

GB-2115

**PENSION FUND
OF THE CHRISTIAN CHURCH**

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Chad Robinson, Senior VP of Information & Technology
David Stone, Senior VP & Chief Investment Officer

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Dawn Cooper, AVP for Internal Auditing
Robert Cossell, Internal Auditor of Information / Technology
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Lester D Palmer, Danville, IN

Treasurer

Richard Cohee, Indianapolis, IN

Report

Pension Fund of the Christian Church (Disciples of Christ) was established in 1895 as the Board of Ministerial Relief and Assistance. This Board was established for the support of the ministry by assisting pastors and their families in times of great need, especially disability or death in active service. That tradition of support for the ministry continues today through pension and retirement savings programs in Canada, Puerto Rico, and the United States, retiree health care, ministerial relief and assistance grants, and financial planning education for ministers and lay employees of the Stone-Campbell Movement.

Pension Fund seeks, in all of its activities, to serve in a manner consistent with its mission, vision, and core values.

Mission: *For the Support of Ministry*¹

Vision: *Stone-Campbell pastors and lay employees will enjoy a Strong, Smart, and Secure retirement.*

Core Values: Integrity, Security, and Compassion

Integrity: the quality of being honest, making membership-oriented decisions

Security: the state of stability, providing freedom from worry or fear

Compassion: the ability to help others in times of need or distress

¹ Referencing Alexander Campbell's call to the Church in 1830 for contributions in support of the gospel and missionary labor to ensure care of the aged. P.16 "For the Support of Ministry."

We are guided by Matthew 25:20-21: *“The one given five thousand dollars showed him how he had doubled his investment. His master commended him: “Good work! You did your job well. From now on be my partner.”*

No participant in the Pension Plan, Tax Deferred, 457(b), Traditional IRA, Roth IRA or Benefit Accumulation account has ever lost a penny of value, nor have benefits been reduced. Pension Fund remains one of the best funded retirement programs in existence.

While we had to continually shift our plans to provide for the health and safety of our employees, we did celebrate our 125th Anniversary. This included a wreath laying at the grave of Ira and Rhoda Jane Castle Chase; a food drive for Linwood Christian Church; providing 125th Anniversary masks to all clergy who are members of Pension Fund; a special edition of *The Bridge*, our semi-annual magazine; and a special history video.

Additionally, we began internal trainings to engage with the church’s Pro-Reconciliation / Anti-Racism priority, including contracting with the Rev. Sandhya Jha to serve as a consultant to the President / CEO and our PR/AR Team; forming our PR/AR Team, co-chaired by our President / CEO and our Senior Vice President of Operations; engaging in two staff-wide learning and development opportunities around the generational impact of Red-lining and Implicit Bias, including a special session for Supervisors on Implicit Bias.

1. CONTRACTUAL PROGRAMS

- a. Financial markets in 2019 were extremely euphoric and 2020 alarmingly volatile due to the impacts of COVID-19 and the global pandemic. It is important to keep perspective that FANGS – Facebook, Amazon, Netflix and Google, accounted for a 45% increase in the S&P 500 through 3QU’20, while the remaining 495 companies were negative. The remaining quarter of 2020 saw a broader increase across multiple sectors. While our 2020 financials will not be public until the completion of our audit in April 2021, Pension Fund’s Assets Under Management grew from \$3.250B (19’QU4) to \$3.578B (20’QU4). This was due to market performance and an increase in new product enrollment.

New enrollments are driven by share of wallet with current

members, new Stone-Campbell employers (primary with in the Christian Churches / Churches of Christ), and new employees are non-Qualified Church Controlled Organizations (non-QCCOs) – care facilities, colleges, and universities.

- b. The Board of Directors agreed with the staff recommendation to delay the April 2020 Special Apportionment decision to September 2020, based on July 31, 2020 assets and December 31, 2019 pension liabilities. This was due to the 35% drop in the stock market as the Global pandemic took hold in the United States. In September, the Board awarded a 3% Special Apportionment to all members.
- c. Pension Fund continues to provide Tax Deferred, 457(b), Traditional IRA, Roth IRA and Benefit Accumulation Accounts. Base returns for these programs were 3.5%, 3.5%, 3.5% and 2.5%, respectively. Good Experience Credits (GECs) of 1% for TDRA and 2.5% for BAA were awarded for each of these programs and paid before year end.
- d. Pension Fund launched the 457(b) for employees of non-QCCOs (colleges, universities, benevolent care facilities) in July 2020.
- e. Pension Fund also serves as trustee of the Christian Church (Disciples of Christ) Health Care Benefit Trust, and as such, administers supplemental Medicare programs for retirees. The active program closed on 12/31/16. The Medicare Trust was closed to new enrollments on 1/1/2019. We have restored appropriate reserve levels, while holding premiums for the fifth consecutive year. The actuary life expectancy of the program is 2037. Any assets belonging to the Trust after the final closure of the Medicare program will belong to Ministerial Relief and Assistance for future clergy health and wellness programs, and to repay the \$2MM subsidy provided by MRA.
- f. Pension Fund continues to offer Churchwide Accident Insurance to participants of the Pension Plan and related programs. Churchwide Accident Insurance is provided through Reliance Standard Life Insurance Company.

