

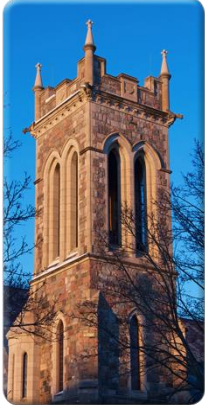


CHURCH  
PENSION GROUP

A Century of Service  
and Benefits for  
the Episcopal Church



## Session One: A237 and International Fees and Cost



SummerSessions2020

# Session One Presenter

## Benefits Policy and Design

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# Agenda

- **Research and Key Findings**
- **Upcoming Changes**
  - Address impact of COLA and exchange rates
  - Banking fees
  - Restructure disability benefits
  - Enhance health care support
- **Resolution 2018-A237**
- **Questions**



# Research & Key Findings

# Research Areas



- Compensation
- Retirement
- Life and Accidental Death and Dismemberment (AD&D)
- Disability
- Healthcare

# Key Findings



Compensation is generally below market for similar responsibilities

- Retirement benefits are directly impacted by compensation



Most lay employees do not have access to a pension plan



Currency exchange and local inflation impact varies greatly



Income replacement ratio is competitive

- Pension formula in the ICPP is generous
- Pension benefit amount dampened by low compensation



Coverage by employer-provided health and welfare benefits is inconsistent

# Upcoming Changes

# Changes for Non-Domestic Benefits



COLA and  
Exchange  
Rates



Banking  
Fees



Disability  
Benefits



Health Care  
Support



# COLA and Exchange Rates



## Implement periodic benefit adjustment analysis for ICPP

- Assess loss of purchasing power due to local inflation and exchange rates
- Adjust dioceses negatively impacted by COLA and exchange rates\*
- Initial adjustment effective January 1, 2021
  - October 1, 2017 through September 30, 2020 period

## Review inflation and exchange rates every three years

- Allows for markets to self correct
- Limits impact to retirements during review period

# Banking Fees



Provide flat dollar subsidy (\$40 per month) to offset fees\* (review subsidy periodically)

- Reduced payment frequency solution created unintended consequences
- Will continue to explore opportunities to reduce banking fees

# Health Care Support



## Periodically adjust Major Medical Supplement amount

- Raise maximum monthly benefit by \$10 to \$170 effective January 1, 2021
- Benefit has not been adjusted since July 2009
- Periodically reassess as part of the five-year experience study

## Increase utilization of Fund for Medical Assistance

- Enhance education campaign

# Resolution 2018-A237

# Resolution 2018-A237 Summary



## Investigation of Pension Parity

**Resolution** urges CPG to examine lay/clergy and international pension disparities (with a focus on income inequality across gender, racial, and ethnic lines), and to consider supplemental models for the pension system to benefit lay and clergy employees while the Church works toward true parity in wages and employment practices.

# Resolution A237

## Major Updates



### Data Collection

- Leverage findings of D045
- Determine datasets needed for study
- Conduct surveys and data requests
  - For example, non-domestic lay data, race and ethnicity



### Analysis

- Compensation and pension disparity analysis
- Impact to pension benefits and retirement readiness
- Consideration to supplemental pension models to move towards parity



### Study

- Report on findings to 80th General Convention

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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.

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