

Presbyterian Church (U.S.A.)

Board of Pensions welcomes new president, Frank Spencer

Affiliated Benefits Plan dues to rise 3%; investments return 4.1% YTD

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LOUISVILLE

A new chapter in the life of the Board of Pensions (BOP) of the Presbyterian Church (U.S.A.) began in Philadelphia last week as the board welcomed its new president – Frank C. Spencer – and 10 new board members.

Spencer began work on July 1 after being unanimously confirmed by the recent 221st PC(USA) General Assembly. He succeeds Robert W. Maggs, who retired after serving for 15 years. The Assembly also elected the large new class of board members. They are:

Philip D. Amoa of Philadelphia

The Rev. Wendy S. Bailey of Hamilton, N.J.

Fredric J. Bold Jr. of Lilburn, Ga.

Dr. Richard R. Clark of Racine, Wis.

The Rev. Amy W. Fowler of Rochester, N.Y.

The Rev. Arlene Gordon of Sunrise, Fla.

Claude C. Lilly III of Clinton, S.C.

John D. Mitchell of Ft. Worth, Texas

Roger L. Myers of Canton, Mich.

Paul Vikner of Allentown, Pa.

The board approved an increase in monthly dues of approximately 3 percent, on average, for active Affiliated Benefits Plan (ABP) participants and ABP early retirees. The increase, which takes effect Jan. 1, 2015, reflects the claims experience for this population during the past year. The new monthly dues range from \$643 for single participants to \$1,718 for participant plus family medical coverage.

Through the ABP, churches and other employing organizations may offer medical coverage only – or medical with death and disability coverage – to employees who are in non-installed positions and are scheduled to work 20 hours a week or more.

This program does not include a pension plan, although ABP participants are eligible to participate in the Retirement Savings Plan of the PC(USA) where offered by the employing organization. Employers may require covered employees to share in the cost of their medical coverage.

The board also approved monthly medical dues for seminary students of \$503 for members, \$781 for member plus children and for member plus covered partner, and \$889 for member plus family.

After reviewing recent medical and prescription drug experience and actuarial forecasts, the board deferred action on any Medicare Supplement subscription increase. Instead, the BOP Healthcare Committee authorized staff to establish the 2015 Medicare Supplement Plan subscription charges for all participants in the fall so that rates can be

set using the most current information possible.

The Committee stipulated that any dues increase for the 2015 Medicare Supplement Plan may not exceed \$14 per participant per month.

Jacqueline D. Jenkins, chair of the board's Investment Committee, reported a 2014 year-to-date return of 4.1 percent within the framework of global economic and political events that resulted in volatile investment performance for many asset classes.

The BOP's balanced investment portfolio exceeded industry benchmarks for the one, three, five, 10, 15, and 20 years ended May 31, 2014. The portfolio is the investment fund for the board's Pension Plan, Death and Disability Plan, Endowment Fund, and Assistance Program, as well as for restricted gifts made to the Board of Pensions. On May 31, 2014, the portfolio had a market value of \$8.7 billion.

The board's Social Responsibility and Church Relations Committee agreed to a timeline for developing a relief of conscience approach (or approaches) for churches and employing organizations for whom the extension of benefits to same-gender partners of Benefits Plan members causes a moral dilemma.

According to the timeline, the committee will consider various approaches at the BOP's October meeting and will then recommend an approach to the full board at its meeting in March 2015. That plan will be reported to the 222nd General Assembly (2016).

This story was compiled by Jerry L. Van Marter from the "Board Bulletin" on the Board of Pensions website by Susan Reimann, BOP vice-president for communications and public relations.

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