Report of the Board of Benefits Services

The Board of Benefits Services (BOBS) was established by the General Synod of the Reformed Church in America (RCA) and incorporated and approved by an Act of the Assembly of the State of New York on April 16, 1923.

The General Synod has delegated to BOBS the responsibility to manage and administer the retirement and insurance programs required by the Book of Church Order (BCO) Formulary No. 5, to manage and administer the BOBS’ retiree chaplains and assistance programs, and to ensure the availability of appropriate life insurance benefits, long-term disability benefits, and any other programs or services related to the financial well-being of eligible RCA-ordained ministers and their dependents, and of other eligible employees of agencies, assemblies, and institutions of the RCA.

The board met virtually on November 11, 2021, and in person on March 10, 2022, in Jacksonville, Florida. The volunteer board consists of at least nine but not more than seventeen members, including pastors and professionals from business, finance, investments, and law. Board membership also includes the president and vice president of the General Synod, the moderator of the General Synod Council (GSC), and the general secretary.

Ends and Executive Limitations

BOBS, like the GSC, utilizes the principles of policy governance to conduct its work and to guide its oversight and supervision of its executive director in the fulfillment of the purposes it was established to accomplish by the General Synod. Key to its use of the principles of policy governance is the responsibility to state clearly the reasons BOBS exists. In policy governance, the reasons are stated as “ends.”

The board provides direction to and oversight of the executive director’s work through the following ends that were adopted at the October 2020 board meeting:

E-1 Manage and administer the retirement programs required by the BCO Formulary No. 5.
   E-1.1 Participants have a means to wisely set aside funds at a rate commensurate with other church plans.
   E-1.2 Participants have a means to convert accumulations into retirement income choices including guaranteed lifetime income options.

E-2 Manage and administer the insurance programs required by the BCO Formulary No. 5.
   E-2.1 Reasonable health insurance benefits at rates commensurate with other church plans are available to participants and eligible participants through our partnership with Reformed Benefits Association (RBA). Recognizing that the partnership with RBA is a board decision, the executive director is tasked with the following end: “Advocate for the purposes of E-2.1 and monitor and report the effectiveness of current partnership with RBA to the board.”
E-2.2 Ensure the availability of appropriate life insurance benefits and long-term
disability benefits at rates commensurate with other church plans are available to
participants and eligible participants.

E-3 Manage and administer the retiree chaplains and assistance programs.

E-3.1 Active and retired participants and spouses have access to an assistance
fund that may be available based on demonstrated need and is limited by
available funds.

E-3.2 Employ a network of retired pastors and elders who maintain contact with
and provide pastoral care for retired ministers and their spouses or surviving
spouses and with lay missionaries who served for ten or more years.

E-4 Provide other programs or services related to the financial well-being of eligible
ordained ministers and their dependents, and of other eligible employees of agencies,
assemblies, and institutions of the Reformed Church in America.

E-4.1 Participants and eligible participants have access to and are encouraged to
use information and educational resources that allow them to make timely
financial decisions regarding their retirement and their health, life, and disability-
related benefits.

E-4.2 Investigate and, if appropriate, ensure availability of programs or services
related to multidimensional wellness and well-being.

Review of Services and Ministries

As stated in the BCO, a consistory shall fulfill the provisions of the call form (Formulary No. 5)
for all ministers serving the church under call or contract by paying the stipulated contributions
to the RCA 403(b) Retirement Program. In addition, consistories must provide benefits including
group life insurance, long-term disability insurance, and medical insurance for a minister and
his/her immediate family (BCO, Appendix, Formulary No. 5). New in 2020, if the minister and
his/her family elect medical coverage through a spouse’s employer-sponsored group plan, the
church will compensate for “any medical premium costs incurred by [the pastor’s] immediate
family, up to the premium cost of the Reformed Benefits Association plan meeting the minimum
standards stipulated for the year compensated” (BCO, Appendix, Formulary No. 5). These
stipulations apply equally to full-time and part-time ministers.

There are, however, a few exceptions to this general rule. Chapter 1, Part I, Article 2, Section 7
of the BCO states that “a consistory shall fulfill the provisions of the call form (Appendix,
Formulary No. 5) for retirement and insurance for all ministers serving the church under call or
contract unless (a) regarding retirement, the minister is covered by the retirement plan
sponsored by the Regional Synod of Canada or the retirement plan of the communion where
the minister’s membership is held, (b) the classis determines that the minister is serving the
church part-time, as defined by the Board of Benefits Services, and that circumstances warrant
that the consistory be exempt from this requirement, or (c) the minister is serving less than part-
time as defined by the Board of Benefits Services” (BCO, Chapter 1, Part I, Article 2, Section 7
[2021 edition, p. 15]).
To participate in the 403(b) plan, employers need to complete and submit an adoption agreement to the Board of Benefits Services’ office. The adoption agreement is a compliance document that allows a consistory some flexibility in defining the terms of its participation in the RCA 403(b) Retirement Program. The agreement recognizes the RCA 403(b) Retirement Program as the retirement plan of the employer. If an employer submits funds on behalf of its ministers, the board also recognizes this action as evidence that the employer has adopted the agreement. Staff will continue to request adoption agreements from employers as required by the plan. The agreement (images.rca.org/docs/bobs/AdoptionAgreement.pdf) can be downloaded from the employer section of the BOBS webpages (www.rca.org/benefits/employers).