2. MINISTERIAL RELIEF AND ASSISTANCE

During 2020, Pension Fund distributed more than \$2 million in Ministerial Relief and Assistance (MRA) on behalf of the Christian Church (Disciples of Christ). This included block grants to the Central Pastoral Office for Hispanic Ministries, North American Pacific Asian Disciples, and the Christian Church (Disciples of Christ) in Puerto Rico. The grants to CPOHM and NAPAD were designed to reach populations not included in the Federal Government stimulus program and alleviate the need for paperwork by individual grant recipients to comply with our rules. The grant to the Central Office in Puerto Rico was to assist with government mandated testing for pastors and church workers. MRA is solely funded by Pension Fund's endowment and annual gifts to the various programs.

In 2020, Pension Fund experienced use of our new programs such as Parental Leave, Vocational Counseling, Natural Disaster Salary Support, and retirement support for New Church Pastors. Additionally, the programs of Excellence in Ministry / Financial Literacy Academy and Debt Refinancing were made permanent components of MRA. We also launched through MRA, "Your Money Line" which is a financial concierge service for all of our members that can address all non-SEC related financial questions.

While prudent management of these gifts remains our goal, Pension Fund is also adopting a proactive approach to the supplemental gift programs. We are now contacting eligible recipients to raise their pension and standard of retirement, rather than waiting for them to come to us.

Supplemental Gift Pensions are gift distributions to those retirees who have extremely low pensions. It is a way for the Church to assist those who are most affected by economic turmoil. In the future, increases will be possible only when additional resources from gifts from individuals and additional income from Endowment Funds allow.

The Thirteenth Check, which is a gift to all persons on the Ministerial Relief roll and some of the neediest on the low pension roll, was sent between Thanksgiving and Christmas. Favorable response to 13th check appeals and other Ministerial Relief resources enabled the distribution of a true 13th check benefit for the fifth time in the history of the program. Fittingly, in our 125th year, we distributed 125 13th checks.

3. GOVERNANCE

The Board of Directors and Staff of the Pension Fund are keenly aware of their fiduciary responsibilities to the Church and those served. Pension Fund was created to provide a unique ministry to clergy and lay employees on behalf of congregations and their members. Pension Fund seeks to fulfill these responsibilities with compassion, wisdom, and prudence.

The Board of Directors of the Pension Fund of the Christian Church (Disciples of Christ) established and adheres to governance policies intended to provide oversight and accountability.

The Pension Fund Board of Directors is fully in compliance with all expectations of the General Assembly and General Nominating Committee and increased the diversity of our board members to 45% persons of color. The industry expertise on our board includes, but is not limited to: Legal, Financial, Investing, IT Systems, Accounting, Actuarial Services, Clergy, and Treasury.

4. CLOSING WORD

In 2022, Pension Fund will host a rescheduled Gathering – A Retreat for Clergy. The event is subsidized by MRA, Lilly Endowment Inc., and the Christian Church Healthcare Benefit Trust. The event will feature Dr. Matthew Bloom, who has been researching Clergy wellness for more than 15 years, Dr. Starsky Wilson from the Deaconess Foundation, and the music of Andra Moran. Registration is \$100 for those who worship 99 or fewer or \$150 for those who worship more than 100. The registration fee includes two nights in the hotel, three meals, and the conference. Spouses can register for \$150. Clergy may purchase additional room nights at the hotel pre and post-conference. The dates are to be determined, as we are working with the Office of the General Minister and President to explore buying out the contract in Memphis to host this event.

The Board of Directors and staff of Pension Fund are grateful for the opportunity to serve the Church, its ministers and lay employees. Concern about the safety of pensions and retirement savings remain for some participants and are a continuing topic in various media outlets. We have sought to address such concerns

by being transparent and available to respond to inquiries. Pension Fund staff and directors continue their efforts to protect the pensions and retirement savings of all participants.

We ask God's continuing guidance and your trust as we continue to focus on our ability to serve our constituents. This ministry is an expression of Thanksgiving from a grateful Church to those who accepted the call to the ministry, as clergy or lay employees, and who carry out that ministry faithfully.

BOARD of DIRECTORS (date indicates end of term)

Rev. Thaddaeus Allen, West Virginia, '22
Rev. Sydney Avent, Northeast '21
Kelly Bauer, Kansas, '22
Rev. Denise Bell, Georgia, '24
Peggy Brittan, Southwest, '21
David Burch, Pacific Southwest, '24
Rev. Jabari Butler, Georgia, '21
Grace Caress, Indiana, '22
Randy Clayton, Kansas, '22
Sam Colson, Alabama/Northwest Florida, '24
Rev. Esteban Gonzalez-Double, Bayamon, PR '22
Rev. James P Johnson, Florida, '21
Camilla Lindsey, Southwest, '21
Cynthia Newman, Indiana, '24
Joshua Santana, Kentucky, '21
Greg Smith, Indiana, '22
Chad Turner, Kentucky '21
Linda Hernandez Williams, Pacific Southwest '23

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Betty Lamb, Treasurer
Richard Guentert, Secretary/Historian

CHRISTIAN CHURCH HEALTHCARE BENEFIT TRUST

Pension Fund of the Christian Church (Disciples of Christ), Trustee

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