

TASK FORCE TO DEVELOP CHURCHWIDE FAMILY LEAVE POLICIES

Membership

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Acknowledgements

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Mandate

2018-Co19 Church-Wide Paid Family Leave Policy

Resolved, the House of Deputies concurring, That the 79th General Convention call upon the Presiding Bishop and President of the House of Deputies to appoint a task force consisting of three (3) bishops, three (3) presbyters or deacons, and six (6) lay persons, who represent the diversity of the Church and having among them applicable human resources policy administration, childbirth, adoption, and care of ill family member experience, either personal or professional, to research and create, in consultation with the Church Pension Group, a proposal for a church-wide paid family leave policy for consideration at the 80th General Convention.

Summary of Work

Executive Summary

Generous and equitable family leave creates both time and space for the nurture and formation of children and families and the care of a sick family member. It is, in all simplicity, a justice issue. On some level, the Episcopal Church (TEC) knows and understands the place family leave holds in the incarnational theology that is the core of our Anglican identity. It understands and affirms that family leave is a justice issue that holds moral and ethical implications for our worshipping communities. We know this because over the past 35 years, starting in 1985, General Convention has entertained six separate resolutions concerning, and advocating for, family leave. None of the resolutions, however, have been successful in establishing a mandatory paid family leave benefit for clergy and lay professionals in the church. The first priority of the Task Force to Develop a Mandatory Paid Family Leave Policy (TFPFL) was to figure out why.

The TFPFL's process was careful, intentional, and steady. We spent the first year of the triennium researching every possible aspect of family leave. After exhaustive inquiry, TFPFL came to collectively understand why, after 35 years, TEC still does not have mandatory paid family leave for clergy and lay professionals. Through our research it became clear that without: a federal law mandating paid leave for all states; options for any available insurance products; financial and administrative resources for many dioceses and most congregations to bear the weight alone and administer a family leave program by themselves – the TFPFL would not be able to fulfill entirely the mandate to come back to the 80th General Convention with a comprehensive, mandatory, paid family leave policy for TEC.

The Task Force opted instead for incremental progress, moving our church closer to achieving the ultimate goal of mandatory, paid family leave for all clergy and lay professionals in three ways:

- Providing detailed, accurate, and exhaustive research so that TEC need not form additional task forces to study this issue;
- Writing and successfully navigating a resolution through Executive Council enabling the Office of Governmental Affairs to advocate for a federal mandatory, paid family leave law; and
- Developing model plan designs for paid family leave, with three levels of 12 policy variables (such as eligibility, duration, qualifications, reasons for leave, etc.) that assume parity between clergy and laity, to serve as a resource for dioceses and congregations who elect to offer this benefit, and as a comprehensive template for insurance products in the (hopefully near) future.

The TFPFL is indebted to the Church Pension Group for supporting our work in multiple ways, including securing a trusted consultant to work alongside us in developing the family leave model plan designs. With gratitude, we honor CPG for its enduring patience and gentle guidance throughout the triennium.

Summary of Work

The TFPFL first convened in an online meeting on March 5, 2019, and over the triennium met 14 times, including a two-day meeting which was to have been in person but, due to COVID, happened online. We began our work by sharing our perspectives, experiences, passion, and opinions about the task ahead: to spend a triennium developing a mandatory, paid family leave policy for the Episcopal Church. Recounting our own stories as well as those of friends, family, and church colleagues, it became clear that our intent was to honor all families who make up our church in a very practical, tangible way by financially providing for them while they take time to care for a new family member in his/her/their first weeks and months of life, the oldest family members in their final weeks of life, and those in between.

The TFPFL recognized family leave as a multi-layered, complex, intricate issue and spent the first year of its work researching every possible aspect and nuance. First, we consulted widely with advocacy groups, municipal and commercial benefits brokers, insurance companies, religious organizations with family leave policies, including:

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- Cigna (industry Power Point: “Family Leave: What Every Employer Should Think About”)
- National Partnership for Women and Families (“Fact Sheet,” “State Paid FML Insurance Laws,” “Paid FML: An Overview”)
- The Center for Integrity in Business & The Center for Public Justice (“Family-Supportive Practices in the Sacred Sector”)
- Commission on Social Action of Reform Judaism
- The Church of Jesus Christ of Latter-Day Saints
- Anglican Church of Canada, employee handbooks of dioceses with family leave policies

Next TFPFL met in-person/virtually with consultants, advocates, and industry leaders, including:

- Vicki Shabo, Senior Fellow, Paid Lead Policy & Strategy, Better Life Lab, New America
- Rebecca Linder Blachly, Director, Office of Government Relations, The Episcopal Church
- Laura Russell, Citywide Director, New York Legal Aid Society
- The Executive Council’s Committee on Governance and Operations
- Church Pension Group (Clayton Crawley, John Servais)
- Terry Smith, First Vice President, American Benefits Consulting

The TFPFL also reached internally, into the Episcopal Church, for a fuller picture of existing family leave practices and policies, including:

- A poll of young parents within TEC to collect stories, narratives, and experiences of sufficient family leave (or lack thereof) for clergy and lay professionals;
- An informal poll of dioceses within TEC that have any form of family leave policy;
- A survey of 5 Episcopal Seminaries and their family leave policies (if applicable);
- Conversation with TEC dioceses not in the United States; and
- A comprehensive research project to map out the history of family leave resolutions at General Convention (initiatives, debate, reports, and outcomes).

Finally, an informal poll was conducted to discern forms of paid family leave offered in TEC dioceses located outside the United States, primarily dioceses in Province 9 and Cuba. This investigation revealed that each of these dioceses has a limited program specific to their own needs. In cases where some limited benefit exists, it is focused specifically on maternity/paternity leave --coverage that is mandated by the local government. Where these benefits are accessible, whether paid and/or time off for family care, it is comparable to, or better than, many states or diocesan jurisdictions within the United States. Our research uncovered two critical findings: (1) There is a wide disparity of benefits and programs within the United States and within Province 9. The benefits also contrast to those provided by the Convocation of Episcopal Churches in Europe; and (2) Coverage is essential for

all parents, as it was identified by those interviewed as necessary and demonstrative of our call to care for one another.

All reports, survey and poll results, and interview transcripts can be made available to the relevant legislative committee and/or any bishop or deputy of the 80th General Convention upon request.

At the end of our first year, we possessed a deeper, more mature appreciation of the complexity and complication of family leave policies. Mid-triennium, the TFPFL took a breath and assessed our path forward. From our research we faced what we felt were insurmountable barriers to developing a TEC mandatory, paid family leave policy, for the following reasons:

- There is no current federal law mandating paid family leave across the board; benefits are available only on a state-by-state basis; as of November 2020, only 8 states have mandatory paid family leave laws.
- There are currently no insurance products available in the marketplace for family leave, so employers must bear the full risk of the cost of these programs.
- Paid family leave programs can be extremely and prohibitively costly for an employer such as a church or a diocese.
- Paid family leave programs are administratively complex, especially for employers like TEC where no centralized payroll or Human Resources systems exist. Administrative necessities for family leave policies include: policy development and maintenance, manager training, education and plan roll-out, and record keeping.

Given these challenges, the TFPFL changed course. After consulting with our Presiding Officers, we shifted our strategic focus to bringing about incremental change, meaning helping TEC move closer toward the ultimate goal of mandatory, paid family leave for all clergy and lay professionals. The decision was not made lightly, and we dealt with our collective disappointment in not being able to fully deliver what the 79th General Convention had asked us to do. We understand, and heartily agree with, the church's passionate desire for family leave for all of the equity, justice, theological, moral, ethical, and spiritual reasons. Simply, it's the right thing to do. And the church needs it. The Task Force just could not find a way to overcome the barriers – all the challenges that would have to be overcome in order for any viable resolution to make its way out of legislative committee and onto the floors of the House of Deputies and House of Bishops for consideration, debate, and vote. In mid-triennium, we found ourselves exactly where past interim bodies and General Convention legislative committees had stalled themselves.

In the name of incremental, steady change toward the ultimate goal, the TFPFL took on two initiatives:

- An enabling resolution to equip the Office of Governmental Relations to be able to advocate for national mandatory, paid family leave legislation (several bills have been introduced in Congress); and
- In-depth model plan designs for family leave policies – for permissive, not mandatory, use at the diocesan level, and as a complete template that can be provided to insurance companies as a directive to what TEC wants and needs when products begin to be developed.

On February 14, 2020, the Executive Council approved the following resolution (MW019):

Resolved, That the Executive Council, meeting in Salt Lake City from February 13-15, 2020, affirms the teaching that the birth or adoption of a child is a cause of celebration for parents, family and the entire community and that an entire community has responsibility for supporting a family in raising a child; and be it further

Resolved, That we recognize the federal government has a responsibility to establish minimum standards of living for all people, including access to food, housing, and healthcare; and be it further

Resolved, That we call on the federal government to establish and provide a funding mechanism for new parents to take parental leave to care for their child, recognizing the benefits to the child, parents, and community; and be it further

Resolved, That we call on the Office of Government Relations to advocate to the Congress for the establishment of a paid family leave program, in particular for workers who do not have access to paid leave from their employers.

