



ROMAN CATHOLIC ARCHDIOCESE OF BOSTON
BENEFIT TRUSTS

66 BROOKS DRIVE, BRAINTREE, MASSACHUSETTS 02184

January 2013

Re: Multiple Location Employees and Lay Benefit Employee Coverage

Dear Pastor/Administrator/Principal/Director/Business Manager:

The question of the proper treatment of employees who work in multiple locations (MLEs) has arisen this year in the context of the Archdiocese of Boston lay benefit plans (Health, Dental, Life and Long-Term Disability Insurance; and the Archdiocese Pension Plan and new 401(k) Retirement Savings Plan). Whereas in the past, a parish, school, or other entity could employ an individual without knowledge of the other location's employment of that individual, the implementation of IOIPay has brought the existence of these situations to the surface. A large number of these situations have been addressed by the Benefits Office through contact with each location employing an MLE. However, questions have continued to arise regarding the Plan's administration of MLEs, especially in light of the collaborative model outlined in the newly-announced Pastoral Plan, which could increase the number of MLEs in the future.

In response to these questions, for each of the lay benefit Plans, outside legal counsel was asked to review the MLE issue. Counsel have advised that for all locations covered by the RCAB lay benefit plans, hours worked should be aggregated across locations to determine if an MLE meets the benefit-eligibility threshold of 1,000 hours per year. Thus, whether the multiple locations employing an MLE are parishes, or whether the multiple locations employing an MLE are separately incorporated and/or have separate FEINs, all hours of service should be aggregated for purposes of Plan eligibility, vesting, and eligibility for annual contribution allocations. This determination was reached for the following reasons:

- It is consistent with the Pension Plan document, which has historically been the most detailed Plan document in terms of definitions of benefit eligibility;
- While the RCAB lay benefit plans are not subject to the Employee Retirement and Income Security Act (ERISA), the practice of aggregation of qualified hours is consistent with ERISA minimum participation and vesting standards;
- Aggregation of hours is consistent with the way in which other industries with multiple-employer plans manage this issue;
- Aggregation of hours for benefit eligibility purposes will assist locations in attracting and retaining highly-qualified employees for whom a competitive benefit package is important;
- As a matter of social justice, employees who work for multiple employers participating in the RCAB benefit plans should have access to these benefits if they are working enough hours to qualify (*i.e.*, at least 1,000 per year), regardless of whether these hours derive from work at a single location or multiple locations.

Aggregation of hours for benefit eligibility means the following for the benefit plans outlined below:

- For the **RCAB Health and Dental Plans**, an MLE's regular hours must be aggregated to determine if the employee is eligible for Health and Dental Insurance. Regular hours do not include overtime, temporary work, work paid by stipend, or other work that is not considered part of the employee's regular work schedule. If the MLE's regular hours total at least 1,000 per year, then the MLE is eligible to enroll in the RCAB Health and Dental Plans. Note that eligibility for the Health and Dental Plans for employees scheduled to work at least 1,000 hours per year begins with the first day of the month following the hire date or the first of the month following the date on which the employee begins a schedule that will total at least 1,000 hours per year.
 - Locations that learn that an employee is an MLE and is thus entitled to the opportunity to enroll in Health and Dental Insurance may contact the other location(s) employing the MLE to invite the other locations to voluntarily share the cost of the employer portion of Health and Dental coverage. (Note: the recommended employer share of Dental Plan coverage is \$0, meaning that the employee is assumed to pay for the entire cost of Dental Plan coverage.) This voluntary cost-sharing arrangement is considered a best practice and is recommended by the Benefits Office and the Parish Financial Services Office.

- For the **Life and Long-Term Disability Insurance Plan** and for the **401(k) Plan employer contribution**, an MLE who has at least one year of benefit-eligible service at a location participating in these benefit plans and who works at least 1,000 regular hours per year across all locations should be enrolled in these plans based on the regular earnings paid by each location. For example: John Smith works 30 hours per week at St. Mary Parish, earning a salary of \$20,000. He also works 10 hours per week at St. John School, earning a salary of \$7,500. He should be enrolled at St. Mary Parish for Life, LTD and 401(k) employer contributions based on his salary of \$20,000, and at St. John School for Life, LTD and 401(k) employer contributions based on his salary of \$7,500. A detailed list of eligible earnings is included in the RCAB 401(k) Employer Toolkit, distributed in October to all locations on IOI.

As noted above, the great majority of MLE occurrences have been addressed directly with affected locations and therefore no action is required at this time. If you have questions or believe one of your employees is an MLE with unaddressed benefit issues, please contact me at (617) 746-5830 or cgustavson@rcab.org.

Sincerely,



Carol Gustavson

Roman Catholic Archdiocese of Boston Director of Benefit Trusts/Plan Administrator