

1 SECn/PRev&Dev/NAD&UnSec10YE/NADUn&GCO10YE/10YE to AMK&GAB

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3 **555-10N NORTH AMERICAN DIVISION CONFERENCE LOCALLY FUNDED**
4 **EMPLOYEE CONVERSION SUMMARY FOR**
5 **LOCAL CONFERENCES—NEW GUIDELINES**

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7 VOTED, To adopt new guidelines, Conference Locally Funded Employee Conversion
8 Summary for Local Conferences, to read as follows:

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11 **North American Division**
12 **Conference Locally Funded Employee Conversion Summary**
13 **For Local Conferences**
14 **(October 2010)**

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While employees may be locally funded (i.e. their remuneration and benefits are funded by a local church or school), they are employed by the lowest level of employer in the Seventh-day Adventist Church structure, the local Conference. As the lowest legal entity for employment, the local Conference is the employer for all employees in all classifications, whether assigned to the Conference office or any other Conference facility, such as a church or school.

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The following three recommendations are to assist in bringing locally funded employees into compliance with federal, state, provincial, and local statutes as employees of the local Conference.

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Recommendation I—Phase I will be implemented starting July 1, 2011 and will address the treatment of Conference Locally Funded exempt K-12 instructional educational employees, and exempt and non-exempt part-time pastors. For Phase I, definitions for the following terms in the education context have already been voted: Full-time Academy Teacher, Full-time Blended Teacher, Full-time Elementary, and Part-Time.

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Recommendation II—It has been confirmed that pastors are exempt employees whose job descriptions shall be determined by the conference based on the job functions to be performed and the percentage of workload as compared to a full-time pastor's job description. Pastor positions will be both full and part-time. If the part-time work does not meet the federal guidelines for salary payment, the pastor will be classified as non-exempt, as determined by the conference in consultation with legal counsel.

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All employees will be governed by the applicable state, provincial, and federal laws with the employer being the local conference. For employees who divide their work time between denominational employers, each employing organization shall independently determine part-time or full-time status based on each organization's job description.

**NORTH AMERICAN DIVISION LOCALLY FUNDED EMPLOYEE
CONVERSION SUMMARY FOR LOCAL CONFERENCES—
NEW GUIDELINES – Page 2**

1 *Recommendation III*—All full-time Conference Funded and Conference Locally Funded
2 employees will be eligible for health care benefits. No healthcare benefits will be available for
3 part-time Conference Funded and part-time Conference Locally Funded employees.

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5 Retirement benefits will be offered to eligible full-time Conference Funded and
6 Conference Locally Funded employees with the basic employer contribution and the employee
7 match up to the allowable amount. Effective July 1, 2011 retirement benefits will be offered to
8 eligible part-time Conference Funded and Conference Locally Funded employees with no basic
9 employer contribution, but with the employee match up to the allowable amount.

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11 It is recommended that coordination of all applicable benefits where the employee is
12 employed by more than one denominational employer and the combined time worked by an
13 employee equals, or exceeds, 38 hours per week.

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15 Phase II, if approved, will be implemented no later than July 1, 2012, and will address the
16 treatment of Locally Funded employees such as local church/school secretaries, janitors, and
17 Early Childhood Education Center employees.