

MONITORING REPORT

Date: October 2009

Policy: 2.5 Compensation of Religious Professional and Church Staff

2.5 Policy Title: Compensation of Religious Professional and Church Staff

With respect to religious professionals throughout the Association and our congregations, and to all program and administrative staff employed by our congregations, the President shall not fail to provide information necessary to help our congregations remunerate all staff with fair, equitable, and geographically consistent compensation packages.

PRESIDENT'S INTERPRETATION

Our faith calls us to be responsible employers who strive to demonstrate our commitment to our Unitarian Universalist Principles in the way we treat our staff. A fair, equitable, and geographically consistent compensation package is one that:

- Pays salaries proportionate to responsibilities and accountabilities.
- Provides benefits (dental insurance, disability insurance, health insurance, life insurance, retirement contributions, employee leave, and other provisions) and pays premiums equally to all eligible employees, (pro-rata for part-time employees) regardless of position.
- Pays salaries and benefits comparable to those paid by local nonprofit organizations, educational institutions and to professionals in the community who perform similar duties and have similar education and training.
- Takes into consideration local economic conditions, wages, and costs-of-living.

SUPPORTING DATA

In compliance with this policy and consistent with the 1995 General Assembly Action, the following initiatives are supported:

- **Program Support, Oversight, and Governance:** The Compensation, Benefits, and Pension Committee (CBPC), whose members are appointed by the President and designated by the UUA Board to make recommendations regarding retirement plan provisions, provides insight and expertise to the UUA regarding staff compensation and benefits. The UUA Employee Benefit Trust (EBT) Board, whose members are appointed by the UUA Board, oversees the management of the UUA Health Plan which currently provides insurance to 1,200 employees and dependents in 300 congregations and organizations. Annual premiums total \$6.3 million. Reserves total \$2.3 million. The Council of Church Staff Finances, whose members represent the various professional groups with the UUA and retirees, spouses, and survivors, advises the Office of Church Staff Finances on compensation and related issues including retirement income. Finally, as necessary, the OCSF seeks outside expertise to ensure compliance with federal law and regulations and to acquire necessary information.

- **Staffing:** The Office of Church Staff Finances (OCSF) is staffed by five individuals: Joyce Stewart, Retirement and Group Insurance Plans Director; Jim Sargent, Health Plan Director; Liz Oliver, Health Plan Coordinator; Linda Rose, Group Insurance Coordinator; and the Reverend Richard Nugent, Acting Director. The work of the OCSF is overseen by the Reverend Beth Miller, Ministry and Professional Leadership Director; Tim Brennan, UUA Treasurer, serves as Administrator of both the UU Retirement Plan and the UUA Health Plan; and various other staff provide financial accounting support.
- **Information Dissemination:** Information about the standards of Fair Compensation and the opportunities to provide health, dental, long term disability, and life insurance to employees throughout the UUA is provided by the Office of Church Staff Finances. Information on various topics, including legal, tax-related, and human resource concerns, is shared by staff, including volunteers who serve as District Compensation Consultants, through articles in various UUA and professional association publications, on the UUA website, in workshops at General Assembly and District gatherings, consultations with individuals congregations, and through daily telephone and email conversations.
- **Compensation Guidelines:** Fair Compensation Guidelines, detailing salary and benefit expectations for staff, are regularly reviewed and amended by the Compensation, Benefits, and Pension Committee. With the assistance of District Compensation Consultants, the Office of Church Staff Finances currently maintains three levels of recognition for congregations: Leadership, Practicing, and Committed. Presently 130 congregations and districts are considered Practicing while another 139 have committed themselves to fully complying with the Guidelines within five years. The newly adopted Leadership Designation will be awarded during 2010. To achieve Leadership Status, congregations and districts must pay 80 percent of the health insurance premium for employees, 50 percent for dependents, and provide professional expenses to all professional staff that equal the greater of 10 percent of salary (salary and housing for ordained clergy) or \$5,000 pro-rata for part-time employees.
- **Salary Recommendations:** Salary ranges, based on comparable non-church work, geographically-based wages, and actual congregational salaries, are regularly adopted by the Compensation, Benefits, and Pension Committee and disseminated throughout the UUA. Staff salaries (salary and housing for ordained staff) within these recommended ranges are a component of the Fair Compensation designation.
- **Compensation Consultants:** In consultation, with District Staff, the Office of Church Staff Finances has appointed 30 individuals to serve as Compensation Consultants. Compensation Consultants strive to explain the Fair Compensation Guidelines to congregations, particularly those experiencing ministerial transition, and answer questions related to ministerial and staff compensation.
- **Group insurance:** Staff throughout the UUA are able to purchase various affordable group insurance products through their employers. The Office of Church Staff Finances manages these insurance products that provide Long Term Disability (LTD) Insurance to 940 individuals, Life Insurance to 729 individuals, and Dental Insurance to another 540 employees.
- **UU Retirement Plan:** All staff of participating employers throughout the UUA must be offered coverage after one year of employment if they work a minimum of 1,000 hours

annually. Participating employers, largely congregations and districts in addition to the UUA national staff, must enroll a minimum of 70 percent of eligible employees. The UU Retirement Plan currently has assets of approximately \$159 million owned by 2,760 plan participants. To ensure that the UU Retirement Plan offers the best possible investment options to its participants consistent with prudent risk, changes in the mutual fund industry, and legal restrictions, an extensive rebidding of the recordkeeper function, currently provided by Fidelity Investments, is currently underway. This RFP Review process, managed by the Office of Church Staff Finances, is being conducted by the Compensation, Benefits, and Pension Committee on behalf of the UUA Board.

- Staff, along with the Compensation, Benefits, and Pension Committee, continues to evaluate the record keeper proposals submitted by Fidelity and TIAA-CREF in response to our July 2008 RFP. Angell Pension Group, our independent consultant, submitted its report in late August. A survey of 535 of the 2,700 plan participants was conducted in June and the responses are being analyzed. By early October, we will have hired an independent, third-party Investment Advisor to assist us in selecting funds for our investment platform whether we stay with Fidelity or switch to TIAA-CREF.

I therefore report COMPLIANCE.