



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

2020

serving more

serving better,
serving the church

THE YEAR IN REVIEW

180

ministers protected through Minister's Choice

2020 began with our most aggressive change agenda since the fundamental restructuring of the Benefits Plan for the year 2017. Despite having added thousands of active members to the plan since 2017, we believed we could better serve ministers and reach many more employees.

13.6% return for the Balanced Investment Portfolio



The Reverend Frank Clark Spencer



Fredric J. Bold Jr.

At its spring 2020 meeting, the Board of Directors reduced pension dues, from 11 percent to 8.5 percent of effective salary, and created Minister's Choice, a new dues package totaling only 10 percent of effective salary. That package included the new Temporary Disability Plan and access to the Employee Assistance Plan (EAP). We also created a new long-term disability benefit and added options for group term life.

Eligibility for the Assistance Program was again expanded. By year-end, benefits subsidies had helped add 100 new calls, with emphasis on young ministers and people of color. Over 870 covenants for Healthy Pastors, Healthy Congregations had been entered, representing an investment of over \$9 million.

One week after the spring Board of Directors meeting ended, our staff left the office for the last time in 2020, forced by COVID-19 into remote work with no warning. Our call center never missed a day of service. We redesigned our Board University offerings for online delivery, and our Church Consultants stopped traveling, providing support virtually.

As the coronavirus crisis deepened, our concern for employers and members grew. Staff proactively made over 15,500 outbound calls to check on our members' well-being. To help employers continue plan coverage, we provided dues relief through waivers and deferrals and suspended the 20-hour requirement for medical benefits eligibility. Affiliated employers received grants to assist their struggling employees.

The Diversity, Equity, and Inclusion Leadership Council (DEILC) was formed in February 2020 to guide executive leadership on DEI initiatives. In fall 2020, our Board of Directors formed its own task force on diversity, equity, and inclusion. Our efforts were recognized by the National Association of Corporate Directors with its national NXT Award for excellence in diversity and inclusion. Still, there is more work to do. We continue building diversity among the staff and the Board of Directors, even as we deepen a culture of equity and inclusion at all levels: Board of Directors, staff, employers, members, and business partners.

Years of disciplined succession planning paid dividends following the retirement of legendary Chief Investment Officer Judy Freyer. Don Walker assumed the CIO role and led the team to robust investment returns of 13.6 percent for 2020 while long-term returns continued to exceed required targets in all periods.

The strong investments results combined with extraordinary staff efforts amid a pandemic to leave the Board stronger financially and programmatically than at any time in its 304-year-long history. We served more as membership grew, served better as plan offerings expanded, and served the Church as more and more ministers received Board support.

The Reverend Frank Clark Spencer
President

Fredric J. Bold Jr.
Chairperson

OUR
COVID-19
RESPONSE



\$6.7 million in dues
forgiven for 300 congregations



20-hour minimum workweek
suspended to ensure continued
medical coverage for members

2020

\$275,000
in COVID-19 relief
grants for 22 affiliated
employers to assist
struggling employees



\$1,000,000
in dues deferrals for
122 employers

WE SERVED MORE,
SERVED BETTER, and
SERVED THE CHURCH



2020 INTRODUCED US TO THE CORONAVIRUS. *It gave us an agonizingly divisive election season. And when the killing of George Floyd unleashed anguished cries for justice, it recorded our call for an end to structural racism. During this remarkable year, we walked alongside our employers and members. We, too, worked from home, caring for children and older family members while continuing to provide the compassionate service expected of us. Our call center never missed a day. Our education programs reached thousands more than the year before. We expanded our financial assistance to meet growing need and provided millions of dollars in dues relief to struggling congregations. It was an extraordinary time. Yet, we served more, served better, and served the Church.*



15,500
outreach calls made to
members in May

\$0

copay for all
telemedicine services

100%
coverage of physician-ordered
coronavirus expenses



**DIVERSITY
EQUITY
INCLUSION**

“I am grateful for this recognition of the work the Directors, management, and staff have done so far.”

