The Church Pension Fund, The Church Pension Fund Clergy Pension Plan, The Episcopal Church Lay Employees' Retirement Plan and The Staff Retirement Plan of The Church Pension Fund and Affiliates

Combined Financial Statements
Years Ended March 31, 2021 and 2020
Report of Independent Auditors
Ernst & Young LLP

Building a better working world

THE CHURCH PENSION FUND, THE CHURCH PENSION FUND CLERGY PENSION PLAN, THE EPISCOPAL CHURCH LAY EMPLOYEES' RETIREMENT PLAN AND THE STAFF RETIREMENT PLAN OF THE CHURCH PENSION FUND AND AFFILIATES

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Report of Independent Auditors

The Board of Trustees
The Church Pension Fund

We have audited the accompanying financial statements of The Church Pension Fund, The Church Pension Fund Clergy Pension Plan, The Episcopal Church Lay Employees' Retirement Plan and The Staff Retirement Plan of The Church Pension Fund and Affiliates, which comprise the combined statements of net assets available for benefits as of March 31, 2021 and 2020, and the related combined statement of changes in net assets available for benefits for the years then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined financial status of The Church Pension Fund, The Church Pension Fund Clergy Pension Plan, The Episcopal Church Lay Employees' Retirement Plan and The Staff Retirement Plan of The Church Pension Fund and Affiliates at March 31, 2021 and 2020, and the combined changes in their financial status for the years then ended in conformity with U.S. generally accepted accounting principles.

Ernst & Young LLP

July 7, 2021

THE CHURCH PENSION FUND, THE CHURCH PENSION FUND CLERGY PENSION PLAN, THE EPISCOPAL CHURCH LAY EMPLOYEES' RETIREMENT PLAN AND THE STAFF RETIREMENT PLAN OF THE CHURCH PENSION FUND AND AFFILIATES

COMBINED STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
MARCH 31, 2021 AND 2020

	2021	2020
ASSETS		
Investments, at fair value	$ 16,923,334,020	$ 12,691,738,970
Receivables and other assets:		
Receivable from brokers	70,846,982	29,520,425
Assessments receivable, less allowance for doubtful accounts (2021 – $753,000; 2020 – $1,407,000)	2,298,912	3,756,177
Accrued investment income and other assets	62,259,550	76,748,178
Cash and cash equivalents	714,909,707	578,258,306
TOTAL ASSETS	17,773,649,171	13,380,022,056
LIABILITIES		
International Clergy Pension Plan	201,443,700	195,708,914
Payable to brokers	123,765,153	54,287,824
Accrued expenses and other liabilities	152,132,678	153,246,738
Total liabilities	477,341,531	403,243,476
TOTAL NET ASSETS	$ 17,296,307,640	$ 12,976,778,580
COMPONENTS OF NET ASSETS		
Net assets with donor restrictions:		
Legacy and gift fund	$ 44,279,651	$ 32,915,086
Total net assets with donor restrictions	44,279,651	32,915,086
Net assets without donor restrictions:		
Legacy and gift fund	31,216,289	25,527,943
Total net assets without donor restrictions	31,216,289	25,527,943
Internally designated:		
Clergy Post-Retirement Medical Assistance Plan	877,209,124	1,279,766,354
Clergy Life Insurance Plan	343,918,170	357,221,161
Benefit Equalization Plan	59,800,405	67,699,590
Clergy Child Benefit Plan	11,483,560	12,246,024
Clergy Short-Term Disability Plan	4,874,528	5,037,452
Clergy Long-Term Disability Plan	102,242,417	105,303,056
Investment in affiliated companies	158,382,685	142,373,377
Available for benefits:		
Designated for assessment deficiency	1,207,708,856	1,724,402,412
Net assets available for benefits:		
The Clergy Plan	13,901,084,164	8,823,484,292
The Episcopal Church Lay Employees' Retirement Plan	236,116,417	165,524,173
Staff Retirement Plan of the Church Pension Fund and Affiliates	317,991,374	235,277,660
Total net assets available for benefits	14,455,191,955	9,224,286,125
Total internally designated	17,220,811,700	12,918,335,551
TOTAL NET ASSETS	$ 17,296,307,640	$ 12,976,778,580

See accompanying notes to the combined financial statements.

THE CHURCH PENSION FUND, THE CHURCH PENSION FUND CLERGY PENSION PLAN, THE EPISCOPAL CHURCH LAY EMPLOYEES' RETIREMENT PLAN AND THE STAFF RETIREMENT PLAN OF THE CHURCH PENSION FUND AND AFFILIATES

COMBINED STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
YEARS ENDED MARCH 31, 2021 AND 2020

	2021	2020
ADDITIONS (REDUCTIONS) TO NET ASSETS		
Assessments	$ 99,348,246	$ 98,479,244
Interest	87,265,485	117,405,065
Dividends and other income	16,068,930	38,649,837
Net appreciation (depreciation) in fair value of investments	4,641,040,392	(280,499,646)
Total additions (reductions) to net assets	4,843,723,053	(25,965,500)
DEDUCTIONS FROM NET ASSETS		
Benefits and expenses:		
Pensions and other benefits	360,216,926	353,982,091
Medical supplement	41,050,718	39,998,610
Life insurance	18,491,651	18,241,971
Total benefits	419,759,295	412,222,672
Investment management and custodial fees	34,290,804	38,247,772
General and administrative	97,599,465	87,136,136
Total benefits and expenses	551,649,564	537,606,580
Other (additions) deductions:		
International Clergy Pension Plan	(4,139,789)	25,605,955
Other liabilities (assets)	(23,315,782)	(10,725,207)
Increase (decrease) in total net assets	4,319,529,060	(578,452,828)
(INCREASE) DECREASE IN NET ASSETS		
Net assets with donor restrictions	(11,364,565)	454,163
Net assets without donor restrictions	(5,688,346)	(2,112,159)
Internally designated:		
Clergy Post-Retirement Medical Assistance Plan	402,557,230	(176,268,322)
Clergy Life Insurance Plan	13,302,991	(105,452,068)
Benefit Equalization Plan	7,899,185	(12,720,443)
Clergy Child Benefit Plan	762,464	(9,385,022)
Clergy Short-Term Disability Plan	162,924	(5,037,452)
Clergy Long-Term Disability Plan	3,060,639	(17,905,153)
Investment in affiliated companies	(16,009,308)	(21,138,552)
Assessment deficiency	516,693,556	(485,233,123)
Increase (decrease) in net assets available for benefits	5,230,905,830	(1,413,250,959)
Net assets available for benefits at beginning of year	9,224,286,125	10,637,537,084
NET ASSETS AVAILABLE FOR BENEFITS AT END OF YEAR	$ 14,455,191,955	$ 9,224,286,125

See accompanying notes to the combined financial statements.

