The Diocese of Louisiana
Denominational Health Plan and Lay Employee Pension Plan Policies

Revised by the Executive Board on 8 September 2012

The Denominational Health Plan (DHP)

By act of General Convention, effective no later than 1 January 2013 all domestic dioceses, congregations, missions, and other ecclesiastical organizations or bodies subject to the authority of the Church, as well as diocesan institutions that the diocese has said must participate in the denominational health plan, are required to provide eligible clergy and lay employees - those regularly scheduled to work 1,500 or more hours per year - with healthcare benefits, as delineated by the diocese, through the Medical Trust. Parity in cost-sharing shall be achieved between clergy and lay employees as soon as possible, but no later than December 31, 2015.

Therefore, the Executive Board of the Diocese sets the following policies, to be effective 1 January 2013:

1. All parishes, missions and chaplaincies and diocesan staff must participate in the canonically-mandated Denominational Health Plan (DHP). Diocesan and parochial schools, day-care facilities, continuing care retirement centers, the Solomon Episcopal Conference Center, the Jericho Road Episcopal Housing Initiative and the Episcopal Community Services of Louisiana may participate, but are not require to do so.

2. Each year (typically in the early fall) the Diocesan Executive Board will continue to make available through the bishop's office information and pricing about the various plans available through the Medical Trust (Church Pension Group) for the coming year. Plan designs will be available for both single coverage (employees only) and family coverage (employees, spouses, children and domestic partners.)

3. Each mandated institution must fund, at a minimum, 100% of the monthly cost of single employee coverage for those employees, lay or clergy, who work 1500 hours per year or more (approx. 30 hrs per week).
   - Institutions must agree to fund one or more of the plans submitted to them by the Executive Board, but are not required to fund them all.
   - Lay and ordained employees must have equal access to all plans offered by the institution.
   - It is permissible for an institution to fund more than the minimum required; but if more than the minimum is offered to be funded, that offer must be made equally to all eligible lay and ordained employees.

4. Employees of institutions choosing to fund single coverage only may purchase (at the employee's cost) additional coverage for spouses, children and domestic partners from the plan options offered through the Medical Trust and the diocese.

5. If an employee has health benefits through approved sources, such as a spouse's or partner's employment, military service benefits through Tricare, or coverage from a former employer, the employee may waive coverage ("opt out") and maintain healthcare benefits through that other source. Employers may not require nor suggest that an employee choose to waive coverage.

6. If an institution chooses to offer single coverage only, the Executive Board strongly encourages that institution to "gross up" (in the initial year) the salary package of employees currently receiving family coverage so that the employee (at the employee's cost) might purchase and continue to receive family coverage.

The Lay Employees' Pension Plan

By act of General Convention, effective 1 January 2013 all domestic dioceses, congregations, missions, and other ecclesiastical organizations or bodies subject to the authority of the Church are required by Canon Law to provide all lay employee scheduled to work a minimum of 1,000 hours or more per year with participation in a Lay Employees' Pension Plan (LEPP) that meets the terms delineated by General Convention Resolution and Canon Law. Employers have the option, but not the requirement, of providing lay employees scheduled to work fewer than 1,000 hours per year with such participation. This canonical change is consistent with the current policy of the Diocese of Louisiana regarding its churches. Other aspects/policies of the LEPP include:

1. This Church Pension Fund (CPF) administered system will provide benefits that, initially, will include defined plan(s) and defined contribution plan(s).
   - Under the CPF defined benefit plan the employer assessment or contribution must be no less than an amount equal to 9% of the employee's compensation.
   - Under the CPF defined contribution plan the employer must contribute not less than an amount equal to 5% of the employee's compensation as well as match employee contributions dollar for dollar up to another 4% of compensation. The employer has the option of making a larger employer contribution than required.

2. Many employers already provide lay pensions through CPF. For them, no action is required aside from making sure all eligible lay employees are included and that they are meeting the employer contribution requirements and eligibility rules.

3. If a Church employer does not have a lay pension plan but does have eligible lay employees, that employer must offer one of the CPF plans.

4. If a Church employer has a non-CPF lay pension plan:
   - If a defined benefit plan, the employer will need to certify annually that the plan meets minimum requirements, as determined by CPF.
   - If a defined contribution plan, the employer is expected to begin participation in CPF's lay defined contribution plan no later than January 1, 2013.[1]

5. In the case of defined contribution plans of domestic schools subject to the authority of the Church, serving children of any age, all employees scheduled to work at least 1000 hours a year must be a part of either the Lay Employee Pension Plan of the Church Pension Fund or a TIAA-CREF plan.

   The minimum contribution that such schools must make to a defined contribution pension plan for each qualified employee is identified by the following table:

Effective Date	Contribution	Match
January 1, 2013	0%	0%
January 1, 2014	1%	0%

[1] *If the non-CPF defined contribution plan is a 403{b) plan, there are important reasons having to do with IRS regulations that the employer should not terminate that plan but freeze it instead. Terminating a 403{b) plan would prevent the employer from participating in another 403(b) plan for 12 months. Employers are invited to call Pattie Christensen at (800) 223-6602 x8333 for more information.*

Effective Date	Contribution	Match
January 1, 2015	2%	1%
January 1, 2016	3%	2%
January 1, 2017	4%	3%
January 1, 2018	5%	4%

If a school's contributions to employee pensions are already above the minimum required contribution or match percentage for any year, the school shall not lower the contribution or match in the defined contribution pension program.

6. If a school currently provides a defined contribution plan for lay employees through TIAA-CREF that plan may be retained, provided that the plan meets the contribution requirements of the CPF defined contribution plan. *Unlike the DHP, there is not an exemption from participation available to schools under the LEPP Canon.*

7. If a Church employer does not have a lay pension plan and does not have eligible employees, nothing needs to be done until such time as that employer has a lay employee who is scheduled to work 1,000 hours or more per year.