage modification based on job classification range, the condition of the overall budget, and cost of living, as well as the employee’s performance, cooperation and other job related factors.

**II. CORE BENEFITS**

1. **Health Insurance (*Must offer to employees working 20 or more hours per week for 5 or more months per calendar year.)***

Health insurance is available through the Michigan Catholic Conference. Employees who are scheduled to work 20 or more hours per week are eligible to participate in MCC’s medical plans. Part-time 2 (those who work less than 20 hours per week), seasonal and temporary employees are not eligible. Coverage for the employee will become effective the first of the month following the date of hire. If your date of hire is the first of the month, you may begin participating on that day.

An addendum to this Benefits Memorandum provides information regarding the monthly premium paid by the Parish and the amount paid by the employee. ***(Sample Addendum and Directions are available on the Diocesan website. This must be signed by each employee and placed in personnel file.)***

Part-time 2: Employees working less than 20 hours per week are ineligible for health insurance.

1. **Dental Insurance (*Must offer to employees working 20 or more hours per week for 5 or more months per calendar year.)***

Dental insurance is available through the Michigan Catholic Conference. Employees who are scheduled to work 20 or more hours per week are eligible to participate in MCC’s dental plan. Part-time 2 (those who work less than 20 hours per week), seasonal and temporary employees are not eligible. Coverage **for the employee** will become effective the first of the month following the date of hire. If your date of hire is the first of the month, you may begin participating on that day. Provided below is information regarding the monthly premium the Parish pays and the amount paid by the employee.

**Dental Insurance for Full Time Employees:**

The parish currently provides \_\_\_% or $\_\_\_of the monthly premium for a single employee and the employee pays \_\_\_% or $\_\_\_.

The parish currently provides \_\_\_% or $\_\_\_ of the monthly premium for two persons and the employee pays \_\_\_% or $\_\_\_.

The parish currently provides \_\_\_% or $\_\_\_ of the monthly premium for family coverage and the employee pays \_\_\_% or $\_\_\_.

**Dental Insurance for Part-Time 1 Employees:**

The parish currently provides \_\_\_% or $\_\_\_of the monthly premium for a single employee and the employee pays \_\_\_% or $\_\_\_.

The parish currently provides \_\_\_% or $\_\_\_ of the monthly premium for two persons and the employee pays \_\_\_% or $\_\_\_.

The parish currently provides \_\_\_% or $\_\_\_ of the monthly premium for family coverage and the employee pays \_\_\_% or $\_\_\_.

Part time 2: Employees working less than 20 hours per week are ineligible for the dental coverage.

1. **Vision Insurance *(check with MCC to determine if your parish offers this plan)***

Vision insurance is available through the Michigan Catholic Conference. Employees who are scheduled to work 20 or more hours per week are eligible to participate in MCC’s vision plan. Part-time 2 (those who work less than 20 hours per week), seasonal and temporary employees are not eligible. The employee is responsible for 100% of the cost of the premium. Coverage **for the employee** will become effective the first of the month following the date of hire. If your date of hire is the first of the month, you may begin participating on that day.

1. **Prescription Drug Coverage**

A mail-in prescription drug program is currently available. Specific information regarding prescription drug coverage can be found at [www.micatholic.org/benefits](http://www.micatholic.org/benefits) or contact MCC Benefits at 1-800-395-5565.

1. **Flexible Benefit Plan (FBP) *(check with MCC to determine if your parish offers this plan)***

Employees who are scheduled to work 20 or more hours per week are eligible to participate in MCC’s Flexible Benefit Plan. Part-time 2 (those who work less than 20 hours per week), seasonal and temporary employees are not eligible. The plan allows you to deposit your own pre-tax earnings into an account you use to pay for a licensed day care provider or qualifying health expenses. You may begin participating in the plan the first of the month following your date of hire. If your date of hire is the first of the month, you may begin participating on that day.

Specific information regarding the Michigan Catholic Conference Flexible Benefit Plan can be found at [www.micatholic.org/benefits](http://www.micatholic.org/benefits) or contact MCC Benefits at 1-800-395-5565.

1. **Michigan Catholic Conference Retirement Plan *(Mandatory)***

Retirement benefits for eligible lay employees are provided under the Michigan Catholic Conference Lay Employees’ Retirement Plan (LERP). Participation in the program is mandatory for all lay employees whose position requires that they work 20 or more hours per week for five (5) or more months of a calendar year. Enrollment is immediate upon employment.

Retirement benefits for priests incardinated into the Catholic Diocese of Saginaw are provided through the Priests’ Retirement Association of the Diocese of Saginaw.