BOBS creates a shell account within the Fidelity system for new participants and then Fidelity invites the new participant to complete their enrollment online through the Fidelity NetBenefits website. Participants are automatically enrolled in the appropriate target date Freedom Fund and have the option to allocate their contributions to other available funds. Participants are directed to the Fidelity website to set up employee contributions, change investment options, provide tax information, and list and update beneficiaries. Seventy-six percent of all participant funds remain invested in the Fidelity Freedom Funds (target-date funds) but only thirty-two percent of participants are contributing employee contributions (this is up four percent from 2018).

All employers are expected to use Fidelity’s Simplified Contribution Platform (SCP) or Plan Sponsor WebStation (PSW) to remit their contributions electronically through the Fidelity website instead of manually by check.

Five percent of participants are enrolled in the Fidelity Personalized Planning and Advice (FPPA) program. FPPA is an optional service that provides professional management of a participant’s plan account for a small advisory fee based on total assets invested. Participants in this service receive ongoing investment management, retirement, and financial planning support from a team of professionals. The strategy aligns with the participant’s personal goals and is monitored and adjusted based on the market or on life changes. This investment service is optional. Enrollment campaigns are held annually to allow a participant to enroll at a discounted price to determine if the program is a good fit for them.

In its fiduciary role, BOBS monitors the performance of the investment options (funds) available under the two retirement programs in collaboration with the Investment Advisory Committee (IAC). BOBS and the IAC are assisted in this task by outside investment consultants from Lockton Advisors, who take an active role in monitoring the investment options and administrative expenses associated with our retirement plans. Lockton verifies that any revenue sharing and fees collected from Fidelity are consistent with fee agreements that are in place.

In order to maintain security and reduce fraud, Fidelity uses a two-factor authentication (TFA) for participants performing certain high-risk transactions (password and user ID requests, rollover requests, etc.) on netbenefits.com.

In late spring or summer 2022, Fidelity Investments will become the primary point of contact for many of the distributions related to the RCA 403(b) Retirement Program, rather than BOBS staff being the primary point of contact. Fidelity redesigned the NetBenefits home page to provide the
user with a more meaningful experience. NetBenefits now has an automatic withdrawal tool that allows participants to compare and select the best withdrawal option for them by modeling difference scenarios. This helps participants determine how much they might receive, how long their money will last, and what might be left upon death.

BOBS owns 22 annuities on behalf of our participants or their beneficiaries. These annuities have been purchased with funds from the non-qualified RCA Retirement Plan and were purchased in the name of BOBS to avoid immediate taxation for the participant. In 2021, we suspended the purchase of annuities in the name of BOBS through 2022. Participants can still purchase an annuity by taking a fully taxable distribution and then purchasing an annuity in their name.

Thos Shipley, retirement plan administrator, and Feifei Liu, benefit actuarial analyst and project coordinator, are in regular contact with any number of participants, beneficiaries, church administrators, and Fidelity to service the needs of our participants from enrollment through retirement.

Fund and Administrative Fee Changes

On February 23, 2022, the Invesco Diversified Dividend Fund Class R6 was closed, and existing and future contributions were transferred and redirected to the Putnam Large Cap Value Fund Class R6, a new investment option for both plans.

The BOBS administrative fees charged to participants on employer contributions decreased from 19 basis points (bps) to 10 bps effective January 1, 2022. A decrease in operating expenses and earnings from the ERISA Insurance Endowment Fund, plus investment earnings and income from other sources, allows for this significant drop. Due to a surplus, BOBS also waived the administrative fee for the fourth quarter of 2021. This represents a cumulative decrease of 75 percent in the past 9 years (administrative fees in 2021 were set at 40 bps). The administrative fees cover the costs for legal and investment consulting, client services, and other expenses needed to maintain the plan.

In the fall of 2021, the board set aside $8.5 million to establish an Operations Endowment Fund. The funds will be invested according to the BOBS Endowment Fund Investment Policy Statement. Spending will not begin until fiscal year 2023 and will gradually increase each year according to our spending policy, which is based on a 20-quarter rolling average. The spending from this endowment will reduce or replace the retirement plan administrative fees.

Housing Allowance Designation

At the November 2021 board meeting, the board approved the following housing allowance designation for eligible participants taking distributions from the RCA retirement plans.

For calendar year 2022, to designate up to 100% of distributions from either the RCA Retirement Plan or the RCA 403(b) Retirement Program as housing allowance for participants in the plan(s) who are eligible for the housing allowance under relevant provisions of the United States Internal Revenue Code.

Housing allowance letters are emailed and mailed to participants at the end of each calendar year and are available on the BOBS retirement webpage.
New Tiered Approach to Selecting Investment Options

The plans offer a broad array of investment options. This variety enables participants to select options that best suit their individual preference and goals. To assist with their selections, the investment options have been organized into three tiers:

- **Tier I** – Target Date Funds: an asset mix of stocks, bonds, and other investments that automatically become more conservative as the fund approaches its target retirement date and beyond.
- **Tier II** – Core Investment Options: allows participants to construct a basic investment portfolio utilizing low-cost funds.
- **Tier III** – ESG Investment Options: environmental, social, and governance–themed investment options help participants find investments that align with their principles.

This tiered approach allows participants to more easily select those investment options that are appropriate for their individual goals, time horizon, and risk tolerance.

For additional help with determining an investment strategy, participants should work with their personal financial advisor or visit Fidelity NetBenefits at [netbenefits.com/atwork](http://netbenefits.com/atwork) or meet one-on-one with a Fidelity planner by calling 800-642-7131.

Additional educational resources about environmental, social, and governance (ESG) investing can be found on the BOBS webpages at [www.rca.org/benefits/esg-fund-information](http://www.rca.org/benefits/esg-fund-information).

