



# ARCHDIOCESE BENEFITS COMMITTEE

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September 20, 2017

†Saint Eustathios

Dear Participants of the GOA Pension Plan for Clergymen and Lay Employees,

On September 19, 2017, the Archdiocese Benefits Committee Chairmen (ABC) and Representatives held a teleconference call at 3:00 p.m. ET to discuss questions that have arisen concerning the financial difficulties of the Archdiocese and any possible impact on the Pension Plan. This letter is intended to convey important information communicated during that call.

The ABC wishes to convey the following information:

1. The Pension Plan has been in existence since 1973. All governance of the Insurance and Pension Plan has been administered and managed by the Benefits Committee since 1996 and not the Archdiocese administration.
2. The Archdiocese cannot “take any money out” of the Pension Plan and has not done so.
3. The current market value of our Pension Portfolio is approximately \$58,300,000.
4. The Benefits Office is behind in sending out the annual Benefits Statements to participants but is making progress. 2014 were recently mailed. The 2015 and 2016 Personal Pension Plan Statements are still being calculated, but we received no time frame for them to be delivered. Evidently, the transition from NYLIM/John Hancock to Mercer has been very difficult and frustrating. Mercer will not send out verified statements until they ensure these statements are precise.
5. Nevertheless, we are working with Mercer to send out the 2015 and 2016 statements to participants with a disclaimer as to their accuracy, to ensure our participants – in some imperfect way at least – know how their Defined Benefit Plan is doing. Given the climate, the Chairmen believe, that after these many years without a statement, the participants need some reassurance.
6. We will continue to work with Mercer to grow and protect the integrity of the Plan to ensure that no Plan funds are ever used for any purpose other than those prescribed by the Plan and in accordance with ERISA guidelines that the Plan follows.
7. We also seek the advice and guidance of a Church Pension Plan attorney, which has been done since 1996, who is a specialist in this unique niche market to ensure that our Plan is completely protected for our Clergymen, Lay Employees, and their families whose financial futures are dependent on the viability and success of the Plan.

The Benefits Committee discovered that the Archdiocese was in arrears for payments of pension contributions due on behalf of the Archdiocese Staff for a number of years. Although the Archdiocese has now paid \$2,300,000 of that amount to the Plan, the Archdiocese still owes \$118,000.00 to the Plan

to cover those previous shortfalls. In addition, due to financial difficulties, pension contributions on behalf of the Archdiocese Staff were again not made in 2017. Therefore, the total dollar amount owed to the Plan by the Archdiocese as of August 31, 2017 is \$449,586.00 (\$331,586 for 2017 contributions + \$118,000 for previously owed balance). We expect to collect all these funds from the Archdiocese.

Moreover, the Archdiocese owes the interest that would have been earned from the Pension Portfolio's performance had this money been invested in the Plan as scheduled. For example, the Portfolio's rate of return for the year ending August 31, 2017 was 12.4% and for the year ending August 31, 2016, it was 13.3%. That money is critically needed to fund Pension Plan. The Archdiocese and Mercer will calculate the amount due so that the Archdiocese can pay that amount to the Plan Portfolio and make it whole. However, they do not know the time frame.

As your representatives on the Benefits Committee, we are vigilant. Be assured we will continue to monitor the Pension Plan and keep you informed. Our next ABC meetings are scheduled for November 15 and 16 in Clearwater, Florida. At these meetings, we hope to have all of your questions answered and have these problems and challenges addressed and resolved for the assurance and security of our participants.

Dutifully yours in Christ,

A handwritten signature in blue ink that reads "Fr. Konstantinos A. Pavlakos". The signature is written in a cursive, slightly slanted style.

Fr. Konstantinos A. Pavlakos  
ABC Chairman