Appendix-7

APPENDIX 7

POLICIES FOR RETIRED PRIESTS INCARDINATED IN THE ARCHDIOCESE OF BALTIMORE

IINTRODUCTION

Retired Archdiocesan Priests:

- Retired priests, those who have served the people of the Archdiocese of Baltimore and have officially assumed a role of limited pastoral responsibilities or retired, occupy a respected and unique position in the life of the Archdiocese of Baltimore.
- This program and policy statement outlines the commitment of the Archbishop and the Archdiocese of Baltimore to provide needed care and services, to arrange adequate residence and to incorporate the retired priest in the full life of the family of the Church.

Role of Retired Priests Themselves:

- All priests currently in active ministry need to prepare responsibly for their own retired ministry and the tenets of this policy strongly encourage them to participate actively in the provision of their own care and in the structure of their own ministry.

Unique Resource for the Community:

- Retired priests, like the elders in all ages of the Church, are a unique resource and source of wisdom. They are esteemed not just for their life of service but for their continued positive vision the Archdiocese of Baltimore and have officially assumed a role of limited pastoral

responsibilities or retired, occupy a respected and unique position in the life of the Archdiocese of Baltimore.
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Intention of Policy:

- The policy and programs detailed here are intended to be comprehensive but flexible and provides necessary care and yet allows some freedom of choice.
- Retired priests are often creative in the structuring of their own retired ministry and priests bring differing personal and financial resources to the experience.
- This policy and program statement is also intended to gather into one document various Archdiocesan policies that affect the lives of all, but especially retired priests.
- It will assist younger priests as they prepare for the full length of their ministry into retirement.

Section Summary:

- Section I is a summary of policies and programs and the suggested participation by priests.
- Section II gives a more detailed description of the policies and programs that are offered to enhance the retired ministry of the priests of the Archdiocese.
- Section III outlines the suggestions and requirements for each priest's participation and collaboration in the total program for retired priest.

SUMMARY

Policy & Programs

Normal age for retirement & retired ministry:

- 70 years – normal retirement age; annual extensions beyond age 70; and/or
- 65 years – retirement with permission of the Archbishop due to serious health issues; and/or
- Disability retirement – at any age when totally disabled.

Residence:

- Priests are free to choose private residence, rectory living, or Archdiocesan sponsored residence.

Ministry:

- Priests are encouraged to remain active in a ministry of their choice.
- Priests receive a monthly pension benefit which begins automatically at age 70 years or earlier if official retirement is approved by the Archbishop.

Other Benefits:

- Priests are entitled to health insurance and reimbursement for the deduction of Medicare "B" from Social Security.

- Retired priests who live within the State of Maryland receive their auto insurance as a benefit from the Archdiocese. Those who live out of state must find their own insurance and may be reimbursed up to the cost of the in-state auto insurance. The out of state retired priest is responsible for any additional costs if there are any.
- Retired priests are eligible to attend all Archdiocesan sponsored retreats and conferences at a reduced rate. Any priest with financial difficulties may contact the Office of Clergy Personnel if he wishes to attend a retreat or conference.

Disability:

- All of the above programs and benefits are available to priests who are deemed medically disabled and given retired priest status by the Archbishop.

Health:

- Priests are encouraged to maintain a healthy regimen of work, exercise, diet and recreation. An annual physical examination is recommended.

Social Security:

- All priests are required to participate in the federal Social Security program.
- When a priest has a diocesan assignment, he receives a contribution toward payment of their Social Security tax as part of his compensation.

Personal Savings:

- During their active ministry, priests are encouraged and advised to establish personal savings plans and/or individual retirement accounts (IRA’s) and/or participation in the 403(b) account to supplement the Archdiocesan pension.

Shared Cost for Residence & Nursing Care:

- When eligible or in need, priests have access to assisted care living

arrangements and/or full nursing care.
- Priests are expected to bear the full cost of private residence or to share the cost of Archdiocesan sponsored residence, assisted living arrangements and nursing care with the Archdiocese of Baltimore.

A COMMITTMENT TO CARE

Normal Age for Retired Ministry & Retirement

- The pension plan for the priests of the Archdiocese and Archdiocesan policy state that the normal age for retirement/retired ministry status is 70 years of age.
- One year prior to his 70th birthday, each priest is to submit a letter of intent regarding his intentions to retire.
- The Archbishop, after consultation with the individual priest, will accept or defer the requested resignation.
- At age 70, priests may retire from active ministry. They may remain in ministry as an administrator, on a year to year appointment, if this is approved by the Archbishop.

Retirement Before Age 70

- Priests with serious health issues may approach the Archbishop before their 70th birthday and discuss the possibility of early retirement or transfer from major pastoral or administrative responsibilities.
- At the discretion of the Archbishop, early retirement with unreduced benefits may be granted a priest requesting it after completion of his 65th year of age.