Social Screening Constraints and Environmental, Social, and Governance Investing

BOBS investments follow the current investment policy statements that require the investment managers to seek to avoid investments in the securities of companies whose principal business involves gambling and for-profit prisons and the production and distribution of tobacco or alcohol, adult entertainment and pornography, and firearms and military weapons.

Our plan currently has four ESG funds: Fidelity International Sustainability Index (FNIDX), PIMCO Total Return ESG Institutional (PTSAX), Pioneer Balanced ESG K (PCBKX), and Parnassus Core Equity Institutional (PRILX), a fossil fuel free–fund.

General Synod 2021 took two actions regarding ESG investing: CA 21-6 (*MGS 2021*, p. 206) and ONB 21-9 (*MGS 2021*, p. 119). The Investment Advisory Committee is planning to call a special committee meeting to discuss these two recommendations. Two BOBS board members with professional experience in retirement plans and investing are members of the Investment Advisory Committee.

Is Your Money Safe?

A number of participants have asked us if their funds in the RCA Retirement Plan that is administered by the Board of Benefits Services are safe. Many people refer to the RCA Retirement Plan as a pension plan. However, the RCA Retirement Plan is not a pension plan; it is a deferred compensation plan with accounts designated for each participant. The dollar amount shown on a participant’s statement from Fidelity represents the amount that is actually in that account as of the effective date of the statement.
If a participant is no longer employed by an employer (as defined in the plan document—typically assemblies, institutions, or agencies of the RCA), or, in the case of an ordained minister, if they demit from the office of minister of Word and sacrament or transfer their ordination outside the RCA, then BOBS must initiate distributions to the participant per their original Distribution Election form immediately. This is true regardless of why employment ended or demission occurred, including affiliation with another denomination. In addition, BOBS is a separate entity from the GSC. The assets of BOBS stay with BOBS, and the rights, responsibilities, and fiduciary obligations of BOBS to implement the terms and conditions of the plan remain with BOBS (again, as provided in the plan document).

The plan document also speaks about the funds:

- The funds contributed to participants’ accounts are held by BOBS in separate accounts for the benefit of the participants.
- Because the plan is characterized as a deferred compensation plan:
  - The funds are characterized as assets of BOBS until distributed to the participant. The assets are not assets of the General Synod or the GSC.
  - The plan assets are characterized as being part of the general, unpledged, unrestricted assets of the board, subject to claims of the creditors of the employer (the corporations of the RCA, and the assemblies, institutions, or agencies of the RCA, excluding the Regional Synod of Canada and any of its churches, related agencies, and institutions) and the RCA and BOBS.
  - While funds are subject to the claims of the general creditors of each employer and the RCA and BOBS, in many instances, it may be difficult for any creditor of that employer to establish what portion of the participants’ accounts could be levied to satisfy a claim that is made.

The plan document also speaks about what it would take to terminate the plan and what would happen to the funds if the plan was terminated.

- It is the intention of the Board of Benefits Services to continue the plan indefinitely.
- The plan can be terminated in its entirety, but only if the Board of Benefits Services acts to do so and the General Synod approves the board’s actions.
- If the plan would be terminated, the credited amounts in each participant’s account would be paid to the participant for whom the account exists.

Finally, each summer, BOBS offers the reallocation program that allows eligible participants to “transfer” their money from the RCA Retirement Plan to the RCA 403(b) Retirement Program. We encourage all who are eligible to participate to enroll in the reallocation program each year. Read more about this further in this report.

**RCA 403(b) Retirement Program Plan Document Changes**

With the passing of the Secure Act and the CARES Act, sections of the RCA 403(b) Retirement Program plan document were updated and the plan was restated to reflect the changes in laws. These sections primarily related to hardships, loans, and required minimum distributions.
In addition, the board approved the removal of Article VII, Payment of Benefits to Participants, Section 7.1 (b) Employer Contributions, which eliminates the need to have installment payments be made over a period in excess of ten years, as well as the addition of Article XII Amendment and Termination, Section 12.3 Cessation of Participation, which documents what is allowed when an adopting employer no longer meets the criteria to participate in the plan.

RCA Retirement Plan Compliance Project

In 2020, we discovered that the administration of the RCA Retirement Plan had been inconsistent with the manner in which non-qualified, deferred compensation plans should be administered. These inconsistencies date back to when the plan was originally established in 2001. Staff conducted an internal review of our participant files and worked closely with our retirement attorneys at Connor and Winters and with GSC general counsel Paul Karssen to interpret the plan document. The primary concern was that retired and terminated participants should have begun taking distributions immediately upon their retirement or termination of employment from an RCA employer as required of non-qualified deferred compensation plans.

Individuals in four groups were impacted:
1. Alternate payees (ex-spouses) were allowed to stay in the plan when they should have been required to take a full distribution at the time of the divorce.
2. Spousal beneficiaries should have been required to begin or continue taking distributions or to take a full payout at the time of the death of the participant.
3. Non-spousal beneficiaries should have been required to begin or continue taking distributions or to take a full payout at the time of the death of the participant.
4. Terminated and retired participants should have been required to begin taking distributions or take a full payout upon termination or retirement.

Our communication to impacted participants outlined the concerns and required them to make an election option. As a result, almost 400 participants began taking distributions or took a full payout in January 2022. To ensure compliance in the plan for all employees, we also put a process in place to annually verify the employment status of lay participants.