The TFPFL recommends, as well, that General Convention consider and approve resolution A003 Uniform Paid Family Leave Policy, which is included in this report.

In May 2020, the TFPFL contracted with Terry Smith, a consultant with American Benefits Consulting, to work with a subgroup of the Task Force to develop multi-tiered, model plan designs for family leave. Smith was referred to the TFPFL by the Church Pension Group and is a trusted, reliable guide with whom CPG has worked for years. Again, we are grateful to CPG for helping locate the consultant and bear some of the cost. Once again, CPG proved itself to be an invaluable and faithful partner in our mission. Over the summer months, the team developed bronze, silver, and gold model

plans for family leave, designing a “matrix” of 12 mix-and-match plan provisions. Additionally, the model plan identifies a series of “decision points” that any diocese or congregation hoping to use the matrix to design a plan for itself would need to grapple with, including cost burden, parity between clergy and lay professionals, cost analysis, and administration considerations.

During the development of the model the Task Force spent considerable time exploring and discussing the benefits of a centralized payroll system within TEC for administering programs such as family leave. In the end, we decided not to take on this initiative as we felt it went beyond the scope of our enabling resolution.

And finally, a word about terminology. The TFPFL’s enabling resolution specified our work and focus on family leave, as opposed to family and medical leave, or parental leave. The term “family leave” is more expansive than “parental” leave in that it encompasses the care and nurture of a child at the time of birth or adoption, as well as caring for a family member for whom the individual is the primary caregiver – whether partner, spouse, child, sibling, parent, grandparent, etc. when the physical or mental health of the family member is such that they are no longer able to care for their basic daily needs (feeding, bathing, dressing themselves) but must rely on another person(s) to provide that care. Family leave is different from medical leave in that paid medical leave indicates leave for self-care during your own serious illness. Paid medical leave has been available for decades in five states.

A glossary of terms is available to the relevant legislative committee and/or any bishop or deputy of the 80th General Convention upon request.

Theological Rationale

Our call and imperative, as followers of Jesus Christ, is to ground the decisions and choices we make for the church in our common theology. The incarnation lives at the core of Anglican identity and theology. The word incarnation means “enfleshment,” rooted in the Latin “carnis,” meaning “flesh.” Jesus was fully human and fully divine, the Son of God in the flesh. From our earliest formations, the Christian church has professed incarnation, Jesus as “truly God and truly man... in two natures, without confusion, without change, without division, without separation...” according to the Council of Chalcedon in 451 (Book of Common Prayer, p.864). What the incarnation means for us today is this: through Jesus, God is revealed to us in the physical and temporal things of everyday life. Through Jesus’ earthly life, teaching, and sacrificial love, we come to see God in our own earthly lives, in the quotidian circumstances of human interaction, relationship, challenge, heartbreak, conflict, and joy. The gift of paid family leave – the chance to care for an infant or child new to the

family, the opportunity to care for a sick family member, the ability to step away from one's professional occupation in order to minister to the needs of loved ones without loss of income or security – is rooted in our incarnational theology. Through it we have the chance to focus entirely on the nurture of relationships, to discover God anew in the space between people, and live more fully into Jesus' commandments to love one another.

One of the seven components of the Episcopal Branch of the Jesus Movement's Way of Love is "rest." While no one ever will describe family leave to care for a new child or infant to the family or nurse a sick family member as a vacation or a long period of rest, family leave does afford individuals the opportunity to leave behind, for a time, the concerns, anxieties, and deadlines of their paid work to focus that energy on the care of family. This time creates the possibility that the family, in whatever its precise circumstance, can enjoy the fullness of time together in all its parts – work and rest, worship and prayer, blessing and forgiveness. Family leave creates space in time. In his seminal book, "The Sabbath," Abraham Joshua Heschel writes, "...labor is the means toward an end, and the Sabbath as a day of rest, as a day of abstaining from toil, is not for the purpose of recovering one's lost strength and becoming fit for the forthcoming labor. The Sabbath is a day for the sake of life... It is not an interlude but the climax of living." (p.14). Creating space in time to nurture our families is not a break or a vacation, but the very essence of living.

