



Archdiocese Benefits Committee (ABC) Update

As directed by the resolution of the 2018 Boston Clergy – Laity Congress, the Archdiocese Benefits Committee (ABC) has been working diligently with members of the Archdiocese Council to solve the funding problem of *The Pension Plan for Clergymen and Lay Employees of the Greek Orthodox Archdiocese of America*. Amidst much public speculation and misinformation, the ABC offered an update on July 16th to the progress of a proposed transition of the plan from a Defined Benefit (DB) to a Defined Contribution (DC). The ABC stressed that no action or transition has been finalized or approved by any party on any level of the Archdiocese as no such plan design has been offered. Indeed, no vote was taken nor was any vote entertained related to transitioning the defined benefit plan to a defined contribution plan.

Under the auspices and scope of its authority, unrelated to the Archdiocese Benefits Committee, a vote was taken by the Archdiocese Council to accept the recommendation of the Archdiocese Finance Committee to change the funding method of the overall Pension Plan. This positive action taken by the Archdiocese Council offers a funding method fairer to parishes and ensures that payments are monitored on a timely basis. This funding plan would be an overall positive improvement whether the retirement plan transitions to a defined contribution plan or not.

Mercer Investment Company is completing requested research of the complexities involved in a transition. Mercer stated that its findings will be ready by the end of August. When a final proposed plan design is completed it will then be presented to the ABC for review and revision. The ABC in turn will share the proposed plan design with each Metropolis Synodesmos and their respective Hierarchs, the APC, The National Sisterhood of Presvyteres and The Retired Clergy Association. The issue of the funding and stability of the Pension Program and Fund has been at the forefront of His Eminence Archbishop Elpidophoros' agenda since being enthroned as Archbishop of America in June of 2019. His Eminence has taken direct, proactive, and deeply involved actions towards this issue.

The ABC's Administration Committee, under whose jurisdiction and responsibility is the management of the Pension Program and its structure, recently voted that no transition or plan changes will be made without the approval of various representations of the whole of the Archdiocese. At their recent Biannual meetings held virtually on Zoom in early June, The Administration Committee put forth that the education of the Pension Program Clergy and Lay employee members as well as the Parishes of the Archdiocese as to the parameters of the proposed change was an important necessity before any vote should be taken. The Administration Committee also recommended that any potential plan transition or change would take place – such a potential change would be shared with His

Eminence, The Holy Eparchial Synod, the Clergy and Lay Employee members of the Current program and the parishes. This goal was then ratified by the whole of the ABC at their full Committee meetings.

The ABC responded in November of 2018 by reaching out to the Archdiocese Council and a Strategic Planning Committee (SPC) was formed, chaired by Fr. Jim Greanias, Chairman of the ABC Administration Committee. This new Committee brought together Clergy Representatives of the ABC including Fr. Jim Paris, Chairman of the ABC, with Archdiocese Council Treasurer, Elaine Allen and Lou Kircos, Chairman of the Archdiocese Finance Committee and Account representatives of Mercer. Also invited to participate and consult with the Committee were representatives of the Bouras Foundation and the Retired Clergy Association with other advisers.

Paramount to the new Committee's purview was the restructuring of the Pension Program to solve the funding problem of the program which has hovered at ranges between 49 % to 51% - with an accrued liability of close to \$65 million. This unfunded liability is projected to accrue to \$164 million if not addressed. While the Pension Fund is currently solvent with approximately \$65 million in assets (up more than \$30 million than 2008 recession levels) – the reality of the projected liability necessitated the foresight and planning undertaken by the cooperative effort of the ABC and The Archdiocese Council through the SPC's ongoing deliberations and work.

Especially important in this process has been the active role that His Eminence Archbishop Elpidophoros has taken in the process. With His enthronement as Archbishop of America, in June of 2019, His Eminence Archbishop Elpidophoros made the welfare of the Clergy and Archdiocese Lay Employees through a stabilized Pension Program one of His three top priorities for the Archdiocese. In September of 2019, His Eminence invited to a private meeting in His office ABC Chairman, Rev. Fr. Jim Paris and ABC Vice-Chairman, Rev. Fr. Jim Greanias. Present also at the meeting was the ABC Office Director, Mrs. Anna Vrettos. His Eminence stressed personally and strongly His support. His Eminence received a full update and offered His immediate action by personally sending out letters to various Parishes in the Archdiocese, delinquent in their monthly Parish Obligations. His Eminence's warmly worded and pastoral letter was an attempt to recoup some of the estimated \$3.5 million that has been unpaid. His Eminence also offered suggestions to the funding problem, which have been incorporated into the deliberations of the SPC and will formulate a portion of the plan design once it is finalized. His Eminence has continued His proactive and indefatigable efforts and concern to secure the future of the Pension program. His Eminence has attended meetings of the ABC for extended periods of time, been kept abreast of the progress, and has met with ABC Chairman, Fr. Jim Paris and ABC Vice – Chairman, Fr. Jim Greanias, on numerous occasions for status reports and the offering of His guidance and support.

In recognizing the unsustainability of the Fund to continue at such a deficit, the Strategic Planning Committee set its sights on two core issues: 1.) The Parish Monthly Obligation and 2.) revisions of the Plan itself. At the forefront of the objectives of the SPC was the

core protection of the Clergy and Lay Employees and their families, equitability of contributions of the Parishes, along with an overall commitment from the Archdiocese Council towards the financial security and stability of the Archdiocese. The ABC is committed to the continued provision for the Ancillary Benefits such as Life and Disability Insurance available through the current program – which provide protections not otherwise available to the Clergy due to professional limitations.

Early on, the SPC focused on alternatives to the current Defined Benefit model towards a more cost-effective Defined Contribution program. It was recognized that with the proper plan in place (funding being secured), a transition to a Defined Contribution would provide some advantages for the Program members and allow the current Defined Benefit Plan's deficit to be erased over twenty years. The SPC's set goal in such a transition was put forth to guarantee the retirement payments (as of the date of the transition) to be fully paid as expected by and promised to those currently vested in the program. Subsequent meetings of the SPC centered on the pros and cons of such a transition, with an eye on what a Defined Contribution plan would include and the parameters of such a change.

Stressing once more that no plan change, or design has been approved, or is ready for approval on any level, the ABC gathered via Zoom for their recent meetings in June. Further progress towards a plan design proposal was accomplished as Mercer provided extensive information and several models to define the proposed plan. As part of the timeline established with Mercer was with the goal of a new plan design to be offered for final study by late August. A Third-Party Administrator would be selected by the Fall. It was emphasized that before the inauguration of any Plan, the proper education would be offered and all pertinent information would be disseminated to the Clergy and Lay Employee Participants, as well as to all Parishes of the Archdiocese.

At this meeting, all present agreed that the implementation of the new program, if to be recommended and adopted, is contingent upon the education and transparency of the Defined Contribution program shared with all concerned. With the help of the Archdiocese Presbyters Council, a virtual Town Hall meeting for Clergy and Presvyteres and Lay Employee Participants will be held at 3 PM Eastern on Thursday, August 27, 2020. More information for this meeting will be distributed in the near future.

Once again, the ABC expressed its gratitude to His Eminence Archbishop Elpidophoros, Elaine Allen and Lou Kircos for their extensive cooperation and good work with the ABC. The cooperation on all levels has been unprecedented in the search for the best possible solution for the whole of the Archdiocese Her Clergy and Parishes.