



DIOCESE OF TUCSON
BISHOP MORENO PASTORAL CENTER
FISCAL SERVICES

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MEMORANDUM

DATE: April 30, 2010
TO: PARISHES
FROM: Tom Arnold, CFO
RE: 2010-11 BUDGET GUIDELINES AND ASSUMPTIONS

Business Managers and Bookkeepers are reminded that two levels of approval are needed once the budget is completed and prior to its submission to the Fiscal Department of the Diocese. (The Parish Finance Council and the Corporate Board of Directors). Here are the guidelines to assist in the preparation of your 2010-11 budget:

I. PERSONNEL COSTS

A. Clergy

Priests' salary schedule for 2010-11, no change from 2009-10

<u>Years Ordained</u>	<u>Annual Salary for</u> <u>Priests who have a vehicle provided:</u>	<u>Annual Salary for</u> <u>Priests with personal car:</u>
0 – 5	\$ 10,885	\$18,685
6 – 10	11,863	19,663
11 – 15	12,706	20,506
16 – 20	13,597	21,397
21 +	14,485	22,285

Priests who drive a parish or diocesan owned vehicle will not receive the \$7,800 annual car allowance for FY 2010-11.

The schedule for Sisters' salaries for 2010-11 is as follows, no change from 2009-10:

Annual stipend – 12 months	\$17,476
Annual stipend – 10 months	\$15,420
Housing*	\$4,889
Retirement	\$1,337

*Applicable only where Sisters provide their own housing and are not provided a parish convent.

Health insurance is negotiated separately. If provided, the cap is equal to the Diocesan premium for a lay employee.

Transportation is negotiated separately between religious order and organization.

B. Lay Employees

The minimum wage mandated by Arizona law is currently \$7.25. All Parishes must pay at least this minimum wage.

C. Teacher Salaries

Please refer to the attached schedules for the 2010-11 salaries applicable for teachers or principals. **Please note that these are guidelines only and should be implemented after considering parish resources and obligations.**

II. EMPLOYEE BENEFITS

A. Health Insurance for Lay Employees

Applicable to employees working thirty (30) hours or more per week on a regular basis and having completed their introductory period. Priests' health insurance costs are included in the PAC dues.

The health insurance premium for fiscal year 2010-11 is \$564/employee/month. Family coverage is an additional \$527/month. Children Only coverage is \$276/month and Spouse Only coverage is \$360/month.

B. Dental Coverage

The current rates for Employer Dental Services (EDS) and Delta Dental are detailed below:

Delta Dental: \$30.14/employee/month or \$86.02/employee+family/month

EDS: \$13.00/employee/month or \$29.00/employee+family/month

C. Payroll Taxes

FICA taxes will continue to be 7.65% for all lay employees. Compensation for priests and sisters **are not** subject to Social Security or Medicare taxes, as they are considered self-employed for this purpose.

D. Unemployment Insurance

The Diocese of Tucson and its parishes **are exempt** from this insurance under federal and state statutes.

E. Lay Employee Pension Plan

The LEPP rate remains at **5.25%**; with the only exemption from the 5.25% assessment on payroll is the salaries for religious salaries (priests and sisters). There are no other exceptions. All salaries of ALL lay employees for both full-time and part-time are included.

F. Long-Term Disability Insurance

The 2010-11 rate for LTD is \$.61 per \$100.00 of gross payroll. The rate will apply to lay employees who become participants if they work thirty (30) hours or more per week on a regular basis and have completed two (2) years of employment. The Diocese will collect the payment directly from the parish's bank account at the beginning of each month along with health insurance payments. Long-term disability insurance does not cover priests and sisters.

G. Life Insurance

The premium for Life and Accidental Death and Dismemberment Insurance will be calculated at 1.5 times the annual salary at a combined monthly cost of \$0.19 per thousand dollars of life insurance benefit (\$0.165 for Life and \$0.025 for AD&D). This benefit applies to all lay employees who work thirty (30) hours or more per week and have completed their introductory period.

OTHER EXPENSES

H. Assessments

Chancery Assessment

The chancery assessment for 2010-11 is based upon net sustaining contributions for fiscal year 2009-10. That computation is not made until all parish financial reports are received by the fiscal office. In the meantime, we base chancery billing on an estimate of net sustaining contributions until they are adjusted to actual.

Monthly billings in the July through November 2010 period will be based upon the final chancery assessment calculated for fiscal year 2008-09.

When all parish financial reports are received, we will adjust your billings for the months remaining through June 2011 to reflect the chancery assessment based on our final calculations.

