

EPISCOPAL CHURCH IN CONNECTICUT

PARTICIPATING IN GOD'S MISSION



The Commons Companion

Resource for Parish Leaders



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To the leaders of the Episcopal Church in Connecticut:

The Commons Companion resource for parish leaders is designed to ensure the long-term sustainability and continuity of our common life. The multiple resources are filled with hyperlinks for your convenience.

These best practices will serve to guide parishes in the stewardship of transparency and accountability of its human and financial resources and real property.

This companion also highlights our canonical responsibilities in support of our efforts to enhance, manage and maintain our commitments. Integrating these tools will continue to serve and strengthen the church as a faithful witness to the world.

We welcome your observations. This guidance will be updated periodically with the latest relevant data, trends, and practices.

Faithfully,

Rosanna Rosado

Rosanna Rosado
Canon for Mission Finance and Operations

Finance and Operations Team

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Parish Property Guidance, Missionary Society's Property Maintenance, Encumbrance & Alienations

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Constitutions and Canons

The Episcopal Church in Connecticut (ECCT)

[Canons of the Episcopal Diocese of Connecticut](#)

[Constitution of the Episcopal Diocese of Connecticut](#)

[Constitución de la Diócesis de Connecticut](#)

[Constitution of the Missionary Society of the Diocese of Connecticut](#)

[Constitución de la Sociedad Misionera de la Diócesis de Connecticut](#)

The Episcopal Church (TEC)

[Constitution and Canons of The Episcopal Church](#)

TEC Business Methods

[Manual of Business Methods in Church Affairs \(English y Español\)](#)

Good Standing Policy

Good Standing Criteria

The Mission Council reports to the Annual Convention of the Episcopal Church in Connecticut on the parishes in good standing. These parishes ardently strived to fulfill the administrative, financial, and canonical expectations that are fundamental to our common life in participating in God's mission.

The criteria below afford parishes to ensure transparency, accountability, and long-term sustainability.

The following criterion must be fulfilled on an annual basis to be recognized as a parish in good standing.

- [Canon I.11. A Common Mission Support](#) (10% of Operating Income)
- [Canon I.11. B Endowment Draw](#) (< 25% 3-year Accumulative Draw)
- [Canon II.2 Parochial Reports](#) (due March 1st)
- [Canon IV.2. A Parish Investment Management](#)
- [Canon IV.2. D Annual Audits/Financial Reviews](#) (due September 1st)
- Surveys
 - [Racial Healing, Justice, and Reconciliation](#)
 - [Annual Parish Update](#)
- Arrears > 60 Days:
 - Common Mission Support,
 - Property & Casualty Insurance,
 - Group Life, Medical & Dental Insurance,
 - Church Pension Group on Clergy or Lay Retirement Plans.

The Canon for Mission Finance and Operations will send quarterly notices to the Rector or Priest-In-Charge, Wardens and Treasurer notifying them of the parish's status.

Parochial Report Orientation Sessions

[Register Here](#)

Donations and Bequests for Church Purposes, Inc. (D&B)

Donations and Bequests for Church Purposes, Inc. "D&B" was established in 1863 by act of Connecticut's legislature. The purpose of D&B is to manage endowments, bequests, and assets of the parishes, institutions, and Missionary Society of the Episcopal Church in Connecticut by investing sustainably and providing prudent oversight of the funds in its care to participate in God's mission more faithfully.

Over its 156-year history, D&B has acted as a fiduciary agent for Episcopal parishes in Connecticut ("ECCT") and as a trustee for donors making bequests to support specific aspects of the mission of God in Connecticut and beyond. Today the D&B has 131 participants consisting of 120 parishes and 11 diocesan related organizations hold over 400 separate accounts in the fund with a combined market value of approximately \$140 million. In addition to the Balanced Fund, we offer the opportunity for the participants to invest in Values Investing Funds, ESG Environmental, Social and Governance.

D&B provides personalized services to each of its participants, providing high-quality client service that is responsive, timely, and wherever possible, proactive. The Director of Operations for D&B will work with participants in the on-boarding process to facilitate a seamless transition and serves as a liaison between the participants, board of Trustees and Investment Advisors. In addition, we provide archival services for the preservation of historic documents.

D&B's policies are determined by its Board of Trustees, consisting of a minimum of six members plus the ECCT's Bishops, Treasurer, Chancellor and Director of Operations for D&B. The trustees manage D&B's assets in good faith and with "prudent person" care, including oversight of custody of assets and record keeping, investment manager selection, performance monitoring and asset allocation strategies and risk management.

Additions, Changes and Withdrawals

[2021 Request Form](#)

*Did you know ACH deposit is the preferred method for additions to D&B?
Contact [Theresa Dupont](#) Director of Operations for instructions.*

[Additional Information](#)

- Assets Under Management
- Governance
- Investment Strategies
- Performance Update
- Management Fees

Best Practice Resources

Stewardship

[Mission Matter\\$: Resource Management for Parish Leadership](#)

by Rosanna Rosado, Canon for Mission Finance & Operations, ECCT

Diana DeJesus-Medina, Chief Development Officer, LatinoJustice PRLDEF

Gigi Leackfeldt, Data Analyst Manager, ECCT

[Stewardship, Parish Finances, and a Pandemic: Our ongoing participation in God's mission](#)

by The Very Rev. Miguelina Howell, Cathedral Dean

[The Episcopal Network for Stewardship \(TENS\)](#)

For membership login information, please contact [Tim Hodapp](#)

Conflict of Interest Policy

[Sample Conflict of Interest Policy](#)

Discretionary Funds

Please refer to Chapter V: Clergy Discretionary Funds V-1

[Manual of Business Methods in Church Affairs \(in English y Español\)](#)

Retention Schedule

The Episcopal Church offers a comprehensive guide for parishes titled.

