



CATHOLIC DIOCESE OF CLEVELAND

Financial Policy & Procedure Statement I

EMPLOYEE BENEFITS



EMPLOYEE BENEFITS

The Diocese of Cleveland provides benefits to employees eligible to participate in the programs offered. The benefits to employees are detailed below:

HEALTH INSURANCE

The Diocese makes available health insurance coverage for individual or family coverage to eligible employees. If an employee is eligible to participate in the program, the parish must offer this benefit to any full-time employee working 25 hours or more per week. If a full-time eligible employee does not elect to participate, a waiver of coverage form must be on file in the Health Benefits Office for this employee. Part-time employees working at least 10 hours per week are eligible to participate in the program at his or her own expense. The parish should contact the Health Benefits Office to determine if an employee is eligible to participate in the program.

If an employee elects to participate, an enrollment form must be completed and sent to the Health Benefits Office. Once coverage is selected, generally no changes can be made to the type of plan selected or level of coverage until open enrollment period. Open enrollment begins June 1st of each year and closes on June 30th of each year. The changes in coverage would be effective July 1st of each year. However, a change in family status can allow an employee to change coverage levels during a non-open enrollment period. The Benefits Office can be contacted to explain what events constitute a change in family status.

Eligible employees should be enrolled in the Health plan immediately upon commencement of employment. New employees are eligible for 30 days from the date of hire. This means the employee has 30 days to apply for health insurance coverage. If no application is received in the Health Benefits Office within the 30 day period, the employee will not be eligible to apply for health insurance coverage until the next open enrollment period.

It would be a good idea to contact the benefits office and request a health care plans handbook explaining the coverages. These booklets could be given to new as well as continuing employees. The information contained in the booklets describes the health care plans available. The parish should not make any statements, or promises. The parish has a responsibility to make sure only eligible employees are on the health plan and cannot modify eligibility requirements.

The director of Health Benefits is available to come and speak to a group of employees of the parish to answer questions and review coverages available. Simply contact the Health Benefits Office and schedule an appointment. This consultation would be a good idea if there are a large number of new employees on the parish staff.

Employees are encouraged to contact the benefits office if there are any questions. The office staff is available from 8:30 a.m. until 5:00 p.m. Monday thru Friday.

The cost of single coverage for an eligible employee is billed to the parish. The employee is not required to contribute towards single coverage if they meet the definition of an eligible full-time employee. A full-time employee is required to pay a portion of the cost of family coverage. This contribution can be made through payroll deduction on a pre-tax basis. The staff of the benefits office can provide you with the amount of the required contribution.

Part-time employees meeting the eligibility criteria for part time participants in the plan must bear the entire cost of single or family coverage.

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Should an employee terminate service with the parish or are terminated by the parish, this information must be communicated promptly to the benefits office (promptly communicated is defined as the same or next business day.) The communication should include the name of the employee, date of separation, current address, and the signature of the pastor or administrator. If an employee informs the parish they plan to retire, contact should be made with the benefits office as there is information the employee needs to review prior to the effective date of retirement.

Independent contractors, or employees not regularly scheduled to work (other than clergy and religious) may not participate.

SUMMARY

The parish should contact the Health Benefits Office for the following:

1. Request handbooks outlining coverage
2. Billing rates, employee contributions and invoices received from the benefits office
3. Prior to retirement of employees
4. Determining a change in family status in a non open enrollment period
5. To schedule a meeting with the director of health benefits

The above list is not meant to be all inclusive. Any time a question arises, the benefits office welcomes your inquiry.

Optional Vision coverage is available through the Health Benefits Office. Single and family coverage is available for eligible employees at the time of hire or during the open enrollment period. The employee is responsible for the entire cost of the premium for single and family coverages. The premium can be made through payroll deduction on a pre-tax basis. This coverage is at the option of the employee not the parish.

The Health Benefits Office files IRS form 5500 for the Diocesan Health plan. A questionnaire is sent to the parish requesting information on the number of employees covered at the parish and school, and the amount deducted on a pre-tax basis.

Your cooperation in returning this annual questionnaire on a timely basis is greatly appreciated. The form 5500 does have a deadline we have to meet.