PAC Dues

We do anticipate a 3% increase in the PAA dues for the coming fiscal year; please remember that PAC dues are billed on a pro-rata share of total ordinary income in the Diocese and each parish's share may go up or down based on their percentage of overall income among all parishes.

Priests' Salary Subsidy

This assessment is based on your parish's proportion of net sustaining contributions to the total of all parish net sustaining contributions who do not receive this subsidy. Parishes who receive this subsidy are exempt from paying this assessment. Your proportion cannot be determined until the fiscal office receives all parish financial reports. Historically, the parishes pay only a portion of the priests' salary subsidy that is distributed to our poorest parishes.

We do not anticipate an increase in the Salary Subsidy for next year, but each parish's share is based on a pro-rata share of total ordinary income in the Diocese and each parish's share may go up or down based on their percentage of overall income among all parishes.

School Assessment

This assessment only applies to the Tucson metro area parishes. This assessment is based on your parish's proportion of net sustaining contributions to the total of all Tucson metro parish net sustaining contributions. That proportion cannot be determined until the fiscal office receives all parish financial reports. In the interim, we will use the final assessment amount for fiscal year 2008-09 to bill each month starting in July until we can adjust it to actual on the Annual Financial Report is filed. The total assessment is not expected to increase this coming fiscal year.

General Liability & Property Insurance

The following increases are estimates for 2010-11:

General Liability	0% increase over last year
Property Insurance	0% increase over last year

Individual billings will be affected by recent additions or improvements to parish buildings, or if your parish was appraised this year. Our insurance companies require that all buildings be appraised every five years. Insurance premiums will be billed quarterly, at the beginning of each quarter. It is very important that payment be remitted promptly as the Diocese cannot pay the premiums from the insurance companies until we collect from the parishes and other Catholic entities.

I. Workers' Compensation/Industrial Insurance

The Diocese will continue its "Self-Insured Workers' Compensation Program." The rates are based upon an employee's duties and are computed by the Diocese based upon census information supplied by the parish. Industrial insurance, unlike our other coverage, runs on a calendar year basis. See Worker's Compensation attachment for classifications and rates.

J. Retreat & Convocation Fees

Budget \$485 per week per retreat, and \$450 for convocation expenses.

K. Mileage Reimbursement

With the sky rocketing cost of gas the IRS has been adjusting the allowable mileage reimbursement as the cost of gasoline falls or rises. Currently the rate is \$0.50 per mile. You can check the IRS website for any adjustments at www.irs.gov and type "mileage reimbursement rate" into the search box in the top right hand corner of the web page. Each parish may determine the rate they will pay for mileage; currently the Diocese of Tucson pays \$.30 per mile.

L. Batch Accounting

For those parishes participating in our batch accounting program, the fee is \$100/month for basic service.

G. Capital Budgets

Following is a list of possible capital improvement projects your parish may decide to undertake. Please remember to include any amounts for capital improvements in a separate capital budget that accompanies the revenue and expense budget that is submitted to parish finance council, parish council, the parish board of directors, and the Diocesan fiscal office.

- Roof Repair/Recoating/Replacement
- AC/ Heating Systems
- Carpeting/Tile work
- Parking Lot Recoating/Repair/Replacement
- Major Painting Exterior/Interior
- Stucco Repair/Replacement
- Kitchen Upgrade
- Restroom Upgrade
- Major Landscaping
- Tree Trimming/Removal
- Sidewalks/Curbs/Porches/Patios
- Storage Buildings
- Playground Equipment
- Fencing/Wall

Attachments

**Workers' Compensation Classifications & Rates for 2010
Teacher/principal 2010-11 Salaries Schedule**

**DIOCESE OF TUCSON
WORKMEN COMPENSATION SELF-INSURED PROGRAM
RATE CALCULATION FOR CALENDAR YEAR 2010**

Rates	2010
classes:	DOT
	Effective
	4/30/2010
8742	0.40%
8810	0.28%
8832	0.45%
8835	2.18%
8840	0.42%
8868	0.52%
9061	2.06%
9101	4.42%
9220	0.10%



DIocese of TUCSON - BENEFIT RATES AND BILLING INFORMATION
EFFECTIVE JULY 1, 2010 TO JUNE 30, 2011

Medical Insurance

Provider: Reta Trust United Healthcare of Arizona

	<u>Total Cost</u>	<u>Employer Portion</u>	<u>Employee Portion</u>
Single Coverage per month:	\$ 564.00	\$ 564.00	\$ 00.00
Employee + Spouse per month:	\$ 924.00	\$ 564.00	\$ 360.00
Employee + Children per month:	\$ 840.00	\$ 564.00	\$ 276.00
Employee + Family per month:	\$ 1,091.00	\$ 564.00	\$ 527.00

Dental Insurance - Dental coverage is entirely paid for by the employee.