[Records Management for Congregations: An Archives Manual for Episcopal Parishes and Missions](#)

For specific questions on retentions schedules please reach out to [Gregory Farr](#), Archivist and Records Manager or 203-639-3501 ext. 135.

Financial Resources

Grants

Guidelines, administration, and deadlines vary by grants.

[Care for Creation](#)

[CMPC \(Companions in Mission for Publishing & Communication\)](#)

[Continuing Education \(Lay or Clergy\)](#)

[Fire Safety Grant](#)

[Mission Development Fund](#)

[Mission Travel](#)

[Property Improvement Grant](#)

[Retired Clergy Grant](#)

[Scholarships for Young People \(Clergy and ECCT employees\)](#)

[Sustainability Development Fund](#)

[United Thank Offering \(Episcopal Church\)](#)

Revolving Loan Fund

For information on eligibility and guidelines, as well as the application for Revolving Loans, please visit the [Missionary Society Revolving Loan Fund](#) webpage.

COVID19 Resources

Visit our [Financial and Human Resources](#) site for additional support such funding opportunities, State of Connecticut Housing Assistance, HR guidance and more.

[Church Pension Group Waiver](#)

Human Resources

Equal Employment Opportunity

The Episcopal Church in Connecticut, by action of the 236th Annual Convention, provides equal employment opportunities to all employees and applicants for employment without regard to race, ethnicity, color, age, sex, national origin, sexual orientation, gender identity or expression, disability status, HIV/AIDS status, veteran status, marital status, familial status, weight, size, height, or genetics. It provides equal employment opportunities without regard to religion except with respect to those bona fide instances that require active Episcopal Church membership.

This policy applies to all terms and conditions of employment, including recruiting, hiring, training, compensation, placement, promotion, transfer, leave of absence, layoff, termination, and retirement. This policy applies, as appropriate, to all volunteer service opportunities, including internships and appointments to all Boards and Commissions. The Episcopal Church in Connecticut urges each of its Parishes, Worshipping Communities, and Intentional Episcopal Communities to adopt a similar policy.

Payroll

Each parish reporting employment taxes must have their own Employer Identification Number (EIN) also known as the Federal Tax Identification Number and should register their EIN when setting up their payroll services. Parishes are encouraged to use either ADP or Paychex. Whichever payroll service used, the service provider needs to understand the intricacies and complexities of clergy compensation packages and taxes.

The Episcopal Church has affiliated themselves with ADP. To learn more about their offerings visit [CPG's Payroll Services](#).

Timesheets

All non-exempt employees are hourly employees and need to keep records of their hours worked. Hourly employees should receive remuneration for all hours worked. Employees should not use flex time and if they are working overtime (more than 40 hours in a workweek) should be paid time and a half for all hours worked beyond 40. For more information, please see [Job Classifications](#).

Connecticut Minimum Wage

Connecticut's current minimum wage is \$12 an hour for 2020. On August 1, 2021, the state's minimum wage will increase to \$13 an hour. This will increase \$1 every year until the minimum wage is \$15 an hour in 2023.

Clergy have minimum pay requirements listed out in [Clergy and Lay Compensation](#).

Federal Employment Taxes

Federal tax deposit must be made by electronic funds transfer. For 2020 tax reporting information see [Publication 15 – Circular E, Employer’s Tax Guide](#). Section 11 is titled “Depositing Taxes”.

State Employment Taxes

Beginning on September 21, 2020 the Department of Revenue Services will begin a multi-phase project to update the Taxpayer Service Center (TSC) and will be transitioning to myconneCT. For more information, see [Filing and Paying Connecticut Taxes Electronically](#).

Employer/Lay Employee FICA Rate for 2021 (Estimated)

15.3% - (Lay Employee=7.65%, Employer=7.65%) on the first \$142,800

2.9% - (Lay Employee=1.45%, Employer=1.45%) on the amount over \$142,800

Parishes must withhold for all lay (non-clergy) employees who earn over \$200.00 weekly. Penalties for parishes who avoid such deductions are very heavy. For more information, see [Cost-of-Living Adjustment \(COLA\) Information for 2021](#).

Unemployment Tax

Parishes, as religious non-profit organizations, have the option to participate in the [government-funded unemployment tax program](#) or to be exempt from this program and tax. If parishes wish to remain exempt from this program, they should be mindful of the expectation that the parish will not participate in “activities of which is carrying out propaganda or attempting to influence legislation and which does not attempt to participate or intervene in any political campaign.” The Commons does not participate in the unemployment tax pool and our employees are not eligible to receive benefits from the program. If a parish decides to participate it may be difficult to reverse the exemption. Parishes who are not participating in the unemployment tax program should educate employees at the time of hire that they will not be eligible for benefits under the program.