RCA 403(b) Retirement Contribution Verification Project

The RCA 403(b) Retirement Program holds funds for 1,553 active participants with a market value more than $288 million as of March 15, 2022. BOBS staff continues to collect the necessary information from RCA employers for the 403(b) contribution verification project. The contribution verification project was initiated in 2012 to audit the participation and payment of the required employer contributions related to the retirement accounts of eligible ministers under call or contract. Many employers were out of compliance with the plan document and the BCO and had not contributed the required 11 percent of compensation to eligible RCA ministers’ retirement accounts.

Approximately $1.7 million has been collected and added to the retirement accounts of RCA ministers since this project has begun.

The necessary information is requested annually from employers through the Retirement Security Form (RSF), a confidential portion of the Consistorial Report Form (CRF). Each year, there are a significant number of churches that do not complete the RSF, do not respond to the requests for payment, or only provide the basic information requested to perform the review. As
a result of not having the needed information, it is impossible for staff to verify that the proper contributions have been made. The plan document states that the responsibility for making contributions lies with the church employer. Staff feel confident that we have made reasonable efforts to collect these contributions on behalf of our participants, but we cannot do this without the cooperation of the churches.

We have targeted a number of employers from whom and employees for whom we know that we are unable to collect retirement payments and wrote off the estimates on the financial statement. We identified the churches that never adopted the plan, churches that have either closed or disbanded, and pastors who have either passed away or transferred their ordination. We have requested the needed information for years and realize that in these situations, we will not be able collect payments for the ministers or their beneficiaries. This plan was discussed with and pre-approved by our auditors in November 2019. As a result, BOBS wrote off $234,000 as part of the audit year ending September 2021. BOBS staff will continue to work on this project in 2022 using similar criteria.

**Reallocation Program**

The RCA Retirement Plan, a non-qualified plan, holds funds for 467 active participants with a market value of almost $229 million as of March 15, 2022. This plan was closed to new participants and contributions as of December 31, 2004.

Following approval by the 2015 General Synod, the legal plan document of the RCA Retirement Plan was amended to allow the reallocation of participant funds from the RCA Retirement Plan to the RCA 403(b) Retirement Program. BOBS implemented a process in the summer of 2015 for participants to reallocate their retirement savings. This reallocation is a two-step process that requires participants to provide relevant information to confirm their eligibility and determine the dollar amount that can be reallocated. Staff work closely with Fidelity Investments in the process, and the review is completed in strict compliance with the IRS 415(c) rules. Participation in this program is encouraged but optional.

The reallocation program was offered again in the summer of 2021 to participants in connection with the 2020 tax year. One hundred and sixty-six participants were able to reallocate almost $6.5 million.

In 2022, the reallocation program will be offered to participants in connection with the 2021 tax year. Those who are interested in participating should watch for more information in late spring 2022. Eligibility and the amount that can be reallocated each year is determined by BOBS in accordance with the IRS annual contribution limits and IRS regulations. Participants are able to participate in the reallocation program five years after they are no longer earning wages from an RCA employer.

More information about the program is available on the BOBS website at [www.rca.org/reallocation](http://www.rca.org/reallocation) or by inquiry at retirement@rca.org.

**Insurance Programs**

*BCO Formulary No. 5* requires that churches “promise to pay the stipulated contributions to the Reformed Church in America retirement plan and provide benefits including group life insurance, long-term disability insurance, and medical insurance” for RCA-ordained ministers of
Word and sacrament and their families. BOBS and the Reformed Benefits Association (RBA) provide a number of insurance products so consistories can easily fulfill this promise.

BOBS continues to collaborate with the Christian Reformed Church in North America (CRCNA) regarding the provision of medical benefits through the RBA. RCA and CRCNA entities are eligible to participate in RBA benefit offerings by agreeing to the Terms of Participation. The terms require that entities enroll all eligible full-time staff in health insurance (unless the employee has coverage through a spouse, parent, or retiree health insurance plan). The RBA currently offers three medical insurance plans for its members: the premium plan, the consumer plan, and the co-pay plan. Part-time employees working a minimum of 20 hours per week are also eligible to participate. A church may elect group life insurance coverage of either $175,000 or a new $75,000 as a stand-alone benefit. Optional benefit offerings include dental, vision, supplemental life, accident, and critical illness insurance.

All eligible active RCA-ordained ministers of Word and sacrament who are regularly working a minimum of 17.5 hours per week are automatically enrolled in long-term disability (LTD) insurance administered through BOBS. Those who are not enrolled in life insurance through the RBA are automatically enrolled in group life insurance administered through BOBS. BOBS contracts with Lincoln Financial for both life and long-term disability plans that include voluntary plans where the participants can purchase increased coverage for themselves, their spouses, and their children. Premiums for insurance remained the same from 2021 to 2022. Commissioned pastors, while not mandated to have coverage, are eligible to enroll in BOBS life and LTD plans. In providing these benefits for eligible ministers, churches have access to an affordable group plan that allows them to easily fulfill the requirements of Formulary No. 5.

Beginning January 1, 2022, BOBS expanded its coverage to include ministers ordained outside of the RCA who are serving in an RCA church. Due to agreements already established by the denominations involved, this coverage does not include ministers ordained in the CRCNA or Formula of Agreement partner churches.

Churches are billed quarterly for BOBS’s group plans. In order to not jeopardize the terms of a group plan, a church must pay the premiums to BOBS directly for their pastor’s coverage. Reminders are sent to the church if an invoice is not paid by the due date. If payment is not received, a notice of cancellation is sent to the minister, to the treasurer, and to the classis. The loss of or lack of coverage is a violation of the BCO and puts church employers out of compliance with Formulary No. 5.