Philip Amoa



Making Justice a Priority

Even as we received a 2020 NACD NXT award, our focus was on the road ahead. We appreciated this national recognition for making diversity and inclusion a priority. Yet, we knew there was so much more we could do.

“We all still have work to do,” said Philip Amoa, Chair of our Board of Directors Development and Governance Committee, who accepted the award on the Board of Pensions’ behalf. “I am grateful for this recognition of the work the Directors, management, and staff have done so far.”

As a national agency of the Presbyterian Church (U.S.A.), the Board of Pensions shares the PC(USA) Matthew 25 commitment to dismantling structural racism. Our Board of Directors, leadership, and staff reject any form of racism, discrimination, and prejudice.

Our statement on racial justice emphasizes our role as an ally for change and our position “in support of racial equality, and against deeply ingrained prejudices against Black Americans and other people of color.”

Our Board of Directors is the most diverse it’s ever been — across many demographic factors. And our staff reflects the diversity of the greater Philadelphia community, exceeding the diversity goals of the General Assembly of the Church. Still, Directors are hopeful they can further diversify their ranks, and agency leadership is determined to see greater diversity represented among managers.

Mr. Amoa leads the Directors’ Task Force on Diversity, Equity, and Inclusion, which is reviewing how we advance equity through our programs, policies, and practices. Programs we’ve designed to nurture ministry have been adapted to better serve traditionally marginalized communities — but we can do more! For example, could we change the Assistance Program to better support diversity, equity, and inclusion throughout the Church?

Our Diversity, Equity, and Inclusion Leadership Council (DEILC) — 14 employees who broadly represent our workforce — serves as an advisory board to senior management. DEILC is developing a strategy for attracting, developing, and retaining a high-performing workforce — one that’s representative of the communities we serve.

Matthew 25

challenges us to dismantle structural racism

Both the task force and DEILC are examining our relationships with business partners. National and public companies help us manage the large volume of funds and data involved in agency business. We review their DEI practices and make them aware of PC(USA) values, and our investment managers receive the denominational prohibited securities list.

The agency deliberately seeks diversity in its dealings with local suppliers and service contracts. We solicit three bids on contracts of \$50,000 or more, with supplier diversity as a priority. As a result, 20 percent of what we spend on these contracts goes to minority- and women-owned businesses (MWBs). That’s greater than what the General Assembly calls for. Still, we’re looking to do even more business with MWBs.

The Presbyterian Church (U.S.A.) proclaims that we, the church body, are to exhibit the Kingdom of God. As a member of that body, the Board of Pensions is committed to pursuing justice, equity, and inclusion so that our practices stand as a public witness to the lordship of Christ Jesus.



SUPPORTING PASTORAL LEADERSHIP

“I have often used Psalm 37:5 in my preaching, and I can testify that this is a spiritual truth: ‘Commit thy way unto the Lord; trust also in Him, and He shall bring it to pass.’”

Rev. Viana and family



Benefits a “Great Blessing” for New Worshipping Community Leaders

The Board of Pensions is committed to supporting pastoral leadership in the Presbyterian Church (U.S.A.). We administer two programs — Pathways to Renewal and Benefits Grants for Organizing Pastors and Evangelists — to help congregations and presbyteries support our faith leaders. In 2020, each program continued bringing ministers into the Benefits Plan, providing congregations and ministries with renewed leadership.

Pathways to Renewal brings young ministers into the Benefits Plan with the full benefits of Pastor’s Participation at substantially reduced dues. It is designed to provide hope of renewed leadership to small congregations and support to innovative ministries. In total, 78 grants have been approved, and congregations have saved \$676,000.

Benefits Grants for Organizing Pastors and Evangelists supports the evangelism efforts of presbyteries planting churches and cultivating new ministries. Grant recipients are enrolled in Pastor’s Participation at a significantly reduced cost.