Retirement benefits for men and women religious are provided by their respective communities.

Further information about the LERP is available through the Michigan Catholic Conference at [www.micatholic.org/benefits](http://www.micatholic.org/benefits) or contact MCC Benefits at 1-800-395-5565.

1. **403(b) Retirement Savings Plan *(check with MCC to determine if your parish offers this plan)***

Michigan Catholic Conference offers a 403(b) Retirement Savings Plan. Contact the MCC Benefits Department at 1-800-395-5565 for further information.

1. T**ermination of Benefits**

The Church is exempt from the Federal COBRA regulations therefore insurance coverage will normally be terminated on the first of the month following employment termination.

1. **Life Insurance *(if offered, include description – if interested, contact MCC for details)***
2. **Disability Insurance *(if offered, include description – if interested, contact MCC for details)***

**III. PAID LEAVE *(Example of Paid Leave Policy)***

**a) All Purpose Leave (APL) *(if not APL, specify vacation, sick, personal, as the case may be)***

All purpose leave is provided for full-time and part-time 1 employees. It is intended to be used to cover any absence from regularly scheduled work hours (vacation, personal, illness of an employee or a dependent, etc.) and is inclusive of the paid medical leave mandated by the State of Michigan for some employees who work 25 or more hours per week.

An employee’s years of service on July 1 (the beginning of the fiscal year) is the basis for the amount and assignment of APL. At the end of the fiscal year (June 30), if the employee does not use their allotted APL, they will be allowed to carry over an amount not to exceed \_\_\_\_ hours. Any remaining time shall be forfeited. APL time may be taken at the employee’s discretion, with the approval of the immediate supervisor. The Parish reserves the right to deny leave where granting time off would interfere with required work projects and/or deadlines.

A new employee’s APL will be pro-rated from their employment date through June 30 (end of the fiscal year). However, they may only use up to three days in their first three months of employment.

The APL of an employee terminating his/her employment will be pro-rated from the beginning of the fiscal year (July 1) to the last day of employment.

An employee terminating his/her employment will be compensated for up to \_\_\_\_ hours of unused APL, which will be pro-rated based on the number of hours regularly scheduled to work. For example, an employee working \_\_\_ hours per week would be compensated up to \_\_\_ hours of unused APL.

**Exceptions occur when**: *[****The bolded sections below are mandatory in order to comply with the Catholic Diocese of Saginaw Employee Handbook dated July 1, 2016 and the Diocesan FMLA Policy.]***

* **There is failure to give proper notice of termination (*See Employee Handbook VI, C, Resignations*) except in cases where the employer determines that failure to provide notice is justifiable under the circumstances; or**
* **There has been misconduct or malfeasance, as determined by the employer.**

**An employee must use paid leave (i.e. all purpose leave, vacation, personal, or sick leave as the case may be) during unpaid FMLA leave. However, once the employee has 80 hours or less, the use of such paid leave during an FMLA leave is not mandatory, but may be used at the discretion of the employee.**

Employees are not permitted to share or donate APL hours to another employee. Likewise, employees are not permitted to borrow APL hours from the next fiscal year.

 Maintenance of All Purpose Leave is a function of the Parish Office. Leave request forms are available from the Parish Office.

On July 1, an employee’s APL allotment is determined by applying the amount of service time an employee has accumulated under the following schedules:

Full-time / Exempt: up to one year = 17 days (136 hrs.)

 1 - 5 yrs. = 29 days (232 hrs.)

 Over 5 years = 34 days (272 hrs.)

 Full-time / Non-Exempt: up to one year = 17 days (136 hrs.) 1 - 5 yrs. = 24 days (192 hrs.)

 6 - 10 yrs. = 29 days (232 hrs.)

 Over 10 years = 34 days (272 hrs.)

Part-time 1: Pro-rated on the basis of the employee’s regularly scheduled work week

 Part-time 2: Ineligible for APL

 **b) Funeral Leave *(Example)***

In case of a death in the immediate family, an employee will be granted a paid absence of up to three (3) days for the purpose of making arrangements and attending the funeral if the funeral is in the state, and five (5) days if the funeral is out of state. The employee’s immediate family, for the purpose of funeral leave, is understood as being the employee’s spouse, children, step-children, parents, grandparents, grandchildren, brothers and their spouses, sisters and their spouses, and the parents of the spouse. Employees are eligible for funeral leave when the funeral falls during regularly scheduled work time.

