



April 13, 2011

Dear Sister/Brother in Christ:

I approved recently a new Compensation Scale for priests of the diocese to become effective July 1, 2011. The scale is being shared with this letter. I am pleased to offer it to priests of the diocese and all who may have use for the information it contains.

Considerable work has been done on this Compensation Scale by members of the Compensation Committee and members of the diocesan staff. I appreciate their insights and recommendations very much. We have made every effort to assure that the scale is comprehensive and clear, and in accord with government statutes in every regard.

You will note that no changes have been made in the housing allowance for active priests or retired priests in residence in the current scale. This question is being given further consideration by members of the diocesan staff. Some further change may be implemented effective July 1, 2012.

Our diocesan scale once again attempts to strike a balance between the modest financial resources of our parishes and institutions and the need of each priest for fair compensation for his service. I deeply appreciate the service of the Church given by all of our priests, active and retired. In reality no dollar value can be attached to the priestly service they offer to the People of God.

Sincerely yours in Christ,

Most Reverend Terry R. LaValley, DD, JCL
Bishop of Ogdensburg

/glk



COMPENSATION SCALE AND RELATED BENEFITS FOR PRIESTS SERVING THE DIOCESE OF OGDENSBURG

The following compensation scale for diocesan priests in active ministry takes effect on July 1, 2011. Figures for the 2010-2011 year are given for comparative purposes only.

<i>Years Ordained</i>	<i>Monthly Compensation</i>			
	<i>2010-2011</i>	<i>2011-2012</i>	<i>2012-2013</i>	<i>2013-2014</i>
0-9	<i>1,870</i>	<i>1,930</i>	<i>1,990</i>	<i>2,050</i>
10-14	<i>1,880</i>	<i>1,940</i>	<i>2,000</i>	<i>2,060</i>
15-19	<i>1,890</i>	<i>1,950</i>	<i>2,010</i>	<i>2,070</i>
20-24	<i>1,900</i>	<i>1,960</i>	<i>2,020</i>	<i>2,080</i>
25-34	<i>1,910</i>	<i>1,970</i>	<i>2,030</i>	<i>2,090</i>
35-more	<i>1,920</i>	<i>1,980</i>	<i>2,040</i>	<i>2,100</i>

Benefits:

The parish or institution of assignment will also provide:

- An annual retreat allowance of \$400. When a priest makes a directed retreat of up to eight days, he is authorized to obtain from the parish or institution where he works a total reimbursement of up to \$600 (\$200 more than the normal stipend) *for expenses actually incurred in the stipend billed by the host location and paid out for the directed retreat.*
- An annual continuing education allowance of up to \$450. (Keep in mind that scholarships for continuing education experiences are also available each year from the *Committee for the Continuing Education of Priests.*)
- A matching grant of up to \$900 per year to a priest who invests a corresponding amount in a personal retirement account, namely an IRA or 403(b) plan. The grant is made on presentation to the employer of documentation that the initial investment has taken place. The grant must be added to the same retirement account.
- Special Medical Reimbursement of up to \$2,650 per year for co-pays, eye or dental needs, or other medical expenses. Proper receipts must be presented to the employer to obtain this reimbursement. Receipts must be kept on file by the parish or institution.

Other Provisions:

Compensation for diocesan priests includes reimbursement of \$4,590 for 9,000 miles of business travel per year (750 miles per month) at the current 2011 IRS rate of \$.51 per mile. This rate is adjusted annually. Basic compensation for diocesan priests also includes reimbursement of up to \$3,400 per year for routine business expenses paid by the priest. These expenses include, but are not limited to: parking fees and tolls, business meals and entertainment, vestments, dues and subscriptions, books, homiletic aids, religious supplies, work related computer software, and the business portion of telephone expenses.

A special transportation allowance for car use for business travel in excess of 750 miles per month is available from the parish or institution a priest serves. The IRS rate, currently \$.51 per mile, is to be applied. This rate is subject to annual adjustment. A priest can claim reimbursement for up to 14,400 additional miles per fiscal year. To claim the special reimbursement, a priest must submit to the parish or institution he serves a written itemized record of mileage traveled. Calculation and reimbursement of the special transportation allowance may take place on a monthly, quarterly or annual basis. Together with the 9,000 miles included in the basic compensation, this provides reimbursement for up to 23,400 business miles per year.

When a priest covers a parish for another on a full weekend, the minimum weekend stipend is \$175. When additional duties are involved, a greater amount may be appropriate. When only one weekend Mass is celebrated by the visiting priest, a stipend of \$75 is to be paid. When a priest offers more than one Mass on a Saturday or a Sunday or other additional duties are requested and the visiting priest is present for only one day, a weekend stipend of \$100 is to be paid. In addition, the offering(s) for the proper Mass intentions are to be paid to the visiting priest.

Stipends for Masses celebrated by priests of the Diocese form a part of the monthly compensation. Each month a priest receives compensation from his parish or institution for the difference between the compensation specified in the scale above and the amount received for Mass stipends, outside weekend work, or other work which he does on a weekly or monthly basis. Stole fees received for weddings, baptisms and funerals belong to the parish.

