



2018 Annual Review

Inspired by the Past
Evolving for the Future



THE BOARD OF PENSIONS
OF THE PRESBYTERIAN CHURCH (U.S.A.)



.....
*“We have embraced the whole of the PC(USA)
community, reestablishing connections that
have lain dormant for too long.”*
.....



The desire for wholeness is at the heart of the Gospel call. It is also the foundation of our plans and programs, supporting those who serve the Church. This has led us to change the way we think about membership in the Benefits Plan of the Presbyterian Church (U.S.A.). We have embraced the whole of the PC(USA) community, reestablishing connections that have lain dormant for too long.

For years, ministers and other church workers whose congregations provide benefits through the plan have been our membership community. But eligibility is so much broader. Organizations with PC(USA) ties can provide benefits through the plan. These affiliated employers include retirement communities, schools and colleges, camps, and conference centers. They were established by Presbyterians and employ tens of thousands of people.

So, we opened our arms wider and, little by little, our community has grown. There were 23 percent more active plan members in December 2018 than in December 2017. And the membership is now more diverse. Colleges and retirement communities have brought their employees into the plan, fueling the growth.

Even as we celebrate our expanding community, we remain dedicated to the care of the ministers in the plan. Our ministers play a pivotal role in vital congregational ministry. Through Pathways to Renewal, small churches and new innovative ministries may install new pastors at greatly reduced dues. The North Carolina pilot of Healthy Pastors, Healthy Congregations — which helps pastors with financial literacy and congregations with understanding the financial stresses of ministry — was successful, and we received a second Lilly Endowment grant and moved to a national expansion. Educational debt assistance for ministers also has been greatly increased.

In addition to expanding support for congregational leadership, we developed more plan offerings and further improved our service. We steered our Balanced Investment Portfolio through the tumultuous markets of 2018, and it ended the year valued at \$9 billion. The portfolio maintained a solid long-term performance, which prompted our Board of Directors to grant the seventh consecutive experience apportionment for the Pension Plan in 2019.

How well we perform on all fronts affects our ability to promote wholeness through our plans and programs, which support spiritual, health, financial, and vocational well-being. As we are evolving to better serve the needs of the Church and affiliated employers, we are leading Board staff with an eye firmly on performance. We are connecting with varied groups throughout the Church, which helps inform our efforts in cultivating congregational ministry.

And our arms are open wide.

The Reverend Frank Clark Spencer
President

The Reverend Dr. Fairfax F. Fair
Chairperson



2018

The agency that today offers a range of benefits, financial assistance, and educational opportunities on behalf of the Presbyterian Church (U.S.A.) got its start more than 300 years ago with a single notion:

Raise up leaders to God's people, and they will spread the hope that lies at the heart of the Gospel.



In Review

That notion inspired Presbyterians in 1717 to establish the Fund for Pious Uses to sustain pioneering preachers and their families. Today, it inspires us at the Board of Pensions of the PC(USA) to pursue innovative ways to nurture and sustain a new generation of ministerial leadership — to raise up leaders for the future of the Church.

Congregations and emerging ministries can now call younger ministers and provide them with full benefits at substantially reduced costs because of a dues incentive initiative we introduced in 2018: Pathways to Renewal.

To help with the debt that so often makes fulfilling a call difficult, we increased Minister Educational Debt Assistance Grants and supported the financial well-being of a growing number of pastors through Healthy Pastors, Healthy Congregations.

Successful stewardship has enabled the Board to expand support for ministers. Conservative and sustainable funding of our asset-based plans has ensured fiscal health, and by expanding options in the Benefits Plan, we've broadened participation. The plan is now commercially competitive, and we're attracting growing numbers of PC(USA)-affiliated employers. Three centuries ago, Presbyterians had a notion. Today, it's an enduring inspiration.

GROWTH OPPORTUNITIES

Growth was the story of the Benefits Plan in 2018. Congregations of the Presbyterian Church (U.S.A.) offered benefits to more employees. More non-church organizations affiliated with the PC(USA) joined the plan. And, for the first time, active plan members included more non-ministers than ministers. In this, the second consecutive year with a net membership gain, we sustained our reversal of decades of decline.