Part-time 1: Pro-rated on the basis of the employee’s regularly scheduled work week

 Part-time 2: Ineligible for paid Funeral Leave

**c) Holiday Leave *(Example)***

The following days are generally recognized as holidays for which full-time and part-time 1 employees are entitled to time off with pay.

Full-time: Good Friday Friday after Thanksgiving

 Memorial Day Christmas Eve

 Independence Day Christmas Day

 Labor Day New Year’s Eve

 Thanksgiving Day New Year’s Day

If Independence Day falls on a weekend, either the Friday before or the Monday after (whichever is closest) will be taken as the holiday.

If non-exempt (hourly) employees are required to work on a holiday, they will be paid for the holiday plus their regular rate of pay for hours worked.

Part-time 1: Pay pro-rated on the basis of the employee’s regularly scheduled work week

Part-time 2: Ineligible for paid holidays

 **d) Jury Duty (*Required)***

The Parish encourages its employees to cooperate in performing their civic responsibilities by serving in the jury system when requested. Recognizing that this service could result in a financial burden, the Parish will pay employees off for jury duty their regular salary, minus any stipend given by the court. While an employee is on leave for jury duty, the Parish will continue all benefits at the same level and under the same circumstances as if the employee had continued to work.

Employees who are selected for jury duty should notify their immediate supervisor and the parish office. Records of their service should be given to the parish office at the conclusion of their service and will be placed in their personnel file.

While employees may be required to return to work where jury service is for less than a full day, no employee will be required to work any additional hours beyond their regular work day. (For example, an employee who regularly works an 8-5 schedule and who is released from jury service at noon, would only be required to work until 5 pm.)

Part-time 1: Pay pro-rated on the basis of the employee’s regularly scheduled work week

 Part-time 2: Ineligible for paid Jury Duty

 **e) Military Leave *(Required)***

Employees will be granted a military leave of absence to engage in a temporary tour of duty with the National Guard or reserve unit of any recognized branch of the military service. Employees participating in such temporary leaves shall be paid the difference between their military pay and their salary if the military pay is less for a maximum period of one year.

While an employee is on military leave, the Parish will continue the employee’s ***[insert benefits you would continue]*** at the same level and under the same circumstances as if the employee had continued to work provided these benefits are not offered by the military. However, the employee will not be entitled to receive any other benefit during that time unless otherwise mandated by law.

Records of military leaves of absence should be given to the Parish Office and will be placed in the employee’s personnel file.

Part-time 1: Pay pro-rated on the basis of the employee’s regularly scheduled work week

 Part-time 2: Ineligible for paid Military Leave

**f) Snow Days *(Example)***

During periods of extremely inclement weather the Parish may be declared closed. In that event, we will follow the procedure of \_\_\_\_\_\_\_\_\_\_. When it is announced that \_\_\_\_\_\_\_\_ has cancelled classes, the Parish will be closed and leave will be granted with pay for all employees scheduled to work. An immediate supervisor may request that an employee come to work when the Parish is closed if the situation warrants. In that case, an employee will be paid their regular pay.

**IV. UNPAID LEAVE**

1. **Educational Leave of Absence *(Example )***

Regular full-time and part-time 1 employees who wish to continue their formal education may be granted a special leave of absence, without pay or benefits, for this purpose at the discretion of the immediate supervisor and the pastor/administrator. The leave may be for twelve (12) months and may be extended upon written request. Re-employment following an educational leave of absence is dependent upon the availability of an appropriate position.

**b) Family and Medical Leave of Absence *(Required by law – do not change)***

The Catholic Diocese of Saginaw has taken the position that it will comply with the Family Medical Leave Act of 1993. Therefore, we will grant an unpaid leave of absence to regular full-time and regular part-time employees who meet certain requirements for:

* the care of a child after birth or adoption or placement with the employee for foster care
* the care of a covered family member (spouse, child, or parent) with a serious health condition
* the care of an employee’s own serious health condition
* the care of a covered family member requiring medical treatment due to military service
* managing the affairs of a covered family member called to military service under a qualifying exigency

Leaves will be granted for a period of up to 12 weeks in any 12 month period, other than leaves related to military service which may be granted up to 26 weeks in a 12 month period.

An employee must have completed at least one full year of service and have worked a minimum of 1,250 hours in the twelve month period preceding the leave to be eligible for such leave. Medical certification of the need for leave may be required.

FMLA leave will run concurrently with workers compensation benefits and short-term and long-term disability benefits. When a leave is covered by state and federal law, state leaves run concurrently with federal leaves.