Ministers without charge can be covered by group life and LTD for 90 days after their last day of work. The most recent church where the minister served is responsible for paying the premiums for this extended period. Upon termination, policies can be converted or ported to an individual plan. All participants are encouraged to keep their beneficiary information updated by using the beneficiary designation form: www.rca.org/wp-content/uploads/2021/03/Life-Beneficiary-Form.pdf.

Because of a Request for Proposal (RFP) that BOBS conducted in late 2020, we were provided with a $10,000 grant from Lincoln Financial, our insurance provider, to be used for the enhancement of technology related to the administration of our insurance programs. We are thrilled that our insurance enrollment and invoicing system has been revamped after working
with a Salesforce consultant who created efficiencies that have drastically improved our processes. In addition, no premiums were charged to churches for December 2021.

Open enrollment for plan year 2022 was held from November 8 through November 30, 2021. Almost 400 clergy are enrolled in life insurance, and approximately 640 are enrolled in LTD. Because churches and ministers are leaving the denomination, enrollment is down by almost 60 participants compared to the number enrolled in June 2021; however, at this time, not as many clergy have transferred their ordination or demitted as we had anticipated. As long as a minister remains RCA-ordained, BOBS policies allow them to participate in the life and LTD plans, providing their church pays the premiums.

Cineca Anthony, BOBS’ life and LTD administrator, works with churches to ensure proper insurance coverage is available and provided to eligible RCA ministers. She also guides pastors and/or their beneficiaries as they navigate the insurance system when claims needs to be filed.

Churches can help BOBS in two ways:

1. Keep BOBS staff aware of current salary information. This information is requested at the time of enrollment and each open enrollment period following. BOBS also requests current salary information in a special campaign each summer. This information is essential so that ministers are enrolled in the proper amount of long-term disability coverage.
2. Make quarterly payments for insurance through electronic fund transfer (EFT) or pay by credit card through the online payment site instead of sending manual checks. Fewer manual checks will help us to improve efficiencies. This can be conveniently done by completing the ACH form that is part of the church’s quarterly invoice or by contacting Terri Boven at tboven@rca.org.

Minimum Standards for Insurance

As stated in Formulary No. 5 of the BCO, “Such insurance coverages shall meet or exceed the minimum standards stipulated by the Board of Benefits Services” (2021 edition, p. 137). For 2022, the minimum standard of coverage established by BOBS is met by offering coverage that approximates the consumer plan, as offered by the RBA.

- The consumer plan carries a coinsurance of 80 percent, an individual deductible of $2,800, and a family deductible of $5,600.
- The maximum in-network, out-of-pocket cost is $5,000 for an individual and $10,000 for a family.
- Coverage is 80 percent after the deductible has been met and until the out-of-pocket maximum has been reached.
- Once the out-of-pocket maximum has been met, the plan covers 100 percent of eligible medical expenses.

Definition of Part Time

Similar to the requirement that BOBS set the minimum standard for medical insurance, BOBS is also required to establish the definition of “part time.” Because each insurance provider has varying eligibility requirements, the definition of part time varies based on the product.
For life and LTD insurance purchased through BOBS, part time is defined as working a minimum of 17.5 hours but not more than 29 hours per week. Those working 30 hours per week or more are considered full time.

A definition of part time for the RCA 403(b) Retirement Program is anyone working 1 to 19 hours per week; however, consistories are required to make contributions for all ministers serving the church under call or contract. Those working 30 hours or more are considered full time.

For medical insurance, part time means anyone working a minimum of 20 but not more than 29 hours per week. Those working 30 hours per week or more are considered full time.

If insurance is purchased through the RBA, its terms of participation require that any insured member must work a minimum of 20 hours per week to be enrolled in medical, dental, and vision insurance. For further clarification, contact the RBA at 800-701-8992.

These definitions are published in the “Annual Insurance and Retirement Benefits Information” document that is updated and distributed to ministers, churches, classis clerks, and regional synod executives each fall. The electronic version of this document is posted on the RCA website at www.rca.org/airb.

Retiree Chaplains Ministry and Assistance Program

Through the retiree chaplains program, BOBS employs a network of 31 retired pastors and ordained elders who visit, befriend, assist, and maintain contact with over 1,000 retired ministers and their spouses or surviving spouses across the U.S. and Canada, and with lay missionaries who served for ten or more years. This ministry, coordinated by GSC staff member Mornier Rich, has been in existence since the early 1970s and is intended to keep retirees connected to the RCA and to communicate the needs of our retirees back to BOBS. The retiree chaplains maintain an intentional, personal, and pastoral relationship, especially when the retiree lives in a community where there is not an RCA congregation. As retiree chaplains meet with the retirees throughout the year, they are able to identify when there is a financial need and are frequently the first point of contact in distributing the assistance application for new needs.

The In Touch newsletter is a compilation of biographical profiles of retirees, coordinated by one of our retiree chaplains, Bob Terwilliger, and is distributed to retirees two to three times per year.

Each spring, the retiree chaplains gather in person to share stories, receive any updates on internal processes, and spend time together in prayer. In 2021, the annual gathering was cancelled due to the COVID-19 pandemic. To stay connected, BOBS staff leads a quarterly Zoom call, which provides an opportunity for the retiree chaplains to stay connected, encourage each other through the extraordinary demands of the pandemic, and spend time together in prayer. We are planning to meet in person in Holland, Michigan, on April 20–21, 2022, for our annual gathering.