1. ORGANIZATION

The Church Pension Fund ("CPF") is a not-for-profit corporation chartered in 1914 by the Legislature of the State of New York. CPF is authorized by the Canons of the Episcopal Church to establish and administer the clergy pension system of the Episcopal Church, including pension, life and health benefits, as well as the lay employee pension system and the denominational health plan of the Episcopal Church. Since its founding, CPF has elected to be examined by the New York State Department of Financial Services.

CPF began its operations on March 1, 1917. Subsequently, affiliates of CPF were formed as its activities expanded. Major affiliates and their years of formation include: Church Publishing Incorporated, 1918; Church Life Insurance Corporation, 1922; The Church Insurance Company, 1929; The Church Insurance Agency Corporation, 1930; The Episcopal Church Clergy and Employees' Benefit Trust, 1978; The Church Insurance Company of Vermont, 1999; Church Pension Group Services Corporation, 2002.

All operations of CPF and its affiliates, informally known as the Church Pension Group, are governed by CPF's Board of Trustees. Except for the Chief Executive Officer ("CEO"), all CPF Trustees serve without compensation and are elected by the General Convention of the Episcopal Church from a slate of nominees submitted by the Joint Standing Committee on Nominations of the Episcopal Church.

2. DESCRIPTION OF THE PLANS

CPF's assets are primarily used to fund a defined benefit plan and related benefits for eligible clergy of the Episcopal Church (the "Clergy Plan") and their beneficiaries. A portion of these assets are held in The Church Pension Fund Clergy Pension Plan, which is sponsored and administered by CPF. CPF is also the plan sponsor and administrator of The Episcopal Church Lay Employees' Retirement Plan (the "Lay Plan") and The Staff Retirement Plan of The Church Pension Fund and Affiliates (the "Staff Plan"). The Church Pension Fund Clergy Pension Plan, the Lay Plan and the Staff Plan are collectively referred to as the "Qualified Plans." The following is a brief description of the Clergy Plan, the Lay Plan and the Staff Plan for general information purposes only. Participants in these plans should refer to the plan documents of their respective plan for more complete information. In the event of a conflict between this brief description and the terms of the plan documents, the terms of the plan documents shall govern.

2. DESCRIPTION OF THE PLANS (CONTINUED)

The Church Pension Fund Clergy Pension Plan is a defined benefit plan providing retirement, death and disability benefits to eligible clergy of the Episcopal Church. The Lay Plan is a defined benefit plan providing retirement, death and disability benefits to eligible lay employees of participating employers of the Episcopal Church. The Staff Plan is a defined benefit plan providing retirement and death benefits to eligible employees of Church Pension Group Services Corporation. The respective assets of these defined benefit plans and other benefit plans maintained by CPF are pooled, solely for investment purposes, for the benefit of all participants. The Qualified Plans qualify as church plans under Section 414(e) of the Internal Revenue Code (the "Code"). As church plans, the Qualified Plans and other plans are exempt from Titles I and IV of the Employee Retirement Income Security Act of 1974 and, therefore, are not subject to Pension Benefit Guaranty Corporation requirements or guarantees. These plans have long been recognized as exempt from federal income taxes. CPF and its affiliates are also exempt from certain federal, state and local income taxes.

Management believes the Qualified Plans are being operated in compliance with their applicable requirements under Section 401(a) of the Code and, therefore, believes that the Qualified Plans, as amended, are qualified and the related trust is tax exempt under section 501(a) of the Code. The Qualified Plans and other plans may be terminated by CPF at any time. Upon termination of any of these plans, CPF has the obligation to distribute the plan assets in accordance with the terms of the applicable plan documents.

Accounting principles generally accepted in the United States ("GAAP") require CPF and the Qualified Plans to evaluate uncertain tax positions taken by CPF and the Qualified Plans. The financial statement effects of a tax position are recognized when the position is more likely than not, based on the technical merits, to be sustained upon examination by the Internal Revenue Service. There were no uncertain tax positions taken by CPF or the Qualified Plans as of March 31, 2021 and 2020.

CPF maintains a master trust with an undivided ownership interest in the portion of CPF's assets allocable to (1) The Church Pension Fund Clergy Pension Plan benefits for retired participants and their dependents, (2) the Lay Plan benefits for participants and their dependents, and, (3) the Staff Plan benefits for participants and their dependents. The master trust agreement names CPF as Trustee and The Northern Trust Company as Custodian.

Effective March 31, 2021, the portion of the master trust attributable to The Church Pension Fund Clergy Pension Plan is funded, as necessary, to be at least equal to the actuarial liability of the benefits payable under that plan to vested participants (retired and not yet retired) and their dependents. Prior to March 31, 2021, The Church Pension Fund Clergy Pension Plan was funded, as necessary, to be at least equal to the actuarial liability of The Church Pension Fund Clergy Pension Plan benefits payable to retired participants and their dependents. The portion of the master trust (1) attributable to the Lay Plan is funded by assessments paid by participating employers, and (2) attributable to the Staff Plan is funded at the discretion of CPF.

2. DESCRIPTION OF THE PLANS (CONTINUED)

The assets in the master trust can only be used to pay the plan benefits described above and certain plan expenses. As of March 31, 2021 and 2020, the master trust assets included in the combined statements of net assets available for benefits, relating to the plan benefits described above, amounted to $5.4 billion and $4.2 billion, respectively.

3. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

The accompanying combined financial statements include the accounts of CPF and the Qualified Plans and have been prepared in accordance with GAAP. All inter-plan balances and balances with CPF have been eliminated in these combined financial statements.

The preparation of the combined financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the combined financial statements and accompanying notes. The fair value of investments and accumulated plan benefit obligations represent the most significant estimates and assumptions. Actual results could differ significantly from these estimates and assumptions.

A. Summary of Significant Accounting Principles

The following are the significant accounting policies followed by CPF and the Qualified Plans:

Investments

Investments are stated at fair value. Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the combined financial statements.

Fair values of financial instruments are determined using valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Fair values are generally measured using quoted prices in active markets for identical assets or other inputs, such as quoted prices for similar assets that are observable, either directly or indirectly. In those instances where observable inputs are not available, fair values are measured using unobservable inputs for the asset. Unobservable inputs reflect management's own assumptions about the assumptions that market participants would use in pricing the asset or liability and are developed based on the best information available in the circumstances. Fair value estimates derived from unobservable inputs are significantly affected by the assumptions used, including the discount rates and the estimated amounts and timing of future cash flows. The derived fair value estimates cannot be substantiated by comparison to independent markets and are not necessarily indicative of the amounts that would be realized in a current market exchange.

3. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets.

