

# A New Benefits Plan to Serve the Changing Church





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

# Journey to the Present

Rev. Dr. Frank Clark Spencer, President



# The Challenge

## Dues structure for ministers created at reunion in the 1980s

- Full family medical coverage, pension, death and disability, RSP, EAP
- Noncontributory, access to assistance and education programs

## Many are excluded:

4,218

ministers have been ordained in the last 16 years.

1,269

have not received any benefits from the Board.

63%

of newly ordained ministers not enrolled in the Benefits Plan from 2007 to 2022 are women.

# The Challenge



## **Congregations/presbyteries are not installing ministers.**

Fewer than half of all congregations have installed pastors.

Congregational budgets and resources are in crisis.



## **Current plan is written to distinguish between minister members (now the minority) and lay employees (now the majority).**

We have moved instead to understanding the distinction as pastoral leaders of congregations versus all others.

**The status quo does not lead to sustainable ministry.**

# Our Minister Members

20%

Employee-Only

6%

Employee + Children

28%

Employee + Spouse

46%

Employee + Family

**Ministers' spouses who are employed: 76%**

# Exploration and Engagement

Met with nearly 1,000 PC(USA) leaders over the past year:

Ongoing and real-time feedback gathered via season of rebuilding microsite

Communication and interaction via social media:

- ✓ 2 national meetings of mid council leaders
- ✓ 6 listening sessions with national leaders in Philadelphia
- ✓ Conversations with national agencies, advisory committees, caucuses
- ✓ Discussions with current and past moderators of the General Assembly
- ✓ Virtual Town Halls with nearly 500 participants

- ✓ 25,193 page views
- ✓ 6,605 new users
- ✓ Avg. time on site: 2 min, 11 secs

- ✓ 20 posts
- ✓ 22,651 people reached
- ✓ 1,551 clicks



# What We Heard: Feedback Themes

- ✓ Need for long-term sustainability
- ✓ Concern about women, families, and communities of color being disproportionately impacted
- ✓ Support for congregations
- ✓ Need to provide access to those who've never had it
- ✓ Desire for flexibility, choice at the local level

- ✓ Desire for benefits parity
- ✓ Recognition of the need for education and support to explain and implement final changes



# Why a New Benefits Plan

- ✓ The Church has changed, but the Benefits Plan has not
- ✓ Current dues structure does not support today's congregations
- ✓ Fewer congregations can afford to install pastors
- ✓ In 2023, majority of PC(USA) churches did not have an installed pastor



# Why a New Benefits Plan

**63%**

of those ordained since 2007 and excluded from benefits are women

**20%**

of African American congregations have an installed pastor

**28%**

of churches with 150 or fewer members have an installed pastor

**54%**

of those ordained in 2022 received no benefits from the Board of Pensions

# Principles for a New Benefits Plan

## **Inclusion**

Stop systemic exclusion of women, people of color, and those serving small congregations

## **Congregational Subsidies**

Budget crisis in smaller congregations, now 74% of total

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## **Access**

Eliminate barriers to BOP resources and strive for inclusion of all ministers

## **Parity**

Make the plan equally beneficial to all who are eligible



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# The 2025 Benefits Plan

Pat Haines, Executive Vice President, Benefits



# 2025 Benefits Plan: Guided by Facts and Values

## Facts



### Plan Type

- Church plan
- Employer-based



### Plan Funding

- Asset-based: Defined Benefit Pension Plan and Death, Disability & Life Plans
- Pay-as-you-go: Health & Wellness Plans



### Plan Design

- Enhanced Retirement Plans, Death, Disability & Life Plans
- Stable Health & Wellness Plans



### Plan Administration

- Stable third-party relationships

# 2025 Benefits Plan: Guided by Facts and Values

## Values

- ✓ Flexibility and choice
- ✓ Community nature
- ✓ Parity and inclusivity
- ✓ Holistic care

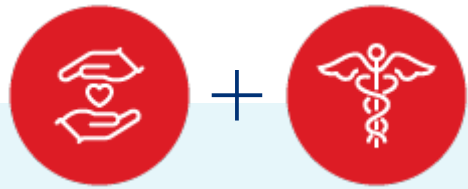
# 2025 Benefits Plan Highlights: What's New