Further, the family unit is understood, in both our Hebrew and Christian scriptures, as the central and sacred entity in which we teach and learn and grow deeper in our faith, with which we worship God and follow Jesus. Deuteronomy 11:18-19 reminds us: "You shall put these words of mine in your heart and soul, and you shall bind them as a sign on your hand and fix them as an emblem on your forehead. Teach them to your children, talking about them when you are at home and when you are away, when you lie down and when you rise." Similarly, in the Litany of Ordinations found in our Prayer Book: "For his/her family [the members of his/her household or community] that they may be adorned with Christian virtues." (Book of Common Prayer, p.549). Family leave is a practical, accessible way to strengthen the family unit, to care and nurture it so that it remains intact, strong, and focused in its capacity to grow and nurture the faith.

The gift of paid family leave roots us, deeper and more firmly, in our incarnational theology, in the Way of Love, and in our scriptural tradition. Through it, we can live more faithfully into what we profess to believe, and the Way of Jesus we follow.

History of resolutions

For over 35 years The General Convention of the Episcopal Church has been considering resolutions from various committees and interim bodies to establish what is now referred to as Church-Wide Parental Leave Policy and Practices. Resolution 1985-D083 from the 1985 General Convention urged dioceses “to include a policy for maternity/parental leave in conjunction with its personnel policies for sick leave, annual leave, leave with and without pay, and disability pay for its lay and ordained employees.” Six years later resolution 1991-D111 from the 1991 General Convention requested that dioceses report to the Executive Council on the status of their implementation of resolution 1985-D083; the resolution also included a request for the Church Pension Fund to inform each diocese of their income replacement policy. The 2000 General Convention received resolution 2000-C042 from the Committee on Ministry that provided additional details to include in their policies concerning clergy maternity/paternity leave. The resolution reads as follows:

Resolved, That the 73rd General Convention urge the Executive Council and all dioceses to include the following in their policies concerning clergy maternity/paternity leave:

- A member of the clergy who has been employed by the church for one full year and is the designated "primary child-care parent" is entitled to leave for the birth or adoption of a child for a minimum of eight weeks with pay. Up to eight additional weeks may be taken without pay. The member of the clergy may elect to use vacation leave or sick leave during this latter period.
- A member of the clergy who has been employed by the church for one full year and is the "non-primary care parent" is entitled to leave for the birth or adoption of a child for a minimum of two weeks with pay and up to ten additional weeks without pay.
- A member of the clergy not employed by the church for one full year is entitled to the same numbers of weeks leave. Pay during this period is negotiated between the employer and the member of the clergy.

It was not until 2009 that an Act of General Convention 2009-A166 articulated “the importance of family in the life of clergy and laity employed by the Church” and yet language of the resolution remained one of urging dioceses and congregations to establish policies for employee parental leave for clergy and laity in cases of both birth and adoption “consistent with local employment laws and generous industry standards.”

It would be another 6 years until the 78th General Convention as part of resolution 2015-D030 directed “the Executive Council in consultation with the Church Pension Group to prepare a church

wide model policy on parental leave for both birth and adoptive parents for consideration by the 79th General Convention.”

In 2018 again the General Convention urged “every diocese to review such model policies and to implement comprehensive policies on family leave that fit their respective needs” as part of resolution 2018-A223. However, as part of resolution 2018-C019 the Episcopal Church took a step towards establishing churchwide policies and away from diocesan level policies by calling upon the “the Presiding Bishop and President of the House of Deputies to appoint a task force... to research and create, in consultation with the Church Pension Group, a proposal for a church-wide paid family leave policy for consideration at the 80th General Convention.”

Plan Design and explanatory text

The Episcopal Church is interested in exploring the feasibility of offering a Paid Family Leave (PFL) benefit to its clergy and lay employees. PFL programs are very popular with private sector and public sector employers and they play an important role in employee attraction and retention strategies. Several states have mandated PFL programs that employers must offer and there is significant additional PFL mandate legislative activity at both the state and local level. PFL programs can be costly and administration can be complex, especially for employers like the Episcopal Church where no centralized payroll and Human Resource systems exist. PFL programs are funded by employers and there are no insurance products in the marketplace, so employers bear the full risk of the cost of these programs. In practice the cost of a PFL plan can be material and the implementation of a new plan should be carefully thought out from an expense perspective. Employers typically create a PFL line item in their annual benefits budget to recognize the expense rather than treating the expense as a payroll cost. Annual PFL benefit expense growth is typically aligned with underlying compensation growth once plan utilization stabilizes.

