

LSRP Newsletter

FALL
2011



LAITY IN SUPPORT OF
RETIRED PRIESTS, INC.

Welcome to the newest edition of our newsletter. The LSRP board has been hard at work researching other denominations with retirement planning and transition programs that might be suitable to mirror certain aspects.

We have identified a Transition Plan that addresses most of your concerns. The Transition Plan is detailed further in this newsletter, and touches upon timing and compensation, including salary, stole fees, Self Employed Contributions Act (SECA) Tax offset, housing policies, meals, alternative residences, in-kind support, total taxable income, tax status, accountable plans, professional expenses, sabbatical leaves, benefit plans, health plans, long term care and retirement plans.

As mentioned earlier this year, LSRP received a grant from the Retirement Research Foundation (RRF) of Chicago. Through the use of the grant, we are delighted to announce that the Diocese of Pittsburgh has graciously extended their diocese as a "Beta Test" for the priests' retirement program so other dioceses can learn from the outcome and their example. Mercer Consulting was chosen to orchestrate the research and analysis.

The program was kicked off in September through a conference call with Aux. Bishop William J. Waltersheid, key staff of the Pittsburgh diocese, Robert Nordin of Mercer and Tom Hoban representing LSRP. In addition, Bishop Waltersheid kindly distributed a letter to all Diocese of Pittsburgh's priests requesting their participation in a survey developed by LSRP and Mercer.

The Diocese of Pittsburgh will enable Mercer to analyze pensions, benefits, housing and medical issues and more, and also to have Mercer review their plans and make recommendations. We are so grateful to the Diocese of Pittsburgh for their support!

All of these actions allow LSRP to better understand the needs of retired and soon-to-be-retired priests. This helps our goal of "creating a brighter future for those who served."

As always, we welcome any input and look forward to hearing from you.

Thomas W. Hoban
President/CEO

J. Gary Ray
Chairman

BEST PRACTICES

LSRP has worked diligently in researching, analyzing and comparing Priest's Retirement Plans at dioceses throughout the country. Some need to be improved and some are shining examples of programs that consider options for the soon-to-be-retired priests.

The Diocese of Honolulu is one of those dioceses that has a wonderful program in place. We have decided to give you a glimpse of the programs that the diocese offers. Our hats go off to you and thanks for allowing us to share with all!

I. Pre-Retirement Planning

- Housing
- Medical needs
- Finances
- Benefits and retirement policies of the Diocese
- Application for Medicare Part A prior to one's 65th birthday
- Application for Medicare Part B three months prior to one's retirement
- Application for a new medical insurance plan through the Diocese two months prior to one's retirement.

II. Housing

III. Moving Expenses

IV. Medical

V. Retreats

VI. Education

VII. Funeral Plans/ Arrangements

VIII. Pension: Defined Benefit Plan

Misc: Automobile



PRIEST RETIREMENT FUND 2011

Ministry of Senior Priests: Father Eugene J. McKenna

Below is an excerpt from a recent article in the Rhode Island Catholic. In it Father Eugene J. McKenna contributed his perception and beliefs about retirement.

How has your priestly ministry changed since retirement?

I find that my priestly ministry is much more focused on priestly and community activities. I am grateful to be relieved of the burdens of administration. In many ways I am able to spend all my energies on the activities for which I wanted to become a priest.

What do you enjoy most about your retirement?

I most enjoy having adequate time for prayer, study and sermon preparation. I enjoy celebrating the liturgy in different parishes. People have been most accepting and encouraging.

How do senior priests make a difference in the lives of the faithful?

I have thought for a long time that many people enjoy hearing a different voice at Mass. With so many one-priest parishes, the variety offered by a visiting priest seems much appreciated. I think we retired priests can add the spice of variety to parish celebrations.

How do you stay connected with your brother priests, share knowledge and experience, socialize?

I am very fortunate in being able to stay connected with my brother priests through our support group where we share books, experiences, challenges and good food. In the winter our weekly skiing days can be very helpful and healthful.

What were the highlights of your ministry? How would you like to be remembered?

I would like to be remembered as one who prepares well and celebrates a liturgy that helps people to pray better. Earlier responsibilities of parish organization and ministries are less available to me now. However opportunities for little acts of kindness can brighten up any day.

What changes have you witnessed since your ordination and how have they affected you? Thoughts on changes to come—Roman Missal?

The major change that I have noticed since my ordination was the growing enthusiasm of the laity in parish and diocesan life. There was great enthusiasm for spiritual growth and collaboration that seems to me to be on the wane. My work, together with so many generous lay people, I think has been the major factor in my spiritual and ministerial life. I try not to live in the past but I am discouraged by some current trends in our institutional church.

