Retirement Plans

In 2022, Pension Fund awarded a 10% Special Apportionment Credit (SAC) to all pension accounts (active, inactive, and retirees) based on 2021 market performance and plan valuation. In 2021, the SAC award was 10.5% based on 2020 performance and plan valuation. Over the course of twelve (12) months, fully funded credits for all pension plan account holders increased by more than 20.5%, given the compounding effect of the year-over-year increases. This means retirees in the United States and Puerto Rico received a greater than 20.5% increase in their gross monthly payment between July 1, 2021, and July 1, 2022. The valuation of the Canadian RCA plan did not support SACs.

Good Experience Credits on interest-bearing accounts also set a record during this same period. The combined base rate of interest plus Good Experience Credits were (2020/2021):

- Tax-Deferred Retirement Account: 4.56% / 20.38%
- Traditional IRA: 3.56% / 7.79%
- ROTH IRA: 3.56% / 11.11%
- 457(b): 1.78% / 13.02%
- Benefit Accumulation Account: 5.04% / 13.37%

While there was not a GEC awarded in 2022, and the investment year has seen periods of uncertainty and high volatility, our portfolio continues to weather the market well and perform as designed.

In anticipation of changes in federal law affecting retirement contributions under the age-50 catch-up provision, and to assist members who wish to diversify the taxability of their retirement income, Pension Fund launched in January 2022 a Roth sibling to the Tax Deferred Retirement Account. The Roth product allows employees to contribute post-tax dollars through their employers and provides for tax-advantaged growth and tax-free distributions in retirement. Beginning in 2024, age-50 catch-up contributions must be contributed on a Roth basis.

Since the Assembly last gathered, Pension Fund also launched a 457(b) product, available only to those in colleges, seminaries, benevolent care facilities, and other

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1 Special Apportionment information for 2022 was not available at the time this report was due.
2 The 2022 fiscal year had not closed at the writing of this report.
ministries defined as non-Qualified Church Controlled Organizations. The 457(b) allows highly compensated employees to defer additional income beyond the traditional contribution limits.

**Ministerial Relief and Assistance (MRA) including Excellence in Ministry (EIM)**

Pension Fund serves as the steward of these historic programs that were foundational to our creation in 1895. Over the past four years, Pension Fund has provided more than $9MM in financial assistance through the seventeen programs of MRA.

Our largest programs serve low-income retirees and those who were not afforded the opportunity to contribute to retirement savings during active ministry. Additionally, these individuals qualify for our 13th Check program and assistance with Medicare Supplemental Insurance.

Over the past seven years, we have focused on expanding programs for active clergy, such as Emergency Aid, Chaplaincy dues, Student Gift for seminary students, and Funeral Assistance Programs for those without the Pension Plan death benefit. We now offer parental leave assistance grants to help new parents collaborate with their local congregation to extend leave at the birth or adoption of a child, including helping congregations develop parental leave programs and matching retirement contributions to new church pastors, and helping these pastors bridge providing full retirement savings to their pastor over the course of five years, among others.

Additionally, Pension Fund has stewarded gifts of $2.5MM from the Lilly Endowment to create Excellence in Ministry (EIM)—a financial literacy training program for clergy in their first five years of ministry. EIM works in partnership with organizations like Bethany Fellows and Your Money Line/Pete the Planner to engage clergy at the beginning of ministry in topics such as debt and the associated guilt or shame, household budgeting, taxes, and negotiating compensation. The program aids church workers applying for student loan relief. Through the program millions of dollars of debt have been paid off or restructured, and pastors have saved additional funds for retirement and/or emergency savings. In March 2023, a group of church leaders are meeting to shape ideas for EIM beyond Lilly, as we expand the work of financial literacy among clergy.

**Clergy Health and Wellness**

Pension Fund understands the vital role we play in helping clergy families save for a strong, smart, and secure retirement. We also recognize our role in helping clergy reach retirement age mentally, physically, financially, and spiritually intact. To this end, we have launched clergy health and wellness initiatives, funded by MRA as follows:

Learn to Live (L2L). L2L is an online mental health support program that seeks to address life issues associated with alcohol or chemical dependency, depression, social anxiety, sleep disorders, and general anxiety issues. This free online service can also include a coach to help guide and hold a pastor accountable to working through the resources. This resource is available to active clergy and any members of their immediate household over the age of 13.
Your Money Line (YML). YML is a financial companion service that can work with any Pension Fund member on all non-Securities and Exchange Commission-related financial questions. YML’s financial companions help members shape household budgets, conduct check-ins on spending and savings goals, and offer insights related to debt management and overall financial wellness. YML is provided free to all members.

