

Pensions and Insurance Supplement

I. Introduction

The Canadian and U.S. Pension Trustees present this supplement in order to forward the recommendations/decisions from their April meetings to synod for ratification, to note the completion of efforts to address Synod 2024's assignments, to provide a nominee for one open position on the U.S. Pension Trustees board, and to express gratitude recognizing the longtime service of a retiring trustee.

The pension trustees met April 16-19, 2026, and submit this report as a supplement to the Pensions and Insurance report in the *Agenda for Synod 2026*. The Ministers Pension Fund (MPF) Trustees forward the following matters to synod for approval. This report reflects the extensive and careful consideration and work of the trustees in attending to their responsibilities to the Ministers Pension Plan. In addition to the matters listed below, the trustees have taken formal actions to address risk management and mitigation and to address and decide on other matters forwarded to the board.

II. Plan review

Synod 2024 received two overtures (*Agenda for Synod 2024*, pp. 420-25) requesting changes to the pension plans and the method by which benefits are calculated. In response to those overtures, synod instructed the pension trustees to explore a broader retirement benefit and obtain feedback on the risks and concerns in our current plans (*Acts of Synod 2024*, pp. 811-12). The MPF Trustees therefore propose the following three sets of changes for the pension fund:

A. Binational Plan changes

Plan language changes: The MPF Trustees forward the following recommendation concerning a definition of adequacy regarding the benefits provided by the MPF, noting multiple factors that affect the results of the Ministers Pension Plan in both countries, and with the intention of addressing equity across borders (revising the definition presented in the *Acts of Synod 1999*, p. 569). Additionally, the Funding and Benefits Policy (below) was developed to provide guidance for future plan changes that will maintain good stewardship of plan resources (see *Agenda for Synod 2005*, pp. 206-8) and respond to the concerns raised at Synod 2024. The MPF Trustees ask that synod approve the addition of the following to the MPF plan documentation:

1. **Adequacy:** "The U.S. and Canadian plans will be designed to provide a target replacement ratio at retirement, including retirement income expected to be received from government-sponsored sources, of between 75-85% for a member of the plan with 30 years of service at retirement."
2. **Funding and Benefits Policy:** "The Trustees will consider making benefit improvements when the plan's funded ratio is greater than 110% and the plan's transfer ratio is greater than 100%. When considering making

benefit improvements, the Trustees will consider the long-term sustainability of those improvements. The Trustees shall not make improvements to benefits where those improvements would result in a greater than 25% chance that the projected transfer ratio at 5 and 10 years is less than 90% (i.e., the 75th percentile of the projected transfer ratios at years 5 and 10 must be greater than 90%).”

B. U.S. Plan changes

1. 2027 church and participant contribution amounts

Revised in April (see section V, 3 in the *Agenda for Synod 2026*, p. 164), the amount of the assessment for 2027 remains at \$37.20 per member in the U.S., and direct costs have been increased to \$8,400. These amounts are collected by means of monthly billings to each organized church, based on reported membership statistics.

It is noted that the U.S. churches have not seen an increase in contribution rates since 2011, but the final average salary (FAS) used to calculate benefits paid to retiring pastors has been adjusted during this same time. The investments in the U.S. plan have performed strongly and have covered the increases to date, but the Trustees have calculated a necessary adjustment to the contribution amounts this year. (*Note: If contributions had been increased at 1 percent per year since 2011, the churches would have been contributing \$9,034 in 2027.*)

2. 403(b)(9) defined-contribution plan

The trustees reviewed the existing 403(b)(9) plan and are recommending the following changes:

- changing plan providers, allowing for some increased options within a defined contribution plan
- changing to an opt-out default for churches
- understanding that the 403(b)(9) provides a defined-contribution retirement-savings vehicle for commissioned pastors who would not normally be able to access the MPF. This addresses concerns arising from Synod 2024.
- understanding that this plan allows a church to provide for the rest of their staff a retirement-savings benefit that they might not normally be able to provide

3. 2027 pensioner adjustments

Upon careful review of two different dynamic pensioner adjustments, similar to the forwarded changes for the Canada Plan, and utilizing the principles of the Funding and Benefits Policy noted above, the trustees determined that the U.S. Plan would be at risk if mirrored changes were applied. There is anticipation of possible U.S. adjustments in the future.