*New for 2021: Connecticut Paid Family Leave Act (CPFLA)

Governor Lamont signed a law regarding [Paid Family and Medical Leave in Connecticut \(PFMLA\)](#) June 2019. There are some important dates and deadlines to be aware of for parish leaders and administrators.

Connecticut employers with one or more employees must participate in the paid leave program. Self-employed and sole proprietors may opt-in to the program if they agree to participate for a minimum of three years. Clergy are considered employees for this tax and are not exempt. Clergy salaries and housing should be included as taxable income for this specific tax.

Employers should have registered with the Paid Leave Authority using their individual and parish specific EIN number. As of January 1, 2021, employers will be required to withhold employee contributions of ½ of 1 percent of each paycheck to the CT Paid Leave Authority trust fund. This

tax can be paid to the fund on a quarterly basis like Social Security Tax. March 31, 2021 is the deadline for the first payment. The third-party payroll service should be making these payments on the parish's behalf.

Collective employee contributions will fund the paid leave program, allowing eligible Connecticut employees up to 12 weeks of paid leave benefits. Please note these are wage replacement benefits and not job protection benefits. Wage replacement benefits through the Paid Leave program will be available for eligible Connecticut employees beginning on January 1, 2022. Connecticut employees will be able to use paid family and medical leave for five reasons:

1. Care for a new child (birth, adoption, foster)
2. Care for a family member with serious health condition
3. Care for own serious health condition
4. Qualifying exigency arising out of family member being on active duty
5. To serve as an organ or bone marrow donor

The [Connecticut Paid Leave](#) Authority allows employers who offer a private comparable paid leave plan to apply for an exemption. To offer a private plan, the employer will need to demonstrate the plan benefits and coverage are comparable with the Paid Leave Authority's Plan as well as hold a vote with employees. ECCT recommends using the public plan with the Connecticut Paid Leave Authority rather than trying to build and create infrastructure to offer a private plan. ECCT does not have a suggestions or resources for private plan providers.

Job Classifications

Many parishes have questions on how to classify their personnel. This section includes brief overviews of the different job classifications.

Exempt Status means that the employee is a salaried employee, and they are exempt from overtime pay as laid out in the Fair Labor Standards Act (FLSA). Exempt employees make the same amount each pay period. The Department of Labor has some standards for positions holding the exempt status, which can be found on their [Fact Sheet](#).

Non-Exempt Status means that an employee is not exempt from overtime pay. These employees are paid on an hourly basis. Non-Exempt employees must keep track of hours worked and submit timesheets to a supervisor. Non-Exempt employees are only paid for hours worked. They are not allowed to flex time between week to week to avoid being paid overtime.

Independent Contractor VS. Employee: The distinction between hiring an independent contractor or an employee can be blurred. The IRS has created Common Law Rules to help with the distinction. Behaviorally, who has the right to direct the work? Financially, who has made a financial investment in the work and stands to make a profit or loss? In terms of the relationship, what is the type of relationship? How are the terms of the agreement set up? Please refer to the following table for clarification. For more information, to conduct the [Common Law Scenario](#).

Independent Contractor	Employee
W9 , does not have taxes withheld	W2 , specifies at what level taxes are withheld
Reports to a parish contact or point person for the project	Reports to a supervisor
Generally, does not require a background check	Requires a public records background check
Does not have training requirements	Must participate in Safe Church Training and Sexual Harassment Prevention Training
1099 Misc. Income	W4 Tax Withholdings

Background Checks

The Episcopal Church in Connecticut has contracted with a company called [Active Screening Faith](#) to conduct background checks. Every parish should open an account (free) with Active Screening Faith as soon as possible. Current background checks conducted through the previous vendor, Sterling, do not need to be repeated; all new public records checks should be conducted through Active Screening Faith. *Note that this applies to any new staff or volunteers for summer camp or Vacation Bible School who have not already had their public records background check.*

Employee Handbook

ECCT offers their own [Employee Policies and Practices Handbook](#), also known as the Employee Handbook as a guide for parishes to model their own employment practices. Parishes can also adopt ECCT’s Employee Handbook and are urged to review the document entirely to make sure Parish leaders agree with all policies as some are specific to life at The Commons.

New Hire Documentation

Hiring a new employee can be daunting when it comes to new hire paperwork. This list with links should help get parishes started with the correct forms.