In 2018, we received 427 requests for pricing proposals from church and affiliated employers, and active membership in the Benefits Plan grew 23 percent. As 2018 closed, we were serving nearly 64,000 individuals.

Our engagement with affiliated employers is helping knit our denomination back together. Schools and universities, camps and conference centers, nursing homes, and retirement communities — each is associated with the PC(USA). We are delivering commercially competitive, quality benefits; expanding our menu of options; and promoting the values of a church plan. By year-end 2018, 267 affiliated employers were participating in the plan.

Benefits are a matter of justice for the Church. A Theology of Benefits, the foundation for our work at the Board of Pensions, reminds us that the desire for health and wholeness is at the heart of the Gospel call. Board programs support spiritual, health, financial, and vocational well-being.

The Church and its affiliated employers call people to varied forms of service, and these individuals can focus on their calling when we support their well-being. Through the Benefits Plan and our programs, congregations and employers provide that support to ministers and employees.

evolving

Shared Values

STILLMAN COLLEGE AND THE BOARD OF PENSIONS



Christian values are at the heart of academic life at Stillman College, a liberal arts institution located in Tuscaloosa, Alabama. Stillman — which was authorized by the General Assembly of the Presbyterian Church in the United States in 1875 — is one of only three historically black colleges and universities that remain affiliated with the Presbyterian Church (U.S.A.).

So when Stillman was searching for new medical coverage to offer its employees, they found a perfect fit with The Board of Pensions of the Presbyterian Church (U.S.A.).

“We’re a Presbyterian college, and the Board of Pensions plan aligned with our mission and goals,” said Dr. Cynthia Warrick, President of Stillman College.

Stillman found that the Medical Plan offered value as well as flexibility. Of the three coverage options — a preferred provider organization (PPO), an exclusive provider organization (EPO), and a qualified high deductible health plan (HDHP) — Stillman chose to offer the PPO and EPO.

“Younger, more entry-level employees were opting out of the previous medical plan because of the price,” said Dr. Warrick. “With the Board of Pensions, we are able to offer two price points by offering employees a choice between the PPO and EPO.”

The increased value and flexibility of the Medical Plan mean that more employees have medical coverage.

“The Board of Pensions provides a lot of touches that make it personal. ... When you do that, everybody wins.”

— Dr. Warrick

Stillman enrolled 81 employees for medical benefits, for 2019 — an increase from 66 in the previous medical plan.

“It’s affordable. We reduced our costs and reduced costs to employees,” said Dr. Warrick.

In addition to the quality and value of the benefits, the Board of Pensions has added significant value to Stillman through exceptional customer service and commitment.

“The Board of Pensions provides a lot of touches that make it personal,” said Dr. Warrick. “The Board reminds me of Stillman — we stand out from competing schools with personal touches and by showing we care.”

“When you do that,” she continued, “everybody wins.”



23%

Growth in active
Benefits Plan membership



427

Pricing proposals
requested



267

Affiliated employers
participating in the
Benefits Plan



63,859

Individuals served by
the Benefits Plan

FINANCIAL RESPONSIBILITIES

The Board of Pensions supports and enlivens the Presbyterian Church (U.S.A.) through its ministry. We help cultivate and sustain ministerial leadership for the future. And, in times of need, we provide financial assistance.

Everything we do to accomplish this requires constant stewardship over the agency's financial resources. How well we perform affects our ability to support spiritual, health, financial, and vocational well-being.

The 2017 redesign of the Medical Plan enabled us to compete commercially, and we reversed course on decades of decline in membership. As that upswing continued in 2018, strong stewardship at the Board ensured that reserves remained significant to secure the Medical Plan.

Strong stewardship enabled our Board of Directors to vote in 2018 to reallocate resources to eliminate vacancy dues, owed for the first 12 months a minister member's position is vacant. The vote lifted a burden that many congregations have struggled with.

