

**General Conference of Seventh-Day Adventists
West Central Africa Division**

WAD Business Professional Convention

**Afrikland Hotel
Grand Bassam, Cote d'Ivoire**

**PACKAGE PLAN
JULY 5, 2017**

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NAD Housing Committee Recommendations

What Was - Prior to 1980:

One wage factor with all employees paid a remuneration rate percentage of that factor, with added allowances for housing which included housing and utilities. Also job related allowances which included auto depreciation, auto insurance, telephone and professional allowance.



NAD Housing Committee Recommendations

What Came in 1980:

On July 1, 1980 the NAD went on what was called the package plan. It may not have been implemented till January 1, 1981 in some cases. There was still one category wage factor with all employees paid a remuneration rate percentage of that factor. However the remuneration rate percentage changed. Each employee on the remuneration rate percentage had 50 points added to his percent for housing allowance and job related allowances.



NAD Housing Committee Recommendations

What Came in 1980:

For example the pastor at 100% of the wage factor now received 150% of the wage factor. The administrative secretary at 67% of the wage factor received 117% of the wage factor and so forth. The housing allowances and the job related allowances were discontinued. The housing portion of the package plan for the ordained minister was 30% of his remuneration.



WAGE FACTOR AND ALLOWANCE RATES--1977

VOTED, 1. To approve, effective July 1, 1977, the following wage factor and allowances for the North American Division:

Basic Salary Wage Factor	\$810.00 per month
Housing Subsidy Maximum	245.00 " "
Utility Subsidy	
Minimum for Qualification	150.00 per year
Maximum Assistance	*420.00 " "
Auto Depreciation, United States	85.00 per month
Auto Depreciation, Canada	95.00 per month
Professional Allowance	100.00 per year

*In specific areas where utility costs are exceptionally high, union committees for their territories (NADCA for the General Conference and its institutions) may give consideration to this excessive cost and adjust the maximum accordingly. In such areas the plan of remuneration may also be increased, the amount of the increase to be limited to the corresponding percentage increase in the utility portion of the package only.



2. To approve the following allowance package base effective July 1, 1977:

	Maximum Per Month	
	<u>Plan I</u>	<u>Flat Rate and Package Base</u>
a. Housing Allowance		
Housing Subsidy	\$ 245.00	\$ 245.00
Utility Subsidy	Per Policy	<u>35.00</u>
Total Housing Allowances		\$ 280.00
b. Job-Related Allowances		
Automobile Depreciation	85.00	85.00
Automobile Insurance	Per Policy	20.00
Telephone	Actual	11.50
Professional Allowance	Per Policy	<u>8.50</u>
Total Job-Related Allowances		\$ 125.00
Total Maximum Housing and Job-Related Allowance Base		\$ 405.00
c. Automobile Mileage Rate		10¢ Per Mile

NOTE: The usual footnotes will appear in the Wage Scale booklet following the above schedule.



NAD Housing Committee Recommendations

High Cost Areas and Runzheimer:

High cost of living areas were recognized in 1981 with new categories of “A - E” added with the difference to the new B category increased by \$40 and than each additional category by \$20 dollars. Through the years the spread between A - E continued to grow and there was not a plan as to what it should tie to for methodology . A cost of housing spread was applied for each category but it really did not tie to concrete figures in later years. The method became clouded.



NAD Housing Committee Recommendations

ERI (Economic Research Institute and Cost of Living:

A few years ago the treasury departments began to use a service to figure the cost of living in certain cities by ERI. This system was used to figure which category a worker would fall into. This was fairly accurate however we did not have a good method to figure the cost of living spread with the A - E categories.



NAD Housing Committee Recommendations

ERI (Economic Research Institute and Cost of Living:

Also trying to figure out which parameters to use was a problem as the cost of living percent could be manipulated by the parameters selected. Some of the conferences began to use half scales of the A - E category. One conference used category A as the base and then used the ERI cost of living percent to figure the salary for the employee.



NAD Housing Committee Recommendations

ERI (Economic Research Institute and Cost of Living:

As there were several conferences experimenting and looking for a method a study committee was put together to give study to a fair and equitable method to figure cost of housing for the employee and later it was requested that this committee interface with the remuneration task force for housing.



NAD Housing Committee Recommendations

Results of the Study Committee:

There would be one pay category which would be the former A with the utilization of ERI as the benchmark instead of the A - F categories for computing the housing assistance. We would pay the employee based on category A and then have a separate line item on the pay check for housing based on the ERI cost for the place of employment.



NAD Housing Committee Recommendations

Results of the Study Committee:

Each employee would receive the same housing allowance for that location even though the remuneration wage percentage rate might be different. We would use cost of housing instead of cost of living as it gave a truer picture of the cost. We came up with certain assumptions to use in our study.

NOTE: The committee in the end went with the cost of living and not the cost of housing which seemed easier to administer.