Form Name	Description	Links
Job Description	Employees should have a list of duties and responsibilities for the job position they are hired to do. This document should be reviewed annually and updated.	Job Description
Letter of Employment	This document, created by parish leaders, is an offer letter that outlines the specifics of the job offer. The document is not generally updated unless there are new terms.	Letter of Employment
Background Check	All parishes are required to conduct a public records background checks on their employees. Each parish should set up an account with Active Screening. For all clergy hires, ECCT conducts the public records background check and an Oxford Background check.	Active Screening
State and Federal Tax Documentation	These documents explain to the employer what tax withholding the employee would like to elect. The employee can change this election at any time. They can also request to have additional taxes withheld.	W-4 Federal W-4 State
Employment Eligibility Form (I-9)	All U.S. employers are required to verify identity and employment authorization for individuals hired for employment. This form should be completed within three days of hire date and requires employees to bring in identification forms such as a passport or both a state driver's license and social security card.	I-9
Medical, Dental, Life Insurance Enrollment Forms (If applicable)	All employees who work 30 or more hours weekly are eligible to enroll in these benefit plans.	Insurance Medical-Dental-Life
Lay Pension Enrollment Form	All lay employees who work 20 or more hours weekly should be enrolled in a CPG pension fund. Lay employees are enrolled in a Defined Contribution Plan which is different from clergy who are enrolled in a Defined Benefit Plan.	Lay Pension

Safe Church Policies and Resources

ECCT Model Policies for the Protection of Children, Youth and Vulnerable Adults

ECCT's Model Policies are in accordance with those required of all dioceses within The Episcopal Church. While there are separate policies for the protection of vulnerable adults, and children and youth, the format and many provisions are identical. Appendix A to both policies is the same. It is a chart that depicts who needs public record checks and safe church training.

[ECCT's Model Policy for the Protection of Children and Youth](#)

[ECCT's Model Policy for the Protection of Vulnerable Adults](#)

[Side-by-side comparison of ECCT's Model Policies for illustrative and training purposes](#)

Public Record Background Checks

Public record background checks consist of criminal convictions, credit history and/or motor vehicle reports. They are required of those serving in parish leadership and specific ministries as specified in Appendix A of ECCT's Model Policies. Each parish is required to conduct these public record searches using Active Screening Faith, the vendor designated by ECCT. Public record checks must be **updated every five years**. While there is no fee to establish a parish account with Active Screening Faith, there is a modest fee for a basic criminal background check which can have additional charges depending on the state and county records that need to be searched. A site visit is required before a parish can conduct credit checks. This site visit is required by federal law and there is a one-time \$85 fee. Credit history searches do not include reporting credit scores. This is a very highly regulated activity by federal law.

[Screening and Training Protocols](#)

[How to Create an Account with Active Screening Faith](#)

Safe Church Training

Attendance at ECCT's Safe Church Training (SCT) is required of all those serving in parish leadership and specific ministries as specified in Appendix A of ECCT's Model Policies. Each parish is required to track attendance. Certification of SCT shall be **renewed every three years**. ECCT's Safe Church Training consists of online courses followed by a live or zoom session to apply the online learnings. There are also live training events for those who prefer to learn in person rather than online. All SCT events in ECCT are free of charge.

[Screening and Training Protocols](#)

[ECCT's Safe Church Training Registration](#)

Additional Safe Church Resources

Links to:

[Sample Application form to Participate in Ministry as a Volunteer](#) (In Accordance with Appendix A of the Model Policies)

[Recommended Practices and Guidelines for Social Media and Electronic Communications for Children and Youth](#): Appendix B (Children & Youth)

[Recommended Practices and Guidelines for Social Media and Electronic Communications for Vulnerable Adults](#): Appendix B (Vulnerable Adults)

[Best Practices for a Safe Church Online \(Diocese of Michigan, March 30, 2020\)](#)

[When to Apply Safe Church Protocols](#)

[Parishes and Boy Scout Troops](#)

[Model Alcohol Policy](#)

Waivers, Releases & Permission Forms

Waivers, releases and permission forms are required for many church related events that involve children, youth or vulnerable adults. (As vulnerable adults include anyone 60 years of age or older, most church events involve vulnerable adults.) Moreover, all off-site programs and events need prior approval by the governing body of the entity sponsoring the program or event. Off-site parish events need prior approval by the vestry. Part of approving an event requires that the governing body ensure that all permissions and documentation is in order.

Links to:

[Ministry Network Event Sponsorship Form](#)

[Permission Form: Youth Off-Site, Single Day Event with Parent/Guardian Present](#)

[Permission Form: Youth Off-Site Overnight Event](#)

[Release Form: Adult Off-Site, Single Day Event](#)

[Release Form: Adult Off-Site Overnight Event](#)

[Volunteer Driver Form](#)

Safe Church Self-Audit

Pursuant to ECCT's Model Policies, each parish, worshipping community and organization is required to conduct an **annual** Safe Church Self-Audit.

[Self-Audit Form](#)

Clergy and Lay Compensation

The following clergy salary schedules were approved by Convention on October 17, 2020 and should be reflected in parish budgets. 2021 clergy salaries incorporate a cost-of-living adjustment (COLA) of 1.68% and is the minimum that parishes are required to offer. Parishes are encouraged to adjust compensation in consideration of competitive wages, housing market fluctuation, and financial capacity.

Less than Half-time Clergy: Clergy employed at less than half time carry out the [duties of a Rector/Priest in Charge](#) as listed in church canons. The range of hours to be worked per week is determined by what the parish can afford and negotiations between the vestry and priest and is spelled out in the Letter of Agreement. The minimum for a less than half-time Priest in Charge is 8-12 hours per week (1/4 time) and the maximum is 19 hours.

First Year of Ordination: First full year rate is for the first year following ordination to the Diaconate. Beyond that first year, the rate used should be under the category of full-time assistant or Priest-in-Charge as appropriate.

