News



by Peter Feuerherd

View Author Profile

Join the Conversation

Send your thoughts to Letters to the Editor. Learn more

April 3, 2018

Share on FacebookShare on TwitterEmail to a friendPrint

Read the update: <u>Wisconsin diocese calls off plan to rescind employee's pensions</u>. Updated April 19, 2018, at 3:16 p.m. CDT.

Retired Wisconsin Catholic school teacher Howard Campbell, 69, got to the bank April 2 and deposited his \$888 pension check. It will be one of his last. Like hundreds of his fellow current and former lay employees of the <u>Diocese of La Crosse</u>, Wisconsin, Campbell will not be receiving the full pension he was promised during 40 years of teaching at <u>Regis High School and Middle Schools</u> in Eau Claire.

Campbell and other lay diocesan retirees and employees received word about the pension changes in a letter dated Feb. 27 from Bishop William Patrick Callahan, who has led the diocese since 2010. In the letter, retirees were told they could expect more than 90 percent of the value of their pensions in a lump-sum payment that will be made this summer.

"We have no idea what that will be," Campbell told NCR. "It's the unclear part that upsets people."

Pensioners have been told that the payment will be calculated on actuarial tables that rely on life expectancy estimates.

According to the Eau Claire <u>Leader-Telegram</u>, retirees currently receive \$800-\$1,200 per month. There is widespread uncertainty among pensioners about whether a lump-sum payment will be enough to pay retirement expenses, the paper said.

The plan covered teachers, parish workers, maintenance people and other long-term employees of the diocese. The La Crosse Diocese covers 19 Wisconsin counties in the west-central part of the state.

According to the diocese, the lay retirement plan was created in 1974 and was funded entirely by employer contributions. The plan was frozen in 2007 and employees were offered a 403(b) plan instead of a defined pension.

"By providing the single-payment to each individual, each person can determine the best way to invest or use the proceeds as they see fit. For many in the plan it will be a payout that they can use to provide for themselves, for their children or grandchildren," a March 7 press release from the diocese stated.

Advertisement

But Campbell said that information so far from the diocese has not been forthcoming. "No matter how they do it, it will be less than a regular pension," he said. He said that diocesan employees, especially those who are unmarried and can't rely on a spouse for assistance, worked many years for low salaries and counted on their pensions to get them through retirement.

The statement added: "At all times the difficult decision was driven by the Diocese's desire to protect as best it can the assets of each of the participating members."

The diocesan statement said the decision was made because of market conditions. It did not mention any specific financial issues involving the diocese.

Campbell, who still serves as a substitute teacher, noted that in 40 years of teaching he attended numerous conferences on Catholic social teaching. Now, he said, "a lot of teachers roll their eyes with it."

Are you a La Crosse Diocese pensioner or family member of a La Crosse diocesan employee affected by this story? We would like to hear from you. Please contact pfeuerherd@ncronline.org.

[Peter Feuerherd is a correspondent for NCR's <u>Field Hospital</u> series on parish life and is a professor of journalism at St. John's University, New York.]

Read this next: Survey finds serious flaws in diocesan financial management