The first Gathering for Clergy was held September 2022 in New Orleans. More than 350 pastors gathered for three days of learning, worship, and engagement. The event featured the American Spiritual Ensemble, worship led by Andra Moran, and presentations of Working Well by Dr. Matt Bloom, who has been researching helping professions and wellness for more than twenty-five years. The next Gathering will be scheduled for 2024 or 2025 based on the decision of the General Assembly of a biennium or triennium. Through the generosity of our donors, Pension Fund contributed more than $200,000 in financial support to increase the accessibility of the event.

Strategic Initiatives
Pension Fund’s current strategic plan includes two strategic initiatives in addition to our ongoing efforts for Member Self-Service / automation and Cyber-security.

Our first initiative is Lean Process/Six Sigma Training for staff. All Pension Fund staff are now Six Sigma White Belt certified; additional staff have earned their Yellow Belt and/or Green Belt certification. Our Senior Project Manager has earned her Black Belt Certification. The tools and processes learned through these training courses assist Pension Fund employees to identify and eliminate waste, help us problem solve with efficiency, and improve our focus on clarifying the voice of the member.

Our second strategic initiative focuses on Diversity, Equity, Belonging, and Accessibility (DEBA). For our staff, our Pro-Reconciliation/Anti-Racism Team continues to offer ongoing training and engagement. Our Leading Effectively through Accountability and Development (LEAD) program for supervisors includes additional training on implicit bias. Rev. Gabriel Lopez-Patina serves as the Director of DEBA. Ingrid Hernandez joined our staff as our fourth Spanish-speaking employee and works in our call center. We have added a feature that allows those who prefer to speak with a Spanish-speaking employee to press one and be directly routed to a Spanish-speaking agent.

As part of the market research and to confirm some of our assumptions regarding historically underserved communities, Pension Fund engaged P3 Development, a consulting firm in Milwaukee, WI, that specializes in assisting historic institutions understand engagement with communities of color—both those that are participating with the organization and those that are eligible but not participating. P3 began by interviewing the heads of our three Racial/Ethnic Ministries. They then conducted twelve additional one-hour interviews with leaders identified within each racial or ethnic community. The fifteen interviews shaped the desk survey, which is scheduled to be circulated widely in late February 2023 to members and nonmembers. The surveys will be followed by focus group interviews. We are working to leverage established events,
such as the Korean Pastors Convocation and the Black Minister’s Retreat, Hispanic and Bi-Lingual Fellowship Conventions, and social media groups such as the Black Disciples Clergy Women to reach further into the church beyond those who are participating members.

The survey and focus group data will be summarized by P3 in May 2023. From this report and with Rev. Lopez’s leadership, we will review our current marketing and membership, development approach to tailor to each of our three major racial and ethnic communities, enhance awareness of our programs and services available to each community, and seek to create generational connections regarding Pension Fund’s programs and services. One early indicator from the interviews is the desire to not only “see myself in Pension Fund’s staff” but also to be connected to an elder within the racial or ethnic community who has used Pension Fund’s programs and services. We are currently working to develop an Ambassador program, which will leverage the experience of elders within each racial/ethnic community and their story with Pension Fund to create a warm introduction to those who do not know our story.

In 2024, Pension Fund’s marketing and communications staff, as well as the Client Relations Team, will be retooling our approach to ensure everyone understands the multiple entry points to using Pension Fund’s products and services.

We remain grateful for the opportunity to steward the retirement assets of pastors and church workers; to our donors who make possible the programs and services of ministerial relief and assistance; for the trust the church places in us to make wise decision in managing the funds and appropriately advocating for justice in its many forms; and to our board of directors who give of their time, financial resources, and industry expertise to ensure accountability, transparency, and prudent standards of fiduciary management are met.

Pension Fund’s board of directors include the following classes:

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<td>Linda Hernandez Williams</td>
<td>Rev. Sydney Avent</td>
<td>Randy Clayton</td>
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<td>Rev. Denise Bell</td>
<td>Rev. Jabari Butler</td>
<td>Grace Caress</td>
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<td>David Burch</td>
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Our board members are: 7 men and 11 women, representing all regional clusters, range in age from 30s-70s, and are 45% persons of color. Their professional backgrounds include, but are not limited to: CPA, small business owner, clergy, Medicare actuary, investment banking, Investment / Retirement manager, commercial property development, personal wealth management, computer / IT systems and security, Chief Financial Officer, attorney, bank trust officer, retirement plan administrator, and defined-benefit actuary.
The General Board receives this report and forwards it to the 2023 General Assembly for consideration and discussion.