Incremental Increase: An incremental step in minimum salary for each year of ordination applies to all clergy except for Transitional Deacons and Priests during the first year of ordination. Rather than prorating the increase for the exact date of ordination, it is recommended that the incremental step be paid as of January 1st for the entire calendar year after the year of ordination. For example, if someone is ordained to the diaconate in 2020, the higher salary rate applies beginning January 1, 2021.

Compensation Components

Cash Salary: Compensation including bonuses and the Social Security Allowance (SSA) and excluding any reimbursement allowances and other professional fees. If your priest has participated in a tax-sheltered annuity/salary (403b/401k) deferral plan, for pension purposes, assessments are still based on the original, unreduced cash salary.

Housing and Utilities: Compensation packages for clergy working half-time (20 hours) or more should include housing and utilities (i.e., church-owned housing or suitable housing allowance for clergy owned or rented housing). A housing allowance will be determined in conjunction with diocesan staff based upon housing costs in the parish community and the clergy's full-time equivalent status. If the parish provides housing, the parish must pay 100% of utilities, which include oil/gas, electric, sewer/water, garbage/recycling, and basic cable, telephone, and internet.

Social Security Allowance (SSA): 2020 Estimated SE and Medicare tax rate is 15.3% on the first \$136,800 and 2.9% on earnings beyond that threshold.

For Clergy Who Receive	Factor
Church-provided Housing with no HEA	.1355 (Cash Salary + Utilities)
Pay Housing allowance	.1011 (Cash Salary + Housing + Utilities)
Church- provided Housing and HEA	.1415 (Cash Salary + Utilities)

To determine the Medicare tax obligation for total compensation packages over \$136,800, multiply the amount of compensation over \$136,800 by 1.74% (again, 60% of 2.9% as described above) to compute the amount that should be added to the calculation from the factors above to determine the total Social Security Allowance.

Housing Equity Allowance: Clergy who have completed five full years of ministry following ordination (Diaconate) and who live in church provided housing are eligible for a Housing Equity Allowance (HEA). HEA should be included in the cash salary portion of compensation when reporting to the Pension Fund. The standard allowance factors are a minimum requirement – there is no prohibition of an enhancement to the minimum allowances.

- Clergy who are provided housing by the church or employing agency are entitled to a Housing Equity Allowance (HEA) equal to 3.9% of their compensation.
- For parishes that provide housing, $HEA = 0.039 \times [\text{Cash Salary} + \text{SSA} + \text{Utilities}]$
- Clergy who have not completed five years of ministry following ordination are not eligible for Housing Equity Allowance.

Professional Expenses: Parishes should provide an annual professional expense allowance for reimbursement of documented expenses according to a Vestry-approved accountable plan. Travel in support of church business should be reimbursed at the IRS mileage rate, which is \$0.56 per mile for 2021. Updated mileage rates can be found on the [IRS Standard Mileage](#).

Continuing Education: The Continuing Education amount for 2021 is \$1,850.00 as reimbursement for clergy working half-time or more for continuing education and for a contribution toward the expense of the annual clergy conference. A week of continuing education time away from the parish (not counting a Sunday) is part of this allowance for full-time clergy.

Group Life, Medical & Dental (GLMD) Insurance: Health plan selection and specification of coverage (e.g., single person, two persons, family) is left to the sole discretion of the employee. Parishes must contribute at least 85% of the cost of medical insurance premium for clergy or lay employees regularly scheduled to work 1,500 hours or more per year. If parishes have been paying 100%, they are encouraged to phase in employee contributions. Premiums for life insurance and dental coverage for clergy or lay employees working half-time or more must be paid 100% by the employer. Minimum medical insurance contributions for part-time clergy are based upon the [part-time guidelines](#).

If lay employees regularly scheduled to work 1,000 hours per year wish to purchase medical coverage for themselves, they are eligible to do so at their own expense. Non-exempt lay employees regularly scheduled to work less than 1,000 hours annually are not eligible to purchase coverage through CPG, (full eligibility guidelines can be found below.

Annual Enrollment typically begins in mid to late October of each year.

Further eligibility guidelines for the Episcopal Health Plan (EHP) can be found on page 13 of CPG's [Administrative Policy Manual](#).

[2021 GLMD Cost Matrix](#)

Plan Summaries

- Life:
 - [The Hartford Life, \(formerly Aetna\)](#)
- Medical:
 - Anthem:
 - [PPO 100](#)
 - [PPO 90](#)
 - [PPO 80](#)
 - [CDHP](#)
 - Cigna:
 - [PPO 100](#)
 - [PPO 90](#)
 - [PPO 80](#)
 - [CDHP](#)
- Dental
 - [Delta Dental](#)

Associated Plan Information

- [CDHP Fact Sheet](#)
- [Express Scripts Summary of Benefits](#)
- [EyeMed Summary of Benefits](#)
- [Health Advocate Brochure](#)

Enrollment Forms

- [Delta Dental](#)
- [Medical](#)
- [Medical & Dental Change](#)
- [The Hartford Life](#)
- Church Pension Group
 - [Clergy](#)
 - [Laity](#)

Pension Fund Contributions: Every church unit must pay a pension assessment on behalf of its clergy based on the compensation package. This applies to clergy scheduled to be “regularly employed” for 5+ consecutive months. The formula for calculating the pension assessment follows:

- Clergy Living in Church-Provided Housing:
 - Pension Assessment = (Cash Salary + Utilities + SSA + HEA if paid) X 130% X 18%
- Clergy Not Living in Church-Provided Housing:
 - Pension Assessment = (Cash Salary + Housing and Utility Allowance + SSA + HEA if paid) X 18%

Church Pension *contribution errors can only be corrected for the two prior years*. Pension assessments that are in arrears severely curtail the benefits of the potential pension recipient. Please make sure that all payments are current.

