

### **Attention Schools that Employ Religious**

The Health Benefits Office and Diocesan Legal Office of the Diocese of Cleveland have determined that a modified provision needs to be inserted in contracts of religious who are employed by any entity that ordinarily provides health coverage through the Health Benefits Office of the Diocese of Cleveland. This new provision does not represent a change in practice but seeks to clarify the relationship for Social Security purposes.

The Social Security Office had once determined that Medicare was primary for all religious. Now it holds that if the religious order provides the coverage, Medicare is primary but if an employer provides the health insurance, then that insurance is primary. The diocese has always held that a religious order can choose if it wants to use diocesan health insurance or that the employer would pay to the religious order what is ordinarily paid for an employee to have coverage and the religious order would use that money to provide the coverage for the religious.

If we do not appropriately address this issue, claims processing could be negatively impacted for members of religious orders. We have drafted the enclosed provision to state more clearly it is the religious order that is providing the coverage with money paid to it by the employer. The proposed provision is as follows:

**Pension and Health Benefits.** The *Parish* shall pay to the Religious Order the sum of \$\_\_\_\_\_ for retirement or long-term care benefits for members of the religious order.

The *Parish* shall pay to the Religious Order the sum of \$\_\_\_\_\_ for health insurance for the Religious. The Religious Order has sole discretion to use this sum to pay into the Religious Order's health insurance program, to purchase health insurance for the Religious or to enroll the Religious in the Diocese's health insurance program. By signing this agreement, the Religious Order is not bound to use the diocesan health insurance program as if the Religious were a lay employee.

By initialing this paragraph in following space, \_\_\_\_\_, the Religious Order hereby appoints the *Parish* its agent solely for the purpose of paying the sum set forth above to such entity as may be designated by the Religious Order to provide health insurance for the Religious.

*Please note that the foregoing is a sample and may have to be adjusted to fit varying circumstances. It is our assumption that retirement and health benefits provisions will be treated in the same section of an agreement. The first paragraph of the following sample does not deal with the issue that we are raising, but deals with retirement benefits. The term in italics, Parish, may need to be modified in the event the employer is a school, diocesan office, or some other diocesan or religious entity.*

If you have any questions, Brother Pat can be contacted at (216) 696-6525, Extension 4370 or Palmira at Extension 4590.