

## MEMORANDUM

TO: Administrators  
FROM: Shirley Pajanor, CFO  
DATE: November 18, 2019  
SUBJECT: FY '21 Budget

The following information may be helpful to you in preparing your FY '21 budget.

1. Salary and benefit information for lay employees is as follows :

- **Salary** – The recommended COLA step increase for the upcoming fiscal year will be 3 %. Note the minimum wage change on 1/1/2021 to \$14 which in turn raises the exempt threshold to \$58,240 (\$49,280 10 month). The minimum teacher salary for FY21 is expected to be \$40,000, the amount will be finalized later in December.
- **FICA** – Social Security 6.2% of salary with a cap of \$137,700 & Medicare 1.45% of salary
- **State Unemployment Insurance (SUI)** – 2.92% of the first \$7,000 of salary for each employee (same as last year)
- **Worker’s Compensation** - Actual cost depends on an employee’s salary and position. FY’20 rates will remain in effect.
- **Lay Employee Pension Plan** – For FY’21, use 12% of annual salary per participating employee.
- **Health Insurance** – For healthcare insurance, use the actual monthly rates currently in effect for your location for months July thru December. For the remainder of the year, January 2021 through June 2021, assume a 8% increase to the current rates
- **Dental Insurance** – For dental insurance, use the actual monthly rates currently in effect for your location for months July thru December. For the remainder of the year, January 2021 through June 2021, assume a 5% increase to the current rates
- **Employee Assistance** – \$28 per year per benefit-eligible employee.
- **CIGNA Life Insurance** - Estimate \$.085 per \$1,000 of salary up to \$50,000 for each benefit-eligible employee
- **AD&D Insurance** – \$.01 per \$1,000 of salary up to \$50,000 for each benefit-eligible employee (same as last year)
- **CIGNA Long Term Disability** – Estimate \$.109 per \$100 of salary for each benefit-eligible employee (same as last year)
- If your location uses temporary help (i.e. for vacations or special projects), include these amounts in your budget. Remember to budget for payroll related expenses for such individuals (i.e. FICA, SUI, etc.).
- If your location anticipates paying overtime, include this amount as a line item with appropriate benefits.

2. Salary and benefit information for clergy is as follows :

- **Auto Insurance** - \$2,100 per year – For priests who must file tax return and will be included in W2; \$1,600 for religious priests
- **Retirement** - \$3,000 per year for those contributing to an IRA or a TSA – handled through payroll in January.
- **Social Security** - \$2,000 per year for diocesan priests – handled through payroll in January
- **Health Insurance (active priests)** – \$1,619.43 per month from July '20 thru December '20 and \$1,746.96 from January '21 thru June '21 for Health, Dental, and Vision
- **Compensation** for Priests for FY '21, is projected to increase as follows :

Pastors	\$29,280 annually	\$2,440 monthly
Associate Pastors	\$28,680 annually	\$2,390 monthly
Priests in Special Works	\$28,980 annually	\$2,415 monthly
- **Food Allowance** - \$750 per month for priests who must file tax returns which will be paid through payroll; \$500 per month for priests who do not file tax returns
- **Cell Phone Allowance** - \$75 per month cell phone allowance

3. Salary and benefit information for **Women Religious** is as follows:

- **Health/Dental Insurance** – Cost for Women Religious and Brothers health and dental insurance depends on whether they are insured through their order (in which case you must use the actual cost you are currently paying their order) or whether they

are insured through the Diocese. If they are insured through the Diocese, please use \$1,445.08 per month from July '20 thru December '20 and \$1,558.80 per month from January '21 thru June '21 for Health, Dental, and Vision.

- **Compensation** for Women Religious - see Diocesan guidelines for the Compensation of Religious.
  - **EAP and Worker's Compensation** - budget at the same rates as lay employees.
4. Multi-Peril, Earthquake insurance and Student Accident insurance– Expect an 8% increase to your rate. Note: Student Accident for both religious education and school students will be included in the invoice to the parish and billed on the 15<sup>th</sup> of the month.
  5. Diocesan Tax – Please note this applies only to parishes and is calculated 13% of taxable income. If your location receives a large bequest during the year, please consider paying the related taxes up front to avoid a large increase in the following year's taxes. The new rate will be finalized in October. Parishes without schools are subject to a .75% tax which can either be paid directly to schools during the year or will be charged beginning in July. All schools are subject to a \$25/student head tax which will be calculated based on the enrollment numbers reported on the last statistical report.
  6. Priest Pension - Please note this applies only to parishes and is calculated 2.5% of taxable income. New rates will be updated and finalized by October.