Residence

- Priests who officially attain retired priest status are free to choose their own residence.
- They may choose to live in a rectory or private home alone or with family or friends as long as there is no scandal resulting from the arrangement.
- They may choose an apartment or retired citizen housing.
- This residence may be within or outside of the Archdiocese of Baltimore.

- The Division of Clergy Personnel is available to assist priests in finding an adequate housing arrangement in a rectory or institution within the Archdiocese.
- The limitation on rectory living is that a retired pastor may not live in the rectory of the parish where he served as pastor.

Ministry

- The continued ministry and priestly service of retired priests is needed and welcomed by the Church of Baltimore.
- Priests who choose residence in a rectory can negotiate their level of service to the parish and can participate in the full life of the parish or limit their participation by mutual agreement.
- Retired priests living on their own or in a group living facility are encouraged to offer their services, especially to parishes that need additional staffing or in instances where a single priest needs relief and assistance.

Pension

Vesting for Incardinated Priests

- Priests who serve in active ministry for 15 years are fully vested in the Priests pension plan of the Archdiocese.
- Full vesting entitles a priest to a pension at the time of his approved retirement.
- The pension will be paid to priests monthly.
- This monthly benefit is reviewed and revised on a regular basis by the Priests Retirement Board.
- Under current federal law, only a portion of the pension benefit is taxable income. Recipients will be informed on a regular basis of the tax implications of their benefits.

Priests Incardinated from Other Dioceses or Religious Orders

- From the date this policy is promulgated, priests who were members of religious communities of brothers and priests and priests incardinated

from other dioceses may have all of their Church service time counted toward their pension if an appropriate financial arrangement is arrived at prior to their time of incardination into the Archdiocese of Baltimore.

Other Circumstances

- At his 70th birthday, a priest, even if he remains in his current assignment and is receiving full salary, will receive the monthly pension benefit.
- In the case of resignation from the priesthood after five years of service, a priest is eligible to receive a benefit based on years of service in accord with the plan documents.
- Priests who are deemed medically disabled by the Archbishop are eligible at any age to receive a monthly retirement benefit.

Other Benefits and Costs

- Retired priests continue to be covered by the Archdiocesan priests' health care plan
- Retired priests who are receiving a Social Security benefit will have the cost of Medicare "B" withdrawn from their Social Security benefit.
- The full amount of this deduction will be reimbursed to the priest from the Division of Clergy Personnel.
- Retired priests who live within the State of Maryland receive their auto insurance as a benefit from the Archdiocese. Those who live out of state must find their own insurance and may be reimbursed up to the cost of the in-state auto insurance. The out of state retired priest is responsible for any additional costs if there are any.
- All Archdiocesan sponsored retreats, conferences, and continuing education events are available at a reduced cost for retired priests. Priests needing financial assistance should approach the Director of the Division of Clergy Personnel.

Assisted Living & Nursing Care

- For retired or disabled priests who are no longer able to take care of their

own domestic living arrangements or their health care needs, the Archdiocese will provide levels of care graded to the needs of each priest. The Archdiocese may limit its financial support if it does not believe the arrangement is in the best interests of the priest.

There are currently two levels of care: Assisted Living and Nursing Care.

Assisted Living

Defined:

- Assisted living provides 24 hour health aid assistance, nursing care where required, full meal service and laundry service.
- There will be a private room with private bath and a common dining area. A chapel and adequate common space may also be available.
- There will be an arrangement for services from a nursing care and hospital facility and provision for emergency medical care.

Archdiocesan Responsibility and Process

- The Archdiocese will be responsible for (along with a sponsoring health care institution) for building maintenance and renovation.
- Room operating expenses will be paid by the Archdiocese but offset by payments from the retired priest residents.
- Residence will be restricted to priests whose health requires assistance in personal care and a moderate level of medical care.
- Admissions will be processed through the Division of Clergy Personnel in consultation with an assessment by a geriatric consultant.
- As is all areas of conflict, the individual priest retains his right to appeal to the Archbishop.

Nursing Care

Nursing care will be provided to priests in a certified long-term skilled care facility.

- The level of nursing care provided will be determined by the policy and

practice of the nursing institution and the recommendation of his primary physician.

- Consideration will be given to a nursing home placement based on an individual priest's assignment location and ministerial service.
- A decision for admission to nursing care will be made jointly by the priest, his primary care physician, the staff of the nursing home and a geriatric consultant retained by the Archdiocese.
- Every attempt will be made to provide for the pastoral and spiritual care of priests in a nursing home setting.

AN INVITATION TO CO-RESPONSIBILITY

Health

- The most essential element in long-range planning for retired ministry is the maintenance of a sensible health regimen throughout the active years of priesthood.
- Healthy diet, realistic work, exercise and recreation schedules and a part of this program and it is clearly the responsibility of each priest to maintain such a program.

