

A blue-tinted photograph of five people (three women and two men) smiling and looking towards the camera. The image is overlaid with white text. The background of the photo shows some foliage.

Living Our Vision: The Congregation as a Responsible Employer

UUA General Assembly 2010

Presented by the UUA Human Resources Department
and the Office of Church Staff Finances

The Congregation as a Responsible Employer – Today's Agenda

- What does it mean to be a responsible employer?
- Getting started – the do's and don'ts of recruiting, the importance of job descriptions, separating contractors from employees
- Critical recordkeeping - hiring letter, I-9, W-4, benefit election (or rejection)
- Managing employee relationships - performance evaluations, terminations

The Congregation as a Responsible Employer – Today's Agenda

- UUA Fair Compensation Guidelines – why we offer them and what they mean
- UUA benefit plans – how we balance UU principles and the business of insurance. What changes are on the horizon?
- Translating Fair Compensation principles into action in a small congregation
- Perspective of a District President

The Congregation as a Responsible Employer – Today's Presenters

Richard Nugent, OCSF Director

Rob Molla, UUA HR Director

Joyce Stewart, UUA Retirement Plan Director

Jim Sargent, UUA Health Plan Director

Kathy Burek, Health Plan Trustee & PSD
President

HR perspective

Rob Molla

Recruiting from Soup to Nuts

- Creating the job description
- Advertising
- Screening and selection
- Background checks
- Onboarding

Job Descriptions

- Title, department, salary range, exemption if any
- Purpose
- Essential functions and time spent (%)
- Minimum requirements, including education, experience, skills, certifications, etc.
- Reporting relationships and supervisory responsibilities
- Working conditions and physical/mental requirements

Advertising

- Church newsletters, bulletin boards, websites
- Local newspapers and websites
- Idealist.org and Craigslist
- District websites and DEs
- Links from UUA.org
- UU professional organizations (AUUA, LREDA, UUMA, etc.)
- Other UU organizations (ARE, DRUUM, etc.)

Screening and Selection

- Form an interview team
- What you can and cannot ask during the interview
 - Can you hire from your congregation?
 - Can you require a UU?
- Background checks
 - Oxford Document Management Company
 - Church Mutual Insurance Company

Employee or Contractor?

- Employee misclassification suits on the rise
- The game of 20 questions (IRS)
 - Who determines hours, workplace?
 - Who provides supplies, equipment?
 - Can the work be outsourced?
 - Can the person quit or is there legal obligation to complete project?
 - Steady pay or “upon delivery”?

Onboarding

- The hire letter (model)
- Summary of benefits
 - Insurances and cost sharing
 - Paid time off
 - Eligibility
- Benefits elections/rejections forms
- I-9 form – requirements and penalties
- W-4 and state tax forms
- Payroll and time tracking records
- Employee handbook (model)
- The personnel file

Performance Management

- Purpose = set expectations
 - To review achievements
 - To set future work-related goals
 - To discuss professional development
 - Good defense against employment claims
- Clear process
 - Frequency?
 - Who conducts?
- Model form
- Conflict – where to go for help

Performance Management

- Ministers – a special case
 - The impact of your governance model
 - Ministerial Advisory Committee or Committee on Ministry
 - Help for conflict resolution

Termination

- Voluntary
 - Notice (“at will”?)
 - Final payroll, including PTO payout
 - References
- Involuntary
 - 3-stage warning system
 - Documentation is critical
- What happens to benefits? – COBRA, ARRA, OCSF and more

Fair Compensation Perspective

Joyce Stewart

Eight principles of Fair Compensation

Compensation. Pay all staff according to UUA salary guidelines

Minister's FICA. Pay one half of the federal self-employment tax of ministers in lieu of employer's FICA

Insurance. Offer a uniform package of insurance benefits to all staff working the required hours. Include Life, Dental, Disability, and Health. Document all elections.

Eight Principles of Fair Compensation

Retirement. Make payment into a retirement plan in an amount equal to 10% of eligible salary for all eligible staff

Vacation. Provide appropriate paid vacation to all eligible employees

Professional Expenses. Provide a professional expense allowance for all religious professionals

Eight Principles of Fair Compensation

Continuing Education. Provide adequate time for continuing education for religious professionals, including sabbatical leave, which is *not* vacation

Personnel Policies. Have written Personnel policies and have a committee responsible for the administration of these Guidelines and other personnel or human resource issues

The Fair Comp **Leadership** Level

- **Health Insurance:** Cover 80% of the employee premium and 50% of the eligible dependent premium
- **Long-Term Disability Insurance:** The tax advantage of having the employee pay, and how to impute income to cover it
- **Life Insurance:** Pay the employee premium
- **Professional Expenses:** Provide for all Religious Professionals. Set at the greater of 10% or \$5,000 of salary (and housing for ministers), pro-rated for part time
- **Staff Development:** Provide sufficient funding to ensure professional development for administrative staff
- **The changes coming in 2013**

