

December 9, 2022

Dear Friend,

Each December, The Church Pension Fund Board of Trustees (CPF Board) determines whether a cost-of-living adjustment (COLA) should be granted under the defined benefit retirement plans (collectively, the Plans) administered by The Church Pension Fund (CPF). A COLA is a discretionary adjustment that is intended to assist retirees and beneficiaries by offsetting (or helping to offset) the annual rate of inflation. COLAs are not mandated by law or by Plan rules; in fact, among pension plans, granting a COLA is actually quite rare.

In the past, the CPF Board has granted COLAs when inflation has justified it and the financial condition of the relevant Plan has allowed for it. For guidance on inflation, it has been our practice to look to the US Bureau of Labor Statistics' Consumer Price Index, which also is the basis for the US Social Security Administration's annual COLA determination used for Social Security benefits.

To evaluate the financial strength of its Plans, CPF regularly stress tests them using sophisticated financial models to determine whether each Plan can support the granting of a COLA without compromising its financial strength over the long term. In its final decision-making, the CPF Board weighs carefully the results of these analyses because, when a COLA is granted, it results in increased payments to all retirees and beneficiaries in perpetuity, thus creating a permanent liability (or strain) on the applicable Plan. These tests are designed to protect the long-term viability of the Plans and to help ensure the continuity of pension payments received by participants and beneficiaries.

2023 COLA for the International Clergy Pension Plan

After carefully considering the financial position of the International Clergy Pension Plan (ICPP), the current economic environment, and future economic predictions, the CPF Board has decided to grant an 8.7% COLA for retirees and beneficiaries of the ICPP. The COLA will be effective January 1, 2023.

The CPF Board also discussed the possibility that future COLA determinations for our Plans may deviate from the Social Security Administration's annual COLA determination. If we find ourselves in a sustained period of inflation and/or experience muted market returns, the ICPP may provide a benefit adjustment that is less than that provided by Social Security to help manage its long-term financial strength. As always, the granting of any COLA is entirely discretionary and subject to the CPF Board's determination that the financial condition of the relevant Plan can support it.

We continue to monitor the economic environment and the financial position of the ICPP, and we will continue to communicate future COLA announcements clearly and quickly.

Please visit our website, cpg.org/COLA, which has been updated with details related to the CPF Board's COLA decision, along with answers to frequently asked questions and a video.

Purchasing Power Adjustment Under the ICPP

In an effort to determine whether ICPP retirees and beneficiaries living in a particular country have experienced a loss in purchasing power, we previously announced that we would begin to perform a periodic benefit adjustment analysis every three years and make necessary benefit adjustments when there has been a loss in purchasing power, with any such adjustment being capped at 5%.

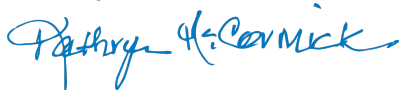
The first purchasing power adjustment was granted in 2021 to eligible retirees and beneficiaries living in certain countries. The next purchasing power adjustment, if necessary, will be granted in 2024. Any purchasing power adjustment is in addition to any annual, discretionary COLA granted by the CPF Board, if applicable.

For more information on these and other benefits offered through the ICPP, please visit cpg.org/ICPP and our website in Spanish, cpg.org/espanol, where we continue to make more materials and resources available in Spanish.

We are fortunate to serve those who serve The Episcopal Church and La Iglesia Anglicana de la Región Central de America and are grateful to be able to enhance your benefits. As always, if you have any questions or comments, please contact us at (866) 802-6333. Please do not hesitate to let us know if you need an interpreter as we can make one available to assist you with your call.

We wish you a blessed Advent season. Please stay safe, well, and in touch.

Faithfully,



Canon Kathryn McCormick
Chair
The Church Pension Fund Board of Trustees



Mary Kate Wold
CEO and President
The Church Pension Fund