

December 9, 2019

Dear Friend:

On behalf of The Church Pension Fund Board of Trustees (CPF Board), we want to inform you that there will be no cost-of-living adjustment (COLA) for participants and beneficiaries of The Episcopal Church Lay Employees' Retirement Plan (Lay DB Plan) for 2020. We hope you understand that our decision not to grant a COLA protects the long-term viability of the Lay DB Plan and the continuity of pension payments that participants and beneficiaries receive.

To evaluate the financial strength of our plans, we stress test them using sophisticated financial models to determine whether each plan can support the granting of a COLA without compromising its financial status over the long term. In its final decision-making, the CPF Board weighed carefully the results of these analyses. We believe that it would be imprudent to grant a COLA under the Lay DB Plan because doing so could have a long-term negative impact on the financial strength of the plan.

This decision does not affect how the pension payments that participants and beneficiaries receive under the Lay DB Plan are calculated. We hope this letter provides you with a clearer understanding of the CPF Board's decision.

In response to feedback we have received, in future years, we will no longer be sending you a letter informing you of the CPF Board's decision not to grant a COLA under the Lay DB Plan. Instead, we will continue to post all COLA decisions on our website at cpg.org/COLA and alert you in writing only if a COLA has been granted.

As always, if you have any questions or comments, please do not hesitate to call us at (866) 802-6333.

We wish you a blessed Advent season.

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