

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)<sup>1</sup> 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 Clergy Pension Plan and Certain Related Clergy Plans**

After carefully considering the financial position of The Church Pension Fund Clergy Pension Plan (Clergy Pension Plan), 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 Clergy Pension Plan and certain related clergy plans, 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 of inflation and/or experience muted market returns, the Clergy Pension Plan and certain related plans may provide a benefit adjustment that is less than that provided by Social

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<sup>1</sup> 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).

Security to help manage the long-term financial strength of the Plans. 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 Clergy Pension Plan, and we will continue to communicate future COLA announcements clearly and quickly.

Please visit our website, [cpg.org/COLA](http://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.

We are fortunate to serve those who serve the Church and are grateful to be able to enhance your benefits. 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 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 stylized flourish at the end.

Mary Kate Wold  
CEO and President  
The Church Pension Fund