In 2020, these grants saved presbyteries a total of \$343,000. Twenty-nine benefits grants have been approved thus far, with 19 ministers entering the Benefits Plan for the first time. New worshipping communities these ministers serve include The Backyard, for Laotian immigrants; First Korean Presbyterian Church; and On The Way, for Spanish-speaking immigrants from South America, and Casa Brasil, for Brazilian immigrants, both co-pastored by the Reverend Rafael Viana.

Rev. Viana remembers the phone call in late 2019 informing him that he would be receiving a Benefits Grant for Organizing Pastors and Evangelists. Rev. Viana is co-pastor, along with his wife, the Reverend Ivette Llano, of On The Way and Casa Brasil, serving immigrant communities in the Atlanta area. They had previously purchased medical coverage from the Health Insurance Marketplace, but the cost was burdensome.

“Receiving this grant was yet another response from God’s care for our lives,” said Rev. Viana. “I have often used Psalm 37:5 in my preaching, and I can testify that this is a spiritual truth: ‘Commit thy way unto the Lord; trust also in Him, and He shall bring it to pass.’”

Rev. Viana arrived in the United States from Brazil in 2016 with his wife and their two children, settling in the Atlanta area. “We visited Hispanic churches in the area, and our hearts felt a deep love for this immigrant community,” said Rev. Viana.

By 2017, Rev. Viana and his wife had started On The Way. “At On The Way, we assume a motto, Walking Together, which expresses the deep desire to be a church that loves and supports all who join with us on this journey,” said Rev. Viana.

By the end of 2018, Rev. Viana thought about starting another new worshipping community with worship services in Portuguese, his native language. Answering this call, Rev. Viana and his wife established Casa Brasil in summer 2019. Just a few months later, Rev. Viana would receive that all-important phone call.

“Knowing that my family is assisted, that we can receive medical care and that we can plan for retirement in the future, has taken a heavy load off my shoulders,” he said. “This freedom of mind allows me to focus my thoughts and actions on our communities. I have no doubt that this was a great blessing for my life, for my family, and for On The Way and Casa Brasil.”

Casa Brasil



\$1.019M
in subsidies
for new calls

“I have no doubt that this was a great blessing for my life, for my family, and for On The Way and Casa Brasil.”

OUR CONNECTIONAL CHURCH



Rev. Anabe and Family

Burden of Seminary Debt Relieved Through the Assistance Program

When the Reverend Jane Anabe — Associate Pastor at Silver Spring Presbyterian Church in Mechanicsburg, Pennsylvania — first heard about Minister Educational Debt Assistance through the Board of Pensions of the Presbyterian Church (U.S.A.), she didn't think she would qualify. The assistance, helps ministers repay educational debt, making it easier for them to consider a wide range of positions and wholly commit their best gifts to ministry.

In mid-2018, the Board expanded the eligibility guidelines for Minister Educational Debt Assistance and increased the maximum amount that a minister could receive to \$25,000 over five years. This significant expansion of the program reflected the Board's ongoing commitment to ministers' financial wholeness.

“It has freed me to be more focused on my ministry and what God has called me here to do.”

As a result of this expansion, Rev. Anabe now qualified for the assistance. She was hoping to pay off debt accrued from earning her master of divinity from Pittsburgh Theological Seminary.

Four to six weeks after applying for assistance, Rev. Anabe heard from the Board of Pensions that she had qualified for the program. She was then contacted by PeopleJoy, for student loan debt coaching.

Working with her coach, Rev. Anabe came up with an amount she was comfortable paying toward her student loans each month and an amount the program would pay every month.

“I continued paying what I had already been paying on my student loans, and the program actually started paying double what I was already paying each month,” she said.

Program payments began in early 2019, and by spring 2020, Rev. Anabe's student loan debt was paid off — three years earlier than if she had paid the debt on her own. “It's like getting three years of my life back,” she said.

