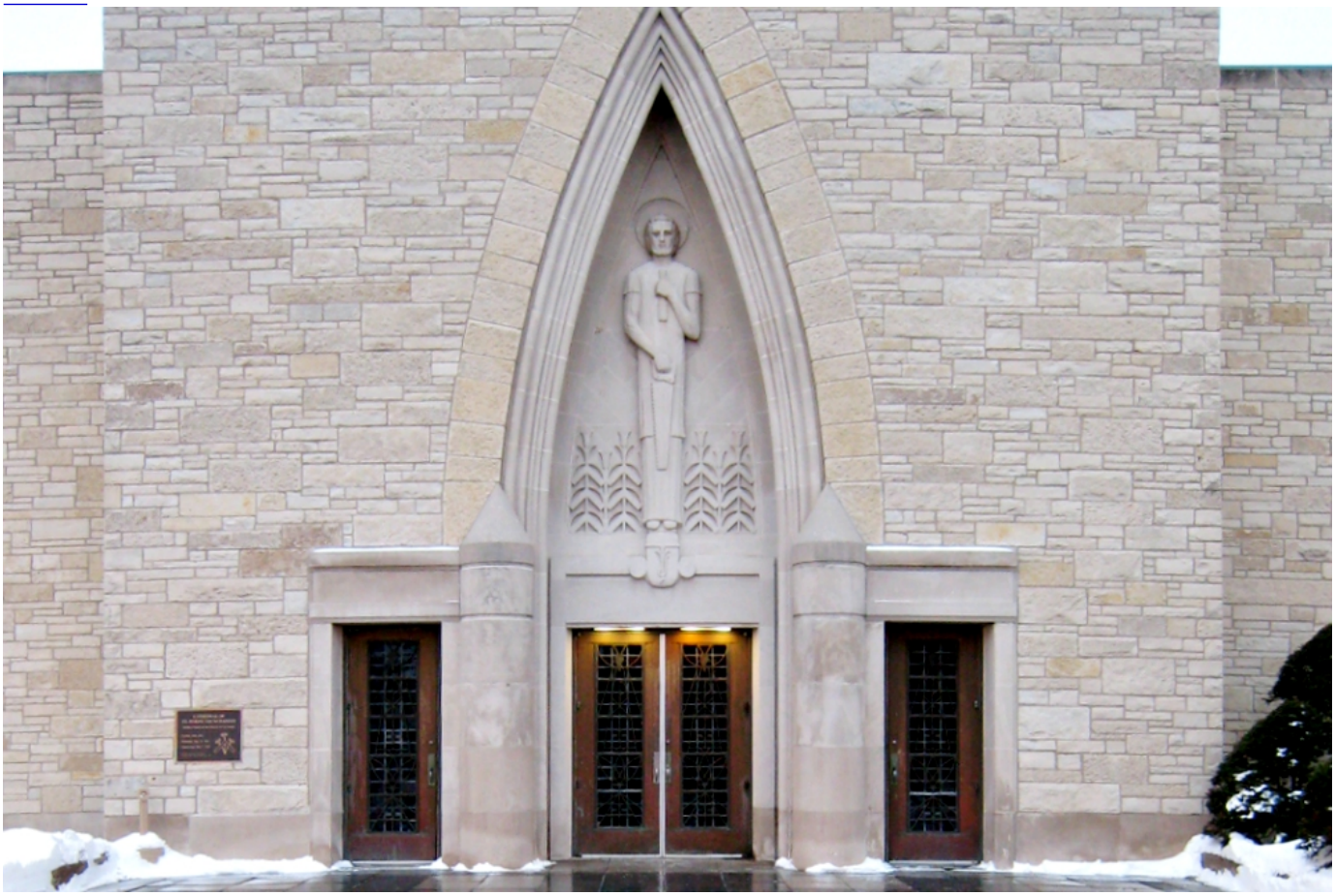
News



The façade of St. Joseph the Workman Cathedral in La Crosse, Wisconsin (Wikimedia Commons/Rabbet)



by Peter Feuerherd

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April 16, 2018

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

Jack Ruhl, an expert on diocesan finances, frequently wanders through the thicket of church financial disclosures, but has never seen anything like the dissolution of the Diocese of La Crosse, Wisconsin, lay pension plan.