Level 2 – Inputs other than quoted prices in active markets for identical assets and liabilities that are observable either directly or indirectly for substantially the full term of the asset or liability, including investments that can be withdrawn within 90 days from the balance sheet date. Level 2 inputs include (1) quoted prices for similar assets and liabilities in active markets, (2) quoted prices for identical or similar assets or liabilities in markets that are not active, (3) observable inputs other than quoted prices that are used in the valuation of the assets or liabilities (for example, interest rate and yield curve quotes at commonly quoted intervals), and, (4) inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Inputs that are unobservable, including limited partnership investments, which cannot be withdrawn within 90 days from the balance sheet date.

Investments in limited partnerships are carried at fair value. The fair value of these investments is based upon CPF's share of the fair value of the partnership while giving consideration, from a market participant's perspective, to the features that are unique to CPF's partnership agreements. Because of the inherent uncertainty of the valuations of these investments, the estimated fair values may differ, perhaps materially, from the values that would have been used had a ready market for the investments existed.

The carrying value of CPF's investment in affiliated companies is determined using the equity method of accounting, which approximates fair value.

All investment transactions are recorded on a trade date basis. Realized capital gains and losses on the sales of investments are computed on the first-in, first-out basis. Unrealized capital gains and losses are recorded in the period in which they occurred. Interest income is recorded on an accrual basis. Dividend income is recorded on the ex-dividend date.

Cash and Cash Equivalents

Cash and cash equivalents represent short-term highly liquid investments with original maturities of three months or less and are carried at cost which approximates fair value.

3. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

Basis of Accounting

The combined financial statements are prepared based on the accrual basis of accounting.

Net Assets

Net assets are classified as with or without donor restrictions or as internally designated for a specific purpose. All gifts, grants and bequests are considered to be without donor restrictions unless specifically subject to a donor-imposed restriction either for use during a specified time period or for a particular purpose. When a donor-imposed restriction is fulfilled or when a time restriction ends, net assets with donor restrictions are reclassified to net assets without donor restrictions. Internally designated assets represent net assets that are identified for a specific purpose.

Recently Adopted Accounting Standards

In August 2018, the FASB issued ASU 2018-13, *Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement*, which amends Accounting Standards Codification ("ASC") 820, *Fair Value Measurement.* ASU 2018-13 modifies the disclosure requirements for fair value measurements by removing, modifying, or adding certain disclosures. ASU 2018-13 is effective for all entities for fiscal years beginning after December 15, 2019, including interim periods therein. Early adoption was permitted for any eliminated or modified disclosures upon issuance of ASU 2018-13. For the year ended March 31, 2020, the combined entities elected to early adopt the modifications or elimination of ASU 2018-13 disclosures related to the rollforward of Level 3 fair value measurements and the policy for the timing of transfers between levels. The early adoption of these modifications did not have a material effect on the combined financial statements. For the year ended March 31, 2021, the standard was fully adopted with no additional required disclosures to the combined financial statements.

4. INVESTMENTS

The fair value of investments as of March 31, 2021 and 2020 summarized by general investment type are as follows:

	2021	2020
	(In Thousands)	
Common and preferred stocks	$ 957,729	$ 471,625
U.S. Treasury securities	670,773	1,005,006
Municipal securities	18,155	21,434
Corporate bonds	486,903	445,630
Foreign government securities	1,860	106,546
Limited partnership interests:		
Real estate	1,835,921	1,671,524
Private equity	4,145,804	2,312,900
Other alternative investments	3,530,864	2,639,366
Commingled funds	5,028,903	3,784,572
Affiliated companies, equity interest	246,422	233,136
Totals	$ 16,923,334	$ 12,691,739

As of March 31, 2021 and 2020, CPF was not exposed to any significant concentration of risk within its investment portfolio.

Common and preferred stocks include direct investments in the common and preferred stocks of a wide range of unaffiliated companies, which include domestic and foreign corporations and holdings in large as well as midsize and small companies.

U.S. Treasury securities consist primarily of securities issued or guaranteed by the U.S. government, or its designated agencies, including Small Business Administration ("SBA") loans.

Municipal securities include direct investments in state and local governments.

Corporate bonds include investment securities issued by a corporate entity at a stated interest rate payable on a particular future date, such as bonds, commercial paper, convertible bonds, collateralized mortgage obligations, debentures and zero coupon bonds.

Foreign government securities include government securities and structured debt securities.

Limited partnership interests include investments in real estate, private equity and other alternative investments.

Real estate limited partnerships include investments across all major property types including commercial properties, such as office, retail, multi-family, hotel and land, residential properties and real and other assets such as energy, materials and timber.

4. INVESTMENTS (CONTINUED)

Private equity limited partnerships include strategies focused on venture capital and growth equity/buyout transactions across many industry sectors.

Other alternative investment limited partnerships primarily include investments in hedge funds and absolute return strategies, such as (1) long/short equity hedge funds, which invest primarily in long and short equity securities, (2) credit/distressed debt securities that are generally rated below investment grade with managers that invest in debt or debt-related securities or claims associated with companies, assets or sellers whose financial conditions are stressed, distressed, or in default, and, (3) multi-strategy hedge funds that pursue multiple strategies and capture market opportunities. The redemption frequency is semi-annually and annually and the redemption notice period can be from 90 to 360 days.

Certain other alternative investments in limited partnerships are subject to withdrawal "gates" that restrict the ability of investors to withdraw from the investment. The general partners and/or investment managers of the limited partnerships also have rights to suspend withdrawal requests for various reasons, including, but not limited to, insufficient liquidity at the limited partnerships to satisfy withdrawal requests or to preserve the capital interests of the limited partners not withdrawing from the limited partnerships. As of March 31, 2021, none of the general partners or investment managers have exercised these suspension rights.

Limited partnership investments generally span a minimum of ten years, during which committed capital is contributed and distributions are made when income is earned or investments are liquidated.

At March 31, 2021, CPF had open investment commitments to limited partnerships of $2.1 billion which are expected to be funded during future years. In this regard, from April 1, 2021 through April 30, 2021, CPF invested an additional $22.6 million in existing limited partnerships and made $45.2 million in commitments to limited partnerships. Most limited partnership investments are illiquid; however, there is a secondary market in limited partnership interests. There may be penalties should CPF not fulfill its funding commitments; however, CPF seeks to maintain adequate liquidity to ensure that all unfunded commitments are met.

Commingled funds include funds that invest in (1) long and short equity securities, or (2) debt or debt-related securities or claims associated with companies, assets or sellers whose financial conditions are stressed, distressed or in default. The redemption frequency is daily, monthly, quarterly, semi-annually and annually and the redemption notice period can be from 5 to 90 days; however, due to restrictions, the entire capital may not be redeemable within 90 days.

