



Budgeting For Employee Compensation For FY 2007/2008

Well folks, it's that time of year again when we all have to start thinking about budget preparation for fiscal year 2007/2008. So we thought it might be helpful to our parishes/schools by providing with this issue of HR Connect, preliminary budget information with respect to Employee Salaries and Benefits.

I. SALARIES

A. Lay Salaries & Lay Equivalent Religious Salaries

The pastor, usually in consultation with the Parish Finance Council, determines parish salaries. The following information may be helpful to consider in determining salary increases for the upcoming fiscal year.

Annual Cost of Living for Bay Area (CPI-W) for 2006	+2.9%
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2007 Projected Pay Increases for Western Region of U.S.	All Employers	3.7%
	Dioceses	3.7%

Other considerations for pay increases may include: the parish's financial condition; the size of the salary increases given last year; changes in health insurance costs both to parish and employees; and employee work performance.



B. Religious Salaries – Stipend Model

For Those Religious Communities on Stipend Pay Model	+1.8%
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II. EMPLOYEE BENEFITS (for benefits-eligible employees)



Health Insurance Rates (covering medical; RX; vision; dental & life):

Although final rates will not be available to the Archdiocese until late March/early April we have been informed by RETA that **we can expect to face, on average, a 15% overall increase (plus or minus 2%) beginning July, 2007.** The RETA Board is working hard to provide the Trustees (dioceses; religious organizations, etc., who form RETA) with additional plan selections that could scale back benefits and costs.

Later this month, Monsignor Harry Schlitt, Vicar for Administration, will be consulting again with the Archdiocesan Health Insurance Advisory Group (consisting of pastors, principals and Chancery officials) to discuss the large projected rate increase and to consider and weigh health plan options and rates that are fair and equitable, both from the employer's standpoint as well as the employee's, given another double-digit increase in premiums.

Lay Pension Plan	8.4% of salary	-no change
Flexible Spending Accounts	\$6 per month/per participating employee	-no change
FICA (Social Security/Medicaid) Tax (employer portion)	7.65% of salary	-no change
Long Term Disability (LTD)	0.33% of covered payroll (up to \$6K wages per month)	-no change expected
State Disability Insurance (SDI)	0.6% of wage base to \$83,389. Max. per employee is \$500.33	-new tax rate for 2007
State Unemployment Insurance (SUI)	1.0% to \$7,000. Max. \$70 per employee per year	-no change
Workers' Compensation Insurance	New rates not yet available. Will be provided by the Finance Office.	

