



Clergy Office

## Diocese of Erie

429 East Grandview Boulevard  
Post Office Box 10397  
Erie, Pennsylvania 16514-0397

November 20, 2024

Dear Monsignor/Father:

Each year priests who are considering retirement from active ministry, and those seeking to remain in active ministry after the age of 75, have questions and seek guidance regarding the many details of retirement preparation in general, as well as those specific only to priests.

Whether retirement is just around the corner, or you plan on serving in your current capacity for a few more years, there are matters you may need to consider now. To assist you as you begin to think through this next phase, we have developed and enclose an informational Priest Retirement Planning and Procedures Guide.

As you continue to be mindful of the direction that God is leading you in your priestly ministry, we hope you find this guide helpful when you need it. Please reach out to me if you have any questions or need further clarification on the provided information.

Fraternally in Christ,

*Fr. Nicholas Rouch*

The Very Reverend Nicholas J. Rouch, STD, VG  
Acting Vicar for Clergy



# Diocese of Erie

## Priest Retirement Planning and Procedures Guide July 2024

Ordained priesthood is a life of prayer and service from which a priest never "retires." He may retire from active ministry, administrative duties, or a particular office, but he continues until death the lifelong priestly ministry to which he dedicates himself at ordination.

The Clergy Office recognizes that retirement brings important decisions that need to be made and questions often arise on the various aspects of entering retirement. Unless stated explicitly as policy, this guide is informational and meant to provide you with some help in navigating your planning.

### Practical Matters

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#### 1. Procedure for Retirement from Active Ministry

- "A priest of the diocese who has served for thirty (30) years and has reached seventy (70) years of age *may submit a letter of resignation* to the Diocesan Bishop."
- He "must *discuss* his intentions with the Diocesan Bishop and Director of Priest Personnel *one year in advance* of his desired date of retirement."
- "Retirement becomes effective only when accepted by the Bishop."
- "Resignation from full-time active ministry *must* be submitted before one's 75<sup>th</sup> birthday." While other forms of communication may occur with the Bishop or Clergy Office, a priest must submit a formal letter addressed to the Bishop.

*Source: Priest Personnel Policy, III. Retirement, promulgated 1/24/14 (See Appendix A attached as part of this document.)*

#### 2. Opportunities for Continuing Occasional Ministry

"All retired priests who do any public ministry must comply with the requirements of the diocesan *Policy for the Protection of Children*." Associated costs are paid for by the Diocese for retired priests. (See *Appendix A*)

Our brother priests and parishes in the diocese benefit greatly from the help of our retired priests. This can take several forms:

- Serving at the parish of residence
- Regular assistance at particular parish(es)
- Availability to cover weekend Masses and help with Confessions, where needed
- Temporary parish administration, etc.

### **Senior Associate option:**

- “A ministerial designation for priests nearing retirement or who are otherwise prevented from assuming responsibility for parochial administrative duties. The guiding principle...is the encouragement of priests...to remain in active ministry. Senior Associates are canonically equivalent to a parochial vicar.” (Source: *Priest Personnel Policy, Section II.C.1.*)
- A priest may petition the Bishop for this designation at age of 65, or earlier if a chronic health problem significantly impedes his ability to function in an administrative role.
- The priest and the Director of Clergy Personnel work together and with a pastor to determine an arrangement which is helpful for all concerned. Any arrangement must be approved by the Bishop.
- Salary and Benefits:
  - **If not retired:** Typically, the senior associate resides in the parish rectory, and is compensated according to the clergy salary scale, and paid by the parish.
  - **If retired:** The senior associate is compensated through the diocesan priest pension plan, social security, and parish stipends. His parish duties as well as room and board are negotiated with the pastor depending on individual circumstances.

### **3. Diocesan Communication**

- **Email:** The Diocese will continue to use diocesan email to send information, some of which is specific to retired priests. If you need help establishing your diocesan email on your cell phone or other device, please contact Cheryl Krolczyk via phone (814-824-1144) or email ([ckrolczyk@eriercd.org](mailto:ckrolczyk@eriercd.org)).
- **Mail:** The Diocese continues to send some correspondence by USPS mail, and your current address is needed for your pension. Please make sure the Clergy Office has your new address once you move into your retirement residence.
- **Phone:** For important timely communication matters, including emergencies, it would be helpful for the diocese to have your cell phone number or updated home phone number on file. We are grateful if you would contact Cheryl Krolczyk with that information.

### **4. Income**

- **Defined Benefit Pension Plan**

The Diocese offers this benefit to all diocesan clergy with partial benefits beginning at 15 years of diocesan service on up to the 30 years of service for the full benefit. The current monthly (full) benefit is \$1,600 or \$19,200 a year. Please contact the Office of Financial Services at least one month in advance of retirement for the enrollment forms. This benefit is also available to priests who decide to continue work full time after the age of 75 whereas they would receive both their monthly parish full time salary and the monthly retirement benefit amount.