4. INVESTMENTS (CONTINUED)

Derivative Financial Investments

Futures contracts are used primarily to maintain CPF's asset allocation within ranges determined by the Investment Committee of CPF's Board of Trustees. Currency forward contracts are used to hedge foreign currency risk. Such futures and forward contracts trade on recognized exchanges and with recognized counterparties, respectively. Margin requirements are met by pledging cash and cash equivalents. The net amount of the open equity futures contracts aggregated approximately $0.7 billion short and $0.6 billion long and the net amount of open fixed income futures contracts aggregated approximately $0.9 billion long and $0.5 billion long both at March 31, 2021 and 2020, respectively. Currency forward contracts aggregated approximately $0.4 billion and $0.2 billion at March 31, 2021 and 2020, respectively.

The amounts of these instruments are indications of the open transactions and do not represent the level of market, foreign exchange, or credit risk to the portfolio. Since some of the futures and forwards held are adjusting market risk elsewhere in the portfolio, the measurement of the risks associated with these instruments is meaningful only when all related and offsetting transactions are considered. Market risks to the portfolio are caused by changes in interest rates, foreign exchange rates, or in the value of equity markets.

With respect to credit risk, futures and forward contracts require daily cash settlement, thus limiting the cash receipt or payment to the change in fair value of the underlying instrument. Accordingly, the amount of credit risk represents a one-day receivable. Futures settlements resulted in gains of $100 million and losses of $3 million for the years ended March 31, 2021 and 2020, respectively, and currency forward settlements resulted in losses of $27 million and losses of $37 thousand for the years ended March 31, 2021 and 2020, respectively, are recorded in the accompanying combined financial statements as a component of net appreciation in fair value of investments.

Affiliated Companies

All of the affiliated companies other than The Episcopal Church Clergy and Employees' Benefit Trust are wholly owned and/or controlled by CPF. The financial results of The Church Insurance Company and Church Life Insurance Corporation are prepared on a statutory basis of accounting prescribed by the New York State Department of Financial Services. This statutory basis of accounting results in a fair value of these companies that is not materially different from the fair value that would be required under GAAP. The other affiliates are reported on a GAAP basis of accounting. The primary activities and financial status of each of the major affiliates are described in the sections below for the years ended December 31, 2020 and 2019, except for Church Pension Group Services Corporation, which is described for the years ended March 31, 2021 and 2020.

4. INVESTMENTS (CONTINUED)

Church Pension Group Services Corporation

Church Pension Group Services Corporation ("CPGSC") provides certain services, primarily personnel, general and administrative processing and facilities related, to CPF and its affiliated companies on a cost-reimbursement basis. Church Pension Group 34th Street Realty, LLC is a wholly owned subsidiary of CPGSC that owns the condominium office space that is the headquarters of the Church Pension Group. As of March 31, 2021 and March 31, 2020, the fair value of the condominium office space was $88.1 million and $90.1 million, respectively. CPGSC also does business as The Episcopal Church Medical Trust and is the sponsor of the health plan options funded by The Episcopal Church Clergy and Employees' Benefit Trust. Mary Katherine Wold is the Chief Executive Officer and President and Francis P. Armstrong is Executive Vice President and Chief Operating Officer of CPGSC.

The Church Insurance Companies[1]

The Church Insurance Companies have provided property and liability coverage for Episcopal Church institutions since 1929. Today, more than 90% of Episcopal Church dioceses and churches rely on The Church Insurance Companies for their commercial package insurance coverage. The Church Insurance Agency Corporation (the "Agency") provides insurance agency and risk-management services to the Episcopal Church. The Agency accesses a broad range of property, casualty and other insurance products tailored for the special needs of Episcopal Church institutions through its sister company, The Church Insurance Company of Vermont ("CICVT") and through its product partners. CICVT is a single-parent captive insurance company incorporated in 1999 to allow Episcopal Church institutions to benefit from the coverage flexibility and potential cost advantages of this shared risk-financing approach. On August 23, 2012, Church Insurance Services LLC ("CIS"), a Delaware limited liability company and wholly-owned subsidiary of CICVT, was formed to provide captive manager services. CIS is currently inactive. Mary Katherine Wold is the President and Francis P. Armstrong is Executive Vice President and Chief Operating Officer of each of The Church Insurance Companies.

Financial Summary	**December 31**	
	2020	**2019**
	(In Thousands)	
Assets	$ 241,437	$ 214,422
Liabilities	152,791	137,421
Capital and surplus	88,646	77,001
Earned premiums	60,095	60,654
Net income	9,473	14,104

[1] "The Church Insurance Companies" means, collectively, The Church Insurance Agency Corporation, The Church Insurance Company, and The Church Insurance Company of Vermont.

4. INVESTMENTS (CONTINUED)

Church Life Insurance Corporation

Since 1922, Church Life Insurance Corporation ("Church Life") has provided life insurance protection and retirement savings products to clergy and lay workers who serve the Episcopal Church and to their families. Church Life's insurance products consist primarily of individual and group life insurance and individual and group annuity products. Group life and group annuity premiums comprise the majority of the premium revenue. Church Life no longer writes new individual annuities or individual life. Mary Katherine Wold is the President and Francis P. Armstrong is Executive Vice President and Chief Operating Officer of Church Life.

Financial Summary	**December 31**	
	2020	**2019**
	(In Thousands)	
Assets	$ 317,760	$ 305,287
Liabilities	247,246	241,817
Capital and surplus	70,514	63,470
Insurance in force	1,766,211	1,812,630
Earned premiums	43,672	35,725
Net income	7,221	7,027

Church Publishing Incorporated

Since 1918, Church Publishing Incorporated ("Church Publishing") has produced the official worship materials of The Episcopal Church. In addition to basic, gift, and online editions of prayer books and hymnals, Church Publishing publishes in the fields of liturgy, theology, church leadership, financial and spiritual wellness, evangelism, racial reconciliation, creation care ministry and mission and Anglican spirituality alongside a wide range of products and resources for parishes and individuals. This product portfolio includes church supplies, such as lectionary inserts, calendars, parish registers; and eProducts, including RitePlanning, RiteSong, and the eCP (electronic common prayer) app. Church Publishing also produces resources on behalf of the Office of General Convention and its Standing Commission on Liturgy and Music; the Church Annual (aka Redbook) and the Episcopal Clerical Directory. It also offers an array of faith formation materials. Mary Katherine Wold is the President and Francis P. Armstrong is Executive Vice President and Chief Operating Officer of Church Publishing.