## **New Definition**

### **Congregational pastoral leader**

A minister or commissioned pastor employed by a congregation and sanctioned by the presbytery

# 2025 Benefits Plan Highlights: What's New



## Congregational Pastors Package (CPP)

- ✓ **Includes on a noncontributory basis:**
  - Defined Benefit Pension Plan
  - Death and Disability Plan
  - Temporary Disability Plan
  - Medical Plan PPO (Member-only)

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- ✓ **Eligibility:**
  - Installed pastors (required)
  - Ordained ministers employed by a congregation
  - Commissioned pastors employed by a congregation

# 2025 Benefits Plan Highlights: What's New



## Covenant Package (CP)

- ✓ **Includes on a noncontributory basis:**
  - Defined Benefit Pension Plan
  - Death and Disability Plan
  - Temporary Disability Plan
  - Employee Assistance Plan

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- ✓ **Eligibility:**
  - Any employee working 20+ hours/week



# 2025 Benefits Plan Highlights: What's New

## Transitional Pastor's Participation (TPP)

- ✓ **Includes on a noncontributory basis:**
  - Defined Benefit Pension Plan
  - Death and Disability Plan
  - Temporary Disability Plan
  - Medical Plan PPO (full family)

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- ✓ **Eligibility:**
  - Limited to ministers of the Word and Sacrament enrolled in Pastor's Participation as of 12/31/24
  - Designed as subsidized transition to CPP for congregational pastoral leaders
  - Sunsets in 2027

# 2025 Benefits Plan Highlights: Congregations

Employment Class	Current Enrollment	Employer Options
<b>Installed pastor</b>	<b>3,726</b>	<ul style="list-style-type: none"><li>• Congregational Pastors Package*</li><li>• Transitional Pastor's Participation*</li></ul>
<b>Minister of the Word and Sacrament (employed by congregation)</b>	<b>541</b>	<ul style="list-style-type: none"><li>• Congregational Pastors Package*</li><li>• Transitional Pastor's Participation* (if enrolled in PP on 12/31/24)</li><li>• Covenant Package* (+ Health &amp; Wellness)</li><li>• Benefits Plan offerings</li></ul>
<b>Commissioned pastor (employed by congregation)</b>	<b>38</b>	<ul style="list-style-type: none"><li>• Congregational Pastors Package*</li><li>• Covenant Package* (+ Health &amp; Wellness)</li><li>• Benefits Plan offerings</li></ul>

\*Provided on a noncontributory basis

# 2025 Benefits Plan Highlights: Employer Options

Employment Class	Current Enrollment	Employer Options
<b>Minister of the Word and Sacrament (employed by other eligible employer)</b>	<b>553</b>	<ul style="list-style-type: none"><li>• Transitional Pastor's Participation* (if enrolled in PP on 12/31/24)</li><li>• Covenant Package* (+ Health &amp; Wellness)</li><li>• Benefits Plan offerings</li></ul>
<b>All other eligible employees</b>	<b>10,192</b>	<ul style="list-style-type: none"><li>• Covenant Package* (+ Health &amp; Wellness)</li><li>• Benefits Plan offerings</li></ul>

\*Provided on a noncontributory basis



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# Retirement and Income Protection

John Matekovic, Vice President, Income Security



# Retirement Plans



- ✓ **Defined Benefit Pension Plan**
  - Asset-based, “mature” plan
  - Fully funded – 156% as of 12/31/23
  - Apportionments
    - 2024 – 4.5%
    - 12th consecutive year
    - Cumulative increase of 46.6%
  
- ✓ **Retirement Savings Plan of the Presbyterian Church (U.S.A.)**
  - Increased membership
  - Relationship with Fidelity Investments

# Income Protection

- ✓ **Death and Disability Plan**
  - Lump-sum death benefit
  - Salary continuation benefit
  - Children's education benefit
  - Living needs benefit
  - Disability benefit
- ✓ **Term Life Plan**
- ✓ **Temporary Disability Plan**
- ✓ **Long-Term Disability Plan**



# 2025 Retirement and Income Protection Enhancements

## Facts and Values to Consider

- ✓ Improve benefits where possible
- ✓ Consider flexibility, choice, community nature, inclusion
- ✓ Bring parity to Benefits Plan members
- ✓ Utilize the congregational ministers' median for all members
  - Pension plan accruals
  - Disability benefit calculations

