2025 Updates, Resources, Useful Links, and Reminders for Congregations & Clergy from the Diocesan Personnel Commission

Contact information:

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Personnel Handbook Template for Congregations

The current version of the <u>Personnel Handbook Template for Congregations</u> is posted on the website. The Commission is updating the template and will post and share the new version when it is complete. If you have questions or would like assistance with developing or reviewing a personnel handbook for your congregation, contact Cn Dede Moore, <u>dmoore@ecww.org</u>.

Diocesan Information

The Cost of Living Adjustment (COLA) to the 2025 parochial clergy salary scale is 3.8%.

- <u>2025 Clergy salary scales</u>. All congregations should review the mandatory and advisory policies in the document to determine appropriate increases for both lay and clergy employees.
- <u>2025 Congregation grades</u>
- 2025 Supply Clergy rates
- Updates, Resources, Useful Links & Reminders: <u>https://resources.ecww.org/personnel</u>

Minimum Wage and Overtime Rules

Starting January 1, 2025, the Washington minimum wage for non-exempt employees will increase to \$16.66 an hour (up from \$16.28). For the City of Seattle, starting January 1, 2025, all employers, regardless of size, will be required to pay the same minimum wage. Small employers will no longer be able to count tips and/or payments of an employee's medical benefits toward an employee's minimum compensation requirements under Seattle's Minimum Wage Ordinance. Beginning January 1, 2025, the City of Seattle minimum wage for non-exempt employees will be \$20.76 an hour.

Washington State exempt salary threshold: Effective January 1, 2025, the following thresholds apply in Washington State: For small employers with 1-50 employees, **\$1,332.80** weekly salary threshold, **\$69,305.60** annual salary threshold (up from \$67,724.80 in 2024). For large employers with 51 or more employees: \$1,499.40 weekly salary threshold, \$77,968.80 annual salary threshold.

- Employees whose compensation does not meet the new, higher salary threshold should be reclassified as non-exempt (overtime eligible). This is particularly true of part-time positions, since the threshold applies regardless of whether a position is part-time or full-time, i.e., real dollars vs. full-time equivalency. For example, a professional staff employee with a full-time equivalent salary of \$95,000 who works half-time, would have an annual salary of \$47,500 and would be classified as non-exempt under Washington law.
- Employers that cannot increase an exempt employee's salary above the minimum salary threshold must reclassify the employee as non-exempt. There are many important factors to consider when preparing for such a transition, including payroll and benefits implications and employee morale. The changes affect the exemptions for executive, administrative, and professional employees.
- In addition to meeting the salary threshold, to be exempt from overtime and other protections, employees must also meet the job duties test. This is a good time to review staff positions to ensure they are appropriately classified as either exempt (from overtime) or non-exempt (overtime eligible).

Information is not intended as financial, legal, or tax advice.

- > The changes apply to both lay and clergy employees.
- Overtime for non-exempt employees may be required to be approved in advance by the supervisor, however, overtime hours worked with or without permission must be paid.
- Non-exempt employees (lay and clergy) are required to track hours and submit timesheets.
- It is advised that ALL employees (exempt and non-exempt) submit timesheets. Exempt employees are required to record only used paid time off (vacation, sick leave, etc.).

About the FLSA (Fair Labor Standards Act) and WMWA (Washington Minimum Wage Act)

The Fair Labor Standards Act (FLSA) and Washington Minimum Wage Act (WMWA) establish minimum standards that may be exceeded but cannot be waived or reduced. The FLSA is federal law; the WMWA is state law. When state laws differ from the federal FLSA, an employer must comply with the standard most generous to employees. Since the new, higher state salary threshold for overtime exemption under WMWA is more generous than the FLSA salary threshold, the WMWA threshold should be applied.

For more information:

- Washington State minimum wage
- Fair Labor Standards Act
- Exempt Test

Benefits: What to do when you hire a new lay employee

To make the process as easy as possible for your new employee, and to ensure you are providing all the appropriate benefits, here are some things to consider and put in place before you have a new hire.

