

Pensions

I. Introduction

The Christian Reformed Church in North America maintains employee benefit programs that provide retirement, health, life, and disability benefits for employees of the denomination in its ministries, agencies, local churches, and other CRC organizations.

In December 2024 the trustees of the CRCNA pension boards in the United States and Canada decided to outsource the day-to-day administrative duties of the ministers' pension plans. This move does not affect benefits, and it helps to provide long-term stability to the pensions plans' critical daily activities. The third-party administrator for the pensions plans is CEB Services in Grandville, Michigan.

II. Board matters

The ministers' pension plans, special-assistance funds, and employees' retirement plans are governed by the U.S. Pension Trustees and the Canadian Pension Trustees. These boards meet several times per year, usually in joint session. Separate meetings of the boards are held as needed.

Alan Van Dyke is completing his second term on the U.S. Pension Trustees board in 2025 and is eligible and recommended for a third three-year term. Drew Sweetman is completing his first term on the U.S. Pension Trustees board in 2025 and is eligible and recommended for a second three-year term. John Bolt will be concluding service on the U.S. Pension Trustees board. (*Note: John Bolt will continue serving the board in his capacity as staff at CEB Services.*)

Dick Vreugdenhil is completing his second term on the Canadian Pension Trustees board in 2025 and is eligible and recommended for a third three-year term. Daryl DeKlerk is completing his first term on the Canadian Pension Trustees board in 2025 and is eligible and recommended for a second three-year term. Kathy Wassink will be concluding service on the Canadian Pension Trustees board.

III. Benefit-program activities

A. *Ministers' pension plans*

The ministers' pension plans are defined-benefit plans. Benefits paid by the plans are defined by formula, and the required funding of the plans is determined by actuarial calculations. The plans provide four types of benefits, as follows:

- Retirement benefits commencing at age 66, or early-retirement benefits in a reduced amount beginning at age 55.
- Long-term disability benefits provided through an insurance company (to all full-time, active participants who have furnished the information concerning compensation and housing as required by the insurance carrier).

- Survivors' benefits paid to a surviving spouse if death of a participant occurs while in active service.
- Orphans' benefits paid to a participant's orphaned children up to age 18, or to age 21 if in school.

The following is a summary of participant counts as of December 31, 2024, for each plan and in total. Participants having an interest in both plans (generally the result of having served churches in both the United States and Canada) appear in the column where they have residence.

	<i>United States</i>	<i>Canada</i>	<i>Total</i>
Active ministers	606	248	854
Ministers receiving benefit payments	649	168	817
Spouses and dependents	190	56	246
Withdrawn participants with vested benefits	<u>101</u>	<u>30</u>	<u>131</u>
Total	1,546	502	2,048

Independent actuarial firms are employed to prepare valuations of the plans. These actuarial valuations furnish the information needed to determine church and participant assessment amounts. Both plans are required to have a valuation every three years. The next valuation is due as of December 31, 2025, and will be summarized in the *Agenda for Synod 2026*. Information regarding church and participant assessment amounts will be presented later in this report.

1. Portfolio balances and performance

Plan assets are invested in diversified portfolios under the management of professional investment-management firms. These firms are required to adhere to the denomination's investment guidelines, and their performance is measured against established benchmarks and regularly reviewed by the trustees.

The plans' actuaries have informed us that as of the date of the plans' last valuation (required every three years), on a going concern basis, the actuarial liability totaled approximately \$139.1 million for the U.S. plan (as of Dec. 31, 2022) and approximately \$53.8 million for the Canadian plan (as of Dec. 31, 2022). These amounts reflect the present value of the plans' future obligations to all participants including active, disabled, and retired pastors, widows, and dependents.

