

Diocese of San Diego

NORMS FOR THE RETIREMENT OF PRIESTS

I. INTRODUCTION

The senior years of a priest's ordained ministry, especially the retirement years, are important for the completion and perfection of the priestly vocation. These norms are intended to promote the value and dignity of the person as well as the importance of priestly ministry and the mission of the Church.

In accord with the Code of Canon Law, these norms propose that retirement from a diocesan appointment does not imply an end to ministry. Upon retirement a priest enters into a "third age" where the Spirit calls him to reflect upon, to integrate, and to complete the ministry to which he has been called.

II. DEFINITIONS

Senior Associate: A priest who by age and experience is qualified to be a pastor, but who assists a pastor as a parochial vicar (cf. Canons 545-552).

Senior Priest: A priest who has retirement status, but has opted for continued regular active ministry. He negotiates his ministerial involvement with the pastor of a parish, who then may provide him with residence and amenities. If the parish does not provide residence and amenities (e.g. when the Senior Priest provides his own residence), he is to be offered a suitable stipend for his ministerial involvement. The Senior Priest's principal sources of income are his retirement pension and Social Security benefits.

Retired Priest: A priest who has retirement status and has opted not to have continued regular active ministry. Although available for ministerial services as needed and able, he does not have regular ministerial involvement in any particular parish.

Pastor Emeritus: An honorary title awarded at the discretion of the bishop to a priest upon his resignation as pastor (cf. Canon 185). A Pastor Emeritus need not reside in the parish from which he retires.

III. RETIREMENT

The Code of Canon Law (Canon 538 §3) sets the maximum age of pastors at seventy-five (75). When a pastor reaches seventy-five (75) years of age he is asked to submit his resignation to the bishop who, after considering all the circumstances of person and place, will decide whether to accept or defer the resignation.

While all priests may retire at age seventy (70), those who are able to do so are encouraged to continue in a diocesan assignment until age seventy-five (75).

For good reason and with permission of the bishop, a priest may retire earlier.

Priests should initiate discussion with the bishop at least six (6) months before the desired date of retirement.

Retirement benefits from the Pension Plan for Priests depend in part on the incardinated priest's years of participation in the plan and are divided into two components, the base pay and the housing allowance.

Base pay – priests who reach 65 years of age who have completed 10 years of service in the diocese are eligible for partial benefit, they are eligible for the full benefit if they have completed 25 years in the plan.

Housing allowance – only priests who were in a diocesan assignment for one year after reaching 60 years of age are eligible to claim this portion of the pension benefit which they may receive once fully retired and no longer in an assignment or compensated ministry.

IV. FINANCIAL PLANNING

From the time of ordination and through the years of active ministry priests should make personal preparations for their retirement beyond expected benefits from Social Security and from the Pension Plan for Priests. Participation in the Social Security System is required so that priests will be eligible for Medicare as well as additional income during their retirement years. The Pension Plan for Priests was never designed to meet all the financial needs of a retired priest. Participation in IRA's or other forms of savings is highly recommended as one form of assuming personal responsibility for financing one's retirement. For priests in full-time assignments, three thousand dollars (\$3,000.00) a year is to be paid from source of salary into a tax-deferred instrument specified by the priest, e.g., an IRA or a TSA.

By the time of retirement, each priest is strongly encouraged to have an estate plan which should include: (1) a current last will and testament, a sealed copy of which is on file at the

Pastoral Center; (2) appropriate legal documents such as durable power of attorney or living will, to take care of him during serious illness or incapacity; (3) other legal devices such as a living trust, annuity, etc., which the priest in consultation with an estate planner finds suitable to care for his financial affairs in retirement.

The Office of the Vicar for Clergy will offer a seminar on retirement planning to provide an overview of the issues which should receive attention as priests near retirement. This seminar will be presented annually and is open to all priests, especially those who have reached sixty (60) years of age.

V. HEALTH CARE AND AUTOMOBILE INSURANCE

Participation in the Social Security System by paying self-employment taxes for at least forty (40) quarters qualifies a priest for Medicare benefits when he reaches sixty-five (65) years of age. When applying for Social Security benefits, he should apply for **only** Medicare Part A if he continues to work and delays retirement. The CIGNA active priest plan is the primary insurance payor and Medicare is secondary, no matter what the active priest's age. Upon retiring after sixty-five (65) years of age, the priest should apply for Medicare Part B and should already have existing coverage under Medicare Part A. After retirement, Medicare becomes the primary insurance payor and the CIGNA retired priest plan is secondary.

The Medicare program has two parts: (A) Part A is Hospital Insurance (HI) which covers inpatient hospital care and certain follow-up care. Retired priests have already paid for it as part of their Social Security self-employment taxes. (B) Part B is Supplementary Medical Insurance (SMI) which pays for physicians' services and some other services not covered by Hospital Insurance (HI). The retired priest pays for this supplementary coverage through a deduction from his Social Security benefits.

The CIGNA retired priest plan is a Medicare Supplement Plan F with the CIGNA Rx Medicare prescription drug plan insured by Express Scripts. The priest will receive a new ID card from CIGNA and a new ID card from CIGNA Rx Medicare. CIGNA assumes the retired priest has Medicare Part A and Part B in determining the benefit amount paid so he must have both Medicare Part A and Part B when he retires. CIGNA will pay 100% of Medicare approved charges with limitations for foreign travel and facilities that do not accept Medicare. CIGNA coverage is only available for what Medicare recognizes as a covered expense.

The priest does not need to purchase Medicare Part D prescription drug coverage.

Vision coverage administered by VSP is continued upon retirement.

The CIGNA retired priest dental plan provides the same coverage as the CIGNA active dental plan.

The diocese covers expenses for the health care of its retired priests beyond those otherwise covered by insurance. The diocese pays or reimburses for automobile insurance for its retired priests at the same rate as it does for priests who are on full-time assignment.

The Vicar for Clergy and the diocesan Office for Human Resources are available to assist priests in these matters.

VI. PLACE OF RESIDENCE IN RETIREMENT

When a priest retires he has various options for residence. He may wish to live in his own home or apartment or seek residence in a retirement facility. He may also request residence in the rectory of any parish, provided there is sufficient space in the house, or he may ask to reside in other quarters located on parish grounds. In this case, the retired priest will provide ministerial services or make other arrangements for the remuneration of the parish for his room and board expenses.

It is not to be assumed that a parish will modify its facilities to accommodate a retired priest. Any remodeling, additions or purchases contemplated for retirement quarters must be approved by the bishop.

In extraordinary circumstances room and board will be arranged by the diocese.

VII. ONGOING INVOLVEMENT WITH THE PRESBYTERATE AND PASTORAL CARE

Retired priests should hold a special position in the minds and hearts of the bishop and the presbyterate. As far as possible, they should be brought into the mainstream of activities where their presence adds much and they might experience the love and concern of their brother priests and the People of God.

The diocese will keep on file a list of retired priests who are interested in maintaining limited ministerial activity after retirement. Pastors will be advised of the special interests and needs of the retired priests in their respective deaneries. Retired priests are encouraged to continue to attend deanery meetings.

To encourage their participation, incardinated retired priests may attend, free of all charge, all diocesan sponsored programs for the ongoing formation of priests, including the annual convocation, days of prayer, assemblies and workshops.

If the Office of the Vicar for Clergy is asked to do so, prayer requests will be sent out for seriously ill priests.

The Office of the Vicar for Clergy will make regular contact with retired priests, offer occasional social gatherings specifically for them, and if there is adequate interest, sponsor workshops or retreats geared to their needs.