Please visit [Church Pension Group](#) for further details and instructions and the helpful booklet that outlines the Church Pension Fund [Clergy Benefits Guide](#).

Full-Time Clergy – Minimum Cash Salary Schedule

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
% increase	0.70%	1.95%	2.40%	2.10%	1.68%
Transitional Deacons/ Priests first full year	\$34,847.00	\$35,527.00	\$36,380.00	\$37,144.00	\$37,768.00
Full-time Assistants ordained ≥ one year	\$37,337.00	\$38,065.00	\$38,979.00	\$39,798.00	\$40,467.00
Rector / Priest-in-charge	\$42,319.00	\$43,114.00	\$44,149.00	\$45,076.00	\$45,833.00
Increment for each year of ordination up to 20 years	\$749.00	\$764.00	\$782.00	\$798.00	\$811.00
Minimum for 20 years of ordination	\$57,299.00	\$58,416.00	\$59,789.00	\$61,045.00	\$62,100.00
Continuing Education	\$1,750.00	\$1,750.00	\$1,850.00	\$1,850.00	\$1,850.00

Part-Time Clergy – Minimum Cash Salary Schedule

	<u>Minimum Cash Salary</u>	<u>Continuing Education</u>	<u>SSA (Social Security Allowance)</u>	<u>Housing/ Utilities Allowance</u>	<u>Medical, Dental & Life Insurance</u>	<u>Pension</u>
3/4 time	75% of Full-time	100% of Full-time	Same formula as Full-time	75% of Full-time	85% of medical premium 100% Dental and Life	Same formula as Full-time
1/2 time	50% of Full-time	100% of Full-time	Same formula as Full-time	50% of Full-time	50% of medical premium 100% Dental and Life	Same formula as Full-time
Less than 1/2 time	\$16,584-\$36,918 (if retired, must be under the "work after retirement" earnings cap)	Negotiable Minimum of \$463	Same formula as Full-time	Negotiable (Not Required)	Negotiable (Not Required)	Same formula as Full-time (Not applicable if clergy is retired)

PTO (Paid Time Off) for All Clergy

<u>Clergy Employment</u>	<u>Vacation</u>	<u>Holiday</u>	<u>Sabbatical</u>	<u>Continuing Education</u>
Full –Time	Five Weeks	12 paid Holidays / Leave days	3 month paid sabbatical option after 5 years	5 days
3/4 time	Five ¾-time weeks	12 paid Holidays / Leave days	Negotiable	5 days
1/2 time	Five 1/2-time weeks	12 paid Holidays / Leave days	Negotiable	5 days
Less than 1/2 time	Five Comparable Weeks (LOA)	N/A	N/A	Negotiable

Tax Considerations

For general employment tax information, please refer to the [Human Resources](#) section.

Clergy Housing and Furnishing (Parsonage) Allowances

This exclusion is accomplished by the vestry voting a “clergy parsonage allowance” designating a portion (up to 100%) of cash salary. The parsonage allowance amount is at the total discretion of the clergy and does not impact the amount paid to the clergy person by the parish. Housing, furnishing, and professional expense allowances **must be voted and duly recorded by the vestry prior to January 1, 2020** the beginning of the new tax year.

- Clergy who owns their own homes may exclude from income a housing allowance equal to the entire cash amount spent for housing, which does not exceed the annual fair rental value of the minister’s home (furnished including utilities for clergy owned housing. It is advisable to have a real estate professional set the fair rental value of the home as furnished plus utilities and issue a statement to that number for your records.
- Clergy who live in church-owned or church-rented dwellings can exclude from income an amount equal to the actual cash spent on those items for housing and furnishings that are not otherwise reimbursed by the church. The allowance cannot exceed the fair rental value of the furnishings and operation of the home plus utilities if not provided by the church.

In all cases the burden of proof to the IRS is on the individual taxpayer and the request to adjust compensation to accommodate this tax code (Section 107) and the amount involved is the sole decision of the cleric. Vestries should honor the request and properly document their minutes as shown in the model resolutions shown in below.

Model Parsonage Allowance Resolution Samples

Cleric lives in his/her own house: Resolution of the Vestry Meeting of 12/10/19: Whereas the Rev. Paxton Quigley is employed as a minister of the Gospel by St. Swithin's Episcopal Church, Metropolis, CT, which does not provide a residence for him, the vestry resolves that of the total compensation of \$90,000 (Note: this figure should contain salary, housing and social security allowance) to be paid to the Rev. Quigley during 2020, that \$36,000 be designated a parsonage allowance within the meaning of that term as used in Section 107 of the Internal Revenue Code (IRC) of 1986 as amended, but in any event until further notice the parsonage allowance shall be \$3,000.00 per month.