La Crosse lay diocesan retirees and employees received word about their pensions 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 distributed this summer.

Ruhl, a professor of accountancy at Western Michigan University, has studied finance statements of U.S. dioceses since 2004, looking for the impact of sex abuse settlements and their effect on priest pension plans. That issue arose in the aftermath of the scandals that enveloped the Boston Archdiocese.

Meanwhile, he has also studied the impact of the crisis on lay pension plans. He has seen a number of examples, including massive transfer of funds to special independent projects, such as the building of Our Lady of the Angels Cathedral in Los Angeles, that protected diocesan funds from sex abuse settlements.

But he told NCR he has never seen the approach taken by the La Crosse Diocese, which says it will not be able to meet its promised obligations to hundreds of retired Catholic school teachers, parish workers and custodians.

In 2011, the diocese established a separate corporation called St. Ambrose Financial Services, which handles its money issues and the administration of the pension plan. Ruhl said that St. Ambrose could be a vehicle to avoid paying out sex abuse settlement claims.

"I have never seen a diocese sweep all net assets (that is, assets minus liabilities) to a separate corporation and then say they are cutting pensions," he told NCR.

Ruhl said that St. Ambrose appears to have a single client, the La Crosse Diocese. By transferring all its assets to St. Ambrose, there is no evidence in the diocese's public statements that funds are available for lay or priest pensions, he said.

Laws protecting defined pension plans do not apply to dioceses, which claim a religious exemption. Ruhl said that the diocese's plans to cut pensions would normally be prohibited by federal law if the diocese were a secular corporation.

Related: La Crosse Diocese to end pension payments with lump-sum payout

"I have never heard of an organization just saying, well, we were unable to fund the pension plan so we have made up this 'fair' plan to distribute what pension assets we have," stated Ruhl.

La Crosse diocesan spokesman Jack Felsheim said that St. Ambrose is an independent agency that the diocese contracts with to perform financial administrative functions. He said it was not created to conceal any assets and that no plaintiff claiming sex abuse has won a judgment against the diocese. Sex abuse issues are not the reason for the dissolution of the employee pension plan, he said.

The website BishopAccountability.org, which compiles information on church sex abusers, lists 10 priests from the La Crosse Diocese who have been accused since the 1960s. Then-Bishop Raymond Burke stated in 2004 that the diocese had paid out $15,807 in counseling fees for sex abuse victims.

A March 7 press release from the diocese said the pension changes were needed due to "market volatility" and that "many employees have found themselves without the support of the retirement funds that they had planned to receive; the Diocese has made a decision in order to avoid that distress and best preserve all employees' retirement funds."

The statement added that the decision to dissolve the pension fund "was driven by the Diocese's desire to protect as best it can the assets of each of the participating members."

Catherine Bunke of Medford, Wisconsin, who spent more than 30 years as a Catholic school teacher and is now retired, wrote to Callahan on March 9 that her $211 monthly payment is needed to pay her bills. In her 70s, Bunke is single and has no immediate family to assist her.

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"With the ending of this benefit, I will be forced to either leave my small house, declare bankruptcy or become homeless. I wonder if Christ would be OK with any of those possibilities," Bunke's letter to the bishop stated.

She added, "I have no idea where to turn for aid. I have no idea how many others this is affecting. I only know that I have nowhere to turn for resources. I was taught to help the less fortunate, give more than I receive, and I am saddened to be this far in my life and to be one of the less fortunate."

In her letter, she noted that her Austrian immigrant grandfather helped build St. Anthony School in Athens, Wisconsin, where she graduated from and later taught for six years, before going on to teach at other schools in the La Crosse Diocese.

Mary Kathleen Julian, also of Medford, a retired teacher and principal, told NCR that her work in Catholic schools "was my mission" and that she worked at far lower wages than her counterparts in public schools.

"This is a shock," said Julian, 68, about the news that she would no longer be receiving her $702 monthly pension after this summer.

"I feel we are being cheated," she said, noting that calls to diocesan offices provide no answers on how much she and others can expect from the promised lump-sum payment.

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 Field Hospital series on parish life and is a professor of journalism at St. John's University, New York.]

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