Relieving financial burden for those in need is the foundation of the Assistance Program. We expanded eligibility for Sabbath Sabbatical Support Grants and reinforced Housing and Income supplements, for retirees and surviving spouses. Assistance Program grants numbered 1,157 in 2018 and totaled \$5.5 million in value.

Investments are the largest funding source for the Assistance Program, as well as for the Pension Plan and Death and Disability Plan. The various financial responsibilities of the Board are carried out in every corner of the agency, but the Balanced Investment Portfolio is our single-largest asset, with a year-end value of \$9 billion. Its stewardship includes constant monitoring of U.S. and foreign markets and worldwide political shifts.

The portfolio's 2017 performance enabled the Board of Directors to grant an experience apportionment for the Pension Plan for the sixth year in a row. The 3.9 percent apportionment was effective July 1, 2018.



cultivating

Transforming Ministry

FOR A PASTOR IN NEED



A solo pastor of the Community Presbyterian Church in Lombard, Illinois, the Reverend Dr. Stewart M. Pattison has been living — and serving — with multiple sclerosis for more than 20 years. Due to nerve damage to the right side of his body, he has little to no movement in his right arm and can only walk short distances — and then only with difficulty.

Up until three years ago, Rev. Pattison felt hemmed in by his restrictions: On Sundays he would preach, then need to go sit in his office. After worship, he could not drop by fellowship hall or stand at the church entrance to chat with parishioners about their week.

Outdoor activities were an even steeper challenge. To get across the grass for a church picnic or down a dirt road for a spiritual retreat, he had to depend on others for help — usually his wife, Bonnie.

“Needing to be pushed in a wheelchair because I have only one good arm was affecting my ability to provide pastoral care,” he said.

Then, Rev. Pattison had a providential encounter: He ran into a woman on a three-wheeled scooter. The lightweight, electric wheelchair has large pneumatic wheels that can handle rough terrain, and it folds to about the size of a carry-on suitcase. He realized how freeing a scooter would be.

He applied for, and received, a Shared Grant from the Assistance Program of the Board of Pensions and the Presbytery of Chicago to purchase a scooter. Assistance Program funding comes from gifts, legacies, endowments, and half the Christmas Joy Offering. The Board’s careful stewardship of this resource makes possible such grants.

“The scooter has really revolutionized my ministry and life. ... It allows me to be *me* again.”

— Rev. Pattison

“The scooter has really revolutionized my ministry and life,” Rev. Pattison said. “It allows me to be *me* again. Now I don’t ever go to my office on Sundays — I’m out with the congregation, wherever they are, and can fully minister to them.”

“The Board of Pensions and the Presbytery of Chicago got behind me 100 percent,” Rev. Pattison said. “Thanks to their generosity, I am able to continue in full-time ministry.”



3.9%

Pension Plan
apportionment



\$9

Billion in Balanced
Investment Portfolio



\$5.5

Million in Assistance
Program grants



1,157

Assistance Program
grants distributed

CORPORATE STEWARDSHIP

We guide and support churches and employers and care for Benefits Plan members — but we also steward the Board of Pensions. We take that responsibility seriously.

Staying connected to the various church constituencies is part of that stewardship. On our website and through social media, we share the work we do on behalf of the Church, along with benefits and support available through the Board of Pensions.

Redesigned in 2018, pensions.org now provides information to fit visitors' needs, on any device, through improved navigation and audience-specific resources, such as an employer guidance section and a link to the new online Presbyterian CREDO community, enabling CREDO alumni to stay in touch and support each other.

Our technological systems have been strengthened to meet the challenges of an increasingly complex operation as we add more choices to the Benefits Plan and provide more opportunities for support and education. Each staff member participated in relationship-building training in 2018. We know that personal success, as well as the Board's, is affected by how well we work together.

Our personal service makes us unique in the benefits world, so employee morale is extremely important. We launched a new intranet and expanded professional development online. Employees participated in lunch and learns, and recognition opportunities provided additional time to gather as a community.

