



Vacancy Dues help fill need for retirees' healthcare

Gray hair is a crown of glory; it is gained in a righteous life.
Proverbs 16:31 NRSV

Benefits Plan

The Benefits Plan of the Presbyterian Church (U.S.A.) reflects and expresses the values and beliefs of the church community that created it. Through the Benefits Plan, the Church provides pensions for retirees and help for those who need healthcare, suffer disability or face the death of a family member. Vacancy Dues are an important part of the Plan.

Vacancy Dues

When a congregation has a ministerial vacancy, the congregation continues to participate in the community by bearing part of the cost of the Medicare Supplement Program on a limited basis through Vacancy Dues. A vacancy exists when a Presbyterian congregation is without an installed pastor, co-pastor, associate pastor, or designated pastor, but plans to call a replacement.

Dues tailored to the congregation

The dues are tailored to each congregation's financial situation by using the salary of the most recent minister as the basis rather than a fixed dollar amount. The dues are calculated at 12% of the effective salary of the most recent installed minister who occupied the now vacant position.

Union or federated churches and churches regularly served by a supply minister do not pay these dues.

Community

The Plan calls for all who are in the community of faith to share in the care of the servants of the church. The biblical understanding of sharing based on needs and abilities means that a congregation's dues pay for that congregation's share of the total costs of providing benefits for all Church workers in the Plan, including its own employees. Dues are not directly related to the cost of benefits of that congregation's employees; the costs of the benefits programs are apportioned on the basis of each employing organization's compensation expense. Larger organizations with more highly paid personnel contribute more to the cost of the programs than the smaller employing organizations of the Church.

Retirees benefit Vacancy Dues directly benefit retired servants of the Church: ministers, missionaries, other congregation workers, and their spouses participating in Medicare Supplement coverage. These dues provide a modest subsidy that helps to reduce the cost of that coverage for them. This subsidy is a concrete expression of the community nature of the Plan. Congregations can provide the funds for our retired neighbors in need of healthcare through the Medicare Supplement.

The Medicare Supplement augments the coverage of Medicare so that retired members and spouses do not bear the full cost of expenses Medicare does not cover. Medicare does not cover the cost of outpatient prescription drugs; about 70% of the Medicare Supplement costs relate to those expenses. More than 10,000 retirees and their spouses benefit by subscribing to the Medicare Supplement coverage.

Post-Retirement Service Dues, paid when churches have the services of a retired member of the Plan, are also used to support the Medicare Supplement program.

Dues used for care *Without these dues payments, individual subscription dues for the Medicare Supplement coverage would be about 20% higher for 2003 than they are now. In 1987, the dues supported about 65% of the cost of the program.*

Increasing need The financial support for this coverage is becoming increasingly important because the cost of healthcare is constantly increasing. Retirees usually face more health issues than other age groups and must meet those needs from limited incomes.

Dues start Congregations pay these dues for the first twelve months of the vacancy when it is not filled immediately. These twelve months need not be consecutive. A congregation begins paying the dues the day after the last day it paid salary and dues for the installed minister member who left the position.

Dues stop These dues cease at the earlier of payment of the full twelve months of dues or when the Board receives notification that the position is

- occupied temporarily and dues are being paid. See the section on filling the position temporarily.
- abolished (see section below: When a position is abolished).
- filled by the newly installed pastor.

Filling the position temporarily

The congregation does not pay dues twice on the same position. For this reason, congregations **do not pay these dues** when a position is temporarily occupied by

- a minister ordained in the Presbyterian Church (U.S.A.) *and* the congregation remits full benefit dues to the Benefits Plan.
- a Commissioned Lay Pastor *and* the congregation enrolls the CLP in the Benefits Plan
- a retired minister ordained in the Presbyterian Church (U.S.A.) because the congregation pays post-retirement service dues instead. Post-retirement service dues are 12% of the total annual effective salary paid to the retiree during the post-retirement service.
- a minister of another denomination *and* the congregation remits dues to that minister's denominational plan. The Presbytery Executive, Moderator of the Committee on Ministry or the Stated Clerk must verify in writing that the congregation is remitting dues to the minister's denominational plan.
- a minister of another denomination enrolled in the Presbyterian Church (U.S.A.) Benefits Plan.