The debt reduction has positively affected Rev. Anabe's personal life and her ministry. “It has helped my family and me focus on some other financial needs and priorities that we've had to postpone for a long time because we needed to pay off the debt,” she said. “It has freed me to be more focused on my ministry and what God has called me here to do.”



\$471,000
in Minister Educational
Debt Assistance

1,339 grants
totaling \$9.3 million

PARTNERING WITH AFFILIATED EMPLOYERS

“[Board employees] understand and preach preventive maintenance for body and soul.”



Rev. Dick Powell

Mo-Ranch Finds Flexibility and Savings through Medical Plan

When the Reverend Dick Powell was tapped as a candidate for the job of President and CEO at Presbyterian Mo-Ranch Assembly, he had one demand: “If I can’t stay in the Board of Pensions plan, I’m not coming.” More than a decade later, Rev. Powell and every other full-time employee at the camp and conference center in the Texas Hill Country is a member of the Benefits Plan of the Presbyterian Church (U.S.A.).

Rev. Powell joined Mo-Ranch from Forest Hills Presbyterian Church in Helotes, Texas, where he was pastor and head of staff. He knew firsthand the value of plan membership.

Members have access to Board of Pensions programs designed to foster spiritual, health, financial, and vocational well-being. Board University provides educational programs for active and retired members and their spouses and surviving spouses. There are assistance grants for members in need and housing and income supplements for plan members.

As the guy who writes the checks, Fred Gamble, Chief Financial Officer at Mo-Ranch, also appreciates the stability of plan coverage — the predictability in rates and coverage.

“Too often, when you go and try to price shop, they take coverage away you don’t know you need until you need it,” Mr. Gamble said. Board employees “understand and preach preventive maintenance for the body and soul,” Mr. Gamble said. “It’s those kinds of things that are going to help keep my staff healthy.”

But in 2015, before the Benefits Plan was redesigned to provide more choice, Mo-Ranch was poised to switch providers. “We weren’t unhappy whatsoever with service. It was strictly pricing,” Mr. Gamble said.

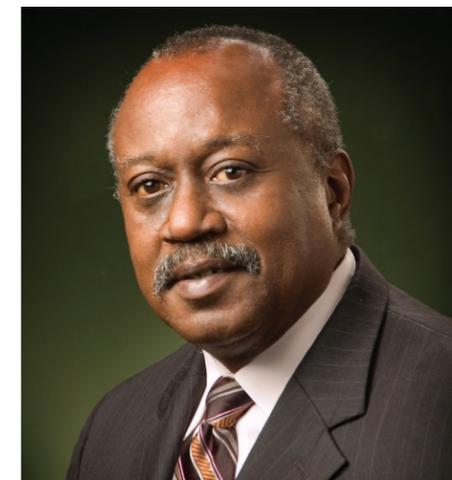
Board leaders acted quickly and, effective January 1, 2016, Mo-Ranch was piloting the forerunner of the exclusive provider organization (EPO). The EPO became a medical coverage option, along with the preferred provider organization (PPO), in 2017, with a redesign of the Benefits Plan. In 2019, a third medical option was added, the high deductible health plan (HDHP).

“The EPO was perfect for us and probably perfect for most rural places,” Mr. Gamble said of the option, which does not cover care received from out-of-network providers except for emergency services. “Virtually all the providers are going to be part of the network.”

This year, Mo-Ranch also began to offer the PPO, and it began providing dental coverage through the Board. In April 2019, it moved its employees from a 401(k) plan to the Retirement Savings Plan of the Presbyterian Church (U.S.A.) (RSP).

The RSP is a defined contribution 403(b)(9) plan administered by Fidelity Investments. Mo-Ranch contributes 3 percent of each employee’s salary to the RSP account and then contributes 50 cents on every \$1 the employee contributes, up to 12 percent.

“We own the plan — the Church owns the plan,” Rev. Powell said, and Board staff understand that they’re “working for us.” They “totally focused on delivering the product and taking care of people in the plan.”