The assistance program provides grants to eligible ministers and their surviving spouses and dependent children. Financial assistance is primarily awarded for needs related to housing and utilities, ongoing medical insurance premiums, funeral grants to surviving spouses, retirement
contributions for disabled ministers, and other one-time or emergency needs. Financial assistance is also available for costs related to the higher education for children of deceased ministers and for medical insurance premiums of full-time RCA ministers involved in a new church plant. Matching grants are available for emergency needs of active RCA ministers. Missionaries with ten or more years of service and former employees of the Southern Normal School are also eligible for grants from the assistance program. (The Southern Normal School is a boarding school in Brewton, Alabama, operated by the RCA for 86 years.)

This need for assistance is established through a formal assistance application that documents income and expenses of the applicant. The assistance program provided monthly grants to 35 recipients in 2021 and is providing monthly grants to 41 recipients in 2022. Due to the high costs of food and gasoline, we are evaluating the needs of each recipient with the hope of providing additional financial relief during 2022.

Recipients of assistance are required to submit an updated application annually. Mornier Rich, coordinator of retiree chaplains and assistance programs, leads the review and grant award process, assisted by Feifei Liu and Kelly Oliveira. Applications are distributed and reviewed throughout the year as new financial needs are presented; grants are awarded when needed.

Each year, grant recipients express their gratitude with notes of thanks to the BOBS staff. The needs of our retirees are real, and the dollars we are able to give make a difference.

- One retiree thanked the board for its prayers, its concern for retirees, and the monthly financial support that helps them to meet their needs.
- A surviving spouse who celebrated her 99th birthday in November 2021 thanked the board for the monthly financial assistance and for its care of widows.
- Another surviving spouse wrote, “Thank you for the grant. My husband served as a pastor in the RCA for over 40 years and loved the denomination, and I continue to feel the care and support from the RCA even after his death.”

The assistance program is funded through three sources: endowment earnings, assessments, and contributions.

1. Endowments:
   - **ERISA Insurance Endowment Fund Policy**: A board-restricted endowment fund has been established with the reserves from the medical plan that was managed by the Board of Benefits Services. Earnings from this endowment fund the retiree chaplains program and assistance fund.
   - **Ed and Luella Mulder Pastor Assistance Fund**: This fund was established by the Mulders to support the financial needs of retirees and their spouses or of surviving spouses. Only the earnings are being distributed to the assistance fund.
   - **Frank Williams Fund**: This endowment specifies that the interest shall only be used to aid ministers who have special emergency needs. This has traditionally been used to provide assistance to active RCA ministers on a matching-funds basis with the consistory, other RCA employer, or classis of membership.
   - **Stillwell Trust**: The interest can only be used to fund the assistance program. Beginning in 2017, the earnings are being distributed to the assistance fund.
   - **Restricted legacies and assistance funds**: These are board-restricted funds to be used for assistance. In 2017, the Children’s Fund (formerly the Orphans’ Fund) was
rolled into the assistance fund, expanding the coverage to include the provision of higher education grants for dependent children of deceased RCA ministers of Word and sacrament.

- **Van Brunt Trust**: The distributions from this trust are made each quarter to the assistance fund.

2. **Assessments**: In 2021, assessments designated for the assistance fund were $2.00 per member.

3. **Contributions**: Any donation to BOBS that is not specified for another fund is deposited into the assistance program fund.

We are grateful for the many donors who give to the assistance fund each year and to General Synod, which has annually approved a portion of assessments that is specifically designated to care for retirees.

**Well-being and Education**

To address the emotional well-being of pastors, BOBS has contracted with Pine Rest Christian Mental Health Services to provide free, confidential, short-term Christian counseling services through the Employee Assistance Program (EAP). The RCA utilization rate has averaged 7.8 percent over the past two years, which is almost 4 percent higher than the average utilization rate of 3 percent. Our contract includes an expanded network of providers so that pastors and their families can seek services in their community. Eligible clergy and their households also have access to a 24-hour phone line to explore their concerns with MSW or PhD counselors. If needed, clergy and members of their household are entitled to up to three face-to-face consultations per problem. In addition, clergy have access to assessments, articles, videos, templates for legal forms, and training via an online tool. More information can be found at [www.rca.org/benefits/employee-assistance-program](http://www.rca.org/benefits/employee-assistance-program). The EAP is available 24 hours a day, seven days a week. To receive services, call 833-244-2490 and identify yourself as a RCA member.

The Ministerial Excellence Fund was created to reduce or eliminate ministers’ personal debt and to give them a jump-start toward long-term financial health. Through grants from Lilly Endowment Inc., matching funds from BOBS, and funds from individual donations, BOBS is giving $1.5 million over a three-year period to eliminate clergy debt. The Lilly Endowment Inc. believes that financial burdens carried by pastoral leaders are significant barriers to effective, faithful, and fruitful ministry. Through this process, grant recipients are expected to disclose their financial situation, agree to financial counseling, meet regularly with an accountability partner, and participate in a financial educational program. We hope, through this grant program, that financially struggling clergy will be given the tools to become financially healthy clergy, and the impact will be that both pastors and their congregations thrive. The RCA website has information about the grant program:

- [www.rca.org/ministerial-excellence-fund](http://www.rca.org/ministerial-excellence-fund)

The third annual Bless Your Pastor campaign was especially successful. In 2021, BOBS encouraged every church to take a special offering to give to their pastor in October, November, or December. As an extension of the Ministerial Excellence Fund, BOBS provided a matching grant of up to $2,000 to be paid toward student loans or medical bills if the special offering was
used to pay down personal debt. We also encouraged ministers to take this opportunity to invest in themselves—to use their own money to match the grant, even if their congregation did not participate. Finally, BOBS offered a $100 Amazon gift card to the pastors of the first 20 churches that participated and collected a special offering for their pastor. The best traction this year came when pastors were invited to contribute their own funds and BOBS matched those contributions. It created a feeling of empowerment and progress as pastors worked toward financial freedom.