Income from occasional services such as speaking engagements, days of recollection, and retreats is legitimate extra income and is not factored into monthly compensation. A priest who holds more than one assignment receives total compensation of the amount specified on the scale. The Vicar for Clergy is willing to help arrange an appropriate division when this is needed.

Active priests are provided with housing and board as part of their assignment. Priests must live in a rectory and be available 24 hours a day for the benefit of the parish. A reasonable amount of housing and board must be included in the income of active priests for self-employment tax purposes. The estimated fair market value of housing and board provided to a priest in residence is \$300.

Priests who serve as chaplains at State or Federal facilities or in equivalent positions receive for their compensation the amount stated in the compensation scale for priests of the Diocese. They are also due reimbursement for specific expenses incurred in their work. Any surplus is donated

to the parish or to the Diocese, in accord with Diocesan Policy as found in section IV.25 of the *Pastoral Handbook*.

Priests' compensation is reported to the government on Form W-2. It is required that all business mileage of priests and all other reimbursable expenses be accounted for to the parish or institution. Those records are to be kept on file permanently by the employer. Priests are considered self-employed for Social Security purposes. In keeping with federal statutes, there can be no withholding for Social Security or Medicare. Federal and state tax withholding are not required, but can be done by mutual consent.

Disability Provisions:

For the first six months of disability, compensation from the scale for active priests will be paid by the parish or institution to which one is assigned to those who become unable to work in a regular assignment. After this time, those who are permanently disabled (as evidenced by being declared eligible for Disability benefits by the Social Security Administration) or who have reached age 62, will receive retirement benefits from the Priests' Retirement Fund at the amount specified for those retiring at age 65. Others who are temporarily disabled will receive a monthly pension from the Priests' Disability Fund which will always be \$25 less per month than the pension amount of those who retire at age 65.

A *Special Disability Compensation Policy* was adopted in 2007 to provide for support of priests no longer in active ministry as a result of the application of *The Charter for the Protection of Children and Young People*. It remains the responsibility of the Vicar for Clergy to assist in the application of this policy.

The following scale takes effect on July 1, 2011, for religious priests serving in the Diocese of Ogdensburg.

	<i>Monthly Compensation</i>			
	<i>2010-2011</i>	<i>2011-2012</i>	<i>2012-2013</i>	<i>2013-2014</i>
Pastors	<i>1,700</i>	<i>1,760</i>	<i>1,820</i>	<i>1,880</i>
Parochial Vicars	<i>1,650</i>	<i>1,710</i>	<i>1,770</i>	<i>1,830</i>

Benefits for Religious:

Religious priests in active assignments within the diocese receive certain benefits available to diocesan priests in active assignments. These include, as stated above:

- The annual retreat allowance
- The annual continuing education allowance

Religious priests receive the Health Benefit for Religious payable under the compensation scale for religious and are not eligible for the Special Medical Reimbursement available to diocesan priests.

The automobiles driven by religious are the property of the religious congregation. Particular arrangements are made between the congregation and the parish to compensate the community for the use of cars for parish purposes. The Special Transportation Allowance does not pertain and is not paid for religious.

The following compensation scale for retired priests takes effect on July 1, 2011.

<i>Age at Retirement</i>	<i>Per Month</i>
65	1,345
66	1,365
67	1,385
68	1,405
69	1,425
70 + over	1,445

Benefits for Retired Priests:

The monthly compensation for each retired priest includes a housing allowance equal to the amount paid by the priest, not to exceed \$450. If a retired priest takes up residence in a rectory, a payment of \$300 is paid from the priest's pension to the parish to meet the cost of his room and board.

The compensation scale for retired priests will be reviewed annually. An inflationary increase will be applied when financial projections for the Priests' Retirement Fund show that it can be sustained.

When a retired priest remains in an active assignment in the diocese upon reaching age 70, a partial pension will be paid to him monthly in addition to the regular compensation he receives according to the terms of this policy. When he remains active in these years, the pension changes according to this following schedule.

<i>Age at Last Birthday</i>	<i>% of Full Pension Paid</i>
70	50%
71	60%
72	70%
73	80%
74	90%
75 + over	100%

Transitional Deacons and Seminarians:

Transitional deacons are compensated at the rate of \$1,200 per month as of July 1, 2011. This payment will increase to \$1,260 on July 1, 2012 and \$1,320 on July 1, 2013. When a deacon serves more than three months in a parish, the Diocese will reimburse the parish \$400 per month toward the deacon's compensation. Compensation for deacons is reported on Form W-2. Further direction is available from the Diocesan Fiscal Office.

For seminarians who are not ordained deacons, but who work in parish assignments during summers, in-service training periods, etc., the normal monthly compensation is \$1,100. This will increase to \$1,160 on July 1, 2012 and \$1,220 on July 1, 2013. When a seminarian or one who may be accepted by the Diocese as a major seminarian is assigned by the Diocese for service of more than three months, the Diocese will reimburse the parish \$400 monthly toward the individual's compensation. Seminarians will have appropriate withholding taken as do all other lay employees.

Approved:

A handwritten signature in black ink that reads "Terry R. LaValley". The signature is written in a cursive style with a cross at the beginning.

Most Rev. Terry R. LaValley
Bishop of Ogdensburg

April 13, 2011