- 1. Identify a point person in the congregation who understands what the congregation offers related to employee benefits (this is usually the clergy person, treasurer, or member of the vestry/bishop's committee).
- 2. This person should understand the benefits (both required and optional), and review these with the new lay employee.
- 3. Refer the new employee to the links below to review their options, particularly related to medical and dental coverage.
- 4. Depending on eligibility, additional benefits may include pension contributions, paid premiums for Paid Family Leave, and/or short-term disability. The person talking with the new employee should understand what the congregation offers, what payroll deductions new employees will see, etc.
- 5. Benefits resources:
 - a. Medical & Dental coverage information
 - b. <u>Diocesan Health Care policy</u>
 - c. <u>CPG Benefits at a glance lay employees</u>
 - d. CPG Lay Employee Defined Contribution Retirement Plan
 - e. General Convention lay pension requirements resolution
 - f. <u>CPG new hire checklist</u>
- 6. If, after you have reviewed this information, you still have questions, contact Lori Hardow, Insurance Coordinator at the Office of the Bishop, Ihardow@ecww.org.

Employee Assistance Program

The Cigna Employee Assistance Program (EAP) is for the members of the Episcopal Church Medical Trust (ECMT) and their household members. EAP coverage is also available as a stand-alone benefit for employees not participating in the ECMT medical plans. From the <u>EAP webpage</u>: We all experience life changes and challenges from time to time. When employees need some extra support, it's reassuring to know the EAP is always just a click

away. These services are confidential and available at no additional cost. Congregations are encouraged to make this information available to eligible employees.

Mileage Reimbursement Rates

The Internal Revenue Service has announced the new standard mileage rate for 2025 as **70 cents** per mile for the use of a car, van, pickup, or panel truck for business use. The volunteer rate remains at 14 cents per mile driven in service of charitable organizations.

Clergy Letter of Agreement language

All clergy LOAs should be reviewed on an annual basis – regardless of how long a person has served in a call – this ensures that each clergyperson is covered by updated policies and practices. For the current template or with questions, contact Cn to the Ordinary Cristi Chapman, <u>cchapman@ecww.org</u>.

Washington State Paid Family & Medical Leave (PFML)

This is a mandatory state program. Congregations have a responsibility to remit the employee portion of the premium; however, employers with less than 50 employees (most if not all our congregations) are exempt from paying the employer portion of the premium. The Estimate calculator linked below can assist you in determining/confirming the employee/employer split. *A congregation, by vestry/bishop's committee action, chooses to either pay the employee premium or deduct the employee portion of the premium from employee's paycheck.* For more information see links below.

PFML Website PFML <u>How Paid Leave Works</u>

PFML Estimate Calculator

Washington Cares Fund (Washington State Long Term Care Benefits)

This is a mandatory state program. As a Washington employer, you are required to report your employees' wages and hours and pay premiums every quarter. Employers do not pay any share of these contributions for employees; congregations may, however, elect to pay some or all your employees' share on their behalf.

WA Cares Fund

WA Cares Fund estimate calculator

Required Workplace Labor Law Posters

Employers are legally required to display state and federal posters in the workplace to inform employees of their rights and responsibilities. Most posters are available as free downloads.

- Washington State Labor & Industries
- U.S. Department of Labor

Templates – Lay Employee Hiring / Timesheets

- Hire Letter: A template for an Offer/Confirmation of Employment letter for lay employees has been developed. A Word version is available by contacting Cn Dede Moore. Templates are intended to be updated to reflect the policies and personnel handbook of the hiring congregation or organization, as well as the latest federal, state, and local laws.
- Timesheets: If you have access to Office 365 there are several templates for timesheets for employees. If you do not have Office 365 and would like a template for monthly, bi-weekly, or weekly timesheets, contact Cn Dede Moore.