APPENDIX K

Report on Short-Term Illness Insurance

I. Instructions

Synod 2022, in its response to an overture titled "Implement Insurance for Short-Term Illness," adopted the following recommendations (*Acts of Synod 2022*, p. 847):

> That synod instruct the executive director to curate Human Resources-related best practices and templates including short-term disability options for congregational staff.
>
> That synod further instruct the executive director to study possible denominational and classical benevolence funds for congregations facing short-term disability needs.

Due to the changes in structure that were approved at that same synod, these tasks were given to the newly formed Office of General Secretary. Due to retirements and staffing changes, the response to synod was delayed by a year. The following is provided to Synod 2024 as the completion of this assignment.

II. Summary

A brief survey was sent to the stated clerks and treasurers of classis, asking whether their classes had such a fund. The response rate was over 84 percent from both Canadian and U.S. classes. Of the respondents, only one classis had a specific fund. Three classes commented that if there was a need, the classis could help.

Short-term insurance is not standard in small to medium organizations, such as churches and CRCNA ministry offices. The different social structures of Canada and the United States impact what is available and what is considered best practice.

No fund is set up at the denominational level to provide short-term benefits for congregational staff. Due to the denomination's structure, churches cannot be required to participate in ministry shares. The decline in general funds received from churches (ministry shares) does not enable the denomination to establish and maintain such a fund. Significant differences in the social safety nets available in Canada and the U.S. would also make setting up a fund at the denominational level challenging.

A. Resources

The following resources are available to the churches on The Network (network.crcna.org). These provide an overview of options:

- Canada Edition: A Guide to Leaves of Absence and Short-term Disability
- U.S. Edition: A Guide to Leaves of Absence and Short-term Disability

B. Practices used in the CRC ministry offices

1. The CRCNA Canada ministry office's policy for short-term salary continuation follows the best practices mentioned above. CRCNA employees must meet additional qualifications—for example, short-term illness resulting from elective surgery does not qualify. When an employee does qualify, the employee will receive 100 percent of predisability income during the first 30 calendar days of disability and 75 percent of predisability income during the remainder of the 180 days of disability. Employees receiving benefit payments from another source are not eligible for salary continuation. If an employee returns to work part-time, the employee will receive prorated salary continuation benefits for the balance of salary/wages according to the employee's regular working hours before the illness/disability.
2. The U.S. ministry office does not use an insurance policy to cover this; rather, it does it in-house. The process and benefits mirror those of the Canada ministry office.

C. The broader context

1. In the Canadian context, most charitable organizations do not purchase insurance to cover short-term illness due to the expense; instead, they make provision for it in-house. In all cases, short-term is considered to last only 180 days. Organizations that provide in-house coverage for short-term illnesses typically have policies that define the conditions. Usually, these include exhausting the use of any other paid time off (sick time or vacation time), a specified minimum number of days before the short-term illness continuation of benefits can be engaged, and the need to provide information from a health-care provider (at the start of short-term benefits, at specified intervals during the absence, and before returning to work). The amount of salary continuation provided is also based on the policy established by the organization.

   In Canada, the government provides a social safety net through Employment Insurance (canada.ca/en/services/benefits/ei/ei-sickness.html). The employer and employee contribute to this insurance. If the staff/participant is provided insurance that includes long-term disability (LTD), as does the CGI plan, this LTD benefit is available after the short-term benefits terminate.
2. In the U.S., it is not uncommon for even small organizations to purchase an insurance policy, usually through the same vendor that provides life insurance options for staff. Reformed Benefits Association (RBA) provides insurance benefits for pastors and church staff. They do not offer short-term disability insurance due to the complexities involved.

   Organizations that have experienced low use of short-term illness policies may find it more beneficial not to purchase one. When employees are offered this benefit by their employer (either via an insurance policy or through self-insurance), the salary compensation ranges from 50 percent to 75 percent. Short-term disability benefits usually last a maximum of 180 days, after which long-term disability becomes an option.

III. Recommendation

We recommend that this report be considered the completion of the tasks "to curate Human Resources-related best practices and templates, including short-term disability options for congregational staff" and "to study possible denominational and classical benevolence funds for congregations facing short-term disability needs."

Ground:

All major tasks outlined in the synodical directive have been completed.