

Workers' Compensation for Clergy?

(A report from the Standing Committee)

1. Given the tension between "employees" and "office holders" the Standing Committee considered whether clergy and parishes would have better cover against injury through the Workers' Compensation Scheme than through the present Sickness and Accident Fund combined with the Stipend Continuance Plan. Lay ministry employees are not considered in this paper as the employers must cover them for workers' compensation under the law, and those benefits are supplemented by our Stipend Continuance Plan.
 2. A Synod-Committee considered this question in 1988 and its report is largely valid today. This report closely follows the argument of the 1988 report.
 3. Workers' compensation provides benefits summarised below for work-related injuries -
 - (a) Income benefit of 100% of the award rate (recommended minimum stipend) indexed to CPI for the first 6 months.
 - (b) Income benefit of 50% of the award rate indexed to CPI after the first 6 months until retirement.
 - (c) Refund of medical costs incurred and other actual damages (eg spectacles).
 - (d) Lump sum payments for serious injury based on degree of injury and age. Payments can range from \$500 to \$500,000.
 4. The combination of a parish clergyman's licence, the Stipend Continuance Plan and the Sickness and Accident Fund provides benefits summarised below for any sickness and accident however caused -
 - (a) Income benefit of 100% of actual stipend and other benefits (house, car etc) paid or provided by the churchwardens while the clergyman is licensed to the parish.
 - (b) Income benefit of 75% of stipend indexed at 5% pa, if the clergyman is totally disabled, paid after the first 6 months of disability until retirement or the disability ceases (Stipend Continuance Plan).
 - (c) Reimbursement to the churchwardens of up to 120% of stipend for additional costs incurred when persons are unable to perform their normal ministry duties (Sickness and Accident Fund).
- Note: The Sickness and Accident Fund provides benefits after 14 days for total incapacity (28 days for partial incapacity) and benefits are payable for 12 months for total incapacity (6 months for partial incapacity).*
5. A straight comparison between items 3 and 4 must lead to a conclusion that the benefits in 4 are better because -
 - (a) benefits are paid at 100% of actual stipend whether sickness or accident is work-related or not; and
 - (b) after 6 months of total disability the benefit paid is 50% higher.
 6. The advantages of Workers' Compensation lie in full refund of medical and other expenses (although Medicare would cover many of these) and the possibility of lump sums. (Our recent history shows no case where a lump sum would apply.)
 7. Workers' compensation would cost between 0.25% to 1.00% pa of "payroll" (say \$32,000 to \$128,000) depending upon claim experience. For parish clergy the Stipend Continuance Plan costs \$55,000 pa and Sickness and Accident Fund \$32,000 pa so costs/premiums are comparable. However, we may have to pay stipends, salaries and allowances etc centrally if we took out workers' compensation insurance and the administration costs of a \$12 million payroll would approximate \$50,000 pa.
 8. The benefits in item 4 could be improved by providing a small payment of, say, up to \$500 for medical and other expenses caused by work-related injuries which are not covered by Medicare or other insurances. There would need to be a minimum claim level of \$50. This type of scheme could be included in the Sickness and Accident Fund for a cost of no more than \$5,000 pa. The Fund may need a small grant from Synod Contingencies to cover this cost in 1995.
 9. This leaves the lump sum payment for work-related injury as the only benefit provided by Workers' Compensation which is not covered by our present schemes. It may be possible to add such a payment to our Stipend Continuance Plan. However, recent history shows this benefit is unlikely to be of advantage to our clergy and the premium could be substantial depending upon injuries covered.
 10. In the circumstances, the Standing Committee has asked for an amending ordinance to enable further consideration of the idea of meeting the net cost of small medical expenses for work-related injuries through the Sickness and Accident Fund.

For and on behalf of the Standing Committee

K.R. BOWDEN
Assistant Diocesan Secretary

30 September 1994