# Death and Disability Benefit Enhancements

## Death benefits

Increase retiree death benefits from \$10,000 to \$12,500 for beneficiaries

Improve lump-sum death benefits

Reduce supplemental death benefit dues by 10%

## Disability benefits

Increase disability benefits from 60% to 70% (greater of actual or median salary)

Eliminate supplemental disability

Reduce waiting period for Temporary Disability from 14 to seven days



# Other Enhancements

- ✓ Term life benefits
- ✓ Minister's Choice
  - renamed Covenant Package
  - eligibility expanded
- ✓ Liberalize post-retirement service requirements



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# Medical Plan Pricing

Todd Ingves, Vice President, Health and Wellbeing



# Congregational Pastors Package – Medical Dues

Coverage Level	Dues	Minimum Dues	Maximum Dues
<b>Member-only</b>	16%	\$6,000	\$17,000

- ✓ Income-sensitive and paid entirely by the congregation
- ✓ Required for installed positions

# Congregational Pastors Package – Medical Dues



Child(ren)  
\$8,950



Spouse  
\$11,000



Family  
\$20,600



National, community-rated, fixed pricing



Congregations may choose to share all, some, or none of the cost

# 2025 Congregational Pastors Package – Medical Dues

Coverage Level	Dues	Combined Minimum Dues	Combined Maximum Dues
Member-only	16%	\$6,000	\$17,000
Member + Child(ren)	16% + \$8,950	\$14,950	\$25,950
Member + Spouse	16% + \$11,000	\$17,000	\$28,000
Member + Family	16% + \$20,600	\$26,600	\$37,600
Income Protection	10%		

- ✓ Total medical dues is a combination of the required 16% member-only dues and the flat rate for any dependent coverage

# Transitional Pastor's Participation

TPP	2025	2026 *	2027*
Medical Dues %	33%	37%	41%
Minimum	\$15,000	\$18,000	\$21,600
Maximum	\$43,000	\$50,000	\$57,000
Income Protection	10%	10%	10%

- ✓ Available to all eligible employers with ministers enrolled in Pastor's Participation as of 12/31/24
- ✓ Provides income-sensitive option for more highly subsidized groups
- ✓ Familiar dues structure eases learning curve for congregations and mid councils

\*2026 and 2027 rates are minimums (subject to future Board approval)

# 2025 Congregational Dues Decision

<b>CPP</b>	<b>Total Dues</b>
<b>Member-only</b>	26%
<b>Member + Child(ren)</b>	+ \$8,950
<b>Member + Spouse</b>	+ \$11,000
<b>Member + Family</b>	+ \$20,600

or

<b>TPP</b>	<b>2025 Total Dues</b>
<b>Dues %</b>	43%



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# Ministry Innovation

Rev. Dr. Jerry Cannon, Vice President, Ministry Innovation





# Innovative Ministry

## Guidelines Principles Parameters

- ✓ Incentivizes congregations to create sustainable ministry positions
- ✓ Builds on Pathways to Renewal, Pittsburgh Pilot, and 301 grants
- ✓ Responds to things the Church is dreaming of
- ✓ Seeks to create full-time ministry positions
- ✓ Dues subsidy programs for congregational settings
- ✓ Flexible benefits structures
- ✓ Talking with others about creative solutions: merging situations, with seminaries

# Innovative Ministry

## Congregation



- Pray
- Participate
- Consider
- Review

## Pastor



- Pray
- Participate
- Consider

## Presbytery



- Pray
- Partner
- Participate
- Provide

## Board of Pensions



- Pray
- Hold confidences
- Provide
- Access

# Shared Ministry Program

- ✓ Offers benefits support when two or more congregations partner to provide full-time employment to a minister
- ✓ Positions may be installed or non-installed
- ✓ Benefits dues subsidy of 50% of the cost of pastoral benefits up to a maximum of \$10,000 per year per call for three years



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# The Board's Plan to Engage

Andy Browne, Executive Vice President, Engagement & Church Relations



# Next Steps

## Conversations to support faithful decision-making



Employers are encouraged to talk with presbyteries and pastoral leaders to choose options that best meet their needs



Church Consultants can help church leaders understand the Benefits Plan and the options available to them