Fred Gamble

241

affiliated employers in the Benefits Plan



100%

retention of affiliated markets clients

**ENCOURAGING
WHOLENESS
IN ALL**

“Without the Board of Pensions’ encouragement, I don’t know that I would be here right now.”

Answering the Call to Health likely Saves Pastor’s Life

The Reverend Kevin Horak prominently displays a family photo in his office at The Church in Aurora, in Aurora, Ohio, where he has served as Associate Pastor since 1989. Taken in the fall of 2019, the photo captures a moment of joy for the Horak family: Rev. Horak and his wife, Kathleen, with their two adult daughters and six grandchildren at a homecoming event at the school his daughters used to attend.

That photo stirs strong feelings in Rev. Horak. About a week after it was taken, he found himself in an intensive care unit recovering from emergency open heart surgery.

“This photo became even more significant because it could have been on a memorial table as the last picture we have of us all together,” said Rev. Horak, choked with emotion.

Rev. Horak had always thought of himself as a “very healthy guy.” He never had any major illnesses, and trips to the doctor were sporadic. “I was rather naive to think that I was in excellent health just because I hadn’t been to a doctor,” he said.

Then Rev. Horak’s wife had encouraged him to participate in Call to Health, an online well-being program for members of the Benefits Plan of the Presbyterian Church (U.S.A.) who are enrolled in the Medical Plan.

Call to Health encourages members to develop and maintain healthy habits in four areas of wholeness: spiritual, health, financial, and vocational. Participants earn points for reduced medical deductibles for the following plan year.



Rev. Kevin and Kathleen Horak

So Rev. Horak made an appointment for a preventive exam — a required Call to Health challenge and part of the Medical Plan’s generous preventive care benefits — soon after that prized family photo was taken. At his appointment, Rev. Horak’s primary care doctor suspected a heart-related issue.

The doctor immediately sent Rev. Horak to a cardiologist, and a heart catheterization revealed three major blockages. “The cardiologist said, ‘We need to do something immediately,’” remembered Rev. Horak, whose thoughts turned to all he had to look forward to in the coming weeks — including two weddings to officiate and an acting role in a local community theater production. “The doctor said, ‘You don’t understand. You’re not going home.’”

“I was in pretty bad shape,” Rev. Horak continued, “but I had absolutely no idea.”

Today, Rev. Horak and his wife, continue to participate in Call to Health. He has learned, he said, that his health “is not in the hands of the Board of Pensions or any of my doctors. It’s really in my hands and the choices that I make ...”

“Without the Board of Pensions’ encouragement, I’m not sure ...” he paused, emotion again overwhelming him. “I don’t know that I would be here right now. That sounds overly dramatic ... but this is truly from the heart.”

11,339

members and spouses participated in Call to Health

“I was rather naive to think that I was in excellent health just because I hadn’t been to a doctor.”



\$0

paid by Medicare Supplement Plan members in December through a dues holiday

SERVING THE CHURCH

“I had a total of 18 outreach activities scheduled in 2020, including workshops, Korean retiree luncheons, and National Caucus of Korean Presbyterian Churches.”

D.J. Lee Strengthens Connections in the Church

Since January 2019, D.J. Lee, a Senior Service Specialist for Korean Membership at The Board of Pensions of the Presbyterian Church (U.S.A.), has served ministers and congregational leaders in the approximately 400 PC(USA) Korean churches. He educates congregations on the church Benefits Plan and using the Board’s benefits portal, Benefits Connect.

“The people I meet with really appreciate the outreach,” said Mr. Lee, who has expanded face-to-face service for the constituency. “The word spread out. I had a total of 18 outreach activities scheduled in 2020, including workshops, Korean retiree luncheons, and NCKPC [National Caucus of Korean Presbyterian Churches],” he said, although COVID-19 forced schedule changes.