Cleric lives in a rectory/vicarage provided by the church: Resolution of the Vestry Meeting of 12/10/19: Whereas the Rev. Abigail Quigley is employed as a minister of the Gospel by St. Swithin's Episcopal Church, Metropolis, CT, which although providing a residence for her does not provide the full cost of maintaining and furnishing such a residence, the vestry resolves that of the total compensation of \$54,200 (Note: this figure should contain cash salary, social security allowance, and housing equity if applicable) to be paid to the Rev. Quigley during 2020, that

\$7,200 be designated a parsonage allowance within the meaning of that term as used in Section 107 of the IRC Code of 1986 as amended, but in any event until further notice the parsonage allowance shall be \$600.00 per month.

Vocational Deacons

Vocational Deacons receive travel/expense allowance and continuing education. Contact Bishop Ahrens' office at 203-639-3501, ext. 109 with any questions.

The deacon's service in the church is traditionally non-stipendiary. However, the church should reimburse all expenses associated with the deacon's ministry in the church. This reimbursement includes mileage, professional expenses, and continuing education.

When deacons are employed in stipendiary positions in the Episcopal Church or in qualified Episcopal Church agencies, assessments must be paid by the employing church/agency to the Church Pension Fund (CPF) in accordance with the CPF formulae and regulations for ordained clergy.

Lay Pensions

All lay employees who work at least 1,000 hours (20 hours per week) annually will be participants in an employer provided defined benefit or defined contribution pension plan. Parishes are obligated to contribute no less than 5% of the employee's compensation to a defined contribution plan and match employee's voluntary supplemental contributions to this plan by no less than 4%. Parishes may elect to contribute in this fashion for employees who work less than 1,000 hours annually but are not obligated to do so.

Information on the plans available through the Church Pension Group and administered by Fidelity can be found on the [CPG website](#). **If your lay employees are eligible, you must enroll them.** All lay pension plans must be placed with the Church Pension Fund.

Schools: Schools are defined as serving children of any age, thereby including pre-school, nursery, and day care centers. Schools are required to comply with employer contribution obligations and match rates for defined contribution plans according to a specific year by year phase in schedule per the [2012 General Convention Resolution C042](#).

Living Wage Guidance

By resolution, all congregations and institutions within our Diocese are urged to pay all lay employees a livable wage. Additionally, The Episcopal Church, at all levels, engage in and advocate for increasing the minimum wage to \$15.00 an hour or a living wage. Both resolutions cite increasing income inequality as a moral issue, and that Christians should work to redress the hardships resulting from increasing income and wealth inequality. Parishes that aspire to live into the spirit of these resolutions should consider the following guidance:

- Parishes can use The Massachusetts Institute of Technology’s [Living Wage Calculator](#) to determine livable hourly compensation standards in the communities they serve. The living wage amounts presented by this calculator are estimates of hourly income necessary for individuals and families to be financially self-sufficient.
- Compensation for lay employees includes salary plus life, health and dental insurance benefits provided to qualifying employees. The employer-paid life, health, and dental insurance benefits, expressed as dollars and cents per hour worked by the employee, can assist parishes in determining a livable hourly wage rate in conjunction with the Living Wage Calculator data.
- Any retirement benefits that the employer pays on behalf of employees should *not* be taken into consideration in determining a living wage for employees.
- The Living Wage Calculator presents livable wages for 12 different family circumstances. This information should not be justification for paying different compensation to employees performing comparable work simply because they have different family circumstances. We suggest that parishes use a common family circumstance (e.g., “1 Adult”, “2 Adults (Both Working), 2 Children”, “1 Adult, 1 Child”) that might best reflect the family circumstances of their current employees in establishing its Living Wage standard.

Salary negotiations in a faith-based context should be a collaborative process between employees/prospective hires and the parish. The Parish and the employee/prospective hire should work together to find a workable compensation arrangement.

Supply Clergy

Supply clergy and consultants are to be compensated at the rates below. They are also reimbursed for travel and related professional expenses. The reimbursement rate for 2021 is \$0.56 per mile.

Supply Clergy	One Service	\$200.00
	Two Services	\$250.00
	One 8 Hour Day	\$350.00
	Per Hour	\$45.00
ECCT Consultants	Per Unit (3hr time span)	\$200.00

IRS Form W9

IRS form [W9](#) should be collected for any business or individuals compensated for goods or services.

Operations

Common Mission Support

Parishes are required by resolution to support the Episcopal Church in Connecticut in our common work in God's mission or "Common Mission Support." Common Mission Support is required to be a minimum of 10% of operating revenues (line B of the parish Parochial Report) from the trailing year (e.g., 2021 contributions should be at least 10% of the trailing financials in 2019 Line B revenues).

Contributions should be made in equal monthly payments sent to The Commons at 290 Pratt Street, Box 52, Meriden, CT 06450. Please make payments before the 15th of each month.

Property and Casualty

Summary of Insurance

Our Insurance Broker is [Beecher Carlson](#).

