



Catholic Teachers Union

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Know Your Contract - *Substitution*

Teachers rostered for substitution duty are to be used only to substitute for others who are absent for up to three consecutive days. If a teacher is absent for more than three consecutive days, CTU contracts call for the schools to use short term substitutes (i.e. administrators or other professionals or para-professionals). Those short term substitutes are paid on a per diem basis and do not accrue contractual salary or employment benefits.

Long term substitutes are hired to fill full time positions when an employee will be out of work for one quarter of the school year [or its equivalent in school days]. The long term substitute is paid on the contractual salary scale. If the long term substitute is subsequently hired, the first day of work as a substitute is used to calculate salary step and tenure.

From the President

By the time this newsletter goes out the holidays will be over and the New Year will have begun. I hope your Christmas was merry, spent with the people you love the most and I pray for God's blessings on you and your families in the coming year.

We have a busy year ahead of us with two contracts to negotiate and two schools negotiating salary and benefits packages. We also have two executive board positions to fill.

I've been working on the newsletter so be sure to check out our new sections that I hope will be informative. Each newsletter will highlight a particular topic that is of membership interest. If you have a topic you'd like us to focus on, please email it to mkrossi@ctunj.com.

All the best,

Mary Kay Rossi, *CTU President*

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Useful Links

[Horizon](#) [Medical]

[Express Scripts](#) [Prescription]

[403\(b\)](#) Retirement Plan

[Vision](#) Benefits of America

[ABCO](#) Credit Union

[Camden Diocese](#) Human Resources
Department

Issues

Retirement I - Funding Retirement

You are not going to teach forever. Whether twenty-five or fifty-five, at some point you will retire.

Since the 2002-2005 contract, teachers have not had the opportunity to begin participation in the Diocesan Pension Plan for Lay Employees. This plan was a **defined benefit plan** which the diocese had offered since the early 1960's. Teachers who were vested in the program before 2002 will receive pension payments from that plan upon retirement.

In 2002, the union and schools agreed to a **defined contribution plan**, a 403(b) plan. By contract, the school contributes 5% of a teacher's annual salary to the plan. The plan receives payments on the teacher's behalf after one year of employment. Teachers determine how the funds will be allocated, from conservative through aggressive investment models. The money is sent to the plan by the schools, before taxes. When the funds are disbursed to the teachers, they are subject to income tax. Starting at age 59 1/2, even if still employed, teachers may begin to withdraw funds, which are reported as taxable income when withdrawn, without any IRS penalty. Employees may not contribute to this plan, but the funds are the employee's.

In addition, teachers may set up a **voluntary contribution plan**, another 403(b) plan. These funds are deducted from the salary before taxes. If choosing to set up this plan, the employee determines the amount of money to contribute, within limits established by the IRS. Teachers may also choose to withdraw funds at age 59 1/2 without IRS penalty, but must pay income tax as the funds are withdrawn. Also, if the teacher retires before age 55, the funds may be withdrawn without further penalty beginning at age 55. Beginning at age 50, teachers while still employed may "catch up" with additional contributions.

Finally, teachers can choose to set up a **Roth IRA**. This is funded with "after tax" dollars. Employees do not pay income tax when funds are withdrawn and any growth in the funds is not subject to income tax.

The plans are administered for the schools by the Faller Group, through Empower Retirement Services. Once a semester, a representative from Faller visits each school to discuss retirement plan options with teachers. Faller can be reached anytime at gfaller@linconlinvestment.com or (800) 528-8924.

It is never too early in your career, nor too late in your tenure to plan funding for retirement.