Providers: Employers Dental Services(EDS)

Delta Dental of Arizona (Delta)

Single Coverage per month: \$13.00
Family Coverage per month: \$29.00

Single Coverage per month: \$ 30.14
Family Coverage per month: \$ 86.02

Vision Plan - Vision coverage is entirely paid for by the employee.

Provider: SightCare, Inc.

Single Coverage per month: \$ 4.97
Employee + Spouse per month: \$ 9.93
Employee + Children per month: \$ 8.75
Employee + Family per month: \$12.42

Employee Benefit Premium Only Plan (IRC Section 125)

This benefit allows the employee to pay dependent medical, dental and/or vision insurance on a pretax basis, rather than an after-tax basis. The Diocese of Tucson – Premium Only Plan form needs to be completed and a copy faxed to the Diocese of Tucson - HR Office.

Life & Accidental Death and Dismemberment Insurance

Provider: ING (Reliastar)

1.5 times base annual salary, rounded to the highest \$1,000.00 - The cost is \$0.165 per \$1000 of benefit for Life and \$.025 per \$1000 for AD&D paid 100% by the employer.

Life/AD&D Insurance is effective the 1st of the month following 90 days for employees working 30 hours or more per week

Long-Term Disability Insurance

Provider: ING (Reliastar)

60% of covered monthly earnings after 90 days of disability – The cost is \$0.61 per \$100 of gross salary. Paid 100% by the employer. LTD coverage is effective July 1, following two years of continuous service working thirty (30) hours or more per week.

DIOCESE OF TUCSON
2010-2011
SUGGESTED SALARIES SCHEDULE

<u>EXPERIENCE</u>	<u>TEACHERS</u>				
	<u>BA</u>	<u>BA + 15</u>	<u>BA+35/MA</u>	<u>MA + 15</u>	<u>MA + 30 +</u>
Ann. Step Incr					
0	27,420	28,325	29,260	30,225	31,223
1	27,859	28,778	29,728	30,709	31,722
2	28,304	29,239	30,203	31,200	32,230
3	28,757	29,706	30,687	31,699	32,745
4	29,217	30,182	31,178	32,206	33,269
5	29,685	30,665	31,676	32,722	33,802
6	30,160	31,155	32,183	33,245	34,342
7	30,642	31,654	32,698	33,777	34,892
8	31,133	32,160	33,221	34,318	35,450
9	31,631	32,675	33,753	34,867	36,017
10	32,137	33,197	34,293	35,425	36,594
11	32,651	33,729	34,842	35,991	37,179
12	33,174	34,268	35,399	36,567	37,774
13	33,704	34,817	35,966	37,152	38,378
14	34,244	35,374	36,541	37,747	38,992
15	34,791	35,940	37,126	38,351	39,616
16		36,515	37,720	38,964	40,250
17		37,099	38,323	39,588	40,894
18		37,692	38,936	40,221	41,549
19		38,296	39,559	40,865	42,213
20		38,908	40,192	41,519	42,889
21		39,531	40,835	42,183	43,575
22		40,163	41,489	42,858	44,272
23		40,806	42,153	43,544	44,980
24		41,459	42,827	44,240	45,700
25		42,122	43,512	44,948	46,431

NOTE:

1. Teachers who are not certified deduct \$1,000 from base salary.
2. A deduction of \$1,000 will be enacted for those teachers who have not earned Level I Religious Certification after 3 years of teaching in the Diocese of Tucson.
3. Teachers who have an excess of the maximum on their step (after step 25) would receive longevity pay in the amount of \$550 per year (degreed teachers only.)
4. Part time earnings will be computed by rate divided by classes taught per day.
5. Maximum credit given for experience outside of the Diocese is five years.
6. Credits earned beyond bachelors degree must be of graduate level and approved by the local administration for salary increase. (15 CEU's=1 college credit. All CEU's must be approved by Diocesan administration.)

Approved: February 24, 2010
 Diocesan School Board

Approved by _____ Date _____
 Most Reverend Gerald F. Kicanas, D. D.

Supt. of Catholic Schools _____ Date _____
 Sr. Rosa Maria Ruiz, CFMM