We received a Phase III grant of over $800,000 from Lilly Endowment Inc. for continued work on the National Initiative to Address Economic Challenges Facing Pastoral Leaders. In preparation for writing the grant proposal, BOBS interviewed clergy and leaders from across the denomination. It was clear that there is a potential crisis in clergy burnout and that ministers do not have the economic resources to invest in self-care and personal renewal. Beyond bolstering the Ministerial Excellence Fund, the main initiative of this grant was for BOBS to partner with local churches to provide clergy with a two- to three-week paid leave for restoration and renewal. BOBS granted over 100 Clergy Revitalization Grants of up to $3,000 each, where ministers will participate in a revitalization experience coupled with professional counseling or coaching.

Through our partnership with Everence Financial, clergy can participate in a seven-part financial planning process with a team of Everence Certified Financial Planners. They address cash flow, protections, taxes, investing, estate planning, retirement, and charitable giving. This yearlong experience costs $1,500 per pastor. BOBS was able to subsidize half of that cost with the grant from the Lilly Endowment, and half of the remainder is subsidized by funds raised from classes, bringing the final cost to only $375 for ministers. BOBS appreciates the quality of this service and has noticed that new participants are enrolling because of the positive word of mouth from those who have already participated.

BOBS maintains a partnership with LSS Financial Counseling to provide pastors with a free service that focuses on creating a budget, debt consolidation, student loan management, and improving credit scores. This service is not only available to our pastors, but is also available to anyone in their household. Each person who utilizes the service gets up to six sessions with a certified financial counselor. Due to a change in federal policy, a student loan forgiveness program has been extended to clergy and others who work for a nonprofit organization. Because this has significant potential for our clergy, BOBS expanded our contract with LSS Financial to cover all RCA ministers, commissioned pastors, seminary students, GSC staff, and their households. They will be able to consult with a professional from LSS Financial to navigate the student loan forgiveness program. These programs are free for those who participate because BOBS is able to cover the cost for this service through the Economic Challenges Facing Pastoral Leaders (ECFPL) Phase II Lilly Endowment Inc. grant.

A communication strategy is being executed with the goal of making the Board of Benefits Services a trusted, go-to resource for RCA pastors to obtain benefit and financial information specific to clergy in a way that is straightforward and easy to understand. We hope this leads to a relationship where pastors feel that the denomination provides support to them—especially when it comes to the uniqueness of clergy compensation, clergy taxes, and housing allowance. To implement this goal, BOBS will slowly move from outsourcing financial wellness resources to developing more content and opportunities in-house. This will be a mix of written content, videos, online workshops, and in-person events. BOBS will lean on expertise from trusted
partners like Fidelity, the Reformed Benefits Association, Everence, LSS Financial, and others as we bring together the experts and make them available to our participants.

BOBS created a process for welcoming and orienting newly ordained ministers of Word and sacrament in 2020 and has built upon it by educating newly ordained ministers on the enrollment process into the RCA 403(b) Retirement Program. Upon receipt of a blue form from a classis clerk indicating that a minister has been ordained, BOBS sends the newly ordained minister a welcome email. Included in the email is an invitation for a Zoom meeting with retirement and financial education coordinator Billy Norden. Most newly ordained ministers accept the invitation and spend time learning about the benefits promised to them in the Book of Church Order and the services provided by BOBS. This process now includes an opportunity for the new minister to complete their enrollment with Fidelity and receive support from BOBS staff to help navigate the process. They also receive an easy-to-understand summary of their benefits in a packet sent by the general secretary. This summary and conversation are intended to identify any misunderstandings that the newly ordained minister might have and to help them be grounded in their benefits knowledge early in their ministry. We feel confident that when ministers enter the ministry talking about and understanding their benefits, finances, and retirement plans, they will be better prepared financially for their own retirement and be more equipped to lead their congregations in financial discussions and generosity.

The BOBS website (www.rca.org/benefits) has been enhanced with new resources that help participants understand how to navigate their insurance and retirement plans. Ministers, lay people, and employers can access the website to find forms, plan documents, policies, and educational materials. The most recent website enhancement was the addition of informational videos that present ideas about how to prepare for retirement and an easy-to-understand explanation about the retirement plan functions of BOBS and Fidelity. Classis and regional synod stated clerks have expressed gratitude for the webpage that details how leaving the RCA affects benefits (www.rca.org/leaving). The next phase of website improvements will be an overhaul of the employers page. BOBS is putting together a focus group of church administrators that represents the geographical diversity of the RCA to help us create an employers page that will best meet the needs of our churches.

The Board of Benefits Services newsletter has a blend of critical information about our retirement and insurance plans, regular communication about clergy who have passed away, and financial health articles written specifically for clergy. In November 2021, BOBS changed the frequency and length of our newsletter. Readers receive a monthly newsletter with less content rather than a longer, quarterly newsletter. Recognizing that clergy finance and church finance are interwoven with one another, BOBS continues to provide articles that relate to both personal finance for clergy as well as leadership topics about congregational stewardship and generosity. These articles are featured in BOBS’ newsletters, on social media, on the BOBS Financial Health webpage and on Faithward.org. Articles may be viewed at www.rca.org/benefits/financial-health.

