

Human Resources 101

For Leaders in the MidAmerica Region

Part I: Staffing Matters During COVID-19



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Part II

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Our Mission

Guided by the values of our faith,
we equip
congregations for
excellence as
employers
and their staff for
financial
competence and
well-being.



Photo: Last Minute Linda

Our Time Together

- “Non-viral” Updates
- Congregations as Employers
- UUA Guidance
 - Staffing
 - Finances
- Resources



Non-viral Updates from OCSF

From Compensation Guidelines to Compensation Standards

3 Phases

- Now: Standards incorporate ***legal requirements*** alongside recommendations
- 2020: Revisiting Salary Recommendations methodology
- 2021: Revisiting Benefit Recommendations

Model Agreements

- Full-time senior/solo settled: posted
- Full-time interim: posted
- Terminating a Ministry: available shortly
- Part-time, 2nd minister, developmental, non-clergy: to follow



Congregations as Employers During COVID-19

Refer to
Congregations as Employers
During the Pandemic

<https://www.uua.org/leadership/library/employer-pandemic>

Start with Values

- Kindness and compassion
- Interdependence
- Equity
- Creativity
- Resilience



Congregations as Employers During COVID-19

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Paying Staff

- Keep paying for now
- “Other duties as assigned”
- Nonexempt staff
- Exempt staff
- Allow for flexibility
- About Unemployment Insurance
- Involve staff in conversations about their work and pay



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Personnel Policies and Employment Agreements

- Review policies/agreements for sick time, medical leave, etc.
- See UUA Sample Personnel Policies
- Do *at least* as well as your policies/agreements say



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Working from Home

- What do staff need to be as productive as possible?
- Care for self and family: a priority
- Be flexible, recognize different needs, styles, etc.



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Supervision and Teams

- Your staff: leaders, modelers, and tone-setters
- Great supervision/team resources on uua.org
- Make strong statement about safety and care for staff
- Voices of the team at the table
- What do staff need from their supervisors right now?
- Ways to maintain a sense of team during physical distancing?



New Federal Laws

Families First Coronavirus Response Act (PL 116-127)

- Emergency Paid Sick Leave
- Emergency Family and Medical Leave Expansion
- Tax Credits

Coronavirus Aid, Response, and Economic Security Act (CARES)

- Payroll Protection Program (PPP)
- Unemployment Insurance
- Paid Family and Medical Leave Benefits Upon Rehiring
- Retirement Provisions
- Assistance with Paying Staff Provisions
- Health Care
- Education Assistance
- Individual Taxpayer Rebate



Families First Highlights

For details, see
UUA Families First Fact Sheet

https://www.uua.org/sites/live-new.uua.org/files/ocsf_families_first_fact_sheet.pdf

Emergency Paid Sick Leave (April 1 to December 31, 2020)

Employer required to provide 80 hours of additional sick leave (pro-rata for part-time)

- Full wages (up to \$511/day) for quarantine, isolated, symptomatic
- 2/3 wages (cap at \$200/day) for care of children out of school/childcare or others quarantined/isolated/symptomatic

Emergency Family and Medical Leave Expansion (April 1 to December 31)

Covers employees unable to work due to closure of child's school/daycare (pro-rata for part-time)

- Employers not required to pay initial 10 days; employees may substitute accrued vacation/personal/sick time
- Employers must pay at least 2/3 wages (up to \$200/day) for 10 remaining weeks of leave
- Employers with 25 or fewer employees not required to restore employee if conditions have changed

Tax Credits for Paid Sick and Paid Family Medical Leave

Employers required to provide paid leave eligible for 100% refundable tax credit up to above limits.

- Tax credits administered by IRS and creditable against employer-side payroll tax liability, with excess refunded
- Tax credits sunset on December 31, 2020



CARES ACT Highlights

For details, see
UUA CARES Fact Sheet

https://www.uua.org/sites/live-new.uua.org/files/ocsf_cares_fact_sheet.pdf

Paycheck Protection Program (PPP): SBA Loan Program

Designed to keep businesses including nonprofits, operating including retaining employees

Includes religious organizations – you do not need an IRS 501(c)(3) determination letter

- **Maximum Loan:** 2.5x Average Monthly Payroll over the past year, excluding annual compensation above \$100,000 for any individual.
- **Payroll Costs** include: payments for vacation, parental, family, medical, and sick leave; retirement benefits, and state and local tax assessed on employee compensation, as well as payments to independent contractors
- **Use of Loan:** Payroll, mortgage interest and rent payments, utilities, interest on debt
- **Loans may be Forgiven:** If used for qualified expenses (described above); Must maintain staffing levels.

