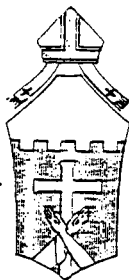


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**Memo from Msgr. McElroy,
re: "New Policy Regarding Employee
Paid Health Insurance Premium During
Authorized Medical Leaves"
(04/07/97)**



THE ARCHDIOCESE OF SAN FRANCISCO

445 CHURCH STREET, SAN FRANCISCO, CALIFORNIA 94114-1799 (415) 565-3600

MEMO FROM: Msgr. Robert McElroy, Vicar for Administration *RM*

TO: Pastors, Principals, Chancery Department

SUBJECT: ~~NEW POLICY REGARDING EMPLOYER PAID~~
~~HEALTH INSURANCE PREMIUM DURING~~
~~AUTHORIZED MEDICAL LEAVES~~

DATE: April 7, 1997

The Archdiocese of San Francisco is very proud of the outstanding choice of health plan options offered to our eligible participants/employees. Yet, one of the most complex social concerns currently facing employers is adequate health coverage for their employees; particularly during times of extended illness.

Recently, we reviewed the possibility of extending the period of time during which the insurance premiums are paid by the employer beyond those required by Family Medical Leave Act (FMLA) for lay employees who are faced with an extended illness.

We are delighted to announce that Archbishop Levada has approved the following policy effective April 1, 1997:

While they are on any authorized medical leave of absence, all regular employees of the Archdiocese covered under the Archdiocesan health insurance plans (including COBRA) shall have their applicable premium paid for by their employer. In order for extended insurance coverage and employer premium payments to commence and remain in effect, said leave of absence must be authorized in writing by the employee's immediate supervisor and the Archdiocese Office of Human Resources.

Extended insurance coverage shall commence at the time of the completion of any Family and Medical Leave taken by the employee, or, if the employee is not eligible for Family and Medical Leave, at the time that the medical leave of absence commences.

NOTE REGARDING COBRA COVERAGE: This policy does not affect the circumstances under which COBRA coverage becomes applicable or when such coverage is exhausted. Rather, it is intended to clarify that the applicable COBRA premium shall be paid for by the Employer rather than the Employee during an authorized medical leave of absence.

It is essential that you still follow the COBRA and FMLA process if applicable. Please contact the office of Human Resources immediately when an eligible employee is hospitalized for three (3) or more days due to a non-work related illness or injury. If an eligible employee is not hospitalized but does not report to work for seven (7) days due to a non-work related illness or injury, please contact the office of Human Resources at (415) 565-3625 or (415) 565-3627. We can assist you with the mechanics of COBRA, FMLA and the new Archdiocesan Policy.

NOTE: For details concerning FMLA and COBRA, please refer to applicable Chancery plan booklets or contact Angie Espinoza in the Office of Human Resources.

Please circulate this new policy to all employees who are covered under the Archdiocesan Health Plans.