4. INVESTMENTS (CONTINUED)

Financial Summary	December 31 2020	December 31 2019
	(In Thousands)	
Assets	$ 6,902	$ 6,729
Liabilities	12,004	11,159
Capital	(5,102)	(4,430)
Revenue	3,383	4,211
Net loss	(1,017)	(848)
Capital contribution received from CPF	–	–

The Episcopal Church Clergy and Employees' Benefit Trust ("The Benefit Trust")

Since 1978, The Benefit Trust has funded the welfare benefit plans that are offered by The Episcopal Church Medical Trust. The Episcopal Church Medical Trust provides eligible active and retired clergy and lay employees of the Episcopal Church and their dependents with a broad array of welfare benefit plan options and serves as the plan sponsor and administrator of such plans. The Episcopal Church Medical Trust offers a variety of self-funded plan offerings, providing comprehensive medical, behavioral health, prescription drug, vision and dental benefits. The Episcopal Church Medical Trust also offers a few fully insured health care plans, providing comprehensive medical and dental benefits. For retired participants, The Episcopal Church Medical Trust offers Medicare supplement plans, as well as Medicare HMOs in selected regions of the country. The Benefit Trust has entered into an agreement with UnitedHealthcare to offer a fully insured Group Medicare Advantage Plan effective January 1, 2022. The Benefit Trust also contracts with fully insured plans to provide group life and disability plans to eligible employers and their eligible employees.

The Benefit Trust is not a subsidiary of CPF. Accordingly, its assets, liabilities and financial results are not included in the combined statements of net assets available for benefits. The Northern Trust Company is the Trustee of The Benefit Trust.

Financial Summary	December 31 2020	December 31 2019
	(In Thousands)	
Assets	$ 97,703	$ 70,978
Liabilities	29,157	35,839
Accumulated surplus	68,546	35,139
Revenues	276,566	264,825
Net income	33,407	7,836

5. FAIR VALUE MEASUREMENTS

The following tables provide information about the financial assets measured at fair value by general type as of March 31, 2021 and 2020:

	Assets at Fair Value			
	Level 1	**Level 2**	**Level 3**	**Total**
	(In Thousands)			
March 31, 2021				
Common and preferred stock	$ 957,729	$ –	$ –	$ 957,729
U.S. Treasury securities	–	612,538	58,235	670,773
Municipal securities	–	18,155	–	18,155
Corporate bonds	–	486,903	–	486,903
Foreign government securities	–	1,860	–	1,860
Limited partnership interests:				
Real estate	–	–	1,835,921	1,835,921
Private equity	–	–	4,145,804	4,145,804
Other alternative investments	–	–	3,530,864	3,530,864
Affiliated companies	–	–	246,422	246,422
	$ 957,729	$ 1,119,456	$ 9,817,246	11,894,431
Investments measured at net asset value				
Commingled funds				5,028,903
Total assets at fair value				$ 16,923,334
March 31, 2020				
Common and preferred stock	$ 471,625	$ –	$ –	$ 471,625
U.S. Treasury securities	–	965,197	39,809	1,005,006
Municipal securities	–	21,434	–	21,434
Corporate bonds	–	445,630	–	445,630
Foreign government securities	–	106,546	–	106,546
Limited partnership interests:				
Real estate	–	–	1,671,524	1,671,524
Private equity	–	–	2,312,900	2,312,900
Other alternative investments	–	–	2,639,366	2,639,366
Affiliated companies	–	–	233,136	233,136
	$ 471,625	$ 1,538,807	$ 6,896,735	8,907,167
Investments measured at net asset value				
Commingled funds				3,784,572
Total assets at fair value				$ 12,691,739

5. FAIR VALUE MEASUREMENTS (CONTINUED)

The following table summarizes all additions to Level 3 assets by general type for the years ended March 31, 2021 and 2020:

	Level 3 Purchases/Additions March 31 2021	2020
Limited partnership interests:		
Real estate	$ 264,999	$ 378,200
Private equity	378,429	265,331
Other alternative investments	517,770	845,375
Affiliated companies, equity interest	1,600	–
Total	$ 1,162,798	$1,497,906

There were no transfers into Level 3 for the year ended March 31, 2021 and 2020. There were no transfers out of Level 3 for the year ended March 31, 2021. Transfers out of Level 3 totaled $101 million during the year ended March 31, 2020.

Limited Partnership interests in real estate, private equity and other alternative investments with a fair value of $9.5 billion are primarily valued by using CPF's proportionate share of the limited partnership's equity value as derived from the financial statements provided by the investment managers. This requires a significant amount of judgment by management due to the absence of readily available quoted market prices and the long-term nature of the investments. There are no significant related unobservable inputs.

Affiliated companies with a fair value of $246.0 million as of March 31, 2021, are valued by using the underlying financial statements of these companies. There are no significant related unobservable inputs.

6. INTERNATIONAL CLERGY PENSION PLAN

The International Clergy Pension Plan ("ICPP") represents the liabilities associated with a group of non-qualified, multiple-employer retirement plans that are administered by CPF on behalf of dioceses of The Episcopal Church that are located outside the 50 United States and certain Anglican churches located outside the 50 United States that were previously part of The Episcopal Church. Non-qualified plans are not subject to Section 401(a) of the Code, which, among other things, requires that the assets be held in a trust. Accordingly, the assets of all ICPP plans are held by CPF and are not part of the master trust (see page 7).

Management utilizes a third-party specialist, Buck Global, LLC, an actuarial consulting firm, to assist with determining the actuarial liabilities of all plans included in the ICPP.

6. INTERNATIONAL CLERGY PENSION PLAN (CONTINUED)

CPF also has administrative and investment agreements with the Episcopal Church of Liberia, Iglesia Anglicana de México, the Diocese of Puerto Rico (for the provision of retirement benefits for their lay employees only), and each of the five dioceses of the Iglesia Anglicana de la Region Central de America ("IARCA"). Each of these dioceses sponsors its own retirement plan.

The liabilities for these plans totaled $201.4 million and $195.7 million at March 31, 2021 and 2020.

7. NET ASSETS

The Legacy and Gift Fund stems from bequests and contributions received by CPF from individuals for the purpose of supporting tax-exempt purposes of CPF, of which a portion may be subject to donor-imposed restrictions. The portion of the principal balance subject to a donor-imposed restriction must be maintained and spent only in accordance with the wishes of the donors, but the remainder is available for use at the discretion of CPF, in accordance with its tax-exempt purposes.

The Clergy Post-Retirement Medical Assistance Plan represents the estimated liability for a discretionary benefit that CPF has provided to eligible participants in the Clergy Plan and the ICPP and their eligible spouses to (1) subsidize some or all of the cost to purchase a Medicare Supplement Health Plan offered by The Episcopal Church Medical Trust for eligible participants in the Clergy Plan and their eligible spouses, or (2) pay a monthly cash subsidy to eligible participants in the ICPP and their eligible spouses. CPF has reserved the right, in its discretion, to change or discontinue this discretionary benefit.