Property claims: Please continue to call or email [John Webster](#) at Sedgwick Risk Services. John's number is 201-388-4509.

Account management: All general questions should be addressed to [Michael McGowan](#), Managing Director, 646-358-8521, Cell 646.285.2462.

Certificates of Insurance/Evidence of Coverage: For evidence of insurance or an auto ID card: [Linda Volpe](#), Client Services Administrator, 646-658-8543 or cell 646-740-6217.

Claims Reporting Information:

General Liability or Automobile Liability. Example of General Liability Loss: A third party slips or falls at the Church. Example of Auto Liability Loss – You get into a car accident.

- [Dave Spagnuolo](#), SVP, Casualty Claims Advocate, cell 973-224-1497.

Workers Compensation. Example: An employee is injured at work.

- Email: lossconnect@thehartford.com. Please also cc [Dave Spagnuolo](#)
- Carrier Contact: [The Hartford New Loss Reporting](#), 800-327-3636, fax: 800-347-8197.
- Include current policy number of 08WBAA9HK3 for new loss submission.

For more information, visit the ECCT [Property Insurance](#) webpage. In addition to the above please feel free to contact [Matt Handj](#), Operation Manager at 203-639-3501, ext. 107, to further discuss if you have any questions.

Endowment Investment Management Practices

The Canons of ECCT and The Episcopal Church both specify that unless received written permission to do otherwise, parishes must invest endowments in a chartered state or Federal bank or in a “Diocesan Corporation” such as Donations & Bequest for Church Purposes Inc. Parishes need to abide by with the requirement to safeguard endowment assets and assure the capacity to oversee and manage their funds [Canon IV.2.A](#) and [The Episcopal Church’s Canon 1.7.1.B](#).

ECCT canonical requirements concerning the oversight of parish investment management of its assets, and approval form can be found here [Investment Management](#).

Non-Profit Tax Information

Please see [IRS Tax Information](#) for churches and religious organizations.

Employer Identification Number (EIN)

The IRS offers information on EIN numbers for [small businesses](#) and [non-profits](#).

Each parish should attain its own [EIN/Tax ID Number](#). Parishes are not authorized to use the ECCT’s EIN number for tax or donation purposes.

Parishes can use the [EIN Application Form](#) to apply for an EIN as well as to track exactly how the parish was registered. Another way to verify, is to check with your payroll provider, because they would have needed the EIN # to process payroll.

Parish Brokerage Account for Stock Transactions

The Episcopal Church in Connecticut is only accepting stock donations as contributions in support of our common work in God’s mission, for Camp Washington, for the Bishops Fund for Children, Joining Jesus in the Missional Age.

We advise parishes to open their own brokerage accounts if needed to transact stock transfers from donors and convert them to cash for parish disposition, refer to your parishes by-laws, policies, and procedures.

Invoicing and Recurring Bill Payment Service

We will issue invoices by email to the Rector or Priest-In-Charge and Treasurer by the end of the first week of each month. Your invoices will include Common Mission Support (CMS), Property and Casualty Insurance (P&C), and Group Life and Dental Insurance (GLMD).

The parish should immediately notify the [Church Medical Trust](#) and [ECCT](#) about employment terminations. *The parish will be liable to pay for the continued coverage, if not terminated on a timely basis.*

ECCT will be moving towards the prefer method of receiving payments via Direct Deposit/ACH (more information to follow). In the meantime, we encourage parishes to establish reoccurring payments with their bank's bill pay services and add the Episcopal Church in Connecticut as a payee. For tracking purposes make sure to enter your parishes three-digit account number (which appears after your parish's name in the address line, "Customer ID" field in the body of your invoice).

Loan Fund Management Practices

Parishes with loan notes held by ECCT have been given an amortization schedule listing each monthly payment for the life of the loan. Parishes should make payments according to the schedule to be received no later than the 25th of each month.

Encumbrances & Alienations

If a parish is considering selling or renting out parish property, please see the [Procedures for Sales or Encumbrances](#) and be sure to contact the Operations Manager, [Matt Handi](#) for further information.

Supplementary Resources

Additional Links

[Mission Matter\\$ Newsletter Subscription](#)

[AICPA: Not-For-Profit Trends and Resources](#)

[National Council of Nonprofits: Nonprofit Sector Trends](#)

[Connecticut State Department of Labor](#)

[Internal Revenue Service's Forms & Instructions](#)

Recommended Readings

Bell, J., Masaoka, J., Zimmerman, S. [Nonprofit Sustainability: Making Strategic Decisions for Financial Viability](#). (New Jersey: Jossey-Bass Publishing, 2010).

Elrod, James L. [Creating Financially Sustainable Congregations](#). (New York: Church Publishing Inc., 2021).

Episcopal Church Foundation (Ohio: Forward Movement Publishing, 2019).

[Finance Resource Guide](#)

[Vestry Resource Guide](#)

Jordan, James B. [Financial Management for Episcopal Churches](#). (New York: Church Publishing Inc., 2017).

Keucher, Gerald W. [Remember the Future: Financial Leadership and Asset Management for Congregations](#). (New York: Church Publishing Inc., 2006).