Market value of the portfolios is summarized as follows:

	<i>December 31, 2024</i>	<i>December 31, 2023</i>
United States (U.S. \$)	\$125,556,000	\$125,333,000
Canada (Can. \$)	93,586,000	82,183,000

Dividends, interest, and appreciation in the value of the plans' holdings along with contributions to the plans provide a significant portion of the resources needed to meet the plans' obligations to the active participants and to fund payments to retirees and beneficiaries.

2. Plan review

The pension plan has undergone several changes since separate plans for the United States and Canada were established in 1983. While the basic defined-benefit form of the plan has not been altered, changes were made to benefits provided by the plan, to clarify how the plan is administered, and to improve the protocols used to obtain funds needed to pay costs.

Synod 2024 affirmed that the pension plans were created with values that have shaped and guided them (1) to enable ministers to serve in Canada and the U.S. while maintaining consistent retirement benefits; (2) to mitigate the impact of serving a smaller congregation; (3) to honor the covenant of the denomination to care for pastors with long-term disability protection and life insurance. With that in mind, the pension trustees are exploring broader retirement benefit options that may include a blend of defined-contribution plans along with the defined-benefit plan(s). The trustees are in the process of exploration and research, with the assistance of plan consultants, to develop recommendations. This will include discussion and input from U.S. and Canadian pastors, including bivocational and recently ordained pastors. In addition, the trustees are working on providing more information and education to pastors and churches about the current defined-benefit pension plan and the defined-benefit contribution plan available to them, as well as about the importance of building retirement savings through these plans. These tasks are currently in process, and the trustees intend to prepare recommendations for submission to Synod 2026.

3. Funding

All organized churches are plan sponsors and thus are expected to pay church assessments determined by an amount per active professing member age 18 and older or, if greater, the direct costs of their first or only pastor's participation in the plan. The amount of the assessment for 2025 (in local currency) is \$37.20 per member in both Canada and the United States, and direct costs have been set at \$7,704 for both countries as well. These amounts are collected by means of monthly billings to each organized church, based on reported membership statistics.

All emerging churches and other denominational ministries that employ a minister as a missionary, professor, teacher, or in any other capacity, including organizations that employ endorsed chaplains (with the exception of chaplains serving in the military who are not yet entitled to receive any military pension benefits) are required to pay the annual cost of participation in the plan. All pension assessments, however determined, are billed monthly, and the grant of credited service for pastors is contingent on timely payment of amounts billed.

B. Employees' retirement plans

The employees' retirement plans are defined-contribution plans covering most employees of participating denominational agencies and ministries

who are not ordained as ministers of the Word. In the United States, contributions are paid into the two available defined-contribution plans by participating denominational agencies and ministries in an amount up to 6 percent of compensation. An additional employer contribution of up to 4 percent of compensation is made to match employee contributions of a similar amount. U.S. churches with staff participating in the 403(b)(9) plan set the contribution rates independently. In Canada, contributions of up to 9 percent are paid to the plan by participating employers. In Canada, there are no contributions made to the plan relative to matching employee contributions. In these defined-contribution plans, participants may make additional contributions up to the limits determined by federal or provincial regulation. Participants receive periodic statements indicating the dollar amount credited to their accounts, the value of their accounts, and the vested percentage.

Individual participants direct the investment of their account balances among several investment alternatives, including fixed-income and equity funds. The investment alternatives are currently managed for U.S. participants by Empower Retirement and Envoy Financial, while Great-West Trust serves as custodian of the plan's assets. For Canadian participants, Sun Life Financial Group manages and serves as custodian of the plan's assets.

As of December 31, 2024, the balances in these plans totaled approximately \$44,070,000 in the United States and \$6,058,000 in Canada. As of that date, there were 343 participants in the U.S. plans and 111 in the Canadian plan, categorized as follows:

	<i>United States</i>	<i>Canada</i>
Active	206	103
Inactive	137	8

C. Financial disclosures

Audited or reviewed financial statements (crcna.org/welcome/governance/financial-statements) of the retirement plans are made available each year to the treasurer of each classis with the request that they be made available to any interested party. In addition, summary financial statements are included in the *Acts of Synod*. Individualized statements are furnished to active members of the ministers' pension plans and the employees' retirement plans.