Benefits Perspective

Jim Sargent

UUA National Benefit Plans

- The scope of plans we offer to employees of congregations
- Availability and advantages
- Your responsibility as an employer – offer, document, contribute
- Change – a theme through 2014
- Living up to our UU values in our Health Plan
- Making all of this work in a small congregation

UUA National Benefit Plans

- Health Insurance through the UUA Employee Benefits Trust, self-insured, administered by Highmark Blue Cross
- Retirement Plan, currently administered by Fidelity; by late fall will be TIAA-CREF
- Life, AD&D, Long Term Disability, all fully insured through UNUM – new & improved
- Dental insured through Met Life

UUA National Benefit Plans Availability

- Life, AD&D, Dental, Long Term Disability, Health -- All employees working 750 hours or more per year
- Retirement Plan – as little as 1,000 hours / year, after a year of employment

UUA National Benefit Plans

UUA Advantages

- **Life, AD&D, Dental, Long Term Disability**
 - Managed by OCSF. Periodically bid for best pricing and benefits.
- **Retirement Plan**
 - Overseen by OCSF. We provide a personal interface for difficult retirement planning issues.
- **Health Plan**
 - Self-insured and managed by OCSF for the exclusive benefit of members.
 - 2007-2010 rate increases less than half market average
 - Benefit design under our control to match our UU values

UUA Benefit Plans in Our Congregations

Coverage	# of Employees Covered by UUA Plans	# of Congregations
Life, AD&D	852	428
Long Term Disability	1122	528
Dental	599	326
Health (excluding UUA Staff)	620	313
Retirement (active employees)	1955	570

Data Source: GIP, UUA Health Plan, an UUA Retirement Plan enrollment files

Health count includes related UU organizations

Our National Benefit Plans

Your Responsibility as an Employer

- Offer all benefits to everyone who is eligible, as soon as they are eligible
- Document each employee's file that they were offered Life, AD&D, Dental, Long Term Disability, and Health
- If an employee rejects a particular benefit, document the rejection
- Make appropriate contributions

**Warning!! – The next slide is scary
and has way too many words**

Your Responsibility as an Employer – Keeping Accurate Records

- **Personnel file:** offer letter, employment agreement, copy of driver's license, name changes, termination letter, independent contractor agreement
- **Insurance file:** Benefit election/rejection, enrollment forms, children's birth certificates, adoption/guardianship documents, beneficiary changes
- **Payroll file:** W-4, past years' W-2 copies, pre-tax elections, authorization for payroll deductions, actual hours worked or "full time", etc. tied to a written definition, insurance premium & retirement plan contributions
- **Separate I-9 file**

Keeping Accurate Records – Who Really Cares?

- IRS
- Department of Labor
- Health Plan Auditors
- Office of Church Staff Finances
 - Legality
 - Benefit plan integrity and equity
 - Protection of all the plans' tax-exempt status
 - Protection for congregations from IRS and DOL inquiries
- Coming in the fall of 2010 – a comprehensive, confidential census of congregational employment

Our National Benefit Plans

Coming Changes

- **Retirement Plan**
 - Currently administered by Fidelity
 - TIAA-CREF transition is underway
- **Health Plan**
 - Benefits and rates evaluated every year for January 1.
 - More focus on wellness
- **National health insurance initiatives (a sample)**
 - Coverage for adult children (2010)
 - Possible employer credits for health plan contributions (2010)
 - New restrictions on plans – no pre-ex on children; no rescissions; no lifetime limits; primary provider choice; independent appeals process – plan years after Sept 23, 2010
 - W-2 disclosure of health plan cost – Jan 1, 2011

Our National Benefit Plans

Coming Changes

- **Dental Plan**
 - Currently insured through MetLife
 - Other carriers and financing arrangements under review
- **Long Term Care Insurance**
 - Under review as a possible addition
 - Growing in popularity
 - Fair amount of market turmoil

Perspective of a Health Plan Trustee & District President

Kathy Burek

The UUA Health Plan

The Employee Benefits Trust Vision

In conducting its work, EBT Board will be guided by the following values and criteria, in order of priority:

- Justice, Fairness and Equity
- Fiscal Responsibility
- Integrity
- Legality

The UUA Health Plan

Measuring Success

- Grow membership
- Increase participating congregations
- Reach goal of 100% of eligible staff with health insurance
- Improve member satisfaction
- Create adequate financial reserves
- Maintain competitive pricing
- Improve member health

The Congregation as Employer

Putting the Pieces Together
in a small congregation

MSUS, Fridley, MN

- Background
- Pledged fair compensation for employees in 1998
- Role of compensation in ministerial search experience
- Investing in our growth

Impact of the Recession in PSD

- **Pledge drives in 2009 fell short of goals in many congregations**
- **Congregations are concerned with being fair employers and balancing their budgets**
- **Some congregations did not give staff raises**
- **Some congregations reduced staff positions and benefits; health care is a major cost/concern**

Impact of the Recession in PSD

- **Congregations trimmed membership rolls and reduced “Fair Share” to District and UUA**
- **District is delaying staff raises due to our budget shortfall (after cutting everywhere else we could)**
- **Congregations are looking to UUA for guidance**

The Congregations as a Responsible Employer

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