# Proactive Communication

## Communication to inform



Newsletters specific to constituencies, emails, and paper letters



Web-based dues calculator

# Church Engagement Strategy

- ✓ 100% of Committees on Ministry engaged
- ✓ Mid councils as employers
- ✓ Churches/employers that have decisions to make on CPP/TPP
- ✓ Multi-pastor churches
- ✓ Complex situations
  - 14-09 couples, member couples, split services



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# Addressing Challenges

Rev. Dr. Frank Clark Spencer, President





# Addressing a Crisis

## Challenges

Congregational finances in crisis

Exclusion of ministers ordained  
by PC(USA)

Lack of parity between ministers  
and others

One size does not fit all

Need for enrollment

Maintain community nature

Myth of call neutrality

## Solutions

Congregations can save on  
resources

Lower cost of entry

Expand participation

Allow contextual solutions

Encourage innovation

Community nature: percentage  
dues, sliding deductible, single  
median

Transparency of costs

# Transition

- ✓ For some, the new plan offers immediate savings
  - Congregational Pastors Package
    - 26% of effective salary paid fully by congregation
    - Nationally determined rates for spouses and children, which may be paid by congregation or shared
    - Available to all ministers of the Word and Sacrament and congregational pastoral leaders employed by congregations
  
- ✓ For others, time and continuity are important
  - Transitional Pastor's Participation
    - Same full family coverage as 2024
    - Paid fully by congregation
    - 43% of effective salary with medical min/max

# Considerations for Presbyteries

## Covenant Package

10% of effective salary

Replaces Minister's Choice

Offered to any employee working at least 20 hours

Provides pension, D&D, temporary disability, EAP

Should be presbytery minimum for all ministers of the Word and Sacrament

## Working Through Decisions

Presbyteries will need to make decisions about how they want to structure things

Consider waiting until you see things shake out with real needs of congregations and ministers

Seek innovative solutions in conversation with the Board



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# Applying Dues Packages to Congregational Contexts

Andy Browne, Executive Vice President, Engagement & Church Relations



# Pastor Morgan

**Effective Salary: \$ 75,00**  
**Single, no kids < 26**

**2024 PP due : \$ 29,250**

## CPP 2025

Member-only medical (16%)	\$12,000
Adjust to min/max?	-
+ family member medical?	\$0
+ pension, D&D, TD (10%)	\$7,500
<b>Total CPP Cost</b>	<b>\$19,500</b>

## TPP 2025

Effective salary x 33%	\$24,750
Adjust to min/max?	-
+ pension, D&D, TD (10%)	\$7,500
<b>Total TPP Cost</b>	<b>\$ 32,250</b>

**Do we know enough to choose ?**  
**What additional information do we need know ?**



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# Assistance Program Overview

Ruth Adams, Director, Assistance Program



# Assistance Programs

Go to [pensions.org/assistance](https://pensions.org/assistance) for eligibility and applications

## ✓ All members

- Emergency Assistance
- Adoption Assistance
- Transition-to-College
- Employee Vocation

## ✓ Ministers

- Minister Educational Debt Assistance
- Minister Debt Relief
- Sabbath Sabbatical Support
- Clergy Wellness

## ✓ Retirees

- Income Supplements
- Housing Supplements
- Retiree Medical Grants



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# Education at the Board of Pensions: Opportunities for Lifelong Learning

Rev. Lori Neff LaRue, Vice President, Education





# A Theology of Benefits



“ ... God's desire is that all people experience shalom — the flourishing of life. ...

# Lifelong Learning Through Education

## Theological Formation

First Call, First Steps



## Mid -Career

Mid-Career CREDO

E-learning & Webinars

Well-Being Retreat, Well-Being Respite



## Retirement

Third Act Seminar & Luncheon

E-learning & Webinars

Well-Being Retreat, Well-Being Respite



## Ordination – First Call

Recently Ordained CREDO

E-learning & Webinars

Well-Being Retreat, Well-Being Respite

## Pre-retirement

Late-Career CREDO

THRIVE, Retirement Conversations

E-learning & Webinars

Well-Being Retreat, Well-Being Respite

# CREDO Expanded Eligibility in 2025



- ✓ Expanded eligibility for all CREDO programs to include any PC(USA) minister enrolled in Defined Benefit Pension or Medical plan.

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- ✓ Expanded across mid- and late-career CREDO to those serving outside congregational leadership.