For pension-related questions, please contact Jim Hubert, Chief Financial Officer (814-824-1185).

- **Social Security Benefits**

A priest who is paying self-employment taxes is eligible and would take their Social Security benefit when they reach Full Retirement Age (FRA) or anytime thereafter to age 70. The FRA is based on your year of birth year and will likely be from age 66 to 67 years of age. Benefits stop accumulating at age 70 so be sure to start your benefits by then.

You can apply for benefits 4 months before the date that you would like payments to begin. There are three ways to apply:

- Go to [www.ssa.gov](http://www.ssa.gov) to apply on-line
- Call 1-800-772-1213
- Make an appointment to visit your local Social Security Office to apply in person

For questions regarding social security benefits, please contact Jim Tometsko, Director of Human Resources at 814-824-1189.

- **Personal Funds**

- **Full Retirement Annual Income *estimate***

Social Security	\$12,000
Diocesan Pension	\$19,200
Estimated Income	\$31,200

Additional sources of income – Mass Stipends, 401(k) distributions, personal investment income, etc.

## 5. **Housing Options**

Retired priests have the following living arrangement options:

- **Personal residence** – The priest finds his own lodging (house, apartment, etc.) and is responsible for all the bills, etc. He may choose to live alone or with family.
- **Living in a rectory** – The priest works this out with the pastor. It is expected that a retired priest provides the parish with some remuneration for his room and board. While the diocese does not have a strict formula for this, recent practice has been to begin at \$600/month and adjust that up or down, depending on the needs of the priest, how much he might help out the pastor with sacramental and pastoral duties, and the services provided by the parish.
- **MJM Residence** – This option is for priests who are capable of independent living, who do not require assistance with basic duties of daily life (eating, bathing, dressing, toileting, getting around, etc.) and who do not need nursing care. The MJM residence provides a private suite, meals, laundry, basic room cleaning, and a garage. The monthly rent is currently at \$995. Priests must complete an application packet with includes documentation of their ability to care for themselves. Admission is dependent on availability of one of 10 suites.
- **St. Mary's Home – Asbury** – There is no special package for priests. They will try to accommodate requests as possible. Options include:
  - a. Private apartment – private pay, \$4,500/month (or approximately \$54,000 year). This monthly rate can be reduced if a person provides \$60,000 up front.

- b. Nursing care – can be paid privately, or by medical assistance. (Private pay for nursing care is currently \$14,000/month)
- c. Once a resident's personal funds are exhausted, St. Mary's helps them apply for medical assistance.

*Note: costs subject to change without notice*

- **Christ the King Manor (DuBois)** – There is no special arrangement for clergy. Priests interested in residing there for retirement are advised to apply early, e.g., a year in advance, as it is a popular place.
- **Pope St. John XXIII (Hermitage)** – The Clergy Office is working on updated information.
- **Other retirement/nursing home** – this is typically arranged by the retired priest himself or his family. There are not diocesan funds available to subsidize this.

**Note:** Tenant Insurance \$40,000 is provided to all priests in residence in our diocesan buildings (e.g., rectories and the Priest Retirement Home).

Moving can be stressful, especially if you have been in a location for a lengthy period of time. For your help and convenience, attached as *Appendix B* is a *Moving Checklist for Priests*.

## **6. Health and Welfare**

### **• Medicare and Supplements**

At the age of 65, you are to remain on your local parish/school employer health plan, and it will continue to be your primary insurance coverage until your retirement. However, when you approach age 65, you should contact Medicare, by going online at Medicare.gov (or call (800)-633-4227) to apply for Medicare Part A (Hospital) at that time. You can enroll into Part A during a 7-month period, beginning 3 months before and 3 months after your birthdate. Part A is free for those who have paid into Social Security/Medicare for at least 10 years of employment, therefore, please apply during this time period. Once you receive your Medicare card, please let your physician's office know of this secondary insurance coverage.

You will need Medicare Part B (Medical) in the month that you officially retire, and you would then pay for the monthly premium, currently \$174.70 per month. Therefore, please contact Medicare one month earlier to enroll. In most cases, this premium will be deducted from your monthly social security benefit and you will not see a monthly bill. They will also provide you with a form that your employer (Diocese of Erie, c/o Office of Financial Services) will need to complete before you can enroll into Part B.

The Diocese does offer a Medicare Advantage plan, free of charge, as a supplement to Medicare for those deductibles and coinsurance that Medicare does not cover. Please contact the Office of Financial Services one month in advance of enrollment for more information. This supplement requires that you have signed up for both Medicare Parts A & B before you enroll into the plan. This plan also includes prescription coverage, subject to customary copays, and covers the "donut hole", or lapse coverage for those experiencing costly medications (up to \$6,350 annually in out-of-pocket costs).