Congregations do pay dues when an ordained minister or a commissioned lay pastor in the Presbyterian Church (U.S.A.) occupies a position temporarily and the congregation does not remit dues to the Benefits Plan of the Presbyterian Church (U.S.A.) for that minister or Commissioned Lay Pastor.

Dues resume following suspension

When a temporary pastor for whom the congregation was remitting dues leaves, dues resume only if the congregation has not satisfied the total twelve-month obligation. Vacancy Dues resume the day after the last day of service of the temporary pastor and continue until the congregation satisfies the twelve-month obligation, again fills the pulpit temporarily, or installs a new minister.

Vacancy resulting from military activation

Congregations pay either Vacancy Dues or dues under the USERRA requirements, not both. Please see the information on USERRA on the Board of Pensions Web site at www.pensions.org.

When a position is abolished

If a congregation decides not to fill a vacant ministerial position, it should inform its presbytery. When the Board of Pensions receives written confirmation from the presbytery that the position is abolished, Vacancy Dues end on the date the

position is abolished. The letter may come from the Presbytery Executive, Stated Clerk or the Moderator of the Committee on Ministry and should include the date that the position was abolished.

Any Vacancy Dues paid before the position is abolished are not refunded.

Waiver

The Board of Pensions alone determines if it should grant a waiver of these dues. The Presbytery Executive must request the waiver in writing on a congregation's behalf. The request must include all the specific circumstances prompting the presbytery to recommend a waiver be granted; some examples might be the significant loss of members or income, trauma within the life of the congregation, or damage from natural disaster.

More information

Please call the Board of Pensions at 800-773-7752 or 800-PRESPLAN for more information. On this Web site, www.pensions.org, you will find the Administrative Rules that provide additional information.

Administrative Rule 307 – Vacancy Dues

BOARD OF PENSIONS ADMINISTRATIVE RULES

Section:	3 (Dues)	Subject:	Vacancy Dues
Rule Number:	307		
Reference:		Resource:	Member Services
Article IV, Section 4.5 (Vacancy Dues)		Original Date:	4/91
		Revision Dates:	8/94, 6/95, 4/97, 6/02, 8/11

When a Permanent Pastoral Relationship is Dissolved

Whenever a pastoral relationship between a pastor, co-pastor or associate pastor and a church is dissolved, the church is required to pay “vacancy dues” until the earlier of 1) the installation of a new minister in the vacated position, 2) 12 months, or 3) the decision of the session not to conduct a search to replace the minister.

Vacancy dues are 12% of the last installed minister's total annual effective salary.

Vacancy dues are not payable by union or federated churches or when the church is regularly supplied.

Suspension of Vacancy Dues

Vacancy dues are suspended when the church

- remits dues for an interim or commissioned Lay Pastor
- remits post-retirement service dues
- remits dues to either the denominational plan or the Medical Plan for a minister of another denomination.

Suspended vacancy dues will resume if the twelve month period was not satisfied prior to the position being temporarily occupied and continue until a total of twelve months’ dues are paid or the position is once again occupied by an installed minister.

Administrative Rule 307 – Vacancy Dues

Waiver of Vacancy Dues

A church may be eligible for a waiver of the 12% vacancy dues when it cannot afford to remit the dues because of extenuating circumstances. The extenuating circumstances can be, but are not limited to, severe financial hardships, a drastic membership drop, or division of the church membership.

The Board will consider a waiver of vacancy dues following receipt of a letter from the presbytery of jurisdiction requesting the waiver and describing the reason for the request. The Executive, the Moderator of the Committee on Ministry, or the Stated Clerk shall sign the letter requesting the waiver of vacancy dues.

The final decision on the waiving of dues rests solely with the Board.

Abolishing the Installed Position

Abolishment of a position means that the position no longer exists at the church. If it has been decided that a position is no longer needed, and will never be filled again, the church is not required to pay vacancy dues on that position. Since the presbytery approves the creation of installed positions, the Board requires written presbytery confirmation that the position has been abolished before the Board will update its records. The Executive, the Moderator of the Committee on Ministry, or the Stated Clerk shall sign the confirming letter.