C. Canada Plan changes

The Canadian Pension Trustees have reviewed the financials in consideration of the MPF mandate of Synod 1982 regarding Contingency Reserves

and Surplus (*Acts of Synod 1982*, p. 447) and are forwarding the following three changes, addressing the three stakeholders of the plan, as one recommendation to synod. As a test of the Funding and Benefits Policy as defined above, it was determined that these changes will be sustainable.

1. **Final average salary adjustment:** To be applied to retiring pastors active in the MPF until January 16, 2027, the final average salary (FAS) calculation will be amended from 75% of the reported average salary to 85% of the reported average salary each year. This will increase the benefit amounts for these retiring pastors. This will be a go-forward adjustment and will not be applied retroactively.
2. **Dynamic pensioner adjustment:** a dynamic adjustment for pension beneficiaries will be applied at the rate of 1.5% per year of retirement. This calculation will consider prior benefit adjustments to ensure that the plan remains compliant with regulatory requirements.
3. **Contribution holiday:** A one-year contribution holiday will be applied to assessments for Canadian CRC churches only. Self-paid accounts will continue to be assessed at the contribution amount of \$7,704 per year.

III. Benefit-program activities

A. Updated portfolio balances and performance

Synod has previously requested that the pension plans provide an actuarial valuation every three years (*Acts of Synod 1969*, p. 47). The plan valuations were completed as of December 31, 2025, and the updated numbers are provided here (for further information, see section V, A, 1 of the Pensions and Insurance report in the *Agenda for Synod 2026*, pp. 162-63).

The plan's actuaries have informed us that as of the date of the plan's last valuation (Dec. 31, 2025), on a going-concern basis, the actuarial liability totaled approximately \$134.6 million (USD) for the U.S. plan and approximately \$59 million (CAD) for the Canadian plan.

B. Final average salaries

Annually, pastors serving in congregational ministry are asked to report compensation information. This information provides the basis for the determination of an "average salary" amount that, in turn, is used by the Ministers Pension Plans to calculate amounts used by the pension plans' benefit formula, using the methodology developed by the Pension Trustees (*Acts of Synod 1982*, pp. 49-51, 406). The trustees forward the following as the final average salary (FAS) amounts used in the calculation of benefits and request that synod receive this for information: the U.S. FAS is \$67,835 (USD), and the Canadian FAS is \$79,262 (CAD).

IV. CRCNA staff health and welfare plan

The Reformed Benefits Association (RBA) was established by the CRCNA and the Reformed Church in America in 2013 as an independent 501(c)3 organization for joint provision, management, and administration of health and welfare benefit plans for ministers, lay employees, and retirees of the

denominations, their agencies, and participating churches and other assemblies. Its mission is to provide personalized insurance service to churches and to CRC employees, managing contracts and vendor relationships on behalf of congregations and agencies. As a nonprofit born from within the church, RBA has a grasp of the church's mission and can provide access to benefits that reflect ministry values. RBA operates in the U.S. only; in Canada, the Consolidated Group Insurance (CGI) plan is available to supplement health benefits available through government health programs (see *Agenda for Synod 2013*, p. 172; *Acts of Synod 2013*, p. 446).

Currently, RBA and CGI both remain formally under the authority of the Pension Trustees, which has the authority to take action on "general policy issues and significant changes in the insurance and benefit provisions of the programs." In addition, "fiduciary responsibility for the trust fund supporting the self-funded insurance program" is specifically assigned to the U.S. Pension Trustees on the basis of an earlier decision, which assigned them responsibility for the governance of the insurance program (*Agenda for Synod 1995*, p. 38; *Acts of Synod 1995*, p. 668). However, on a practical level the Pension Trustees are not able to provide a level of engagement that is required to manage these programs when they are already providing oversight to complex pension plans, and the dual oversight has led to confusion about the role played by the RBA board, by the Pension Trustees, and by the COD and synod in providing oversight and support.