For questions regarding Medicare, please contact Jim Tometsko, Director of Human Resources at 814-824-1189.

- **Dental Insurance**

You will continue to be covered by the diocesan dental plan. Currently, the dental plan is with Delta Dental and the broker assisting is Vicary Insurance - (814) 459-3407. For questions regarding Dental Insurance, you may contact the above insurance agency or Jim Tometsko, Director of Human Resources at 814-824-1189.

- **Vision Insurance**

You will continue to be covered by the diocesan vision plan. Currently, the vision plan is with Highmark Fashion Focus. For questions regarding Vision Insurance, you may contact Jim Tometsko, Director of Human Resources at 814-824-1189.

- **Long Term Care**

Your current health coverage and retiree health coverage covers in-hospital stays and skilled nursing care within certain parameters. However, it does not cover assisted living care nor nursing care if needed. For situations such as these, it is the personal financial responsibility for those that may need it. Also, the state Medicaid program is available to everyone once your personal assets are spent down to a certain level.

## **7. Tax Implications**

Retirement income distributions from 401(k) Plans, Pension Plans, and Traditional IRA's are subject to Federal taxes. However, this type of retirement income is not subject to Pennsylvania and Local income taxes.

For some retired priests receiving the diocesan pension benefit, it is possible that your pension may only be partially taxable for Federal tax purposes. Each year, the Diocese will send a letter at the end of January to all priests receiving the pension informing them of the "Housing Allowance" amount which they may be able to exclude from their Federal tax return. For example, in 2023 the amount excluded was approximately \$11,940, leaving approximately \$7,260 of the annual pension to be taxable for Federal Income tax. Each priest should consult his tax preparer to determine if this provision applies to his tax liability.

401(k) Plan - If you are still working and contributing into the 401(k) Plan you do not have to take a required annual minimum distribution.

Traditional Individual Retirement Account (IRA) - Once you reach age 73, you are required to take a required annual minimum distribution, even if you are still working at age 73. There is no such requirement for a ROTH IRA.

## **8. Estate and Funeral Planning**

Retirement planning is an ideal time to make sure that the Chancery has an updated copy of your Will, Living Will, Power of Attorney, and *Priest Emergency Form (attached as Appendix C)*. This information is critical for us to have in order to help you and your family in the event of a health emergency or death. This is your opportunity to make sure your wishes are carried out. If you have any questions, please contact Maria Caulfield, Assistant Chancellor (814-824-1130).

## 9. **Resources**

- **Continuing Formation Opportunities**

Retired priests are free to take advantage of all continuing formation opportunities, including, Emmaus, annual priest retreat, days of recollection, etc. The Diocese currently pays up to \$550.00 for yearly retreats. Any amount above \$550.00 is the responsibility of the retired priest. You may either submit a receipt for your retreat to the Clergy Office for reimbursement, or submit the invoice for the retreat venue for direct payment.

- **Senior Priest Advocate**

The Bishop of the Diocese of Erie names a Senior Priest Advocate whose responsibility is to attend to and identify any needs of our retired priests. He is the Bishop's liaison to the retired priests and deacons, and in turn is their advocate to the Bishop. He works closely with the Director of Clergy Personnel. He offers opportunities to stay in regular contact with the retirees (at least once a year) and is always available for individual contact with the retirees should the need arise. He also sits on the Priests' Retirement Board. The current Senior Priest Advocate is Reverend Philip Oriole who can be contacted at his residence at St. George Parish, Erie, or his diocesan email: [pmoriole@eriercd.org](mailto:pmoriole@eriercd.org).

- **Priest Retirement Board**

The Priest Retirement Board meets yearly for reviewing, updating and deciding on priest retirement issues, such as the priest retirement plan, pension, the Good Shepherd Collection, MJM Residence for Retired Priests, etc.

The Bishop serves as the Chairman. The board is also comprised of the Chancellor, Senior Priest Advocate, Directors of the MJM Residence for Retired Priests, Director of Finance, Director of Clergy Personnel and additional persons who are experienced in retirement, health insurance, legal and financial matters, all of whom are appointed by the Diocesan Bishop.

- **Methuselah Ministry**

Methuselah Ministry is a Catholic volunteer ministry that specifically provides hospitality services to retired priests. The services they provide include transportation, shopping, scheduling appointments, companionship, etc. See attached letter (*Appendix D*), which includes contact information.

If you have questions or concerns not addressed by this guide or suggestions for adding additional helpful information, please contact the Clergy Office.

**Contact Information:**

Clergy Office: 814-824-1144  
Finance Office: 814-824-1180  
Senior Priest Advocate: 814-864-0622

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