

WORKING WHILE PENSIONED (WORK AFTER RETIREMENT) PROCEDURES

In accordance with Section 3.11 of The Church Pension Fund Clergy Pension Plan (the “Plan”), retired participants who are under 72 years of age are considered to have “returned to active ministry” if:

- they are earning pay greater than the threshold percentage of median compensation, or
- they return to work with the same Church unit with whom they last worked.

If a cleric in good standing with the Episcopal Church is age 65 or older and has 25 years or more of Credited Service (as defined by the Plan), an exception to the above Working While Pensioned Rules (the “Rules”) may be requested by submitting an application made on the cleric’s behalf by the Ecclesiastical Authority of the diocese in which the work will occur. **Note that no exceptions will be granted for clergy younger than age 65 or clergy with less than 25 years of Credited Service.** Exceptions from the Rules are not required for clergy who are age 72 or older.

An exception to the Rules may be granted if requested and approved by the Church Pension Fund (the “Fund”). Exceptions, if approved, will be granted for up to one year only. Prior to the expiration of the initial exception period, a new application must be submitted to request another exception from the Rules. The total exception period may not exceed two years.

PROCEDURES FOR REQUESTING AN EXCEPTION:

1. Working While Pensioned Applications are provided by the Fund through the Client Pastoral Care department or may be downloaded from the CPG website.
2. The **Ecclesiastical Authority** of the diocese in which the work will take place must submit the Working While Pensioned Application form to the Fund through the Client Pastoral Care department **and** a letter explaining the rationale for an exception to the Rules. Please carefully review the certifications on page 3 of the application and explain each of them in your letter.
3. The application and accompanying documentation is compiled, reviewed for completeness by staff and forwarded to a committee for approval or rejection.
4. Applications should be presented three months in advance of the possible starting date to ensure all pertinent information is shared with the **Ecclesiastical Authority** and the cleric, especially medical coverage possibilities or issues.
5. The Fund’s decision regarding the application will be communicated to the Ecclesiastical Authority and the cleric as soon as administratively practicable.
6. Three months prior to the anniversary of the starting date, a letter is sent to the cleric and the **Ecclesiastical Authority** to review the status of the cleric and earnings.
7. The Ecclesiastical Authority must submit another application and letter to the Fund three months prior to the expiration of the initial exception period to request that the exception period be extended by up to one year. The total exception period may not exceed two years.

Prior to the beginning of each new calendar year, diocesan bishops, deployment officers and retired clergy will receive information on the latest compensation limits.

ATTACHMENTS:

- Working While Pensioned Application
- Eligibility for health plans for Medicare-Enrolled retirees



WORKING WHILE PENSIONED (WORK AFTER RETIREMENT) 2013 APPLICATION

General Information:

Request to be completed by the **Ecclesiastical Authority**

For the Diocese of _____

Retired Cleric: _____

Home Address: _____

Age (must be between ages 65 and 72): _____

Date of Birth: _____

Years of Credited Service (must be 25 or more) _____

Information about the Position:

Name and location of institution where proposed work will take place:

Church _____

Address _____

Status: Parish _____ Mission _____ Other _____

Position: Interim _____ Priest-in-Charge _____ Other (specify) _____

Scope of Responsibilities: Full Time _____ Part Time _____

Work expected to begin ____/____/____ Work expected to end ____/____/____

Exceptions are granted for up to a 12-month period.

Cleric remaining at same place as prior to retirement: Yes ____ No ____

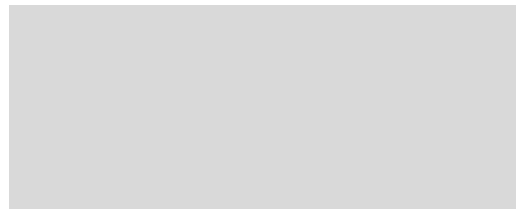
Cleric earning more than \$35,500*: Yes ____ No ____

**During the 12-month period beginning on the start date indicated on p. 1.*

Annualized Compensation at the Congregation / institution where exception is being sought:

Shaded area to be completed by the Pension Fund

Cash Salary _____
Cash Housing _____
Cash Utilities _____
Cash Social Security _____
Reimbursement _____
Total Compensation _____



Housing Provided? Yes ____ No ____

Diocesan Support

Is the institution fulfilling its financial obligations to the Diocese? Yes __ No __ NA __
(If not, explain whether in your view the institution is capable of sustaining itself financially on a long-term basis if it were to employ in this position, a cleric on whose behalf pension assessments were paid in full.)