NADWP – Y 08 25

Y 08 25 Cost Of Living Assistance—The North American Division implements a cost of living assistance in addition to the remuneration by the application of the studies compiled by the Economic Research Institute, Inc. (ERI), Redmond, Washington, for the United States and the Bermuda Islands, and Statistics Canada for the territory of the Seventh-day Adventist Church in Canada.

The calculation will be based on the following factors (except for community wage employees under Y 08 15):



NADWP – Y 08 25

1. One remuneration factor for all NAD exempt employees to be determined by the North American Division Committee.
2. Based on annualized earnings calculated by using the remuneration factor (RF) voted by the North American Division Committee to be implemented on July 1 of the following year (RF x 12 months).
3. The ERI/Statistics Canada cost of living component will include the following factors:
 - a. The use of ownership, instead of renting, as a determining factor.



NADWP – Y 08 25

- b. Use of 1,800 square feet (organizations may go up to 2,200 square feet if there is no basement or other circumstances warrant, and as approved by the respective union committees).
- c. A family size of four with one car valued at \$20,000.
- d. The number of 10,000 personal miles driven per year.
- e. The Housing/Utilities/Property Tax for the United States/Canadian Average in the relocation analysis report provided by ERI will be calculated at 35% of the annual earnings.
- f. The house payment assumption modified to reflect a mortgage loan at 90% financing, with all other assumptions remaining as indicated in the default.



NADWP – Y 08 25

g. Employing organizations will not pay salaries that are below the established Remuneration Factor and will appropriately maintain the amount of the salaries in cases where the ERI Cost of-Living factor is below the national average.

h. Employing organizations may develop a phase-in plan that will allow the implementation of this policy within their financial parameters.



NADWP – Y 08 25

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h. Employing organizations may develop a phase-in plan that will allow the implementation of this policy within their financial parameters.



RELOCATION ASSESSOR

Relocation Analysis Report Addendum House Payment Assumptions

	United States Average <small>United States Dollars</small>	AA04 - MID-A., User-Defined <small>United States Dollars</small>
House Value	241,813	271,110
Loan Amount	90.0 % * 217,632	90.0 % * 243,999
Term	30 years	30 years
Interest (1st yr)	4.190 % 9,048	4.190 % 10,147
Principal (1st yr)	3,708	4,157
Mortgage Payments	12,756	14,304
Property Tax/Mill Rates	1.200 % 2,902	1.980 % 5,368
Maintenance	0.900 % 2,176	1.000 % 2,711
Insurance	0.300 % 725	0.360 % 976
Utilities	3,046	2,245
Total Payments	21,606	25,604

Name: Mid-American Union

Data as of: 04/01/17

Printout: 06/05/17 10:44 AM

* - a user modified value

Documentation further describing each cost component category and additional Relocation Assessor methodology is provided to EIRRA subscribers as part of the calendar year subscription.

RELOCATION ASSESSOR

Relocation Analysis Report

Prepared For	Housing	Automobile(s)
Name: <u>Mid-American Union</u>	Own or Rent: <u>Own</u>	Number Owned: <u>1</u>
Annual Earnings: <u>53,064</u>	Sq. Feet: <u>1,800</u>	Total Value: <u>20,000</u>
	Family Size: <u>4</u>	Miles/Year: <u>10,000</u>

COST ELEMENTS	Areas Compared		
	United States Average	AA04 - MID-A., User-Defined	Differentials
	% of Total	United States Dollars	United States Dollars
Consumables:	26.0%	15,390	15,037
Transportation:	6.3%	3,364	3,428
Health Services:	4.0%	2,135	2,172
Subtotal, Goods/Services:	36.4%	20,889	20,637
Housing/Util/Prop Tax:	35.0%	18,572 *	25,604 *
Income+Payroll Taxes: <small>(Residence: United States)</small>	15.4%	8,196	6,412
Miscellaneous:	10.2%	5,407	5,407
Total Cost of Living: <small>(Base city total cost set to equal earnings)</small>	106.0%	53,064	58,060
COL % of Base City		100.0 %	109.4 %
COL % of U.S. Average		94.6 %	103.5 %
Estimated Home Value: <small>(1,800 Sq Ft.)</small>		241,813	271,110
			29,297

Destination City's Estimated Per Diem:	Daily Allowance United States Dollars	
	Average Hotel Cost	Food/Other
ERI Shortfall Analysis:	91	51
	29	0

Data as of:	04/01/17
Printout:	06/05/17 10:44 AM

* - a user modified value

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ERI Templets for Salary and Cost of Living

Please note in the case of the Mid-America Union from the example the salary or package plan and the cost of living.

The annual salary based on the package plan is the amount of \$53,064. The remuneration factor times the 12 months. After adding all the parameters the cost of living that would be added to the salary would be \$4,996. When paying the employee they would get the total of the two amounts here times their remuneration percent rate.



Thank You – The End