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WHEN WE CAN NO LONGER “DO”

Today, there are about 28,000 diocesan priests affiliated with Catholic parishes in the United States. Of these, fewer than 20,000 are currently in active ministry. Only about a third as many new priests are being ordained each year compared to the number needed to make up for those who are retiring, dying or otherwise leaving the ministry.

The magnitude of these changes will affect every diocese in the United States in the next few years in the following ways:

- On average, dioceses now have one retired priest for every two active priests
- Half of all priests currently in active ministry are over the age of 60
- Half of all priests still in active ministry expect to retire within the next ten years (by 2019 or earlier)

Diocesan priests in retirement face many of the same concerns as do lay people, such as financial security, declining health, loneliness, and often, loss of “community.”

Few people begin planning for retirement early enough and in this respect, diocesan priests are no exception. A recent study by LSRP found that only 37% of priests reported that their diocese directly provided or otherwise sponsored educational programs to help priests better understand and prepare for retirement. Less than half surveyed reported that they had received “good advice” about the issues they would be facing. LSRP strongly recommends that the USCCB begin a two-fold process to:

- A. Approve Minimum Uniform Standards to guide dioceses regarding structure and operation of their pension.
- B. Identify and develop a retirement Transition Plan.

A TRANSITIONAL MODEL

LSRP has identified other denominations with well thought-out, nationally structured retirement planning and transition programs for parish priests, such as the CREDO Institute, Inc., which is sponsored by the Episcopal Church.

Based on the work of the CREDO Institute, and backed by the findings of our CARA Survey, LSRP suggests that a retirement Transition Plan address all of the following considerations:

TIMING

Transition programs should not be offered only when a priest is fast-approaching retirement, but should be offered at various times throughout each priest's career, including immediately after ordination.

COMPENSATION

Clear information needs to be provided from the seminary level as to how diocesan priests, both active and retired, are compensated.

Guidelines for active priests should address the following:

Salary – The salary score may be adjusted annually, bi-annually or at longer intervals by the Bishop and his Presbyteral Council.

Stole Fees – Do priests retain all or a portion of such stipends? Are stole fees turned over to parish with the priest's salary being increased accordingly?

SECA Offset – Clear policies should exist as to whether priests will receive compensation to offset the Social Security taxes that priests pay as self-employed persons.

Housing Policy – Each diocese's policy as to where parish priests can live should be clearly outlined in writing.

Meals – Policies and/or programs as to how meals will be provided to priests should also be clearly outlined.

Alternative Residence – Arrangements for living outside of a rectory, when allowed, should be clearly outlined in writing.

Other In-Kind Support – Other types of non-cash or financial support that will be provided to parish priests, such as the use of a car and paid car insurance, should be outlined.

Total Taxable Income – The diocese should clearly discuss all of the above types of salary income and other support provided to priests that could be considered taxable, whether for Internal Revenue or Social Security purposes.

Tax Status – The diocese should clearly indicate the tax reporting method used in the diocese.

Accountable Plan – The diocese should clearly indicate whether it has established a reimbursement plan for priests for submitting professional expenses.

Professional Expenses – The diocese should specify professional expenses reimbursed by the diocese or other employing institutions.

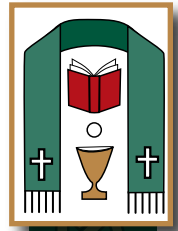
Sabbatical Leaves – The diocese should specify its criteria for parish priests who qualify for sabbatical leaves.

Benefit Plans – Benefit programs available and any cost that must be paid by the priests desiring to participate in the programs should be clearly defined.

Health Plans – The diocese should clearly communicate the types of insurance or other group plans available to the parish priests.

Long Term Care – The diocese should also communicate whether and how the long term care needs of the priests will be addressed.

Retirement Plans – The diocese should indicate, in writing, whether a pension plan has been established to meet the needs of qualified priests at the time of retirement. The length of the applicable vesting period should be displayed in the information given to each priest.



PRIEST RETIREMENT FUND 2011 continued

What is the best advice you could give a new priest just ordained and being assigned to a parish?

I would encourage new priests to work closely with lay and religious ministers in their parish and to encourage them to use all their gifts for the spread of the Gospel. It's incredible what we can learn from sincere and committed co-workers.

How would you be able to get by without the senior priests retirement fund?

I love and cherish my independent living, which I could not afford without the help of the Senior Priests Retirement Fund. I daily give thanks to the generous people who help to make my senior years dignified, happy and productive.

CONTACT US

Laity in Support of Retired Priests, Inc. (LSRP)

P.O. Box 1019

Bonita Springs, FL 34133-1019

Email: info@lsrpinc.org Web: www.LSRPinc.org

MEMBERSHIP BENEFITS

If you are a retired priest or bishop and are interested in becoming a member of LSRP, please visit our Web site for an application at www.LSRPinc.org or call (239) 498-0736.

Almost 300 of your colleagues have already joined!



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FOR THOSE WHO SERVED

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