Statement of Rules and Procedures for Working While Pensioned

I understand that any exception can be granted for no longer than one year and that no more than two exceptions may be granted.

I recognize that if an exception is requested, it must be submitted at least three months in advance. The **Ecclesiastical Authority** of the diocese in which the work will take place must submit this application to the Fund through the Client Pastoral Care department along with a **letter explaining the rationale for an exception to the Rules**.

The letter or certification from the Ecclesiastical Authority represents that:

- The Ecclesiastical Authority has concluded that there is an extraordinary pastoral or institutional need for the cleric to serve in the requested position, or for the cleric to serve in the same location as just prior to receipt of his or her pension benefit, and explains the reasons for this conclusion;
- If the cleric will serve in the same location as just prior to receipt of his or her pension benefit, that the cleric will serve in a completely different position, with very limited scope and remuneration;
- Full consideration has been given, and all reasonable efforts were made, to fill the position with a non-retired cleric, but the applicant has been determined to be the most qualified candidate;
- All reasonable efforts will continue to be made to find a non-retired cleric to serve in the requested position when the exception expires in one year (or earlier); and
- The Ecclesiastical Authority has authority to remove the cleric from the position at any time, and the congregation understands this authority.

I understand that if another exception is requested, the application must be submitted three months in advance of the end of the original exception period.

I understand that if a cleric has not been granted an exception, and is in violation of any of the above rules, the Church Pension Fund will consider that the cleric has returned to active service. His or her pension benefit payments will cease, and the congregation or institution will be assessed 18% of the cleric's compensation.

Date of Application _____ (must be at least three months prior to inception of exception)

Signature of **Ecclesiastical Authority** _____

Note to Ecclesiastical Authority: The Medicare Secondary Payer law requires employers' active health plans to be the primary payer of health care claims for individuals who are actively working. Employers must offer to their age 65+ employees and spouses the same coverage that is offered to employees and spouses under age 65, regardless of their Medicare eligibility. Therefore, any "retired" employee who is fulfilling a position which would offer health care benefits to a non-retired employee must be covered under the employer's active health care plan, and Medicare becomes the secondary insurer. See attached document from the Medical Trust.

Please note that this document is provided to you for informational purposes only and should not be viewed as investment, tax or other advice. In the event of a conflict between the information contained in this document and the official plan document, the plan document will govern. The Church Pension Fund and its affiliates retain the right to amend, terminate, or modify the terms of any benefit plans described in this document at any time, without notice and for any reason.

ELIGIBILITY FOR HEALTH PLANS FOR MEDICARE- ENROLLED RETIREES

MEDICARE SECONDARY PAYER (MSP) LAW

The Medical Trust follows the government's Medicare Secondary Payer (MSP) law which outlines when Medicare is not responsible for paying first for health claims. The government designed Medicare to provide health coverage for retired individuals, not active individuals. Medicare requires employers' active plans to be the primary payer of health claims for individuals who are actively working. If an active age 65+ employee is eligible for employer subsidized health benefits, as defined by the employer's policy, then Medicare will not be the primary payer for health claims.

Each employer (parish, diocese, etc.) must determine its own policy outlining which employees are eligible for employer-subsidized health benefits. The Medical Trust cannot determine this policy. The policy should comply with the Age Discrimination in Employment Act (ADEA), which requires employers to offer their age 65+ employees and spouses the same coverage that is offered to employees and spouses under age 65, regardless of their Medicare eligibility. In addition, this equal benefit rule applies to coverage offered to full-time and part-time employees. Those active employees over age 65 who are qualified for employer-subsidized health benefits and meet the Medical Trust's basic eligibility rules described in the medical trust plan must be offered an active plan.

Medicare beneficiaries are free to reject employer plan coverage and retain Medicare as their primary coverage. However, when Medicare is the primary payer, employers cannot offer such employees or their spouses' secondary coverage for items and services covered by Medicare. Medicare states that an employer cannot sponsor or contribute to individual Medigap or Medicare supplement plans for Medicare beneficiaries who are actively employed. Therefore, the Medical Trust does not offer Medicare supplement plans or Medicare HMOs to active employees and their spouses over age 65. An active employee can keep Medicare coverage but it will only pay benefits on a secondary basis. This is the government's way of ensuring that Medicare funds are spent on health claims only for those individuals who have retired.

For more information, please review the Medicare Secondary Payer (MSP) Manual at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Internet-Only-Manuals-IOMs-Items/CMS019017.html>