

ARCHDIOCESE OF MIAMI

Bookkeeper / HR / Payroll Training on ADOM New Retirement Program

effective January 1, 2013



What we'll cover today

- Welcome and Introductions
- ADOM's Retirement Program Overview
- How this change affects your regular bookkeeping and benefits processing beginning January 1
- Details on the 403(b) auto-enrollment and what you need to do between now and January 1
- To-do list

Introductions

- Your name
- Your role (HR / Payroll or both)
- Your entity (current 403(b)?)
- ADOM Representatives: Human Resources, including Benefits (Health Plan team), Finance / Payroll
- United Capital: Krystle Gans Kaufman, Carolina Uribe

Retirement: 1 Event in the Life of the Employee; Several ADOM Benefits

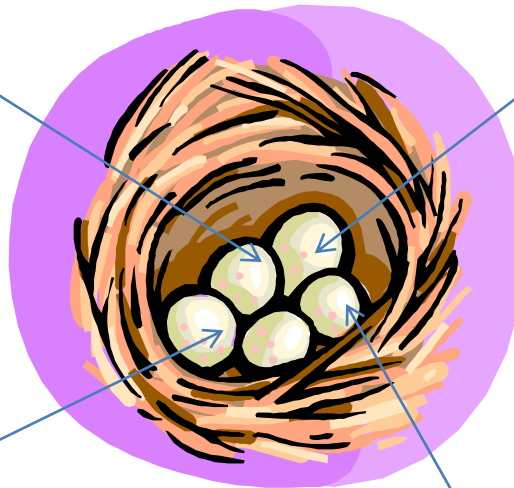
Available for employees and non-Order priests upon Retirement, if eligible:

Pension Plan

- Earned benefit based on pay and years of service (as of 12/31/2012 for lay people).
- *(Gabriel, Roeder & Smith)*

Cash Balance Plan

- **New** benefit builds over time through pay and interest credits
- *(Gabriel, Roeder & Smith)*



403(b) Plan

- **Enhanced** benefit builds through employee contributions, ADOM matching contributions and investment returns.
- Current balance carries over
- *(Mass Mutual / United Capital)*

• ADOM Health Plan Benefit!

Processing of Retirement Contributions: Employer; Employer + Employee Parts

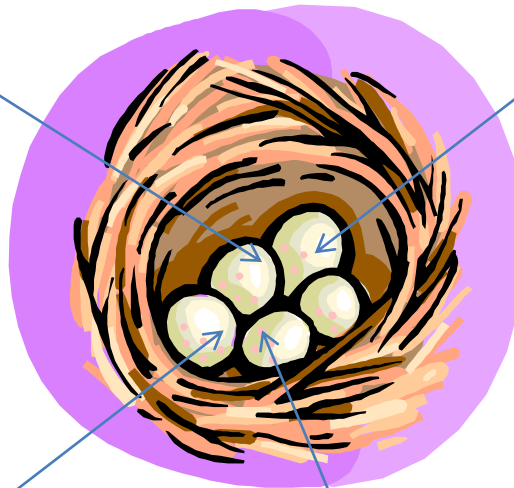
Available for employees upon Retirement, if eligible:

Pension Plan

- Priests*: Monthly payment of invoices to Gabriel, Roeder & Smith
- Lay: No Bookkeeper Processing after 12/31/2012.

Cash Balance Plan

- Lay: Monthly payment of invoices to Gabriel, Roeder & Smith

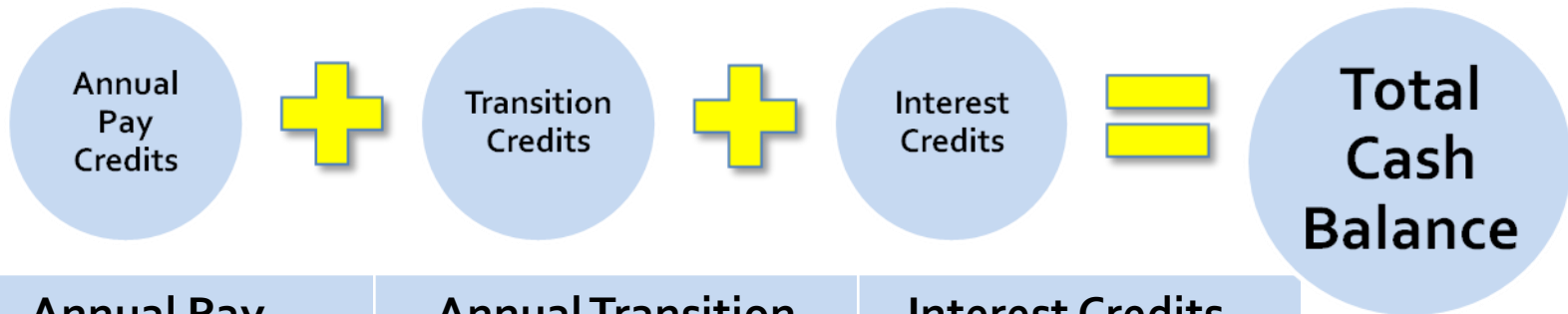


403(b) Plan

- **Every Payroll:**
 1. Employee deferral = X%
 2. ADOM match = $.50 * X\%$ (up to X=6)
- Payment to Mass Mutual
- Spreadsheet of breakdown of payments to 403b@adomhealthplan.org

• ADOM Health Plan Benefit!

Cash Balance Plan: Monthly Invoice from GRS



Annual Pay Credits*

Each year, you will receive a pay credit, based on your total years of ADOM service:

- 2.0% of pay for 1-10 years,
- 2.5% of pay for 11-20 years, and
- 3.0% of pay for 21+ years.

