

December 11, 2020

Dear Friend:

We hope this finds you well during these challenging times. On behalf of The Church Pension Fund Board of Trustees (CPF Board), we are pleased to let you know that clergy retirees of the non-domestic dioceses of The Episcopal Church and La Iglesia Anglicana de la Región Central de America (IARCA), or their beneficiaries, who are receiving a benefit from the International Clergy Pension Plan (ICPP) will receive an annual 1.3% cost-of-living adjustment (COLA) for 2021. (Please note, if a cleric retired during 2020, the increase is prorated.)

Although not required to do so by plan rules, the CPF Board has generally granted a COLA when inflation has justified it and the financial condition of the ICPP has allowed for it. While we make our own judgments regarding COLAs, it has been our practice to look to the U.S. Bureau of Labor Statistics' Consumer Price Index as a benchmark to guide our thinking on inflation. Many other organizations, such as the U.S. Social Security Administration (SSA), look to this index when making decisions about COLAs. In October, the SSA announced a COLA of 1.3%!¹

Enhancing Clergy Benefits Under the ICPP

As you may know, over the last triennium the CPF Board has worked to find solutions to address the impact of local inflation and exchange rates on the purchasing power of retirement benefits, banking fees incurred by individuals when accessing their ICPP benefits, healthcare support, and other initiatives. We are pleased to announce a number of benefit enhancements approved by the CPF Board effective January 1, 2021, including:

- **Periodic benefit adjustment analysis** — After conducting a benefit adjustment analysis by country, it was determined that eligible clergy retirees and beneficiaries living in certain countries would receive a purchasing power adjustment beginning in 2021. We will perform this type of analysis every three years and make necessary adjustments when there has been loss in purchasing power; any adjustment will be capped at 5%.
- **Banking fee subsidy** — In order to offset banking fees, we will provide a flat U.S. \$40 per month subsidy to retirees and beneficiaries who reside outside the U.S. and receive their monthly payment by foreign wire.
- **Healthcare support** — We will increase the Major Medical Supplement, for the first time since 2009, from up to \$160 per month to up to \$170 per month. We will continue to periodically review and, if necessary, adjust this benefit provided to eligible clergy retirees and eligible spouses.²

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

As we continue to navigate the challenges of the coronavirus pandemic, we wish to remind you of the resources available to you in our COVID-19 Resource Center at cpg.org/COVID19. We also encourage you to visit our Spanish resources pages at cpg.org/espanol.

We are fortunate to serve those who serve the Church and IARCA and are grateful to be able to enhance your benefits. As always, if you have any questions or comments, please do not hesitate to call us at (866) 802-6333. Please let us know if you need an interpreter, and we can make one available to assist you with your call.

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

Faithfully,



The Rt. Rev. Thomas J. Brown
Chair
The Church Pension Fund Board of Trustees



Mary Kate Wold
CEO and President
The Church Pension Fund

¹ For further details, please visit cpg.org/COLA.

² The Church Pension Fund (CPF) currently offers a post-retirement health subsidy to eligible clergy and spouses. However, CPF is required to maintain sufficient liquidity and assets to pay its pension and other benefit plan obligations. Given uncertain financial markets and their impact on assets, CPF has reserved the right, at its discretion, to modify or discontinue the post-retirement health subsidy at any time.