Contact your bank to see if it's an SBA-approved lender. Act fast to Avoid Bottlenecks

SBA also offers Economic Injury Disaster Loans.



CARES ACT Highlights

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Payroll Tax Relief/Help in Retaining Staff

- The Act creates a “**Payroll Tax Deferral Period**” from March 27 through December 31. Employers may **defer** payment of the “employer share” of Social Security (6.2%)
- 2020 **deferred taxes must be paid** in the following two years – half by December 31, 2021 and half by December 31, 2022)

Employee Retention Credit

Allowances that help employers pay their employees

- **Eligibility:** If Employer fully or partially suspends operations due to a government order, or if revenue declines 50% or more compared to the same calendar quarter in 2019
- **Credit: 50% of qualified wages** paid to an employee (whether working or not) on or after March 13 (and before January 1, 2021) in each calendar quarter, up to a total of \$10,000 wages per employee for all quarters. (Max Credit \$5,000/employee)
- Credit is against an employer’s employment taxes for each quarter, with any excess refunded to the employer.
- Employers obtaining a PPP loan are not eligible for this credit.



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Unemployment Insurance

Creates new Pandemic Unemployment Assistance program to help those not traditionally eligible

- Workers are eligible for 39 weeks of unemployment assistance through December 31, 2020
- Additional \$600/week to each UI or Pandemic Unemployment Assistance recipient through end of July
- Funding for the 1st week of unemployment for states to waive traditional “waiting week”
- Provides 13 additional weeks to help those remaining unemployed after state UI no longer available
- Church employees are eligible although state implementation may lag
- **Eligible Individuals** are unemployed, partially unemployed, or unable to work due to a diagnosis of COVID-19, experiencing symptoms, someone in their household has been diagnosed, caring for a child due to school or childcare closure, quarantine orders, or their place of employment has closed due to COVID-19.

Paid Family and Medical Leave Benefits Upon Rehiring

Allows some laid off employees to have access to paid family and medical leave if rehired

- Employers can receive an advance tax credit instead of reimbursement on back end.



CARES Highlights (continued)

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UUA CARES Fact Sheet

https://www.uua.org/sites/live-new.uua.org/files/ocsf_cares_fact_sheet.pdf

Health Care

Provisions to help employees with health-related expenses

- Private insurance must cover testing in full
- Changes use of HSAs paired with high-deductible plans through Dec 31: covers telehealth before meeting deductible
- Allows use of HSAs, HRAs, and FSAs for over-the-counter products without a prescription
- Allows HSAs, HRAs, and FSAs to include menstrual products as qualified medical expenses



CARES Highlights (continued)

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Retirement Provisions

Eases usual retirement account rules

- Waives 10% tax on early withdrawals up to \$100,000 from retirement plan or IRA for those impacted by COVID-19
 - Examples: individual or spouse diagnosed, financial consequences of quarantine or layoff
 - Note: Taxes still owed on these distributions
- Allows individuals to pay tax on income from distribution over 3 years. Payback not subject to contribution limits.
- Increases current retirement plan loan limits.
- Retirement plans can be amended immediately (*UUA Retirement Plan Committee meeting in April to discuss.*)
- Waives required minimum distribution rules for accountholders age 70½ or older for 2020



CARES Highlights (continued)

For details, see
UUA CARES Fact Sheet

https://www.uua.org/sites/live-new.uua.org/files/ocsf_cares_fact_sheet.pdf

Education Assistance

Allows employers to provide a student loan repayment benefit tax-free

- Employer may contribute up to \$5,250 annually per employee – excluded from employee's income
- In effect through 2020
- Principal and interest payments are deferred on federal student loans through September 30, 2020. No interest will accrue.