Annual Transition Credits*

If you are at least age 45 with 15 years of service at the time of transition (1/1/2013), you will receive a transition credit for each year of service equal to:

- 2.5% with 15-20 years of service, or
- 3.0% with 21+ years of service.

Interest Credits

Your plan balance will earn interest. The interest rate is based on the yield on 7-year US Treasury bonds. Interest is paid annually based on the accumulated balance before the new Pay Credit or Transition

Total Cash Balance

*Assumes you meet the minimum service hour requirement for the Plan year (July 1 – June 30).

Bookkeeper provides GRS:

1. Date of Hire (upon hire)
2. Annual Hours (at annual census)

Retirement benefits by employee classification

Classifications	Plan	Description
Laity	-Cash Balance	-Invoice will come monthly from Gabriel Roeder and Smith
	-403b	-If employee elects to participate, employee deduction and employer match will be issued through the payroll process
Incardinated Priests	-Pension	-Invoice will come monthly from Gabriel Roeder and Smith
	-403b	-If priest elects to participate, employee deduction and employer match will be issued through the payroll process
Extern Priests	-403b	- you will need to send a check monthly to Mass Mutual for the amount of \$291.67 (Yearly employer contribution of \$3,500)
		-If priest elects to participate, employee deduction and employer match will be issued through the payroll process
Religious Priests	-Order Plan	- you will need to send a check monthly to the priest's order for the amount of \$337.50 (Yearly employer contribution of \$4,050)
Religious Brothers and Sisters	-Hired before 1985	-Invoice will come monthly from Gabriel Roeder and Smith
	-Hired after 1985	- you will need to send a check monthly to the religious order for the amount of \$337.50 (Yearly employer contribution of \$4,050)

How to calculate employer match?

NOTE: SAMPLE ONLY

	Salary	Other allowances and exp Reimb.	Sample % Withholding	Withholding amount	% Employer match (NEVER more than 3%)	Employer match	Monthly payment to Mass Mutual (12 months)
Pastor	26,400.00	2,400.00	3%	792.00	1.5%	396.00	99.00
Parochial Vicar	25,900.00	6,000.00	6%	1,548.00	3.0%	774.00	193.50
Pastor	26,400.00	2,400.00	8%	2,112.00	3.0%	792.00	242.00

How to calculate employer match?

NOTE: SAMPLE ONLY

	Salary	Other allowances and exp Reimb.	Sample % Withholding	Withholding amount	% Employer match (NEVER more than 3%)	Employer match	Bi-weekly payment to Mass Mutual 26 paychecks
Hourly employee	30,000.00	2,400.00	3%	900.00	1.5%	450.00	51.92
Salaried employee	50,000.00	6,000.00	6%	3,000.00	3.0%	1,500.00	173.08
Salaried employee	25,000.00	2,400.00	8%	2,000.00	3.0%	750.00	105.77

How to calculate employer match?

NOTE: SAMPLE ONLY

	Salary	Other allowances and exp Reimb.	Sample % Withholding	Withholding amount	% Employer match (NEVER more than 3%)	Employer match	Semi-monthly payment to Mass Mutual 24 paychecks
Hourly employee	30,000.00	2,400.00	3%	900.00	1.5%	450.00	56.25
Salaried employee	50,000.00	6,000.00	6%	3,000.00	3.0%	1,500.00	187.50
Salaried employee	25,000.00	2,400.00	8%	2,000.00	3.0%	750.00	114.58

Payments to be done:

- Write monthly check to Gabriel Roeder and Smith for:
 - Laity Cash balance contribution
 - Incardinated Priests pension contribution
 - Religious Brothers and Sisters hired before 1985 pension contribution.
- Write check to 403b for:
 - Laity withholding and employer match on each payroll
 - Incardinated Priests withholding and employer match
 - Extern Priests withholding and employer match
 - Extern priests monthly contribution of \$291.67
- Write monthly check to Religious orders for:
 - Religious Priests \$337.50 monthly contribution to the Order
 - Religious Brothers and Sisters \$337.50 monthly contribution to the order for those hired AFTER 1985

Things to Remember for regular 403(b) processing

- Employer match = 50% of the first 6% contributed by the employee.
- All contributions have to be a whole percentage.
- The Logos expense account for the 403b employer match is: 5154-0000-100
- Any % changes on an employee contribution you have to review and recalculate the employee match in the same pay period the change is made

403(b) Plan enhancements: auto enrollment

- Effective January 1, 2013:
 - Any priests and employees who do not contribute at least 3% to the 403(b) Plan, will be automatically enrolled at a 3% contribution rate **unless they indicate otherwise in application.**
 - If they are already contributing 3% or more, their current contribution rate will remain the same.
 - They will be able to adjust their contribution rate any time after January 1.
- At this point, United Capital will share details on the 403(b) plan and what you need to do to from now until January 1 to implement auto-enrollment.

To-Do List from now until Jan. 1

- Distribute 403(b) booklets to employees for selection of amount and plan, or opt-out
- All completed enrollment forms due to 403b@adomhealthplan.org (or Pastoral Center for hard copies) one week from today. Please proofread!
- Hard copies of forms filed in personnel folders, copies to payroll for deduction calculations.
- Spreadsheets prepared with salary of every employee and respective deferral percentages. (*1st payroll to 403b@adomhealthplan.org*)
- New Hire ADOM match eligibility determined based on scheduled hours. (20+ hours/week in 12-month year)
- Password protect spreadsheets used for employee census; password = entity number. ADOM needs updates as they occur (new hires, separations)

This presentation will be posted at www.theadom.info in the



Folder: Human Resources / Training and Presentations

The Retirement Program for Lay Employees is designed to provide a competitive benefit that supports your needs for retirement and fulfills the ADOM's goal to provide a Plan that is sustainable and supportive of the Church's mission.