IV. Recommendations

A. That synod grant the privilege of the floor to members of the Canadian Pension Trustees, the U.S. Pension Trustees, the CRCNA's chief administrative officer, and the U.S. managing director of CEB Services when matters pertaining to insurance and retirement plans for ministers and employees are discussed.

B. That synod, by consenting to this report, will have designated up to 100 percent of a minister's early or normal retirement pension or disability pension for 2025 as housing allowance for United States income-tax purposes (IRS Ruling 1.107-1), but only to the extent that the pension is used to rent or provide a home.

C. That synod, by consenting to this report, will have designated up to 100 percent of an ordained pastor's distributions from their CRC 403(b)(9) Retirement Income Plan in 2025 as housing allowance for United States income-tax purposes (IRS Ruling 1.107-1), but only to the extent that those funds are used to rent or provide a home.

D. That synod, by way of the ballot, reappoint Drew Sweetman to a second three-year term and Alan Van Dyke to a third three-year term on the U.S. Pension Trustees, and reappoint Daryl DeKlerk to a second three-year term and Dick Vreugdenhil to a third three-year term on the Canadian Pension Trustees beginning July 1, 2025.

Pensions
Shirley DeVries, chief administrative officer

Pensions Supplement

I. Introduction

The Canadian and U.S. Pension Trustees present this supplement in response to Synod 2024's assignments and to provide nominees for two open positions on the pension boards.

II. Update on tasks assigned by Synod 2024

The pension trustees have begun the work required to respond to the assignments given by Synod 2024 (*Acts of Synod 2024*, pp. 811-12). They are currently working with actuaries to determine the implications of various scenarios that could address the concerns raised. This work will continue into the fall and winter of 2025-26 and will be reported to Synod 2026.

Due to the funding situation of the Canadian plan, the Canadian trustees decided to make a modest one-time payout to ministers receiving Canadian pension payments on or before December 31, 2024. This is planned for the fall of 2025, subject to final analysis by the actuaries.

The pension trustees, working with the chief administrative officer and the pension staff, have outlined a plan for increased marketing efforts to ensure that information on the pensions is widely disseminated in various ways. Some of this work has already been started and will continue to roll out. A more detailed report will be available for Synod 2026.

III. Trustee nominations

The U.S. Pension Trustees board recommends the following single nominee for election to a three-year term beginning July 1, 2025.

Luke Kloosterman of Ontario, California, is a financial planner, working most recently with Thrivent Financial Services. A graduate of Azusa Pacific University, Luke holds Series 7, Series 66, and life and health insurance licenses. He is a member of CrossPoint CRC in Chino, California, where he is a youth group leader and a volunteer with Young Life. Luke enjoys combining his passion for finance with helping people and congregations steward their resources well. He enjoys golf, scuba diving, Angels baseball, and University of Michigan football in his spare time.

The Canadian Pension Trustees board recommends the following single nominee for election to a three-year term beginning July 1, 2025.

Janet Baird of Belleville, Ontario, is a Quinte Christian High School resource teacher. Before teaching in Belleville, she held various roles in Christian education, including that of principal, consultant, advancement coordinator, and teacher in various Christian schools. Janet also served on the Trustee Board of the Christian Education Benefit Solutions (CEBS) Health and Pension Plans for ten years. During that time she completed numerous courses on pension plans and trustee responsibilities. She is also married to a Christian Reformed minister.

IV. Recommendation

- A. That synod note the ongoing work of the pension trustees in response to the assignments given by synod (*Acts of Synod 2024*, pp. 811-12).
- B. That synod by way of the ballot appoint the nominees to the U.S. and Canadian Pension Trustees boards, respectively, to a first term of three years, effective July 1, 2025.

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Shirley De Vries, chief administrative officer