To date insurance companies are reluctant to take on the administration of an employer’s PFL plan due to administrative complexities, so most employers rely on the benefits and payroll departments for administration needs. In some cases, decentralized payroll systems and a lack of internal staff to manage a PFL program have been barriers to the launch of a successful program.

We have developed three model PFL plans which include varying degrees of plan value as shown in the following table.

The table should be read by row and not by column. The final Church plan design will likely contain provisions that are selected from each of the three model designs (bronze, silver, platinum). These Model Plan Designs address Paid programs. They do not preclude an employer from offering

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additional unpaid leave which can be coordinated with the paid portion of a leave. For purposes of this table “Eligible Individuals” includes clergy and lay employees.

Model Plan Designs

Plan Provision	Bronze Plan	Silver Plan	Platinum Plan
Eligible Individuals	All clergy and lay employees after 1 year of service. If an eligible individual resigns and returns to the Church a new 1 year waiting period must be satisfied.	All clergy and lay employees after 6 months of service. If an eligible individual resigns and returns to the Church within 6 months, the eligible individual’s prior service will be bridged and counted towards their eligibility.	All clergy and lay employees as of Date of Hire
Duration of Paid Leave (rolling 12 months or calendar year)	6 weeks paid	12 weeks paid	16 weeks paid
Benefit as a % of covered weekly earnings	70% (this aligns with the STD plan)	100% for 3 weeks then 70% for balance of the leave	100% for the duration of the leave
Qualified family members	Eligible family members include spouses, domestic partners (same and opposite sex), children under 18 years of age or if 18 years of age or older and “incapable of self-	Eligible family members include spouses, domestic partners (same and opposite sex), children under 18 years of age or is 18 years of age or older and “incapable of self-care	Eligible family members include spouses, domestic partners (same and opposite sex), children under 18 years of age or is 18 years of age or older

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Plan Provision	Bronze Plan	Silver Plan	Platinum Plan
	<p>care because of a mental or physical disability”, parents, grandparents, grandchildren and siblings. It does not include other family members not stated above.</p>	<p>because of a mental or physical disability,” parents, grandparents, grandchildren and siblings. The plan sponsor can also identify other eligible family members by description such as cousins, aunts, uncles, etc. but not by specific named people.</p>	<p>and “incapable of self-care because of a mental or physical disability,” parents, grandparents, grandchildren, siblings. The plan sponsor can also identify other eligible family members by description such as cousins, aunts, uncles, etc. but not by specific named people.</p> <p>Others as identified by the eligible individual who depend on the eligible individual for support or assistance.</p>
<p>PFL usage rules for Paid Parental Bonding and Paid Caregiver leave</p>	<p>Usage rules vary based on the nature of the leave:</p> <p>Paid Parental/Bonding Leave: PFL can be taken to bond with a new child all at once, or it can be taken in 2 blocks of time (defined as any block of continuous calendar days). Qualified bonding leaves must be started and concluded no later than one year after the birth, adoption, or placement of the child</p> <p>Paid Caregiver Leave: PFL can be taken to care for a family member with a serious health condition all at</p>		<p>Usage rules vary based on the nature of the leave:</p> <p>Paid Parental/Bonding Leave: PFL can be taken to bond with a new child all at once, or it can be taken in full day increments. Qualified</p>

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Plan Provision	Bronze Plan	Silver Plan	Platinum Plan
	<p>once, or it can be taken it in minimum one day increments. A one-day increment is defined as the regular hours an eligible individual is scheduled to work for a given day. For most eligible individuals, a one-day increment will be 8 hours. However, one day for a part-time eligible individual may equate to 6 hours if this represents a scheduled work day.</p>		<p>bonding leaves must be started and concluded no later than one year after the birth, adoption, or placement of the child</p> <p>Paid Caregiver Leave: PFL can be taken to care for a family member with a serious health condition all at once, or it can be taken it in minimum 4 hour increments.</p>
<p>Coordination with local and State mandated programs</p>	<p>Runs concurrent with mandated programs</p>		<p>Runs consecutive to mandated programs</p>
<p>Multiple reasons for PFL leave</p>	<p>Eligible individuals are limited to 6 weeks of PFL during a 12-month calendar year period. If an eligible individual exhausts their PFL to bond with a new child, they would not be eligible for additional</p>	<p>Eligible individuals are limited to 12 weeks of PFL during a 12-month calendar year period. If an eligible individual exhausts their PFL to bond with a new child, they would not be eligible for additional</p>	<p>Eligible individuals are limited to 16 weeks of PFL during a 12-month calendar year period. If an eligible individual exhausts their PFL to bond with a new child, they would not be eligible for</p>

