

WORK AFTER RETIREMENT PROCEDURE

In accordance with the Official Rules of the Church Pension Fund, 3.11 **Restoration of Retired Participant to Active Ministry:**

Generally, participants [under 72 years of age] are considered to have “returned to active ministry” if they are receiving pay greater than the threshold percentage of median compensation. An exception to this rule may be granted if requested and approved by the Trustee Committee on Ecclesiastical Offices Held by Beneficiaries.

Additionally, participants [under 72 years of age] who return to work with the same Church unit with whom they last worked are also considered to have returned to active ministry. An exception to this rule may be granted if requested and approved by the Trustee Committee on Ecclesiastical Offices Held by Beneficiaries.

The filing of requests for Work After Retirement will reside in the Pastoral Care and Education department. Before accepting a position, the cleric must do the following:

- Obtain the approval of the **Ecclesiastical Authority** of the diocese in which the work will occur, prior to commencing work.
- For those under 72 years of age, if the proposed work is in a church or institution other than the one from which the individual retired, the individual must receive no more than 50% of the median compensation of all active U.S. clergy.
- For those under the age of 72, if the proposed work is in a church or institution from which one is retiring, a Work After Retirement Application must be approved by the procedures outlined here regardless of the cleric’s compensation package.
- CPF may grant exceptions to the above, based on an application made on the cleric’s behalf by the **Ecclesiastical Authority** of the diocese where the work will occur.

PROCEDURE:

1. Work After Retirement Applications are provided by the Fund through the Pastoral Care department or may be downloaded from the CPG website.
2. The **Ecclesiastical Authority** of the diocese in which the work will take place presents the application to the Fund through the Pastoral Care department, along with a letter explaining the rationale for an exception to the Rules.
3. The application and accompanying documentation is compiled, reviewed for completeness by staff and forwarded to the Committee for approval or rejection.
4. Applications should be presented three months in advance of the possible starting date (six months in advance if remaining in the same position) to ensure all pertinent information is shared with the **Ecclesiastical Authority** and the cleric, especially medical coverage possibilities or issues.
5. Timeliness of response from the committee is important and will be tracked by the Pastoral Care department for completion and decision.
6. Applications, approvals and decisions will be logged in Pastoral Care.
7. Three months prior to anniversary of starting date a letter is sent to the cleric and the **Ecclesiastical Authority** to review status of the cleric and earnings.
8. A cumulative report will be available upon request.
9. Prior to the beginning of each new calendar year, diocesan bishops, deployment officers and retired clergy will receive information on the latest compensation limits.

ATTACHMENTS:

- Work After Retirement compensation limit memorandum
- Work After Retirement Application
- Eligibility for health plans for Medicare-Enrolled retirees



WORK AFTER RETIREMENT – APPLICATION

General Information:

Request to be completed by the **Ecclesiastical Authority**

For the Diocese of _____

Retired Cleric: _____

Home Address: _____

Date of Birth: ____/____/____

Years of Active Service _____

Retirement Type: Normal 65+ _____
Early 60 – 64 _____
30/55 _____

Information about the Position:

Name and location of institution where proposed work will take place:

Church _____

Address _____

Status: Parish _____ Mission _____ Other _____

Position: Interim _____ Priest-in-Charge _____ Other (specify) _____

Scope of Responsibilities: Full Time _____ Part Time _____

Work expected to begin ____/____/____ Work expected to end ____/____/____

Exceptions are granted for a 12 month period.

Cleric remaining at same place as prior to retirement: Yes _____ No _____

Cleric earning more than \$33,000: Yes _____ No _____

**Annualized Compensation at the
Congregation / institution where
exception is being sought**

**Shaded area to be completed
by the Pension Fund**

Salary _____

Housing _____

Soc. Sec. _____

Total _____

Housing Provided Yes _____ No _____

Diocesan Support and Authority

Is the institution fulfilling its financial obligations to the Diocese? Yes ___ No ___ NA ___
(If not, explain whether in your view the institution is capable of sustaining itself financially on a long-term basis if it were to employ in this position, a cleric on whose behalf pension assessments were paid in full)

Will you, as the **Ecclesiastical Authority**, have authority to remove this person at any time, and will the congregation understand this in advance? Yes ___ No ___ NA ___

Statement of Rules and Procedures for Work after Retirement

I understand that any exception can be granted for no longer than one year.

I recognize that if an exception is requested, it must be submitted at least three months in advance ([six months in advance if remaining in the same position.](#)) The **Ecclesiastical Authority** of the diocese in which the work will take place presents the application to the Fund through the Pastoral Care department along with a **letter explaining the rationale for an exception to the Rules.**

I attest that full consideration was given, and all reasonable efforts were made, to have this position filled by a non-retired cleric.

I understand that if a cleric has not been granted an exception, and is in violation of any of the above rules, the Church Pension Fund will consider that the cleric has returned to full time active service. His or her pension benefit payments will cease, and the congregation or institution will be assessed 18% of the cleric's compensation.

Date of Application _____ (must be at least three months prior to inception of exception; [six months prior if remaining in the same position](#))

Signature of **Ecclesiastical Authority** _____

Note to Ecclesiastical Authority: The Medicare Secondary Payer law requires employers' active health plans to be the primary payer of health care claims for individuals who are actively working. Employers must offer to their age 65+ employees and spouses the same coverage that is offered to employees and spouses under age 65, regardless of their Medicare eligibility. Therefore, any "retired" employee who is fulfilling a position which would offer health care benefits to a non-retired employee must be covered under the employer's active health care plan, and Medicare becomes the secondary insurer. See attached document from the Medical Trust.

ELIGIBILITY FOR HEALTH PLANS FOR MEDICARE- ENROLLED RETIREES

MEDICARE SECONDARY PAYER (MSP) LAW

The Medical Trust follows the government's Medicare Secondary Payer (MSP) law which outlines when Medicare is not responsible for paying first for health claims. The government designed Medicare to provide health coverage for retired individuals, not active individuals. Medicare requires employers' active plans to be the primary payer of health claims for individuals who are actively working. If an active age 65+ employee is eligible for employer subsidized health benefits, as defined by the employer's policy, then Medicare will not be the primary payer for health claims.

Each employer (parish, diocese, etc.) must determine its own policy outlining which employees are eligible for employer-subsidized health benefits. The Medical Trust cannot determine this policy. The policy should comply with the Age Discrimination in Employment Act (ADEA), which requires employers to offer their age 65+ employees and spouses the same coverage that is offered to employees and spouses under age 65, regardless of their Medicare eligibility. In addition, this equal benefit rule applies to coverage offered to full-time and part-time employees. Those active employees over age 65 who are qualified for employer-subsidized health benefits and meet the Medical Trust's basic eligibility rules described in the medical trust plan must be offered an active plan.

Medicare beneficiaries are free to reject employer plan coverage and retain Medicare as their primary coverage. However, when Medicare is the primary payer, employers cannot offer such employees or their spouses' secondary coverage for items and services covered by Medicare. Medicare states that an employer cannot sponsor or contribute to individual Medigap or Medicare supplement plans for Medicare beneficiaries who are actively employed. Therefore, the Medical Trust does not offer Medicare supplement plans or Medicare HMOs to active employees and their spouses over age 65. An active employee can keep Medicare coverage but it will only pay benefits on a secondary basis. This is the government's way of ensuring that Medicare funds are spent on health claims only for those individuals who have retired.

For more information, please review the Medicare Secondary Payer (MSP) Manual at http://www.cms.hhs.gov/manuals/105_msp/msp105c02.pdf