

FINAL VERSION - Concurred

Resolution: **A138**
Title: **Establishing a Mandatory Lay Employee Pension System**
Topic: **Canons**
Committee: **16 - Church Pension Fund**
House of Initial Action: **Bishops**
Proposer: **Executive Council**

Resolved, the House of Deputies concurring, That this Church establish a mandatory lay employee pension system for employees who are scheduled to work a minimum of 1,000 hours annually for any domestic Diocese, Parish, Mission or other ecclesiastical organization or body subject to the authority of the Church, in accordance with the following principles:

1. The lay employee pension system shall provide benefits that shall, initially, include defined benefit plan(s) and defined contribution plan(s);
2. If a defined benefit plan is selected, the employer assessment and/or contribution shall be not less than nine (9) percent of the employee's compensation; if a defined contribution plan is selected, the employer shall contribute not less than five (5) percent of the employee's compensation and match at least four (4) percent of the employee's contributions. The Trustees of The Church Pension Fund shall have the authority to increase or decrease the assessment and/or contribution percentages required for the lay pension system;
3. Existing defined benefit plans will be permitted to continue as long as their plan design delivers pension benefits not less than the pension benefits required by this Resolution, as determined by the plan administrator. If the plan does not provide the pension benefits required by this Resolution, such plan shall be amended to provide for such pension benefits no later than January 1, 2012.
4. The lay employee pension system shall be designed and administered by the Trustees and officers of The Church Pension Fund; the investment managers of the system shall initially include, but not necessarily be limited to, The Church Pension Fund and, in the case of a defined contribution plan offered to school employees, TIAA-CREF;
5. The lay employee pension system will be operated on a financially sound basis, as determined by the Trustees of the Church Pension Fund;
6. Other societies, organizations, or bodies in the Church not mandated to participate may, under the regulations of The Church Pension Fund, elect to come into the lay employee pension system;
7. No right or obligation to have assessments paid on compensation paid prior to plan participation will be part of the mandatory lay employee pension system;

8. Service in the Episcopal Church prior to plan implementation shall be recognized for vesting purposes;

9. The implementation of the mandatory lay employee pension system shall be completed no sooner than January 1, 2011 and no later than January 1, 2012; and

10. Further study be undertaken by The Church Pension Fund on the feasibility of inclusion of overseas Episcopal dioceses in the lay employee pension system and report back to the 77th General Convention; and be it further

Resolved, That Canon I.8 shall be amended as follows:

Canon 8: Of the Church Pension fund

Sec. 1 The Church Pension Fund, a corporation created by Chapter 97 of the Laws of 1914 of the State of New York as subsequently amended, is hereby authorized to establish and administer the clergy pension system, including life, accident and health benefits, of this Church, substantially in accordance with the principles adopted by the General Convention of 1913 and approved thereafter by the several Dioceses, with the view to providing pensions and related benefits for the Clergy who reach normal age of retirement, for the Clergy disabled by age or infirmity, and for the surviving spouses and minor children of deceased Clergy. The Church Pension Fund is also authorized to establish and administer the lay employee pension system of the Church, substantially in accordance with the principles adopted by the General Convention of 2009, with the view to providing pensions and related benefits for the eligible lay employees of this Church, as well as their eligible beneficiaries.

Sec. 3. For the purpose of administering the pension system, The Church Pension Fund shall be entitled to receive and to use all net royalties from publications authorized by the General Convention, and to levy upon and to collect from all Parishes, Missions, and other ecclesiastical organizations or bodies subject to the authority of this Church, and any other organizations, or bodies in the Church which under the regulations of The Church Pension Fund shall elect to come into the pension system, assessments based upon the salaries and other compensation paid to Clergy by such Parishes, Missions, and other ecclesiastical organizations or bodies for services rendered currently or in the past, prior to their becoming beneficiaries of the Fund. For the purpose of administering the lay employee pension system, The Church Pension Fund shall be entitled to collect from all Parishes, Missions, and other ecclesiastical organizations or bodies subject to the authority of this Church, and any other societies, organizations, or bodies in the Church which under the regulations of The Church Pension Fund shall elect to come into the lay employee pension system, assessments and/or contributions based upon the salaries and other compensation paid to eligible lay employees by such Parishes, Missions, and other ecclesiastical organizations or bodies.