PENSION OFFICE

The Diocese of Cleveland recognizes the importance of helping its employees achieve financial security for their retirement years.

Generally, lay employees working 25 hours or more per week on a calendar year basis (15 classroom hours per week on a academic school year) must participate in the pension plan. Participation in the pension plan is not optional, it is required. Independent contractors are not eligible to participate. The pension plan covers lay employees only. Religious and clergy are covered under a separate plan. If a question arises if an employee is eligible to participate, contact the Pension Office.

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Upon the hiring of an eligible employee, an enrollment card must be completed by the employee and sent to the Pension Office. You should contact the Pension Office for a supply of enrollment cards. The enrollment card should be promptly sent to the Pension Office. The plan entry date is the hire date.

Summary plan description booklets are available from the Pension Office and are useful to give to a new employee. A parish bears the entire cost of the pension contribution. An employee may not contribute. If there are questions about the pension plan that are not addressed or understood after reading the summary plan description, these questions may be addressed to the Director of the Pension Office.

An optional life insurance program is also available through the Pension Office. While the parish does not have to offer optional life insurance as a benefit, it is strongly encouraged. If the parish chooses to offer life insurance as a benefit, all eligible employees must participate. One person in a parish can not participate and not the others. The cost of the life insurance component is 1% of annual salary. The employee is not required nor allowed to contribute towards this benefit. The Life insurance benefit is equal to an active employees annual salary raised to the next highest thousand dollars. For example, a salary of \$20,500 would have a life insurance benefit of \$21,000. An individual who has worked for the Diocese for 25 years or more OR had worked for the Diocese at least 10 years and had attained age 60 has retirement life insurance at no charge to the retiree. The level of benefit would be the lesser of \$50,000 OR 50% of the amount of your life insurance benefits on the day immediately preceding the date of retirement.

Also available on a optional basis for the entire parish unit is a weekly disability program. This program is for lay employees only. The program provides benefits for non-work related injuries or illness. The benefits under the plan are available for a maximum of six months, and provides compensation at a rate of 66 2/3% of gross wages. The plan does not cover the first seven days of illness; accident related injuries are covered from day one. There is a booklet available from the Pension Office which outlines the program. The cost to the parish is 1% of annual salary. The employee may not pay for this coverage. Just as in the case of the life insurance component the entire parish has to participate, not individual employees. Again, while not required, participation is strongly encouraged.

Normally, the life insurance and the weekly disability programs are offered jointly.

SUMMARY

You should contact the Pension Office to:

- A. Obtain a supply of enrollment cards and plan summary booklets.
- B. Participate in the life insurance or weekly disability program.

As always, the Pension Office staff are available to answer any questions that may arise.

The Pension Office requires an annual reporting. A copy of the employee W-2 forms should accompany the forms. In addition, a roster of employees indicating full or part time status and the number of hours worked per week should be sent. Instructions are forwarded to the parish early in the year regarding the annual reporting to the Pension Office.

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WORKERS COMPENSATION

All employees, lay religious, and clergy, should be on the workers compensation payroll report. Participation in the workers compensation program is mandatory. Independent contractors with the exception of clergy, and religious can not participate in the workers compensation program.

All injuries should be reported immediately or at the start of the next business day to the workers Compensation Office when an employee is involved. Any delay in reporting could have serious consequences to the parish and the Diocese. If there is a witness to the incident, he or she should be available to speak with the workers Compensation Office if necessary.

Workers compensation payroll reports are completed on a semi-annually basis. Any delay in submitting the reports could subject the parish to a penalty.

Contact the workers' Compensation Office for specific questions.

UNEMPLOYMENT COMPENSATION

All lay employees are covered by unemployment compensation. This coverage is not optional. Clergy and religious are not entitled to unemployment compensation.

A quarterly report is required to be filed listing the name of the employee, the number of weeks in the quarter the employee worked and the salary earned for the quarter. Independent contractors are not eligible to be covered on the unemployment program.

The program is administered through the Workers' Compensation department. Specific questions regarding unemployment compensation may be directed to that department.

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