

**The Board of Pensions of the Presbyterian Church (U.S.A)**

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[www.pensions.org](http://www.pensions.org)

**Vacancy Dues help fill need for retirees' healthcare**

Gray hair is a crown of glory; it is gained in a righteous life.

Proverbs 16:31 NRSV

**Benefits Plan**

The Benefits Plan of the Presbyterian Church (U.S.A.) reflects and expresses the values and beliefs of the church community that created it. Through the Benefits Plan, the Church provides pensions for retirees and help for those who need healthcare, suffer disability or face the death of a family member. Vacancy Dues are an important part of the Plan.

**Vacancy Dues**

When a congregation has a ministerial vacancy, the congregation continues to participate in the community by bearing part of the cost of the Medicare Supplement Program on a limited basis through Vacancy Dues. A vacancy exists when a Presbyterian congregation is without an installed pastor, co-pastor, associate pastor, or designated pastor, but plans to call a replacement.

**Dues tailored to the congregation**

The dues are tailored to each congregation's financial situation by using the salary of the most recent minister as the basis rather than a fixed dollar amount. The dues are calculated at 12% of the effective salary of the most recent installed minister who occupied the now vacant position. Union or federated churches and churches regularly served by a supply minister do not pay these dues.

**Community**

The Plan calls for all who are in the community of faith to share in the care of the servants of the church. The biblical understanding of sharing based on needs and abilities means that a congregation's dues pay for that congregation's share of the total costs of providing benefits for all Church workers in the Plan, including its own employees. Dues are not directly related to the cost of benefits of that congregation's employees; the costs of the benefits programs are apportioned on the basis of each employing organization's compensation expense. Larger organizations with more highly paid personnel contribute more to the cost of the programs than the smaller employing organizations of the Church.

**Retirees benefit**

Vacancy Dues directly benefit retired servants of the Church: ministers, missionaries, other congregation workers, and their spouses participating in Medicare Supplement coverage. These dues provide a modest subsidy that helps to reduce the cost of that coverage for them. This subsidy is a concrete expression of the community nature of the Plan. Congregations can provide the funds for our retired neighbors in need of healthcare through the Medicare Supplement.

The Medicare Supplement augments the coverage of Medicare so that retired members and spouses do not bear the full cost of expenses Medicare does not cover. Medicare does not cover the cost of outpatient prescription drugs; about 70% of the Medicare Supplement costs relate to those expenses. More than 10,000 retirees and their spouses benefit by subscribing to the Medicare Supplement coverage.

Post-Retirement Service Dues, paid when churches have the services of a retired member of the Plan, are also used to support the Medicare Supplement program.

### **Dues used for care**

Without these dues payments, individual subscription dues for the Medicare Supplement coverage would be higher. For members with traditional coverage Medicare Supplement dues are subsidized and are \$190 per member per month. The Medicare Supplement for the Affiliated Benefits Program is not subsidized and costs \$230 per member per month.

### **Increasing need**

The financial support for this coverage is becoming increasingly important because the cost of healthcare is constantly increasing. Retirees usually face more health issues than other age groups and must meet those needs from limited incomes.

### **Dues start**

Congregations pay these dues for the first twelve months of the vacancy when it is not filled immediately. These twelve months need not be consecutive. A congregation begins paying the dues the day after the last day it paid salary and dues for the installed minister member who left the position.

### **Dues stop**

These dues cease at the earlier of payment of the full twelve months of dues or when the Board receives notification that the position is

- occupied temporarily and dues are being paid. See the section on filling the position temporarily.
- abolished (see section below: When a position is abolished).
- filled by the newly installed pastor.

### **Filling the position temporarily**

The congregation does not pay dues twice on the same position. For this reason, congregations **do not pay these dues** when a position is temporarily occupied by

- a minister ordained in the Presbyterian Church (U.S.A.) and the congregation remits full benefit dues to the Benefits Plan.

- a Commissioned Lay Pastor and the congregation enrolls the CLP in the Benefits Plan; a retired minister ordained in the Presbyterian Church (U.S.A.) because the congregation pays post-retirement service dues instead. Post-retirement service dues are 12% of the total annual effective salary paid to the retiree during the post-retirement service.

- a minister of another denomination and the congregation remits dues to that minister's denominational plan. The Presbytery Executive, Moderator of the Committee on Ministry or the Stated Clerk must verify in writing that the congregation is remitting dues to the minister's denominational plan.

- a minister of another denomination enrolled in the Presbyterian Church (U.S.A.) Benefits Plan.

Congregations do pay dues when a ordained minister or a commissioned lay pastor in the Presbyterian Church (U.S.A.) occupies a position temporarily and the congregation does not remit dues to the Benefits Plan of the Presbyterian Church (U.S.A.) for that minister or Commissioned Lay Pastor.

### **Dues resume following suspension**

When a temporary pastor for whom the congregation was remitting dues leaves, dues resume only if the congregation has not satisfied the total twelve-month obligation. Vacancy Dues resume the day after the last day of service of the temporary pastor and continue until the congregation satisfies the twelve-month obligation, again fills the pulpit temporarily, or installs a new minister.

### **Vacancy resulting from military activation**

Congregations pay either Vacancy Dues or dues under the USERRA requirements, not both. Please see the [information on USERRA](#) on the Board of Pensions Web site.

**When a position is abolished**

If a congregation decides not to fill a vacant ministerial position, it should inform its presbytery. When the Board of Pensions receives written confirmation from the presbytery that the position is abolished, Vacancy Dues end on the date the position is abolished. The letter may come from the presbytery executive, stated clerk or the moderator of the Committee on Ministry and should include the date that the position was abolished. Any Vacancy Dues paid before the position is abolished are not refunded.

**Waiver**

The Board of Pensions alone determines if it should grant a waiver of these dues. The Presbytery Executive must request the waiver in writing on a congregation's behalf. The request must include all the specific circumstances prompting the presbytery to recommend a waiver be granted; some examples might be the significant loss of members or income, trauma within the life of the congregation, or damage from natural disaster.

**More information**

Please call the Board of Pensions at 800-773-7752 (800-PRESPLAN) for more information. On this Web site [Administrative Rules](#) provide additional information.