All of these things, along with a brighter, renovated workspace, likely spurred employees to vote the Board of Pensions onto the Philadelphia Business Journal's list of 2018 Best Places to Work. We have to agree with them — this is a great place to work, and that enhances how we serve others.



leading

Recognition

AS A BEST PLACES TO WORK



One of our proudest accomplishments as a team in 2018 was being named to the Philadelphia Business Journal's list of Best Places to Work. For all of us at the Board of Pensions, this honor symbolizes our agency's commitment to serving more and better.

"In the last four years, we've asked our employees to grow and stretch to meet the needs of the changing church," President Frank C. Spencer said. "We've had to pick up new skills and take on new assignments — in short, we changed the way we work."

The Board began a journey of continuous improvement with the redesign of the Benefits Plan, effective January 1, 2017. Employee engagement is critical to the success of that journey. Engagement strengthens our connections to our work and to each other. This helps us better serve congregations and employers, plan members, and other agencies of the Presbyterian Church (U.S.A.).

"Every call we receive from a member or an employer is answered with, 'How may I serve you?'" said Kelly Riley, Senior Vice President, Plan Operations. "Our employees embody the call to serve."

"Our employees embody the call to serve."

— Senior V.P. Riley

Board employees took a survey sponsored by the Philadelphia Business Journal to gauge impressions of their work environment. Did they feel listened to? Were they encouraged to share new ideas? Did their managers support professional growth? Employers in Philadelphia and its Pennsylvania and New Jersey suburbs competed to be a Best Places to Work.

"This honor is a reflection of the work done every day by our committed, diverse staff to serve the Church," said Susan Reimann, Executive Vice President and Chief Operating Officer. "We have the institutional knowledge of employees who have been with us 10, 20, even 30 years or more. And we have new energy of people who have joined us relatively recently. Together, we make a fantastic team."



187

Board employees



1,321

Education and training events attended by employees



94K

Average website page views per month



51K

Calls received by call center

CHURCH ENGAGEMENT

The Board of Pensions focused on being a creative, progressive partner for the future of the Presbyterian Church (U.S.A.). We found innovative ways to nurture and sustain a new generation of ministerial leadership.

The 223rd General Assembly (2018) affirmed our efforts:

- It authorized Living by the Gospel, our guide to structuring ministers' terms of call, and spotlighted the data on benefits gender disparities, urging Committees on Ministry to act.
- It asked us to review the leadership structures and relationships of African American congregations in the PC(USA).



Living by the Gospel lays out how the Church supports ministers through the Board of Pensions. Benefits, assistance, education through Board University and beyond — all work together to sustain well-being. It includes data suggesting that ministers who lack this support are much more likely to leave ministry.

In response to the data, the Board promoted full Benefits Plan coverage for every minister. We launched Pathways to Renewal, a dues incentive program, to support small congregations and emerging ministries, and approved 14 applications during the year. Minister Educational Debt Assistance Grants were increased to \$25,000 per minister. The financial well-being of pastors was further supported by Healthy Pastors, Healthy Congregations, which provides grants of up to \$10,000 per pastor.

And at the other end of the arc of ministry, we added CREDO II, for pastors ages 56 to 70. With the expansion, CREDO conferences served a total of 236 participants.

Further strengthening its connections within the Church, the Board co-sponsored, with the Office of the General Assembly, the second annual Mid Council Leaders Gathering. More than 300 people participated.

The Board increased its outreach to organizations of people of color, including the National Asian Presbyterian Council, National Black Presbyterian Caucus, Conference for Seminarians of Color, National Caucus of Korean Presbyterian Churches, and Hispanic/Latinx National Presbyterian Caucus. We also attended and provided partnership funds for many of their gatherings. Additionally, we organized an event in Puerto Rico to provide information on educational debt assistance and the Benefits Plan as well as to conduct a First Call, First Steps seminar for recently ordained pastors entirely in Spanish.

