

Department of Clergy Insurance and Retirement
Very Rev. Fr. Michael Elias, Chair

Meeting of the Department Heads
Antiochian Orthodox Christian Archdiocese
Antiochian Village Heritage and Learning Center
Bolivar, PA
April 4-6, 2017

Your Eminence,

Master, bless!

Thank you for the opportunity to present a summary of the work of the Department of Clergy Insurance and Retirement.

I. BACKGROUND

A. MISSION and SCOPE OF WORK:

The Department of Clergy Insurance and Retirement has responsibility for five areas relating to the compensation and benefits of the clergy and certain lay employees of the Antiochian Archdiocese:

- 1) Guidelines for Stipends and Allowances
- 2) Participation in Group Health and Life Insurance Programs
- 3) Maintenance of the Retired Clergy Housing Allowance Fund
- 4) Management of the Mandatory Defined Contribution Retirement Plan – 401(k)
- 5) Provision of a Confidential Assistance Program (CAP)

The Department summarizes these programs in a Clergy Compensation Manual which it typically revises following each Archdiocese Convention. (Due to significant changes in the areas of retirement planning and health insurance, a new edition of this manual appeared in the Fall of 2016.)

B. 2016 GOALS AND ACCOMPLISHMENTS

The Department holds at least two formal meetings each calendar year, one in the Spring and one in the Fall, most recently on March 28, 2017. Each meeting reviews the policies and performances of all the funds and programs under its jurisdiction.

In the year past there was extensive attention paid to the “old” retirement program and the new 401(k) plan. Most significantly in this regard, the Department reviewed investment policy in consultation with our fund advisor, Merrill Lynch, in light of the volatility in the equity and bond markets.

At its most recent meeting the focus was on the continuously changing landscape of the health care and insurance policy. Our agent brought to our attention recent political debate concerning the Affordable Care Act (“Obamacare”) which could directly affect our clergy and parishes.

In general, I believe it is safe to say that the Department met its goals in 2016; however, we should note that the Department is completely reliant upon personnel who are either volunteers or who have other full-time employment within the Archdiocese. We have clearly outgrown the time when a part-time committee can remain abreast of the changes and developments in all the areas for which the Department has responsibility, nor can the Department always respond to the questions and requests it receives in a timely fashion. The need for an archdiocesan human resources professional is clear.

C. HIERARCHICAL OVERSEER

His Grace Bishop Nicholas serves as the Hierarchical Overseer for the Department of Clergy Insurance and Retirement. He has digested the mission, scope, and work of the Department. The Department schedules its meetings in conjunction with His Grace’s calendar, and, as necessary, addresses issues and concerns that arise between meetings through email or direct phone calls. Our only concern would be the tremendous work load under which His Grace operates.

II. CURRENT

A. TARGET AUDIENCE AND SERVICE RECIPIENTS

The Department of Clergy Insurance and Retirement serves all of the full-time hierarchs, pastors, and assistant pastors of the archdiocese as well as certain lay ministers and administrators. The work of the Department is literally vital to all of the clergy of the archdiocese and its parishes.

B. COMMUNICATIONS

The primary means of communications with our target audience is through the publication of a Clergy Compensation Manual which the Department typically updates following each Archdiocese Convention. This year for the first time the Department distributed the manual to the clergy and parishes by email. Hard copies, however, are available upon request.

Additionally, the Department has historically presented an update for the clergy on Wednesday evening of the Clergy Symposium. From time to time investment and health care insurance consultants have also been available for individual meetings. As with all departments and organizations of the archdiocese, the Department also makes a summary report at the Archdiocese Convention. There are also occasional *ad hoc* bulletins sent out through the archdiocesan office in the form of emails with attached memoranda.

Communication is probably one of the weak links in the Department’s work. The Department has often discussed the need for a periodic newsletter to the clergy and parishes; however, the lack of personnel has prevented definitive action.