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Plan Provision	Bronze Plan	Silver Plan	Platinum Plan
	time off under this policy to care for a family member with a serious health condition if it is within the 12-month period	time off under this policy to care for a family member with a serious health condition if it is within the 12-month period	additional time off under this policy to care for a family member with a serious health condition if it is within the 12-month period
Rules that apply when both parents work for the same employer	Each eligible individual will be allowed to take Paid Family Leave under this policy. However, there may be circumstances where both eligible individuals cannot take the same period of time off work unless special approval is received from the applicable Personnel Manager.		
Job protection while on leave	Yes		
Definition of covered weekly earnings	CPG STD/LTD plan “Covered Weekly Earnings” definition: means the member’s gross weekly rate of earnings from the employer plus the weekly rate of any housing and utility allowance received from the employer by the covered person. However, such earnings will not include income received from commissions, overtime pay or any or any other extra compensation or income received from source other than the employer other than income actually received from bonuses. Earnings will be based on the annual earnings just prior to the date of disability.		
Definition of a parent for bonding leave	Parents include one of the following relationships to the new child: biological mother, biological father, a spouse/domestic partner of a biological mother or father, or a newly adoptive or foster care parent		
Qualified reasons to take a PFL leave	Paid Family Leave allows an eligible individual to take time off from work to care for an eligible family member with a serious health condition, or for a parent to bond with a new child entering the family through birth, adoption, or foster care placement		

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Plan Provision	Bronze Plan	Silver Plan	Platinum Plan
	<p>A serious health condition is defined as an illness, injury, impairment, or physical or mental condition requiring inpatient care in a hospital, hospice, or residential medical care facility, or continuing treatment or supervision by a health care provider For example:</p> <ul style="list-style-type: none"> • Ongoing serious health condition that continues over an extended period of time, patient is seen at least twice per year for treatment by a health care provider, and may cause episodic periods of incapacity • Long-term or permanent period of incapacity due to a condition for which treatment may not be effective and the family member is under continuing supervision of a health care provider • Treatment or recovery from restorative surgery after an accident or other injury, or a condition that would likely result in a period of incapacity of more than three consecutive full days in the absence of treatment • An initial incapacity of more than three consecutive calendar days involving being seen by a health care provider for treatment within the first 7 days of when the incapacity began and 1) seen a second time by the treating provider within 30 days of when incapacity began OR 2) a regimen of continuing treatment under the supervision of the health care provider 		
<p>Required documentation to submit a Leave Request</p>	<p>In the discretion of the employer/administrator, these items may be required:</p> <p>Paid Parental/Bonding Leave:</p> <ul style="list-style-type: none"> • Hospital record showing the child’s birth • Hospital generated birth certificate/record • Child’s birth certificate • Child’s hospital discharge record • Foster Care Placement Record 		

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Plan Provision	Bronze Plan	Silver Plan	Platinum Plan
	<ul style="list-style-type: none"> • Adoptive Placement Agreement • Child’s passport showing immigration and naturalization service stamp • Footprints the hospital provide parents so long as a DOB is included <p>Paid Caregiver Leave: A certification form that is similar to the Federal Family and Medical Leave Act (FMLA) certification form</p>		

Plan Design Component Selection Decision Point

The PFL program is designed to be implemented at the Diocesan level with parity in design and administration between clergy and lay employees. Each Diocese will decide if it will allow individual churches to adopt plan design variations within the permitted levels of the program. The plan design selection should be made based on the cost of the programs and the administration requirements of the programs.

Plan Funding Decision Point

Each Diocese must decide whether the cost of the PFL program will be paid at the individual church level based on utilization of that church’s clergy and employees, or whether the Diocese will assess all churches in the Diocese a flat amount to be pooled and used to reimburse individual churches for the cost of PFL usage. To accomplish the latter, a Diocese would have to do a cost study based on the PFL program selected and the demographics in the Diocese. See below for a further discussion of calculating plan costs.