In order to avoid wage loss during FMLA leaves, an employee who is taking leave because of his or her own serious health condition or the serious health condition of a family member (including childbirth and recovery) must elect to use paid leave (i.e. all purpose leave, vacation, personal or sick leave as the case may be) during unpaid FMLA leave. However, once the employee has 80 hours or less accrued leave, the use of such paid leave during an FMLA leave is not mandatory, but may be used at the discretion of the employee.

FMLA leave taken for which wage loss benefits are provided through a disability plan, such as workers compensation or short or long term disability will not require the employee to utilize his or her paid leave account (e.g., all purpose leave, vacation, personal, or sick leave). Uses of those accounts are at the discretion of the employee, consistent with the Employer’s policies.

However, before making use of available, accrued paid time off, an employee is cautioned to explore whether the receipt of such payment would reduce or forfeit their wage loss benefits through the insurance plan (workers compensation or short term and long term disability).

The Diocese maintains copies of a more extensive Family and Medical Leave of Absence policy which further describes your rights and obligations. Furthermore, a notice of FMLA rights and responsibilities is available from the Diocesan website and the parish office.

**V. STATUTORY BENEFITS *(Required by law – do not change)***

1. **Social Security**

Social Security is a statutory benefit that is required by Federal Law. It is a multi-purpose program that addresses retirement income, survivor benefits, disability, Medicare, hospital insurance, and supplementary medical insurance. Participation in the program is automatic upon employment. Contributions to the program (FICA) are based on gross wages and are paid equally by the Parish and the individual employee. Benefits are administered by the Social Security Administration.

 **b) Unemployment Insurance**

The Church is exempt from the Federal Law that requires participation in the Federal Unemployment Insurance Program. However,the Parish, through the Michigan Catholic Conference (MCC), does provide for the statutory benefit of State Unemployment Insurance coverage. This is a self-insured, provincial unemployment program administered from the employer’s perspective by the MCC. Individual employee claims are processed through the Unemployment Agency of Michigan.

 **c) Workers’ Compensation Insurance**

The Workers’ Compensation program is a statutory requirement for employers in Michigan and provides basic income and medical protection for employees who are injured on the job or have a job-related illness. Such injuries must be reported immediately. The necessary forms are available from the parish office and on the Michigan Catholic Conference website at <http://www.micatholic.org/risk-management/documents-and-forms>.

**VI. OVERTIME PAY *(Required by law – do not change)***

All employees, except those exempted as executive, administrative or professional, are covered by the overtime provisions of the Federal Fair Labor Standards Act of 1938.

For all Non-Exempt employees, overtime will be paid at one and one-half times an employee’s rate of pay for hours worked in excess of 40 hours in a workweek. Employees may not authorize nor certify their own overtime. Overtime may be required by an employee’s supervisor. All overtime pay must receive prior written authorization of the immediate supervisor.

Compensatory time off as a substitute for overtime pay is not allowed for non-exempt employees. Flexible work schedules may be used as an alternative to overtime pay at the discretion of the immediate supervisor.However, flex time must be used within the same workweek.

**VII. OTHER IMPORTANT POLICIES**

* **CONFERENCE ATTENDANCE *(Example)***

The Parish encourages on-going professional development of its employees by making funds available for participation in appropriate work-related conferences, workshops, seminars and regional meetings.

 **Guidelines:**

* Employees may attend one major conference and one regional meeting per year with the approval of the supervisor. Major conferences and regional meetings are not intended to include provincial seminars/meetings, and generally will involve out-of-state and overnight travel.
* Conferences and regional meetings must be included in the annual budget. Employees are to submit a request to their supervisor for approval.

* If the request is approved, the Parish will pay/reimburse conference related expenses: registration fees, travel, conference materials, and lodging and meals not included in the registration fee.
* Reimbursement is to be requested in a timely manner.
* Personal expenses, including meals for others unrelated to work, and alcohol, are not reimbursed.
* **CONTINUING EDUCATION *(Example)***

Eligible employees are encouraged to develop their professional skills and knowledge by participating in non-degree workshops, seminars and conferences, as well as academic degree programs. The cost may be shared between employee and the Parish. All continuing education proposals must be submitted in writing and approved by the supervisor. These requests will be decided on a case-by-case basis according to the needs of the Parish, the department, and the budget.

* **DRESS CODE *(Example)***

The Parish is a professional office building. Blue jeans and shorts are not acceptable unless there is a specific project or activity in which the employee, with the approval of the supervisor, will be involved on a particular day.

