

July 28, 1990



Orso-Manzonetta

TO MEMBERS OF THE RETIREMENT  
AND REMUNERATION COMMITTEE

I would like to submit the following set of circumstances regarding priests, like myself, who are still active in parish assignments but are past the age of 65.

According to the new standards in effect this month, a priest in any similar situation would be receiving around \$1250.00 per month, give or take a bit. However, after 65 years of age we can only earn no more than \$780.00 a month. The amount of social security added to the restricted salary does not equal the amount earned by other priests under the age of 65, who are doing the same work as we. Here we have an inequity.

In my position I pay close to \$1000.00 a year for FICA, but am not able to receive any reimbursement from the parish for any part because it would exceed the standards set by Social Security. So, excluding the base pay of \$750.00, I have \$30.00 which takes care of car travel, years of service as a priest, and FICA.

Even though I am listed as "in residence" at Sacred Heart Parish in Tillamook, believe me, I am putting in full time as I would have in any other assignments. In fact, I feel as though I am in charge as I was at Saint Michael and Saint Peter, but, do not have any authority - just responsibilities!

While I am not in "tight circumstances," nevertheless I must be judicious in my spending.

I felt that perhaps, this unthought of problem, might be discussed by you so that some solution could be reached pertaining to us "over 65 - but still working." As time goes on, this might just become an increasing thing with which to be concerned, provided the priests don't decide to call it quits at that age!

Sincerely,

*Father Aldo*

Fr. Aldo C. Orso-Manzonetta

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516 Nestucca  
Tillamook, OR 97141-4032

COPY

AUGUST 19, 1990

AUG 21 1990



Orso-Manzonetta

SUA ECCELLENZA,

USUALLY, ANY LETTERS I HAVE SENT TO THE CHANCERY OFFICE IN THE PAST ARE NEVER HEARD FROM AGAIN. AS YOU WILL NOTE, I AM ENCLOSING A COPY OF A LETTER SENT TO THE MEMBERS OF THE RETIREMENT AND REMUNERATION COMMITTEE. SO FAR, I HAVEN'T HEARD ANYTHING BUT THEN IT COULD BE THAT THEY ONLY MEET A CERTAIN TIMES OF THE MONTH. HOWEVER, KNOWING THAT ONE SHOULD ALWAYS KEEP THE "BOSS" (SUPERIOR) INFORMED AS TO WHAT IS HAPPENING, I FELT IT PROPER TO SEND YOU A COPY FOR YOUR INFORMATION.

HOPING AND LOOKING FORWARD TO YOUR COMING (WITH GUESTS, IF YOU WISH) FOR THAT "SPECIAL PRANZO ITALIANO, IN OCTOBER, I REMAIN,

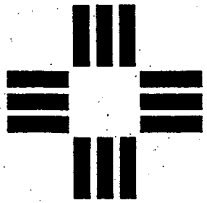
FAITHFULLY YOURS IN CHRIST,

*Aldo*

DON ALDO C. ORSO-MANZONETTA

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PD 1775



ARCHDIOCESE  
OF PORTLAND  
IN OREGON

Office of Clergy Personnel

MEMORANDUM

TO: Archbishop Leveda  
FROM: Father Lienert  
SUBJECT: Fr. Aldo's letter concerning Social Security  
DATE: September 4, 1990

Larry Van Dyke, Sheila Sveta and I have researched the questions raised by Fr. Aldo concerning those priests who receive Social Security before the retire.

A priest who reaches age 65 and continues to work has the option to begin drawing Social Security or defer receiving benefits.

If he defers benefits:

- 1) He will receive higher benefits. If he was born before 1924 the benefits will be increased 3% for each year they are deferred. If he was born after 1924 the benefits are increased at a progressively higher percentage depending on the year of birth.
- 2) He remains eligible for Medicare. When a person applies for social security benefits he is automatically put on Medicare. If he defers receiving benefits he must apply for Medicare separately. This must be done during the seven months beginning three months prior to the first month he is 65. Failure to enroll during this period will result in a delay of four to 16 months in starting coverage and a penalty charge.

If he elects to receive benefits at age 65:

- 1) His benefits will be reduced if he earns more than \$9,360. Beginning in 1990 the rate of reduction is one dollar in social security benefits for every three dollars earned over the \$9,360 limit. Thus, if a priest earns \$12,630 (currently our highest salary) his social security benefits will be reduced by \$1,090. This reduction may be even higher if his food costs do not qualify for tax exemption.

2838 E. Burnside Street, Portland, Oregon 97214-1895 503/234-5334

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**MEMORANDUM**

Fr. Aldo's Letter

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- 2) Even with the reduction in Social Security benefits, he is financially better off taking the full salary.
- 3) Under our new method for reimbursing mileage, he should not include this reimbursement in calculating total income.
- 4) He will be automatically enrolled in Medicare.
- 5) Once he reaches age 70 he may earn any amount without having Social Security benefits reduced.

It is too late for Fr. Aldo to defer benefits. However he can take his full salary. Even with the reduction in benefits he will be better off. In any event he should have a tax consultant review his situation.

I would be happy to write him and explain this to him if you wish.

It also might be helpful to send a memorandum to priests explaining their options in receiving Social Security. In most cases they would be better off deferring benefits until they retire or reach age 70. If they elect to defer benefits, however, it is crucial that they apply for Medicare.

*Please do.*

*Bordidea -  
would you and/or  
Kathleen prepare  
a draft?*

*rvr*

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**COPY**

September 12, 1990

Reverend Aldo Orso-Manzonetta  
Sacred Heart Parish  
2411 5th St.  
Tillamook, OR 97141

Dear Aldo:

I enjoyed our visit last week. I appreciate your keeping me informed about the work in Tillamook.

The Archbishop asked me to respond to your letter concerning Social Security. I did some research for him to determine the options that priests have upon reaching age 65. As you know, a priest may defer receiving social security benefits. If he does this, the benefits will be increased when he actually begins receiving them. At age 70 there is no longer a penalty for making more than \$9,360. If he defers benefits, he must be sure to enroll in Medicare at age 65. If the priest elects to receive Social Security at age 65 (as you chose), he is subject to a reduction in benefits if he earns more than \$9,360. Starting this year the reduction is somewhat less, \$1.00 for every \$3.00 over the specified limit. Once a priest reaches age 70, there is no longer a reduction of benefits if he makes over \$9,360.

In your situation you are better off to take your full salary even though your benefits will be reduced. You are entitled to receive a full salary. The reduced benefits from Social Security will still increase your overall income. I also want to point out that under our new system of reimbursing clergy for business miles at \$ .26 per mile, this reimbursement is neither taxable nor included as income in calculating your total income for the year.

The Archbishop agrees that it would be helpful to send a memorandum to all the clergy explaining their Social Security options when they reach age 65. He asked me to prepare the information for him.

I hope you continue to enjoy your work at Sacred Heart for many years.

Sincerely yours,

Reverend Charles J. Lienert  
Clergy Personnel Director

CJL:gg

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PD 1778