Model Plan Design Cost Analysis

In order to calculate the annual cost of a PFL plan, demographics, leave of absence, disability and healthcare data is used along with a series of assumptions. The analysis includes a projection of which eligible individuals would take PFL time for what reasons, for how long and at what salary. For instance, eligible individuals who are beyond child bearing years are not expected to take a bonding leave but may very well take a leave to care for an ill family member, and they may be more highly compensated than a younger eligible individual, but the duration of the leave may be shorter than a typical bonding leave duration. Further they may be apt to take the leave intermittently whereas a bonding leave is more frequently taken on a continuous basis. If siblings, grandparents, grandchildren and/or “significant others” are included as eligible family members the cost analysis is complicated because estimations would have to be made on how many of these eligible family members exist and might have a condition that requires care resulting in a PFL leave.

Most employers who are interested in conducting a cost analysis employ the services of a consulting firm due to the complexity of the analysis and the assumptions that factor into the calculations. The consulting firm issues data requests to the employer, the disability vendor and the healthcare provider. Healthcare data is focused on the number of births and major dependent surgical procedures.

The demographic data request includes the following:

- Employee identifier
- Gender
- Date of birth
- Date of hire
- Annual compensation (base, bonus, housing allowance, other)
- Work state
- Salaried/Hourly class
- Full-time/Part-time status

The leave and disability data request includes the following with subscriber IDs that align with the demographic file employee identifier:

- An Excel file of all medically related absences for the most recent 24 months including diagnosis

- Detail of any other employer sponsored medically related and non-medically related leave of absence data
- An excel file of all STD claims incurred for the most recent 24 months

The healthcare data request includes the following with subscriber IDs that align with the demographic file employee identifier:

- Dependent maternity delivery claims including a subscriber ID that aligns with the demographic file employee identifier
- Dependent claims that warrant referral to the healthcare plan case management function
- Dependent claims that are referred to stop loss carriers for plan reimbursements
- Dependent claims that contain other severe diagnoses and expected long recovery times

The output of the plan analysis should include a range of cost estimations for the new PFL plan expressed on a per eligible individual per year basis. The cost can be broken down by expected claim costs and expected program administration costs. The range of costs should be based on projected low, medium and high utilization rates which will show best case costs, worst case costs and an average of the two.

The analysis output should include a list of all assumptions that were used in the cost analysis. First year cost estimations of a new PFL program are the most difficult to make. Once the plan is in effect for at least a year future cost projections can be fine-tuned, and utilization patterns will emerge which will allow for more exacting future year cost estimations.

We declined to attempt to create a sample cost calculation for a hypothetical Diocese, because we believe it would not be helpful and might actually be misleading.

Plan Administration Considerations

The vast majority of PFL plans are internally administered on a centralized basis via a combination of Human Resources, Benefits, Payroll and IT efforts. In some cases, employers have co-sourced the administration of the program by retaining their leave and disability carrier for certain plan administration functions.

The administration of a PFL plan includes:

- **PFL Policy development and maintenance:** A clearly written, comprehensive policy is required especially for new PFL programs. The policy should include all of the Plan Provisions that are included in the Model PFL Designs. The policy should address compliance with legislated local and state leave laws and how the PFL policy coordinates with these legislated programs. All policies should be reviewed by local counsel to ensure compliance with local law. The policy will serve as a basis for communicating the plan to participants and managers and it will be relied on for dispute resolution. Consultants are commonly asked to draft policies and there are also many policy examples in the public domain that an employer can use as a starting point if they opt to draft their policy with no consulting support.
- **Manager training:** Managers and supervisors will have to be trained on the mechanics of the PFL program as plan participants typically turn to their managers for advice on how the program works. This training can be delivered via recorded video sessions, in person training sessions and most commonly via a Manager Tool-kit which should include the Policy, all application forms, FAQs, payroll and HRIS system coding requirements, examples of how the plan would apply in specific circumstances such as bonding vs. care of an ill family member, guidance on contact with eligible individuals while they are on leave, employer computer network access while on leave, etc. Employers tend to prefer the tool-kit approach since all information is housed in one location and new manager training can be conducted via a review of the contents of the tool-kit. Depending on the administration model that is developed, managers may also find themselves responsible for a quasi-customer service function. Plan participants will invariably have questions about the program both before taking a leave and while on leave and many of these questions may involve pay related issues. Some employers rely on a centralized program management function for customer service issues. Since the Church does not have a centralized HR function it would make sense to have local managers involved in managing participant questions.

