

December 12, 2025

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)¹ 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 quite rare.

In the past, the CPF Board has granted a COLA when inflation has justified one 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 is also 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 performs stress tests 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 the results of these analyses carefully because granting a COLA results in increased payments to all retirees and beneficiaries in perpetuity, thus creating a permanent increase in the liability for 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.

2026 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 a 2.8% COLA for retirees and beneficiaries of the ICPP, which is consistent with that granted by Social Security. The COLA will be effective January 1, 2026.

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

¹ The Plans are the Clergy Pension Plan (and certain related clergy plans), The Episcopal Church Lay Employees' Retirement Plan, and the International Clergy Pension Plan (ICPP).

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 the long-term financial strength of the Plan. 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

Because US inflation may not fully account for the impact of local inflation and exchange rates on ICPP retirees and beneficiaries, we perform a periodic benefit adjustment analysis every three years to determine whether ICPP retirees and beneficiaries living in a particular country have experienced a loss in purchasing power. CPF makes benefit adjustments when there has been a loss in purchasing power due to US inflation not fully accounting for the impact of local inflation and exchange rates, with any such adjustment being capped at 5%.

We performed a purchasing power analysis in 2023 (covering the period beginning October 1, 2020, and ending September 30, 2023) and granted a purchasing power adjustment, effective January 1, 2024, to eligible retirees and beneficiaries living in certain countries. This purchasing power adjustment was in addition to the annual, discretionary COLA granted by the CPF Board, which was also effective as of January 1, 2024. The next purchasing power adjustment analysis will be conducted in 2026, and any subsequent purchasing power adjustments will take effect on January 1, 2027.

For more information on these and other benefits offered through the ICPP, please visit cpg.org/ICPP.

We are fortunate to serve those who serve The Episcopal Church and La Iglesia Anglicana de la Región Central de América 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 well and in touch.

Faithfully,

A handwritten signature in blue ink, appearing to read 'Anne Vickers', with a large, stylized flourish at the end.

Canon Anne Vickers (retired)
Chair
The Church Pension Fund Board of Trustees

A handwritten signature in blue ink, appearing to read 'Mary Kate Wold', with a large, stylized flourish at the end.

Mary Kate Wold
CEO and President
The Church Pension Fund