

What We've Learned: UPDATED Primer About Minimal Diaconal Compensation Resolutions

Deacon Lori Mills-Curran, M.Div., J.D.

V.2

Jan. 6, 2021

Executive Director, Association for Episcopal Deacons

After the Church Pension Fund (CPF) made significant policy changes in January 2018, many deacons discovered that they were suddenly newly eligible to become active in CPF. The Diocese of Vermont's deacons came up with an innovative idea: they brought to their diocesan convention the proposal that each deacon be paid \$25 per month by their parish, plus assessments of 18% (\$4.50) to CPF. Vermont's archdeacon, Stan Baker, shared the details of their experience at some AED events, and other dioceses have now adopted similar resolutions.

A lot has been learned in this process. Here are the questions experience has answered:

1. **Are these resolutions necessary?** No. Any bishop can implement the changes requested without a resolution. Sometimes it is more effective to institute the changes as a pilot project or in a customary. These resolutions are primarily educational. Neither national canon nor CPF rules need to be changed.
2. **Is AED advocating for the adoption of these resolutions?** No. AED represents all deacons. We know deacons disagree about these resolutions and we are thus studying the question closely.
3. **What is the argument for the resolutions?** Advocates of the resolutions feel the need for additional supports in ministry that CPF provides well for assessed clerics. They believe that the lack of these supports is impeding identification of vocations to the diaconate, especially among the young, those of lower income, and people of color. They question the fairness of requiring nonstipendiary clergy to subsist in a system which funnels provision of high-quality spiritual and personal supports to only one order, and of that order, only to those whose parishes can pay. Younger deacon advocates of the resolutions note in particular that the employer- and government-provided social supports which assisted prior generations of deacons to undertake nonstipendiary ministry (such as pensions, 401(k) matching funds, job-related medical insurance, Social Security and Medicare) now appear to be significantly vulnerable.
4. **What is the argument against the resolutions?** Advocates against the resolutions cite the widespread and traditional belief that deacons gain moral credibility for their prophetic voice by serving without pay. Many view deacons' essential identity as vested with the poor and oppressed. They fear that deacons' ability to prophetically critique TEC could be impaired by fostering our financial dependence on that institution. Many are concerned with adding to the financial stress of their beloved congregations. Others fear that even minimal compensation could have the effect of changing our focus from social action to parish pastoral care, as priestly vocations continue their decline. Many are also concerned that deacon participation in CPF will make it harder for priests to be provided for in *their* retirement years.
5. **Are deacons even eligible for inclusion in CPF?** Yes, and they have been since 1970. *All* deacons (if their ordinations were properly recorded) have an *inactive* account at CPF. Paying assessments *activates* this account. Canon law requires that compensated and "employed" deacons have assessments paid on their behalf.
6. **What critical changes occurred in 2018 at CPF to spark these resolutions?**
 - a) **REVISED** Clerics had previously needed to earn a mandatory minimum of compensation to activate their CPF accounts. CPF removed this mandatory minimum requirement (for *pension* eligibility).
 - b) CPF altered its definition of "employment." It is now much broader than it was, and it has different contours than the definitions provided in state and federal employment law. For full details, see p. 6 in CPF's *Guide to Clergy Benefits*.
7. **What would minimal compensation get the older deacon?** Not much monetarily, except an invitation to *Credo* every five years, and some small cash benefits. *Credo* is the highly subsidized week-long spiritual, health and financial advice retreat CPF provides to clerics active in their system. While this may seem minimal, other deacons (particularly those of low income) view it as of tremendous value.
8. **What would minimal compensation get the younger deacon?** It depends. The longer the active participation, the larger the benefit. Primary benefits are anticipated to be:
 - a) A foothold in an excellent defined benefit retirement system in which even a minimal contribution, made faithfully over many years, will be of value, including:

b) Access to professional financial planning and investment vehicles. Many, particularly those of low income, have no access to similar assistance from an employer retirement plan; and

c). **REVISED:** After five years of active participation in CPF, access to *enrollment* in an excellent group Medicare Advantage plan. Some clerics do receive a subsidy to help pay for this coverage, depending upon their rate of compensation and length of service. The compensation amounts called for by these resolutions alone would be insufficient to qualify any cleric for such a subsidy. (See pp. 12 and 26 in CPF's *Guide to Clergy Benefits* for how these subsidies are calculated and how they differ from pension benefits.)