EXPLANATION

Resolution D165, approved by the 1991 General Convention, stated:

Require Episcopal Church Bodies to Provide a Pension Plan for Lay Employees

Resolved, the House of Bishops concurring, That all Parishes, Missions, and other ecclesiastical organizations or bodies subject to the authority of this Church, and any other societies, organizations, or bodies in the Church which under the regulations of the Church Pension Fund have elected or shall elect to come into the pension system, shall provide all lay employees who work a minimum of 1,000 hours annually retirement benefits through participation in the Episcopal Church Lay Employees Retirement Plan (ECLERP) or in an equivalent plan, the provisions of which are at least equal to those of ECLERP. Such participation shall commence no later than January 1, 1993. At its commencement, if the plan is a defined benefit plan, the employer contribution shall be not less than 9 percent of the employee's salary; if the plan is a defined contribution plan, the employer shall contribute not less than 5 percent and agree to "match" employee contributions of up to another 4 percent; and be it further

Resolved, That the employer may impose a minimum age of 21 years and a minimum employment period not to exceed one year of continuous employment before an employee would be eligible to participate; and be it further

Resolved, That the Trustees of The Church Pension Fund shall have authority to increase or decrease the contribution percentages required for the lay pension plan; and be it further

Resolved, That each Diocese of this Church shall implement this resolution by Diocesan Canon or appropriate resolution.

Since 1991, there have been several other Resolutions which addressed this issue. Most recently, in 2006, General Convention, in Resolution A125, said, in pertinent part:

Resolved, That the Convention authorize and request the Church Pension Group to conduct a survey of lay employees concentrating on employee demographics, the exercise of authority in the employment setting, and compensation and benefits. The Bishop or other ecclesiastical authority of each diocese shall be requested to supply relevant data for each employing unit in the diocese to the Church Pension Group. The findings of the survey and any recommendations for action, if appropriate, shall be reported to the 76th General Convention; and be it further

Resolved, That the Office of Ministry Development take the lead in determining the best way to conduct a feasibility study examining whether pension benefits for lay employees should be made compulsory and be administered by a single provider. The results of said study shall be reported, along with recommendations for action, if appropriate, to the 76th General Convention.

...

The Task Force to Study Employment Policies and Practices in The Episcopal Church has conducted the requested study and has determined that the 1991 Resolution has been complied with to a substantial degree (approximately 80% of the domestic dioceses, two-thirds of congregations and 93% and 70%, respectively, of the eligible lay employees), but many hundreds of eligible employees remain uncovered and there are considerable inequities, as for example, 77% of eligible male employees are covered while only 68% of females are.

It is simply time to live up to the commitment of the church in 1991. The cost of pension coverage described in the 1991 Resolution and herein would be, on average, 6/10s of 1% of parish budgets, with the cost for the smallest congregations approximately 1%, which congregations are least likely to have eligible employees.

** Note: The final language, as well as the final status of each resolution, is being reviewed by the General Convention office. The Journal of the 76th General Convention and the Constitution and Canons will be published once the review process has been completed.*

Lay Employee Pension System

The Church Pension Fund will now become the sole administrator of the lay employee pension system of The Episcopal Church. According to the canon approved by General Convention, coverage will be required for all lay employees working 1,000 hours or more a year.

We are very pleased to have the Church's vote of confidence and look forward to helping lay employees gain access to the pension benefits they deserve.

This resolution was informed by CPG's Comprehensive Lay Employee Study, conducted in support of The Episcopal Church's Task Force to Study Employment Policies and Practices and A125 Feasibility Study Group.

We are ready to enroll lay employees in our retirement plans now and through the implementation period. The deadline for enrollment is December 31, 2012.

All dioceses and parishes will receive details and educational material. We look forward to welcoming into the Church Pension Fund family those dioceses, parishes, and institutions not currently providing pension benefits to lay employees through CPF.