C. PERSONNEL

The Department of Clergy Insurance and Personnel consists of:

Rt. Rev. Bishop Nicholas, Episcopal Overseer
V. Rev. Fr. Thomas P. Zain, Vicar General
Rev. Fr. Paul Matar, Hierarchical Assistant
Mr. Salim Abboud, Treasurer of the Archdiocese
Mrs. Marlene Ayoub, Office Assistant
Mr. Sameh Khouzam, Controller
Mr. Gregory Laham, Archdiocese Board of Trustees
Ms. Mary Winstanley-O'Connor, Order of St. Ignatius of Antioch
Dr. Elias Hebeka, Archdiocese Investment Committee

Significantly, this year the Department welcomes the addition of Dr. Elias Hebeka to our membership. Dr. Hebeka will help to coordinate the work of the Department with the Investment Committee of the Antiochian Archdiocese.

D. GOALS FOR 2017/2018

For 2017/2018 the Department will investigate increasing the death benefit of our life insurance policy from \$110,000 to \$150,000 for participants under the age of 70, and from \$60,000 to \$75,000 for participants age 70 and above. In connection with this proposed increase, the Department will also investigate increasing payments for long-term disability from \$1,500/month to \$2,000/month. Our insurance agent is already in negotiations with our provider.

The Department has established a policy of performing an actuarial study of the Retired Clergy Housing Allowance Fund on a periodic basis.

The Department must also consider the status of the Confidential Assistance Program (CAP) including consideration for Canadian clergy. Through our participation in the OHP we may be able to access the network of providers available through Aetna, the OHP insurer. The Department is currently investigating whether or not our clergy in Canada can access the network.

E. GOALS FOR THE NEXT FIVE YEARS

The Department will continue to monitor the receipt of revenues from the escrow fund established by the Archdiocese Board of Trustees for the support of the Retired Clergy Housing Allowance Fund from the "estate" of Metropolitan PHILIP of thrice-blessed memory and eternal repose. Our accountant and financial advisor estimates that the Fund will receive the balance of the \$1 million commitment some time in 2018 at which time the escrow account will revert to the archdiocese.

In an ideal world the Department would anticipate requesting additional funds from the archdiocesan operating budget and the Order of St. Ignatius of Antioch in support of both the Retired Clergy Housing Allowance Fund and the new Defined Contribution Program, the 401(k). In cooperation with the Metropolitan, Vice Chairman, Treasurer, Controller, and the Department of Finance, an evaluation of our relationships with accountants and fund advisors should occur periodically.

F. DEPARTMENT BUDGET

While the Department of Clergy Insurance and Retirement has no operating budget, it is involved with the distribution of funds provided from the Operating Budget of the Archdiocese and from the Order of St. Ignatius of Antioch. Each year the Operating Budget of the Archdiocese provides **\$50,000**, and the Order of St. Ignatius of Antioch provides **\$270,000**.

These funds are currently deployed as “matching funds” for the new 401(k) plan with the balance continuing to flow into the old Retired Clergy Housing Allowance Fund.

As budgets permit, increases in these sources of revenue will be needed to accommodate the increasing number of clergy and the goal of greater contributions.

G. ISSUES FOR THE METROPOLITAN’S ATTENTION

Although the Metropolitan has chosen not to “guarantee” the benefits accrued through December 31, 2012, from the Retired Clergy Housing Allowance Fund, His Eminence should be aware that the Department continues to receive requests from the clergy for a definitive recognition of expected allowances for retirement planning purposes.

There may be a need for a change of leadership and composition of the Department. In terms of leadership the archdiocese boasts a number of clergy who have extensive professional experience in the business world and in insurance. It may also be valuable to reflect on whether or not it is important that a priest chair the department.

In terms of the composition of the personnel, it may be beneficial to include representation from all of the dioceses, especially from Canada, in the composition of the Department, as well as more members of the Archdiocese Board of Trustees. While an expanded department may be more unwieldy, additional perspectives could be important, and distances can now be overcome by the use of contemporary technologies.

As previously stated, it is time for the investigation of the addition of a Human Resources professional to the archdiocesan staff in order to: keep abreast of developments in these areas, respond to questions and requests in a timely fashion; and administer the programs of the department day-to-day.