9. **Are there any young deacons?** Yes, and their numbers are growing. Nearly 200 young deacons and discerners (under the age of 45) subscribe to AED's Young Episcopal Facebook Group. AED's Young Deacons Committee has identified lack of access to supports such as CPF provides as their #1 vocational concern.
10. **Should young adults be allowed to be deacons?** Canon allows it today. Many assume that the diaconate is only appropriate as a retirement ministry. TEC indeed required deacons ordained between 1954 and 1970 to be over age 40, but these age limitations were eliminated. Bishops in contact with AED have highly prioritized the desirability of young people entering our order. Anecdotal evidence suggests these young deacons generally have little desire to be priests. They are primarily making a living in social advocacy and caring professions outside the church. They also know that full-time employment opportunities for priests are rapidly declining.
11. **Won't this damage CPF's ability to provide pensions for priests?** Apparently not. CPF made their changes primarily because of concern that current practices did not well-serve the many *priests* now employed part-time. However, CPF has also affirmed to AED staff that inclusion of deacons in these changes was intentional.
12. **Could such resolutions actually benefit CPF's finances?** Possibly. Young deacons (many employed in caring professions or in nonprofits) could, if allowed in appropriate circumstances, secure Letters of Extension of Ministry from their bishops for their diaconally-related work. (These Letters are frequently granted to priests who work outside the church as chaplains in school or hospitals, or in social-service ministries). This could result in new dollars flowing *into* CPF from other institutions in an era when parish assessment dollars are declining.
13. **Won't passing such a resolution increase the church's financial exposure to liability?** Unclear. However, asking this question assumes deacons are *not* already "agents" of the church under tort (negligence and malpractice) law. When a parish is sued for deacon misconduct or carelessness, it would be quite difficult to sustain as its defense that a person held out as a cleric of that parish in a recognized community role was not its agent. Prudent management of liability coverage would seem to dictate that deacons are already fully covered by parish and diocesan policies. (Any deacon should confirm their tort coverage under diocesan policies.)
14. **Won't passing such a resolution turn all deacons into church employees under state and federal law?** Unclear. "Employment" under CPF rules is not identical to the federal definition of employment; it is much broader. CPF is free to define employment as they wish for purposes of participation in the pension plan.
15. **Wouldn't it complicate taxes for deacons?** Perhaps. All clerics have what is called "dual tax status." This is actually less complicated than it sounds: it means that clerics are considered employees for federal income tax reporting purposes (and should receive a W-2) but are considered self-employed for purposes of Social Security withholding. CPF takes seriously the task of helping clerics understand these issues and provides annually revised tax guides for clerics and parishes, as well as a Clergy Tax Hotline. (See CPF Tax resources below.)
16. **Haven't deacons made a vow that they would never accept compensation?** Some have. From 1954 to 1970, deacons were required by national canon to submit an affidavit to their diocese prior to ordination that their families were provided for by independent means. This requirement was abolished in 1970. Some dioceses may have continued it. Bishops should plan for how to deal with this vow pastorally if it is of concern.
17. **What if deacons want to opt out?** Provision for this option could be made. However, deacons declining assessments (and bishops allowing it) should prayerfully consider whether their choice may have the unintended consequence of making it more difficult for a deacon of lower income to succeed them in a particular ministry placement, and create a diocesan practice that implicitly requires deacons to be well-off.
18. **How can we possibly pay \$300 year to all these deacons?** We may not be able to. Careful planning for fundraising could be necessary. Poor parishes could not field the cost. A decision also needs to be made as to

who is going to register the deacons as active and send assessment payments: parish or diocese. Some bishops are opting to collect the sums from parishes and remit assessments through the diocese, so as to subsidize economically stressed parishes in having a deacon.

- 19. Why doesn't CPF just pay for this?** Under federal pension law, CPF cannot provide benefits to any parties from whom assessment payments have not been received. In the last few years, CPF partnered with the Episcopal Church Foundation to provide some programming to seminarians – persons who, like most deacons, had yet had no assessment payments made on their behalf. This programming was paid for by a grant, and there appears to be no impediment to seeking a similar grant to benefit deacons.
- 20. Why doesn't TEC just pay for this?** It remains a possibility that TEC could make a contribution. Neither AED nor the Fund for the Diaconate (which provides financial assistance to deacons in need) receive any funding from TEC. As noted above, these resolutions have surfaced within the last year at the diocesan level, and all options have not yet been explored. There have been scattered discussion that this should be brought forward as a resolution at the next General Convention. AED would appreciate being notified and consulted concerning such efforts. Our position is: “Nothing about us without us.”

How can I get more information?

CPF's Deacon Webinar Video:

CPF's webinar for deacons, indicating some of what a minimally compensated deacon might expect after 20 years active service: <https://www.cpg.org/active-clergy/learning/conferences/resilience-webinar/#deacons>

CPF Publicity about Deacon Inclusion:

Affirming CPF's support of deacon access in appropriate circumstances:

<https://www.cpg.org/global/about-us/newsroom/newsletters/newsletter-archive/perspective-archive/clergy-pension-plans-for-deacons/>

CPF's Guide to Clergy Benefits: Basic information about Pension Fund benefits:

<https://www.cpg.org/globalassets/documents/publications/a-guide-to-clergy-benefits.pdf>

See especially p. 6 concerning the new definition of “employment.”

CPF's Tax Resources: <https://www.cpg.org/redirects/tax-resources/>

Provides links (and phone numbers) for the CPG Tax Hotline, as well as two comprehensive tax guides: one for the cleric's personal tax return and one outlining employer reporting responsibilities.

Sample Resolutions: <https://www.episcopaldeacons.org/supervision--managmt.html>

Deacons in the Pension Fund: A four-part series explaining the 2018 Changes:

Deacons in the Pension Fund #1: Old Issues, New Info

https://www.episcopaldeacons.org/uploads/2/6/7/3/26739998/dipf_1_nov18.pdf

Deacons in the Pension Fund #2: The only article about CPG you must force yourself to read.

https://www.episcopaldeacons.org/uploads/2/6/7/3/26739998/dipf_2_dec18.pdf

Deacons in the Pension Fund #3: Why it matters if more deacons are included

https://www.episcopaldeacons.org/uploads/2/6/7/3/26739998/dipf_2_dec18.pdf

Deacons in the Pension Fund #4: Why I trust CPG to help *all* deacons

https://www.episcopaldeacons.org/uploads/2/6/7/3/26739998/dipf_4_feb19.pdf