In Canada, CGI has already been subsumed into the "non-retirement employee benefits programs" managed within the Canadian ministries organization. In the U.S., however, RBA has both employee and church services components. Thus it cannot simply be managed as an employee benefits program. For this reason the trustees recommend that even as the oversight and administration of the U.S. and Canada staff health and welfare plans be removed from the oversight of the MPF board and moved to the oversight of the U.S. and Canada ministry offices, respectively, the COD ensure that appropriate measures for reporting and administration are taken by the executive leaders of each ministry office and their relative governance structures.

V. Recognition of service

As noted in the *Agenda for Synod* (p. 161), U.S. trustee Lloyd Bierma is completing his service for the MPF and retiring from his position. The combined U.S. and Canada MPF Trustees want to make special note of his service and contributions.

Lloyd Bierma initially served as a trustee for six years, completing two three-year periods in a midcycle vacancy. After serving the requisite waiting period, he then returned to the Trustee board for a second full set of periods, serving for a total of nine years in that cycle. Completing one more waiting period, he went on to serve for a complete third cycle of nine years. His combined service of 24 years to the Ministers Pension Fund receives our

deep gratitude and appreciation. The MPF Trustees recommend that synod extend appreciation and thanks to Lloyd Bierma for his dedicated service (see Recommendation F, *Agenda for Synod*, p. 167).

VI. Recommendations

A. That synod receive and affirm the following binational plan changes as forwarded by the MPF Trustees (Section II, A):

1. The action of the pension trustees to establish the target for a combination of governmental benefits and the amount provided by the plans as “full benefit” for a “normal career” to be approximately 75-85 percent of the sum of the final average salary and the average housing allowance applicable in the year of retirement.

Grounds:

- a. This level of income replacement is judged by actuaries and others knowledgeable in the field as the level needed to sustain a reasonable level of postretirement needs.
 - b. The recommended percentage is consistent with the norms generally accepted by professional advisers practicing in the area of retirement planning.
2. The action of the pension trustees to establish a funding and benefits policy and definition.

Ground: This recognizes the principles that have long guided the pension trustees in their assessment of the plan’s operations.

B. That synod receive and affirm the U.S. Pension Plan changes as forwarded by the U.S. MPF Trustees, including the *revised* 2027 church and participant contribution amounts and the changes to the 403(b)(9) plan as described (Section II, B).

C. That synod receive and affirm the Canada Pension plan changes as outlined, including final average salary adjustment, dynamic pensioner adjustment, and contribution holiday (Section II, C).

D. That synod accept the above actions (Recommendations A-C) as fulfilling the requests of Synod 2024 (*Acts of Synod 2024*, pp. 811-12).

E. That synod receive for information the updated portfolio balance valuations as of December 31, 2025 (Section III, A).

F. That synod receive for information the decision of the pension trustees regarding the final average cash salaries to be used in the year 2027 by the pension plans in the application of its benefit formula (Section III, B).

G. That synod reassign oversight of the employee benefits programs available through Consolidated Group Insurance (CGI) and the Reformed Benefits Association (RBA) to the respective national ministry organizations, and instruct the Council of Delegates to make appropriate arrangements with the U.S. Ministry Board for attending to the CRC’s interest in RBA relative to its work with church-support services in the United States (Section IV).

Grounds:

1. Functionally, the pension trustees and insurance programs have operated under this understanding for some time (see *Agenda for Synod 2001*, pp. 44, 204; *Agenda for Synod 2013*, p. 172; *Acts of Synod 2013*, p. 446), though synod has never taken formal action to amend its earlier instruction assigning governance of the CRC's insurance program to the Pension Trustees (*Agenda for Synod 1995*, p. 38; *Acts of Synod 1995*, p. 668).
2. Employee benefits programs are a function of human resources management that do not require the organizational involvement of synod (*Agenda for Synod 2001*, p. 204).
3. The CRC has a significant investment in RBA as one of its founding members (*Acts of Synod 2013*, p. 446), and it is vital that a CRC entity exercise "fiduciary responsibility" for the denominational assets invested in RBA as well as for the ways RBA's policies and practices affect CRC ministries.
4. A clear reporting structure within the COD framework provides better support to RBA in its mission to support churches with insurance services and advice that reflect the ministry commitments of CRC congregations and agencies.

Pensions and Insurance

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