



# ANNOUNCEMENT

ARCHDIOCESE OF ST. LOUIS

Dear Colleagues,

As we plan for the upcoming fiscal year (FY27, beginning July 1, 2026), we recognize that many parishes, schools, and agencies must make early budgetary decisions, such as setting tuition rates for the 2026–2027 school year or preparing grant applications. Preliminary information provided to you in November is updated below.

We are sharing the following guidance to assist with your budget planning:

## **Annual Employee Payroll Increase**

To remain competitive and support employee retention, the payroll increase for FY27 will be **3.5%**, with flexibility to accommodate teacher salary progression based on step and lane advancement within the established compensation structure.

## **Benefit Plan Increases**

The Archdiocesan Benefit Plan is projected at a **7% overall cost increase**, primarily due to higher healthcare claims, prescription drug costs, and inflation in medical services. We suggest you use this rate in budgeting for benefits eligible staff.

## **Priest Salary & Benefits**

Priest wages have been reported individually by our Vicar for Clergy. PMBS dues will remain the same as last year at **\$9,500** for health and **\$18,500** for retirement.

## **Additional Guidance**

Other revenue and expense categories may be estimated based on current trends at your parish, school, or agency; general guidelines suggest inflation rates in the **2.5% to 3%** may be appropriate for various expense categories.

## **REGULATORY UPDATES**

### **Minimum Wage:**

Effective January 1, 2026, Missouri's minimum wage increased to **\$15.00** per hour. Our HR and payroll teams have already been ensuring this increase is incorporated.

A Federal Labor Standards Act (FLSA) audit will occur to ensure all positions are correctly classified as exempt or non-exempt under federal law. This review may result in some jobs being classified as overtime-eligible and others no longer qualifying for overtime exemption. Any required changes will be communicated in advance, and Finance will receive updated cost impacts to support accurate FY2027 budgeting.

We are grateful for your thoughtful stewardship and prudent planning. While financial indicators are mixed, we are optimistic about the year ahead. Thank you for your continued commitment to careful budgeting and for your dedication to the mission we share in serving Christ and His Church.

Yours in Christ,

### **Very Reverend Carl J. Scheble**

Vicar General/Moderator of the Curia  
Archdiocese of St. Louis

### **Barbara O. Thibodeau**

Chief Financial Officer  
Archdiocese of St. Louis

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