FINAL VERSION - Concurred

Resolution: **A177**
Title: **Denominational Health Plan**
Topic: **Canons**
Committee: **16 - Church Pension Fund**
House of Initial Action: **Bishops**
Proposer: **Board of Trustees for the Church Pension Fund**

Resolved, the House of Deputies concurring, That this church establish The Denominational Health Plan of this church for all domestic dioceses, parishes, missions, and other ecclesiastical organizations or bodies subject to the authority of this church, for clergy and lay employees who are scheduled to work a minimum of 1,500 hours annually, in accordance with the following principles:

1. The Denominational Health Plan shall be designed and administered by the Trustees and officers of The Church Pension Fund, following best industry practices for comparable plans;
2. The Denominational Health Plan shall provide that, subject to the rules of the plan administrator, each diocese has the right to make decisions as to plan design options offered by the plan administrator, minimum cost-sharing guidelines for parity between clergy and lay employees, domestic partner benefits in accordance with General Convention Resolution 1997-C024 and the participation of schools, day care facilities and other diocesan institutions (that is, other than the diocese itself and its parishes and missions) in The Denominational Health Plan;
3. The Denominational Health Plan shall provide benefits that are comparable in coverage to those benefits currently provided by the domestic dioceses and parishes of this church;
4. The Denominational Health Plan shall provide equal access to health care benefits for eligible clergy and eligible lay employees;
5. The Denominational Health Plan shall provide benefits through The Episcopal Church Medical Trust, which shall be the sole plan sponsor for such benefits and continue to be operated on a financially sound basis;
6. The Denominational Health Plan shall have a church-wide advisory committee that is representative of the broader church and appointed by The Church Pension Fund, and such church-wide advisory committee shall receive an annual report about the status of The Denominational Health Plan;
7. For purposes of this Resolution, the term "domestic" shall mean ecclesiastical organizations and bodies located in the United States, including the Dioceses of Puerto Rico and Virgin Islands;

8. The Church Pension Fund shall continue to work with the Dioceses of Colombia, Convocation of American Churches in Europe, Dominican Republic, Ecuador Central, Ecuador Litoral, Haiti, Honduras, Micronesia, Taiwan and Venezuela to make recommendations with respect to the provision and funding of healthcare benefits of such dioceses under The Denominational Health Plan; and

9. The implementation of The Denominational Health Plan shall be completed as soon as practicable, but in no event later than by the end of 2012; and be it further

Resolved, That Canon I.8 shall be amended as follows:

Sec. 1. The Church Pension Fund, a corporation created by Chapter 97 of the Laws of 1914 of the State of New York as subsequently amended, is hereby authorized to establish and administer the clergy pension system, including life, accident and health benefits, of this Church, substantially in accordance with the principles adopted by the General Convention of 1913 and approved thereafter by the several Dioceses, with the view to providing pensions and related benefits for the Clergy who reach normal age of retirement, for the Clergy disabled by age or infirmity, and for the surviving spouses and minor children of deceased Clergy. The Church Pension Fund is also authorized to establish and administer the denominational health plan of this Church, substantially in accordance with the principles adopted by the General Convention of 2009 in Resolution A177, with the view to providing health care and related benefits for the eligible Clergy and eligible lay employees of this Church, as well as their eligible dependents.

Sec. 3. For the purpose of administering the pension system, The Church Pension Fund shall be entitled to receive and to use all net royalties from publications authorized by the General Convention, and to levy upon and to collect from all Parishes, Missions, and other ecclesiastical organizations or bodies subject to the authority of this Church, and any other societies, organizations, or bodies in the Church which under the regulations of The Church Pension Fund shall elect to come into the pension system, assessments based upon the salaries and other compensation paid to Clergy by such Parishes, Missions, and other ecclesiastical organizations or bodies for services rendered currently or in the past, prior to their becoming beneficiaries of the Fund. For the purpose of administering the denominational health plan, The Church Pension fund shall determine the eligibility of all Clergy and lay employees to participate in the denominational health plan through a formal benefits enrollment process, and The Church Pension Fund shall be entitled to levy upon and collect contributions for health care and related benefits under the denominational health plan from all Parishes, Missions, and other ecclesiastical organizations or bodies subject to the authority of this Church with respect to their Clergy and lay employees.

** Note: The final language, as well as the final status of each resolution, is being reviewed by the General Convention office. The Journal of the 76th General Convention and the Constitution and Canons will be published once the review process has been completed.*