Individual Taxpayer Rebate

Taxpayer rebates to U.S. residents who are not dependents of another and have work-eligible SSN

- \$1,200 rebate for AGI under \$75,000 (\$12,500 for head of household, \$150,000 for married filing jointly)
- \$500 additional per child under 17 years old
- Rebate reduced by \$5 for each \$100 exceeding above thresholds
- Phased out completely at \$99,000 (146,500 for head of household, \$198,000 for joint filers with no children)



UUA Recommendations

Refer to
UUA Finances/Staffing Memo

https://www.uua.org/sites/live-new.uua.org/files/covid-19_staffing_and_finances_memo.pdf

Finances and Stewardship Considerations

- Key time to thank donors for support
- Encourage keeping regular canvass and budget timing
- Crafting 2 versions of budget: 1) “normal” by September and 2) “normal” by January
- Keep in mind potential savings from lighter operations
- Prudent use of unrestricted reserve or endowment funds
 - The pandemic qualifies as an emergency.
 - Downside of withdrawing when valuation is low.
 - UU Common Endowment page: <https://uucef.org/>



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Staffing Considerations

1) Immediate issues

- Be flexible, understanding, and generous
- Acknowledge different work and new skills: short-term position description adjustments
- Backup plans: cross-train, protect against single points of failure
- Review personnel policies for sick and medical leave; Families First provisions

2) Short-term staffing: pay staff through June

- Shows care for employees
- Avoids disruptions that will slow your return to full functioning
- Federal initiatives to help
- For staff with irregular hours, use average hours over the past two months or more



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Staffing Considerations

3) Staffing Beyond June

- We will learn more in the weeks ahead – course of virus, pledge impact, etc.
- Be transparent with staff and involve them in conversation that impact their work and pay
- Possibilities:
 - Continue staffing at pre-virus levels
 - Reduction in staffing
 - i. Temporary salary/hours/responsibilities reduction
 - ii. Furloughs (temporary layoff)
 - iii. Layoffs/terminations – follow personnel policies
 - Reductions in hours may have implications for benefits
 - i. UUA insurance plans: must be scheduled to work 750 hours/year
 - ii. UUA Retirement Plan: “Once in, always in.” An employee eligible for employer contributions will still be eligible, even if hours drop.



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Staffing Considerations

4) Employee Benefits

- A. Health Insurance - very important right now!
 - UUA Plan or another employer plan
 - Can reimburse incremental cost of another *group* plan (e.g., spouse), but not an individual plan.
 - If furloughed, laid off, or terminated, try to make effective date last day of month.
 - Employees eligible for COBRA (18 months or more). COBRA also applies to Dental.
 - Offer to pay first 3 months or more of COBRA if laying off.
- B. Life and Long-Term Disability
 - Employee may retain coverage for up to 60 days if congregation pays premium. (Interim and transitioning staff may be eligible for up to 6 months in between positions.)
- c. UUA Retirement Plan
 - Elective deferrals must be submitted swiftly. Employer contributions by end of fiscal year.
 - Employers must remit contributions. Cannot re-designate as salary. Employees cannot opt out.
 - Changing Employer Contribution Amount must be done ahead of the calendar year. Must submit a new participation agreement to the UUA Retirement Plan Committee



UUA Recommendations

UUA Covid-19 Fund

UUA is soliciting funds to the COVID-19 that will provide support to:

- **UUA Disaster Relief** provides assistance to UU Congregations and community partners in their community who are assisting people who are at significant risk to health and livelihood because of COVID-19.
- **UUA Living Tradition Fund** assists ministers, surviving family members, other religious professionals and congregational staff, who are in need due to extraordinary expenses.



UUA Resources

Congregations as Employers During the COVID-19 Pandemic

<https://www.uua.org/leadership/library/employer-pandemic>

Federal Policies and Actions Related to COVID-19

<https://www.uua.org/leadership/library/federal-policies-pandemic>

COVID-19 Staffing and Finances Memo from the Office of Church Staff Finances

https://www.uua.org/sites/live-new.uua.org/files/covid-19_staffing_and_finances_memo.pdf



Thank You!

Contact Us

Jan Gartner, JGartner@uua.org

- First contact for staff-related concerns: salaries and benefits, supervision and teams, etc.
- May direct you to other Office of Church Staff Finances team members (or regional staff)

Richard Nugent, Rnugent@uua.org

- Aid funds
- Best contact for details of Families First and CARES



Questions