This is a challenging but exciting time for the Church. The Board is committed to being an engaged partner in all that lies ahead.

Strengthening

A CHURCH'S VITALITY TOGETHER



For the Reverend Lorenzo Small Sr. and his wife, Alexis, life was good — very good. He held a series of positions in corporate America, she had a career in sales, and they had started a family. Even so, the couple began questioning how they were spending their time, energy, and money. To what end?

God was calling, more and more urgently. Soon, the Smalls moved to Charlotte, North Carolina, and Mr. Small enrolled at Union Presbyterian Seminary to begin a second career as a pastor. His passion for ministry only grew with his formal theological training, leading him to part-time ministry while attending Union.

Today, Rev. Small is pastor of First United Presbyterian Church, a historic African American church established by freed slaves in the heart of Charlotte. The shift to serving urban ministries required the Smalls to economize. Although they had drastically cut their expenses, the family had accumulated debt during their transition.

When Rev. Small heard he could qualify for a grant of up to \$10,000 from the Healthy Pastors, Healthy Congregations program, he asked the session of his church to support his desire to be a part of the program. To do that, key congregational leaders would need to participate in an in-person training session.

"We all agreed wholeheartedly," said Elder Jerome Walker, a member of First United's Financial Oversight Committee and moderator of the Personnel Committee. "Having a debt-free pastor would allow Rev. Small to better devote his whole self to ministry, without concerns about his finances."

To fulfill his part of the covenant, Rev. Small completed an online learning series and took part in an in-person training session. He also participated in individual financial counseling through Ernst & Young Employee Financial Services, the Board of Pensions' partner in providing pastors with guidance in developing personalized financial plans.

"Because it's personalized, the financial planning piece is truly valuable."

— Rev. Small

Rev. Small is particularly enthusiastic about working with his Ernst & Young financial counselor. "Because it's personalized, the financial planning piece is truly valuable," he said.

Healthy Pastors, Healthy Congregations is funded in part by a \$1 million grant from Lilly Endowment.



300+

Participants in Mid Council Leaders Gathering



939

Attendees at Board University events



14

Approved Pathways to Renewal applications



236

CREDO participants



2018 EXECUTIVE TEAM

Rev. Frank Clark Spencer
President

Michael F. Fallon Jr.
Executive Vice President &
Chief Financial Officer

Judith D. Freyer
Executive Vice President, Treasurer, &
Chief Investment Officer

Patricia M. Haines
Executive Vice President &
Chief Benefits Officer

Rev. Dr. John G. McFayden
Executive Vice President &
Chief of Church Engagement

Susan Reimann
Executive Vice President &
Chief Operating Officer

BOARD OF DIRECTORS

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Mary C. Baskin (Class of 2020*)

Fredric J. Bold Jr., J.D. (Class of 2022*)

Hon. Jesse H. Butler (Class of 2018*)

Adam S. Ceteznik (Class of 2020)

Richard R. Clark, M.D. (Class of 2022*)

Lindley G. DeGarmo (Class of 2018*)

Harland B. Doak Jr. (Class of 2020*)

Gordon C. Enderle (Class of 2022)

Rev. Dr. Fairfax F. Fair (Class of 2020*)

Bradley C. Fowler (Class of 2018*)

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John W. Hamm (Class of 2018*)

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Rev. Dr. John A. Huffman Jr. (Class of 2018*)

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Joshua Power Stevens (Class of 2022)

Paul L. Vikner
(Class of 2022*, resigned Oct. 2018)

Suzanne P. Welsh (Class of 2020)

Rev. Floyd White (Class of 2020)

Directors are nominated by the General Assembly Nominating Committee, and may be elected only by the General Assembly. Terms are typically four years and Directors are eligible for reelection to a second term (* indicates a person serving a second term). Those in the Class of 2018 finished their service, and those in the Class of 2022 began their service, at the conclusion of the 223rd General Assembly (2018), on June 23, 2018.



THE BOARD OF PENSIONS
OF THE PRESBYTERIAN CHURCH (U.S.A.)

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