Management engaged healthcare actuaries, Aon, to assist in estimating the liability for benefits under the Clergy Post-Retirement Medical Assistance Plan. Aon's calculation is based on the current dollar amount of this discretionary subsidy, the expected participation rate for eligible plan members, and CPF's goal of providing this discretionary subsidy to contribute towards medical costs. Effective January 1, 2022, medical and Rx coverage for most retired participants will be offered through a fully insured plan, UnitedHealthcare's Group Medicare Advantage Plan, which will result in enhanced retiree medical benefits and services at a lower cost. As a result, the subsidy in 2022 and thereafter is also expected to decrease and has been reflected in the underlying assumptions utilized to determine the estimated liability for the year ended March 31, 2021, resulting in a decrease in the estimated liability of $358 million. As of March 31, 2021 and 2020, the participation rate is 80% and is based on current and historical experience. The calculation also uses an increased medical inflation rate assumption for future years. Additionally, it uses an interest rate to discount these estimated payments, which is the same as the discount rate used in calculating the accumulated plan benefit obligations for the Qualified Plans.

7. NET ASSETS (CONTINUED)

The Clergy Life Insurance Plan represents the estimated liability for future annual insurance premiums required to provide eligible participants in the Clergy Plan with life insurance during active service and when retired.

The Benefit Equalization Plan represents the estimated liability for the benefit provided to those participants in The Church Pension Fund Clergy Pension Plan whose pension payments would be limited by certain sections of the Code to an amount below their entitlement under the present benefit formula. Subject to certain other provisions of the Code, the Benefit Equalization Plan provides for payment of the difference between the Code limitation and such participant's earned pension benefits.

The Clergy Child Benefit Plan represents the estimated liability for the benefits provided to eligible children of deceased clergy who earned a vested benefit under the Clergy Plan.

The Clergy Short-Term Disability Plan represents the estimated liability for the short-term disability benefit provided to eligible active clergy in the Clergy Plan.

The Clergy Long-Term Disability Plan represents the estimated liability for the long-term disability benefit provided to eligible clergy in the Clergy Plan who became disabled on or after January 1, 2018. Eligible clergy who became disabled prior to January 1, 2018, will continue to receive a disability retirement benefit under The Church Pension Fund Clergy Pension Plan.

No specific assets are designated to fund the Clergy Post-Retirement Medical Assistance Plan, the Clergy Life Insurance Plan, the Benefit Equalization Plan, the Clergy Child Benefit Plan, the Clergy Short-Term Disability Plan or the Clergy Long-Term Disability Plan payments.

The following charts summarize the activities of the Net Assets described above for the years ended March 31, 2021 and 2020:

	Beginning of Year	Contributions and Investment Gains (Losses)	Benefits and Expenses Paid	Change in Assumptions	Benefits Accumulated and Other	End of Year
			(In Thousands)			
March 31, 2021						
Legacy and Gift Fund with donor restrictions	$ 32,915	$ 11,150	$ (56)	$ –	$ 271	$ 44,280
Legacy and Gift Fund without donor restrictions	25,527	8,241	(2,281)	–	(271)	31,216
Clergy Post-Retirement Medical Assistance Plan	1,279,766	–	(41,051)	(427,300)	65,794	877,209
Clergy Life Insurance Plan	357,221	–	(18,391)	(11,000)	16,088	343,918
Benefit Equalization Plan	67,700	–	(1,988)	(9,000)	3,088	59,800
Clergy Child Benefit Plan	12,246	–	(754)	(8)	–	11,484
Clergy Short-Term Disability Plan	5,037	–	(1,148)	–	986	4,875
Clergy Long-Term Disability Plan	105,303	–	(1,571)	(9,000)	7,510	102,242
Total	$ 1,885,715	$ 19,391	$ (67,240)	$ (456,308)	$ 93,466	$ 1,475,024

7. NET ASSETS (CONTINUED)

	Beginning of Year	Contributions and Investment Gains (Losses)	Benefits and Expenses Paid	Change in Assumptions	Benefits Accumulated and Other	End of Year
			(In Thousands)			
March 31, 2020						
Legacy and Gift Fund with donor restrictions	$ 33,369	$ (363)	$ (91)	$ –	$ –	$ 32,915
Legacy and Gift Fund without donor restrictions	23,416	(399)	(108)	–	2,618	25,527
Clergy Post-Retirement Medical Assistance Plan	1,103,498	–	(39,999)	170,000	46,267	1,279,766
Clergy Life Insurance Plan	251,769	–	(17,999)	112,000	11,451	357,221
Benefit Equalization Plan	54,979	–	(1,880)	9,000	5,601	67,700
Clergy Child Benefit Plan	2,861	–	(732)	–	10,117	12,246
Clergy Short-Term Disability Plan	–	–	–	–	5,037	5,037
Clergy Long-Term Disability Plan	87,398	–	(855)	11,000	7,760	105,303
Total	$ 1,557,290	$ (762)	$ (61,664)	$ 302,000	$ 88,851	$ 1,885,715

The significant assumptions utilized to estimate the liabilities include the discount rate and mortality table assumptions consistent with the assumptions utilized to calculate the accumulated benefit obligation for The Church Pension Fund Clergy Pension Plan (described on page 21). For the Clergy Post-Retirement Medical Assistance Plan, the other significant assumption included is the current and expected subsidy to provide for medical costs, as well as the participation rate.

For the year ended March 31, 2021, the Clergy Post-Retirement Medical Assistance Plan decreased by $427 million due to changes in assumptions, primarily driven by a $358 million decrease due to expected lower medical costs under the Group Medicare Advantage Plan (described on page 18) and a $55 million reduction due to a change in the discount rate. There were no other significant changes to assumptions.

For the year ended March 31, 2020, the Clergy Post-Retirement Medical Assistance Plan increased by $170 million due to changes in assumptions, primarily driven by a $179 million increase due to a change in the discount rate.

For the year ended March 31, 2020, the Clergy Life Insurance Plan increased by $112 million due to changes in assumptions, primarily driven by a $42 million increase due to a change in the discount rate and a $69 million increase due to a change in the assessment rate used to calculate the liability.

The amount designated for investment in affiliated companies represents the investment in affiliated companies, at fair value, excluding the condominium office space that is the headquarters of the Church Pension Group. This asset is not restricted from use by CPF and, as of March 2021 and 2020, had a fair value of $88.1 million and $90.1 million, respectively.