* **EXPENSE REIMBURSEMENT *(Example)***

Expenses, when incurred while performing work related duties, will be reimbursed when documentation is presented and approved by the immediate supervisor. Expense vouchers are available in the parish office and are to be turned in on a monthly basis, unless unusual expenses have been incurred in a short period of time.

* **BUSINESS AND OFFICE EQUIPMENT *(Diocesan Policy – Required)***

The Parish provides a wide variety of office equipment to help its staff accomplish their job tasks in an efficient manner. Office equipment available to each employee is to be used for work related purposes during working time unless otherwise authorized by the worker’s supervisor.

* **ELECTRONIC COMMUNICATION *(Diocesan Policy – Required)***
* A worker’s access to electronic media and services is determined by him/her, his/her supervisor, and the diocesan system administrator. Each worker is expected to limit the time spent using electronic media and services to an amount appropriate to his/her task or job responsibilities.
* All activities using electronic communication and World Wide Web sites must be kept in good taste, presenting a positive and professional image of both the worker and the Parish.
* In using electronic communication, workers should remember that messages are not confidential. Therefore, workers should not transmit any messages that should not be read by a third party. For example, workers should not use the diocesan e-mail system for gossip, for transmitting personal information about oneself or others, for forwarding messages under circumstances likely to embarrass the sender, or for emotional responses to business correspondence or work-related matters.
* Workers are expected to respect the confidentiality of other people’s electronic communications and may not attempt to “hack” into other systems, or use other people’s log on ID’s without authorization, or “crack” passwords, or breach computer or network security measures, or monitor electronic files or communications of other employees.
* Each worker who uses any security measures must provide his/her supervisor with a sealed hard copy record (to be retained in a secure location) of all computer/phone passwords. This is required so that, if necessary, a supervisor or the diocesan system administrator can access a worker’s system or files.
* If a worker prepares spreadsheets, or writes reports or presentations, etc., using his/her personal computer, the material should be transmitted to the Diocesan computer systems via email or, if stored on a data device, transmitted only after ensuring the device is clear of any viruses or malware.
* No worker may use outside materials (games, disks, software) on the Parish office or laptop computers without permission of his/her supervisor and the diocesan system administrator. The diocesan policy regarding illegal duplication and use of pirated software requires all diocesan employees to comply with the law that basically states:

 *“It is illegal to use software on more than one computer or to make or distribute copies of that software for any other purposes unless specific permission has been obtained from the copyright owner. If you pirate software, you may face a civil suit for damages, criminal liability, a fine of up to $100,000 per infringement, and/or a jail term of up to 5 years.”*

* Anyone obtaining electronic access to other companies’ or individuals’ materials must respect all copyrights and may not copy, retrieve, modify or forward copyrighted materials except as permitted by the copyright owner.
* Electronic media and communication systems (such as email, internet sites, and social media sites) may not be used for viewing, transmitting, storing, or retrieving any material or communication of an illegal, discriminatory, harassing, threatening, bullying, obscene, pornographic, defamatory, or otherwise clearly objectionable nature.
* Any worker found to be in violation of the foregoing rules will be subject to corrective action, up to and including discharge.

#### Basic Eligibility for

***(Parish Name)* Employee Benefits**

***(List only those benefits that your parish offers and that are listed in your benefits memo.)***

**Benefit Eligibility**

 Health Insurance 20 hrs / wk Dental Insurance 20 hrs / wk

 Vision Insurance 20 hrs / wk

 Prescription Drug Coverage 20 hrs / wk

Flexible Benefit Plan 20 hrs / wk

MCC Retirement Plan 20 hrs / wk

 403(b) Retirement Savings Plan **See Note Below1**

Group Life \_\_ hrs / wk

 Disability Insurance (Short & Long Term) \_\_ hrs / wk All Purpose Leave \_\_ hrs / wk

 Funeral Leave \_\_ hrs / wk

 Holiday Leave \_\_ hrs / wk

 Jury Duty \_\_ hrs / wk

 Military Leave \_\_ hrs / wk

 Snow Days **See Note Below2**

 Educational Leave of Absence \_\_ hrs / wk

 Family & Medical Leave **See Note Below3**

 Social Security All Employees

 Unemployment Insurance All Employees

 Workers’ Compensation Insurance All Employees

***1 403(b) Plan: Contact MCC Benefits Department for further information.***

***2 Employees scheduled to work are eligible for paid snow days.***

***3 The FMLA has an eligibility rule that is different from our standard 20+ hours per week rule. Refer to the full FMLA policy on the Diocesan website for eligibility for FMLA leave.***