Connecting on a personal level is important to Mr. Lee. In April 2019, he began sending e-birthday cards to all Korean-speaking plan members — active members, retirees, and term vested [those vested in the Pension Plan but no longer in PC(USA) employment]. In January 2020, he launched an annual New Year’s greeting. “I’ve collected very positive feedback and appreciation from the members,” Mr. Lee said.

D.J. Lee (left) and his family



A Desire to Help Powers the Work of Nicole Saunders

Nicole Saunders guides a team of service representatives who help members and employers better understand the Benefits Plan of the Presbyterian Church (U.S.A.). They answer the Board of Pensions’ 800 line, respond to emails, and take questions that come into Benefits Connect, the Board’s benefits portal.

“Not only are you answering the question, but you’re being thorough in answering it,” Ms. Saunders said. That means asking a series of questions to “get to the root” of the employer or member question. Their service is not to be rote, but consultative.

This consultative approach was especially important in 2020, when more choices and new benefits were introduced through the 2021 Benefits Plan. Service representatives provided guidance on Minister’s Choice and the new Temporary and Long-Term Disability plans.

Ms. Saunders, with the Board of Pensions for three years, was well-prepared for the supervisory challenges of a call center during a pandemic. She worked 16 years at HSBC, starting as a call center representative for the bank and ultimately overseeing 280 representatives in the inbound call center during a period of great change and reorganization.

A service role, such as those in call centers, matches Ms. Saunders’ desire to help others. That desire also influences her work as a manager. She focuses on each individual — because “a happier person and a more content person has the ability to contribute.”



Nicole Saunders (third from left) and her family

52,757
calls received by Member and Employer services

194
Board of Pensions employees

47

ministers received
Healthy Pastors, Healthy
Congregations training
in Korean

\$11 billion
in the Balanced
Investment Portfolio

26%

membership growth
2017-2020

703

virtual meetings held
with church employers

65,891
individuals served
by the Benefits Plan

8,608

active members participate
in the Retirement Savings Plan

\$410M
in pension benefits

2%
apportionment granted
to participants in the
Defined Benefit Pension Plan

\$702M
in total benefits paid

2020 EXECUTIVE TEAM

Rev. Frank Clark Spencer
President

Michael F. Fallon Jr.
Executive Vice President, Treasurer,
Chief Financial Officer

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

Patricia M. Haines
Executive Vice President &
Chief Benefits Officer

Linda Jacobsen
Senior Vice President,
Affiliated Markets

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

Susan Reimann †
Executive Vice President &
Chief Operating Officer

Kelly Riley
Senior Vice President,
Plan Operations

Donald A. Walker III, CFA †
Executive Vice President &
Chief Investment Officer

^o Retired July 1, 2020
† Effective July 1, 2020
‡ Resigned September, 2020

BOARD OF DIRECTORS

Wick Alexander (Class of 2024)

Philip D. Amoa (Class of 2022*)

Isaac Y. Baah (Class of 2024)

Mary C. Baskin (Class of 2020*)

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

Rev. Dr. Jerry L. Cannon (Class of 2024)

Adam S. Ceteznik (Class of 2024*)

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

Catherine Cuellar (Class of 2024)

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

Gordon C. Enderle (Class of 2022)

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

Rev. Dr. Amy Williams Fowler (Class of 2022*)

Rev. Margaret O. Fox (Class of 2024*)

Rev. Dr. Arlene W. Gordon (Class of 2022*)

George Hauptfuhrer (Class of 2022)

Andrew Junkin (Class of 2022)

C. William Keith (Class of 2022)

Cindy Levering (Class of 2022)

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Linda Patrick (Class of 2020*)

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Greg R. Slonaker (Class of 2024)

Patsy Smith (Class of 2022)

Joshua Power Stevens (Class of 2022)

Suzanne P. Welsh (Class of 2024*)

Rev. Floyd White (Class of 2024*)

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 another term). Terms of service changed at the conclusion of the 224th General Assembly (2020) on June 27, 2020; the Class of 2020* concluded their service, and the Class of 2024 began their service.



THE BOARD OF PENSIONS
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