8. ACCUMULATED PLAN BENEFIT OBLIGATIONS

Buck Global, LLC, is an actuarial consulting firm that estimates the actuarial present value of the accumulated plan benefit obligations owed to participants in the Clergy Plan, the Lay Plan and the Staff Plan to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements, such as for death, disability, withdrawal or retirement) between the valuation date and the expected date of payment.

Accumulated plan benefit obligations are the estimated discounted present value of the future periodic payments, including lump-sum distributions that are attributable, under the plan provisions, to services rendered by the plan participants to the valuation date. Accumulated plan benefit obligations include benefits that are expected to be paid to: (a) retired or terminated participants or their beneficiaries, and (b) present participants or their beneficiaries based on assumptions for future compensation levels, rates of mortality and disability, and other factors. The effect of plan amendments on the accumulated plan benefit obligations is recognized during the years in which such amendments become effective. In 2019, the Staff Plan was amended to reflect the change in actuarial equivalence basis used to calculate the joint and survivor and certain and life options as well as the early retirement reduction factors for non-grandfathered, terminated participants. Effective February 2021, the Clergy Plan's actuarial equivalence basis used to calculate all lifetime forms of payment was updated. Effective February 2021, the Lay Plan's actuarial equivalence basis used to calculate joint and survivor and certain and life options and the early retirement reduction factors for grandfathered members who retire before age 60 was updated.

The significant assumptions and plan provisions underlying the actuarial estimates are as follows:

- Discount rate: 3.250% and 3.000% per annum for the years-ended March 31, 2021 and 2020, respectively, compounded annually and developed considering annualized yields for long-term government and long-term high-quality corporate bonds that reflect the duration of the pension obligations.

  For the year ended March 31, 2021, the impact of the change in the discount rate resulted in a decrease in the accumulated benefit obligations of $214.0 million for Clergy Plan, $7.8 million for the Lay Plan and $9.6 million for the Staff Plan.

- Cost-of-living adjustment:

  - Clergy Plan – 2.5% per annum for the year ended March 31, 2021 and 3% per annum for the year ended March 31, 2020;

  - Lay Plan and Staff Plan – 0% per annum for the years ended March 31, 2021 and 2020.

  The impact of this change on the Clergy Plan was a decrease in the accumulated plan benefit obligation of $398 million for the year ended March 31, 2021. CPF Board of Trustees grants cost-of-living adjustments at its discretion. The decision is made annually.

8. ACCUMULATED PLAN BENEFIT OBLIGATIONS (CONTINUED)

- Vesting for the years ended March 31, 2021 and 2020:

  – Clergy Plan: After five years of credited service or at age 65 or older while an active participant.

  – Lay Plan: After five years of credited service, at age 55 or older while an active participant, or the date you become eligible for disability retirement, whichever occurs first.

  – Staff Plan: After five year of credited service, or at age 65 or older while an active participant after completing 12 full calendar months of service as a regular full-time or regular part-time employee.

- Retirement for the years ended March 31, 2021 and 2020:

  – Clergy Plan: Normal, at age 65 and after; early, with no reduction at age 55 with 30 years of credited service; reduced benefits, at age 55 with at least 5 years credited service; compulsory, at age 72.

  – Lay Plan: Normal, at age 65 and after; early, with reduced benefits at age 55.

  – Staff Plan: Normal, at age 65 and after; early, with no reduction at age 55 if combined years and months of credited service and age equals or exceeds 85; otherwise, early with a reduced benefit at age 55 with at least 5 years of credited service.

- Mortality for the years ended March 31, 2021 and 2020:

  – Clergy Plan: The RP-2014 Employee White-Collar Mortality Table was used for participants and the RP-2014 Healthy Annuitant White-Collar Mortality Table was used for retirees, spouses and beneficiaries. Special mortality tables were used for disability retirements.

  – Lay Plan: The RP-2014 Employee Total Mortality Table was used for participants and the RP-2014 Healthy Annuitant Total Mortality Table was used for retirees, spouses and beneficiaries.

  – Staff Plan: The RP-2014 Employee White-Collar Mortality Table was used for participants and the RP-2014 Healthy Annuitant White-Collar Mortality Table was used for retirees, spouses and beneficiaries.

8. ACCUMULATED PLAN BENEFIT OBLIGATIONS (CONTINUED)

Improvement in mortality was projected from 2006 on a fully generational basis for the years ended March 31, 2021 and 2020 using Scale MP- 2020 and Scale MP-2019, respectively. This update decreased the accumulated plan benefit obligation for the Clergy Plan by $104 million, for the Lay Plan by $2.1 million and for the Staff Plan by $2.1 million for the year ended March 31, 2021.

These actuarial assumptions are based on the presumption that the Clergy Plan, the Lay Plan and the Staff Plan will continue. If a plan were to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefit obligations.

The actuarial present value of the accumulated plan benefit obligations of the Clergy Plan, the Lay Plan and the Staff Plan as of March 31, 2021 and 2020 are summarized as follows:

	Clergy Plan	Lay Plan	Staff Plan
	(In Thousands)		
March 31, 2021			
Vested benefits:			
Actuarial present value of accumulated plan benefit obligations for retired participants and their dependents	$ 4,537,584	$ 120,954	$ 97,950
Actuarial present value of accumulated plan benefit obligations for participants not yet retired and their dependents	1,960,379	109,337	122,433
Nonvested benefits	138,347	2,582	15,228
Total	$ 6,636,310	$ 232,873	$ 235,611
March 31, 2020			
Vested benefits:			
Actuarial present value of accumulated plan benefit obligations for retired participants and their dependents	$ 4,943,380	$ 120,833	$ 81,861
Actuarial present value of accumulated plan benefit obligations for participants not yet retired and their dependents	2,242,625	116,007	134,860
Nonvested benefits	159,843	3,906	16,690
Total	$ 7,345,848	$ 240,746	$ 233,411

The amount designated for assessment deficiency represents the actuarial present value of the estimated amount to be paid out in benefits in excess of the estimated amount to be received in assessments in connection with the Clergy Plan, the Lay Plan and the Staff Plan. The assumptions used to estimate the assessment deficiency are consistent with the assumptions used in the estimates of the actuarial present value of the accumulated plan benefit obligations.

8. ACCUMULATED PLAN BENEFIT OBLIGATIONS (CONTINUED)

For the year ended March 31, 2021 and 2020, the impact of the change in the discount rate assumption resulted in a decrease of $154 million and an increase of $544 million for the Clergy Plan, respectively.