- **Education and plan rollout:** Employee education includes the development of communications material and it can include many of the documents included in the manager tool-kit. Eligible individuals will have to be introduced to the new benefit and most employers take advantage of the opportunity to both educate eligible individuals and to benefit from the good will that comes with the roll out of the new plan. Many of our clients have produced public relations materials as appropriate that coincide with the roll out of the new plan.
- **Record keeping:** Record keeping refers to the actual processing of PFL leave events. This function is typically maintained on a centralized set of payroll and HRIS systems. Eligibility is typically maintained in the HRIS system. The payroll system is used to issue the PFL benefit which may be on a partial day, full day or a full week basis depending upon the usage rules that the Church chooses to implement. The payroll system is also used to “debit” time from an eligible individual’s bank as it is used. The PFL program will necessitate the creation of a new payroll system code that is specific to PFL time taken. In some cases, disability program vendors will provide PFL program administration services although these arrangements are limited to employers with centralized payroll and HRIS systems. External vendors are unlikely to be interested in providing program administration services to clients with decentralized or fragmented systems.

Proposed resolutions

A003 Uniform Paid Family Leave Policy

Resolved, the House of ____ concurring, That the 80th General Convention recognizes the critical importance of the adoption by The Episcopal Church (the “Church”) of a uniform paid family leave policy across the Church, and that this is a justice issue which we are obligated as Christians to address without further delay, and that from the beginning, said policy should provide for parity between lay and clergy employees; and be it further

Resolved, That the 80th General Convention recognizes the difficulties that currently exist with the implementation of a paid family leave policy, given that there is currently no commercial insurance offering available, and therefore, urges all dioceses of the Church to adopt the proposed policy as soon as practicable, in order to be prepared to implement the policy as soon as a commercial

insurance offering becomes available, whether through Church Pension Group or other avenues; and be it further

Resolved, That the 80th General Convention urges all dioceses of the Church to adopt a uniform paid family leave policy (hereinafter, “UPFLP”) at the minimum acceptable level of coverage which should be provided to all employees, and that to the extent that there is a church or other affiliated organization that offers a more comprehensive policy, the policy outlined in this resolution is to be considered the minimum acceptable offering; and be it further

Resolved, That the UPFLP will be modeled along the following parameters:

- a. The Church plan design for the UPFLP will be set up to offer the options of bronze, silver or platinum plans;
- b. The UPFLP will, in its final version, provide a thorough cost analysis, and it is anticipated that the services of an outside consultant will be needed to analyze relevant demographic data in order to provide accurate cost estimates, and further, it is understood that it is currently not possible to share the cost of the UPFLP nationally through an insurance-type program, and therefore, each diocese will need to have the discretion to determine how the cost of the UPFLP will be shared among the churches in that diocese;
- c. The UPFLP will also, in its final version, provide a thorough outline of plan administration considerations in order to assist with developing and maintaining a policy, training supervisors, educating employees, and record keeping;
- d. The UPFLP will in all instances provide for parity of clergy and lay employees;
- e. The UPFLP will in all instances provide for both paid parental/bonding leave, as well as paid caregiver leave; however, levels of plans may vary in terms of which family members will be covered by said caregiver leave;
- f. In all instances, the UPFLP will provide for job protection for any employee on leave;
- g. The UPFLP will provide for a duration of leave of between 6 and 16 weeks;
- h. The UPFLP will offer options to cover between 70% and 100% of covered weekly earnings;
- i. The UPFLP will also provide specific guidance for a variety of specific factors such as how coverage will apply to two parents working for the same employer, definition of covered weekly earnings, qualified reasons to take leave, required documentation to request leave, and coordination with applicable state and federal laws.

Resolved, That the General Convention affirms the teaching that the birth or adoption of a child is a cause of celebration for parents, family and the entire community and that an entire community has responsibility for supporting a family in raising a child; and that family members often need to care for one another in sickness, and that this care and ministry serves to give confidence of your loving care; and that individuals suffering from illness may not be able to work for a period of time; and be it further

Resolved, That the General Convention recognizes that the federal government has a role in ensuring those who are sick are cared for, and that all have sufficient healthcare, enough to eat, adequate housing, and that illness does not economically devastate families. Therefore we call on the federal government to institute a funding mechanism for citizens to take paid family leave in order to care for a newborn child, a foster or adopted child, or immediate family members who require care during illness, as well as providing paid sick leave to the fullest extent possible; and be it further

Resolved, That the General Convention calls on the Office of Government Relations to advocate to the Congress for the establishment of a paid family leave program, in particular for workers who do not have access to paid leave from their employers.

Budget

\$22,000 was paid to American Benefits Consulting to develop three model Paid Family Leave plans.