  Several elements of the Archdiocesan benefit plan are intended to support good health and adequate time for attention to personal needs:

  - The Division of Clergy Personnel provides for partial payment of dental, eye-glass, hearing aids and prescription needs (any prescriptions NOT covered by Medicare).
  - Vacation time and weekly schedule of days off to give needed time for rest, relaxation, and personal business.
  - Funding and time for continuing education opportunities.
  - Funding and time for annual retreat.

Participation in Social Security

- **All priests are required to participate in the federal Social Security program (no exceptions).**
- Priests are to enroll in the program within the time frame stipulated by

the Social Security administration.

- Under Social Security regulations, priests are considered self-employed and therefore must pay the full tax amount in conjunction with the payment of federal income tax.
- An annual allotment is to be paid to participating priests to offset the Social Security tax.
- Participation in the Social Security system provides every priest with a supplement in his retirement income.
- It also entitles him to participation in the Medicare insurance program. In addition, it offers benefits in cases of disability at ages earlier than retirement.

Personal Savings & Preparation for Retirement

- The combination of the Archdiocesan pension benefit and the Social Security payment will provide for a priest's basic financial needs.
- In all likelihood, they will not be equal to the full compensation that priests receive while in the active ministry.
- All priests are, therefore, strongly encouraged throughout the course of their active ministry to engage in prudent financial planning for their own retirement and retired ministry.
- Priests' personal financial assets and their anticipated needs in retired ministry will be unique to each priests so his financial plan for retirement will be unique as well.
- The sooner such planning begins, the more secure and fruitful will be the years of retired ministry.

  Possible methods for planning include:
- Participation in an individual retirement account. These plans are available from financial institutions such as banks, investment companies, and/or insurance companies.
- Participation in the Archdiocesan 403(b) plan while on active assignment in the Archdiocese of Baltimore.
- Purchase of property or a home for investment purposed or future residence.
- From time to time, the Senior Priests Retirement Board will organize and

conduct workshops on financial planning for priests.

Shared Cost for Retirement Residence, Assisted Living & Nursing Care

- In active ministry, priests receive residence room and board as part of their compensation plan. In retired ministry, priests take on a greater personal responsibility for residence and are expected to pay the full cost of room and board or to share that cost with a parish or the Archdiocese.
- The ability to pay the full cost of residence gives the retired priest more flexibility and freedom. The possibilities for residence and corresponding costs are:**Private residence with family or friends, or residence alone in a home or apartment:**
    - **Costs:** each priest is expected to pay the full cost of their residence arrangement.

Residence in a rectory:

- **Costs:** Each retired priest will negotiate an arrangement with the parish of residence for payment of a residence fee or exchange of pastoral service for residence benefits.
    - **Retired priests should be compensated by ministerial service at the ordinary rate of reimbursement for such services.**

Residence in the Archdiocesan sponsored group living facility (currently Mercy Ridge when available – Independent Living):

- **Costs:** The Archdiocese will be responsible for major maintenance and care of the physical plant.
- **Costs:** resident retired priests will contribute 80% of the cost of the room expenses at the time of their move-in to the facility. This cost is fixed for the life of their residence at Mercy Ridge.
- **Costs for routine operations** (staffing, food and laundry service, utilities) will be divided among the resident retired priests.

Residence in the Archdiocesan sponsored Assisted Care Facility

- **Costs:** resident retired priests will contribute 80% of the cost of the room expenses at the time of their move-in to the facility. This cost is fixed for the life of their residence at Mercy Ridge.
    - **The Archdiocese** will assume the remainder of the cost for operation, maintenance and improvement.

Residence in the Archdiocesan sponsored Long Term Skilled Care Facility (Nursing Home)

- **Costs:** resident retired priests will share the cost of their care by contributing 50% of the costs of the care. If the priest cannot cover this amount the Office of Clergy Personnel will negotiate what is a fair amount for the priest to pay.
- If the care is prolonged beyond a two year period, the retired priest resident will be expected to apply a portion of his personal assets toward the cost of this care.
- A priest will be asked to pay up to 50% of the cost of care in the facility from his own assets.
- If a priest becomes eligible for public assistance or supplemental payment, these benefits will be applied to the cost of his care. In such a case, there will be no reduction in the quality of care that the priest receives.
- The Archbishop will assure that the individual personal needs of each priest will be provided for.

Retired Priests Care Fund

- The **ordinary costs** associated with the care of retired priests (assisted living and nursing home costs) are paid for out of the operating expense budget of the Archdiocesan Central Services.
- Part of these expenses are covered by the revenue realized from the retired priests collection taken up annually, mandated contributions from retired priests, and the remainder comes out of the general revenue of the Archdiocese.
- The Archdiocese has established several funds to respond to the needs of retired priests that are not covered under assisted living or nursing home

costs.

- All priests are encouraged to consider contributions to these funds as part of their charitable giving and to designate the fund as a recipient of part of their estate in their wills.