The net increase (decrease) in the actuarial present value of the accumulated plan benefit obligations of the Clergy Plan, the Lay Plan and the Staff Plan for the years ended March 31, 2021 and 2020 is summarized as follows:

	Clergy Plan	Lay Plan	Staff Plan
		(In Thousands)	
March 31, 2021			
Actuarial present value of accumulated plan benefit obligations at beginning of year	$ 7,345,848	$ 240,746	$ 233,411
(Decrease) increase during the year attributable to:			
Plan amendments	(2,450)	(978)	–
Actual benefit adjustment vs. expected	(84,037)	–	–
Change in actuarial assumptions	(715,561)	(9,901)	(11,574)
Benefits accumulated	208,643	7,802	13,496
Increase for interest due to decrease in the discount period	215,439	7,031	6,904
Benefits paid	(331,572)	(11,827)	(6,626)
Net (decrease) increase	(709,538)	(7,873)	2,200
Actuarial present value of accumulated plan benefit obligations at end of year	$ 6,636,310	$ 232,873	$ 235,611
March 31, 2020			
Actuarial present value of accumulated plan benefit obligations at beginning of year	$ 6,555,295	$ 213,387	$ 190,387
Increase (decrease) during the year attributable to:			
Plan amendments	–	–	3,103
Actual benefit adjustment vs. expected	(63,175)	–	–
Change in actuarial assumptions	749,974	22,463	27,923
Benefits accumulated	183,370	7,033	11,066
Increase for interest due to decrease in the discount period	247,736	8,073	7,256
Benefits paid	(327,352)	(10,210)	(6,324)
Net increase	790,553	27,359	43,024
Actuarial present value of accumulated plan benefit obligations at end of year	$ 7,345,848	$ 240,746	$ 233,411

9. FUNDING

Participating employers pay assessments to CPF on behalf of the eligible participants in each respective plan. The assessments for the participants in the Clergy Plan are equal to 18% of the applicable participants' compensation as defined under The Church Pension Fund Clergy Pension Plan. The assessments for the participants in the Lay Plan are equal to 9% of the applicable participants' compensation as defined under the Lay Plan. The assessments for the participants in the Staff Plan are equal to 15% of the applicable participants' compensation as defined under the Staff Plan.

Assessments paid to CPF on behalf of the participants in the Clergy Plan, the Lay Plan and the Staff Plan were $85 million, $5 million and $10 million, respectively, during the year ended March 31, 2021 and $84 million, $5 million and $9 million, respectively, during the year ended March 31, 2020.

The funding positions of the Clergy Plan, the Lay Plan and the Staff Plan as of March 31, 2021 and 2020 are summarized as follows:

	Clergy Plan	Lay Plan	Staff Plan
		(In Thousands)	
March 31, 2021			
Net assets available for pension benefits after amount designated for assessment deficiency	$ 13,901,084	$ 236,116	$ 317,991
Actuarial present value of accumulated plan benefit obligations	6,636,310	232,873	235,611
Surplus	$ 7,264,774	$ 3,243	$ 82,380
March 31, 2020			
Net assets available for pension benefits after amount designated for assessment deficiency	$ 8,823,494	$ 165,524	$ 235,278
Actuarial present value of accumulated plan benefit obligations	7,345,848	240,746	233,411
Surplus (deficit)	$ 1,477,646	$ (75,222)	$ 1,867

10. EXPENSES

During the years ended March 31, 2021 and 2020, CPGSC provided certain services, primarily personnel, general and administrative expense processing and facilities related, to CPF on a cost-reimbursement basis and billed $116.5 million and $106.6 million, respectively, for such services.

The executive compensation philosophy is established by the Compensation, Diversity and Workplace Values Committee of the Board of Trustees. The total remuneration of certain key officers of CPGSC is approved by the Compensation, Diversity and Workplace Values Committee of the Board of Trustees. In addition, the total remuneration paid to the Chief Executive Officer and President is approved by the Board of Trustees. As part of approving the total remuneration of key officers, the Compensation Diversity and Workplace Values Committee and the Board of Trustees review the remuneration targets for functionally comparable positions in other financial services organizations and not-for-profits with similar complexity, as well as individual and corporate performance. Supplemental retirement and life insurance benefits are provided to certain officers under the terms of individual agreements.

The cash compensation for the two officers of CPF receiving the highest total cash compensation for the year ended March 31, 2021, was as follows:

Mary Katherine Wold, Chief Executive Officer and President	$	1.8 million
Roger A. Sayler, Executive Vice President and Chief Investment Officer	$	1.8 million

CPF maintains a defined contribution plan for eligible employees of CPGSC, under which employees may contribute up to 100% of their salaries, subject to federal limitations. The first 6% of their contribution is matched 75% by CPGSC. Total employer-matching contributions under this plan were $2.1 million and $2.0 million for the years ended March 31, 2021 and 2020, respectively.

CPGSC also provides healthcare, disability and life insurance benefits for eligible active and retired employees. CPGSC accrues the cost of providing these benefits during the active service period of the employee. For each of the years ended March 31, 2021 and 2020, CPF and its affiliates recorded expenses of $1.3 million for these benefits and interest expense net of interest income. This obligation is estimated at $25.4 million and $25.1 million as of March 31, 2021 and 2020, respectively. For measuring the expected post-retirement healthcare benefit obligation, average annual rates of increase in the per capita claims cost for 2021 and 2020 were assumed to be 6.5% and 7%, respectively. The increases in medical costs are assumed to decrease annually to 4.75% in 2025 and remain at that level thereafter. The weighted average discount rates used in determining the expected post-retirement benefit obligation was 3.250% at March 31, 2021. Management performs a valuation every three years as the impact of doing the valuation annually is immaterial. If the healthcare cost trend rate were increased by 1%, the accumulated post-retirement benefit obligation as of March 31, 2021 would increase by approximately $0.4 million.

11. LINE OF CREDIT

On December 30, 2019, CPF entered into an Unsecured Revolving Line of Credit with The Northern Trust Company, which provides $100.0 million of committed and an additional $100.0 million of uncommitted available credit. On December 28, 2020, CPF amended the terms and included an increase of $150 million of uncommitted available credit to allow for more liquidity flexibility. The total credit facility is $350 million as of March 31, 2021. Advances under the Unsecured Revolving Line of Credit may be repaid and redrawn, in accordance with the terms of the loan agreements, with all amounts outstanding due in full on or before December 27, 2021. Advance requests must first be made under the committed line of credit; once committed principal is fully drawn, the principal available under uncommitted line of credit can be drawn. The commitment fee is on the average daily amount of committed principal undrawn equal to fifteen one-hundredths of one percent (0.15 of 1%) of such amount per annum.

At March 31, 2021, The Church Pension Fund did not have any amounts outstanding under the Unsecured Revolving Line of Credit and has yet to borrow any amounts and therefore no interest expense has been incurred for the year ended March 31, 2021.

12. SUBSEQUENT EVENTS

Management has performed an evaluation of subsequent events through July 7, 2021, which is the date the combined financial statements were available to be issued.

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