Board and Staff Transitions

The Board of Benefits Services expresses its gratitude and appreciation to Dennis Foemmel, Christian Spoor, and Robert Vander Schaaf for their faithful service as retiree chaplains. We welcome Dennis TeBeest as our newest retiree chaplain.

BOBS also thanks Dana Chapman and Joseph Laswell for their service as board members.
Finance and Annual Audit

Please see the report of the Office of Finance on pages 48-60 of this workbook to review BOBS’ finances and annual audit.

Re-domiciling Corporation in Michigan

General Synod 2019 approved the articles of incorporation and the bylaws of The Board of Benefits Services of the Reformed Church in America, Inc., a Michigan nonprofit corporation. As a result, a new corporation was established and vendor contracts, agreements, and assets were transferred effective January 1, 2020. January 1, 2020, also marks the time that BOBS began doing business as a Michigan nonprofit corporation.

Petitions for dissolution of the New York corporation were submitted to New York State in Spring 2021, and we have been assured that they are being processed.

BOBS will maintain office space, staff, and day-to-day operations in The Interchurch Center at 475 Riverside Drive, Suite 1606, New York, New York 10115.

Proposed Amendments to the Bylaws of The Board of Benefits Services

The bylaws of BOBS currently state that the board should consist of at least nine and not more than seventeen directors. Four of those directors include the president and vice president of the General Synod, the moderator of the General Synod Council (GSC), and the general secretary or his or her designee. The remaining directors (at least five and no more than thirteen) are “directors-at-large.” In recent years, the board has found that a smaller board has been a more engaged and productive board. While the number of people serving as directors-at-large has been decreased, representation of the General Synod and the GSC through the president, vice president, moderator, and general secretary has not decreased proportionately. Additionally, in order to effectively do its work, the board’s composition must include professionals in investments, insurance, retirement, and law. The board needs two representatives with professional investment or retirement experience to serve on the Investment Advisory Committee, one representative with medical or health care benefit experience to serve on the board of trustees of the Reformed Benefits Association, and one qualified representative to serve on the audit committee. While clergy representation is also important, it would be more helpful to have clergy who are knowledgeable in the work of the board than clergy who are identified for service on the basis of their status as such.

In addition, at its March 10, 2022, meeting, the board of directors of BOBS discussed proposed revisions to Section 3.3 (Number and Term of Directors), Section 5.2 (President), and Article VI (Committees) that would provide greater flexibility for BOBS committees and BOBS’ participation on committees, in working groups, or in similar groups that are intended to benefit multiple agencies in the RCA.

At its March 10, 2022, meeting the board of directors of BOBS concluded that its bylaws should be amended. Its bylaws provide that they “may be amended by the General Synod by a majority vote of those present and voting at any regularly constituted meeting, provided that the proposed amendment has been submitted in writing to the Board of Directors of [BOBS] for its
consideration at least three calendar months before the meeting of the General Synod in order that the Board may be able to present its views on the matter” (BOBS Bylaws, Section 8.3).

Accordingly, pursuant to Section 8.3 of its bylaws, and having had an opportunity to present its views on the matter during its March 2022 meeting, BOBS makes the following recommendation to the General Synod:

**BBS 22-1**
To adopt the following amendments to the Bylaws of The Board of Benefits Services of the Reformed Church in America, Inc., a Michigan nonprofit membership corporation (additions are underlined; deletions are stricken):

*Section 3.3 Number and Term of Directors.* The board consists of at least eight (8) nine (9) and not more than sixteen (16) seventeen (17) directors. The composition of the board shall be as follows: one person designated by the General Synod Council from among its moderator or the president or and vice president of the General Synod, the moderator of the General Synod Council, the general secretary of the General Synod or his or her designee, one member of the General Synod Council with interest and experience in the work of The Board of Benefits Services designated by the General Synod Council from among its members, and at least five (5) and no more than thirteen (13) directors-at-large who shall be nominated and elected in the manner set forth in BCO Chapter 3, Part I, Article 4 (as it may be amended from time to time). Eligibility for each at-large director, method for election and/or appointment (including the filling of vacancies for any reason), and the term of office shall be as provided for General Synod agencies in the BCO. The terms of office on the board of directors of the corporation for the member of the General Synod Council shall be limited to his or her term of service as such member, and of the general secretary of the General Synod shall be limited to his or her term of service as such general secretary. The Commission on Nominations (as defined in the BCO) should strive to assure that no more than one third of the at-large director terms expire annually. The at-large directors shall have such experience, qualifications, and professional backgrounds as are necessary or appropriate to ensure that the board of directors is properly equipped to monitor the performance of the Executive Director and effectively represent the various constituencies in the Reformed Church in America that have an interest in the proper and effective functioning of the corporation, and may include one or more ordained ministers, dependents of ordained ministers or employees of institutions or agencies of the Reformed Church in America who are participants in the plans and programs that are
managed and administered by the corporation at the date of their nomination. No more than one half of the board of directors shall be ordained ministers or dependents of ordained ministers or employees of institutions or agencies of the Reformed Church in America. The general secretary shall use every opportunity to bring the work of the corporation before the Reformed Church in America.

Section 5.2 President. The President must be a member of the board of directors. The President presides over all board meetings, and performs such other duties as are usually required of that officer or as may be requested by the board. The President or his or her designee shall be a member or ex-officio member of all committees of the board, with such rights, responsibilities and privileges as may be established at the time of formation of the committee.

ARTICLE VI
COMMITTEES
The board may create committees from time to time. All committee chairs must be directors. With or without cause, the board may at any time disband any committee, including any executive committee, or remove any committee member.