

# SACRAMENTO DIOCESAN ARCHIVES

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## TODAY'S AGING PRIESTS CAN RETIRE WITH DIGNITY

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Photo from the Catholic Herald

### Father Raymond Rolf in 1976

In the old days when parish priests reached the age of retirement they could either live with their families, if they had willing relatives, or stay on the job. Usually they were forced to remain on the job, regardless of health and strength.

Diocesan retirement plans have changed that. In the diocese of Sacramento a special retirement fund has been building up for over 10 years, and is currently worth \$450,000. Twelve retired priests in the diocese are drawing benefits from it.

“Before, a priest had no choice,” says Father Raymond Rolf, pastor of the Cathedral of the Blessed Sacrament and one of the chief planners of the program. “Now he has an independent income and can choose how he wants to spend his retirement. If he does not want to retire from the priesthood he can retire from administration and serve in whatever capacity he feels is suitable.”

The fund is still only in the building stages, says Father Rolf, but will be fully mature and able to take care of all priests' needs in about three or four years. In the meantime, the 12 retired priests are receiving only part of their retirement from the fund; the rest is paid by the bishop, he says.

The original \$125,000 was donated by Bishop Alden J. Bell, Father Rolf explains, and has since been increased through an annual parish collection (about \$25,000) and annual dues from the priests (about \$18,000). As part of the plan, priests also pay into social security. Currently a retired priest living outside the rectory gets around \$600 per month in all.

“We have moved cautiously and made no commitments we cannot fulfill,” says Father Rolf. “At present the interest takes care of the payments and the annual collection and dues go to building up the fund.”

The annual parish collection for the priests’ retirement fund takes place next Sunday in the parishes of the diocese.

### **ARCHIVIST’S UPDATE**

The Priests’ Retirement Fund began in 1971. At that time, the younger clergy made an annual contribution to the fund of \$100 and the older priests contributed \$200. After some years, oversight of the retirement fund was taken over by Peter Grassi from the Wealth Management Company in San Francisco. The fund was registered with the IRS as a Rabbi Trust Fund for legal reasons.

The Priests’ Retirement Fund was converted to a Qualified Retirement Plan under IRS regulations that secured the funds for the future. If the diocese were sued, the Priests’ Retirement Fund could not be used as an asset to pay for bankruptcy settlements.

During Bishop William Weigand’s administration, he appointed Monsignors Albert O’Connor and Robert Walton as plan delegates to oversee the fund.

The assets of the Priests’ Retirement Fund have grown over the years, thanks to the investment of the diocese and the annual retirement collection taken up in the parishes. The fund today has assets valued at twenty-two and a half million dollars. Each parish currently contributes \$8,135 per year for each of its priests. Much of this parish contribution is funded by the annual special collection taken up in each parish. The assets of the fund today represent a 79% funding of the total benefits projected to be paid out in the future. Currently, the monthly benefits paid to retired priests is \$172,000 per month. For this reason, it is essential that we continue increasing the assets of the fund until it is 100% funded.

According to the statutes of the Retirement Fund, a priest of the diocese may retire at age 65. A priest is fully vested in the fund after he has been given an assignment by the diocesan bishop and worked five years in the diocese. The monthly retirement benefit is based on a formula of \$71.61 per month times the number of years of service the priest has given to the diocese. Therefore, a priest retiring at 42 years of service receives an annual benefit of \$36,091 and this amount is increased annually by COLA, the Cost Of Living Ajustment.

Beginning with 12 retired priests in 1971 who received a small monthly retirement check, the number of retired priests in the diocese has increased dramatically over the years. Today, as of July 1, 2014, there are 84 priests receiving monthly retirement benefits from the fund and six others are in the beginning process preparing for retirement.

The priests of the diocese are advised to begin saving for retirement from the first day of their ordained ministry. A priest’s retirement income relies on three sources of income. A good visual

image of this is a three legged stool. The three sources of retirement income include: the monthly income from the retirement fund; Social Security benefits; and personal savings and investments made over the years of employment. The combined monthly income from these three sources should provide sufficient income for a priest of the diocese to retire with dignity.

We thank Monsignor Rolf and the priests who worked with him to develop the retirement plan in the early 1970's. We are grateful to Bishop Alden Bell and his successors who gave their support to the creation and development of a priests' retirement fund. Thanks also to Monsignors Albert O'Connor and Robert Walton who oversee the fund for us and special thanks to Monsignor Murrough Wallace who has served as secretary for the fund for many years. He is the fund's contact person who guides each priest through the retirement process.

We also thank Tom McNamara and his staff at the diocesan Finance Department who keep a watchful eye over the progress of the retirement fund. They provide a valuable service in protecting and growing the fund's assets.

Finally, we are most grateful to the People of God of this diocese whose generosity over the years through the annual retirement collection has built the fund to its present level.

Monsignor Ray Rolf, from his place in God's kingdom, must be amazed and very pleased to see how the initial vision of the early 1970s to create a priests' retirement fund has grown and matured in ways he never imagined. Through the wise planning of our brother priests in 1971, our senior priests today are able to retire with dignity after a life of service to the Church of Sacramento. We are indeed grateful to them.



Photo by John E Boll 2011

### **Priests' Retirement Village, Citrus Heights**