

Report of the Board of Benefits Services

The Board of Benefits Services of the Reformed Church in America 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, under the original name “The Ministers’ Fund of the Reformed Church in America, Inc.” Later, the name was changed to “The Board of Pensions of the Reformed Church in America.” It had operated continuously as a New York not-for-profit corporation until 2019, when the board of directors voted to redomicile to the State of Michigan. This action was approved by the General Synod during its 2019 session.

In the fall of 2019, The Board of Benefits Services of the Reformed Church in America, Inc., (BOBS) was incorporated as a Michigan domestic nonprofit corporation. Thereafter, all operations, assets, liabilities, and contract rights of the New York corporation were transferred to the Michigan corporation. Dissolution of the New York corporation was approved by the State of New York, effective August 31, 2022.

On April 16, 2023, BOBS celebrated 100 years of incorporation.

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 on October 20, 2022, in Grand Rapids, Michigan, and on March 16, 2023, in Orlando, Florida. The volunteer board consists of at least eight but not more than sixteen directors, including pastors and professionals from business, finance, investments, and law. The composition of the board is as follows: one person designated by the General Synod Council (GSC) from among its moderator or the president or vice president of the General Synod, the general secretary of the General Synod or his or her designee, one member of the GSC with interest and experience in the work of the Board of Benefits Services designated by the GSC from among its members, and at least five and no more than thirteen directors-at-large.

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 or her immediate family (*BCO* Appendix, Formulary No. 5). As of 2020, an additional requirement states that if the minister and his or 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. 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 [2022 edition, p. 15]).

Retirement Services, Fidelity Investments, and Fund Management

To participate in the RCA 403(b) Retirement Program ("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 recognizes the 403(b) plan as the retirement plan of the employer and allows a consistory some flexibility in defining the terms of its participation in the 403(b) plan. 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 adoption agreement can be downloaded from the employer section of the BOBS' webpages (www.rca.org/benefits/employers).

Fidelity Investments provides the recordkeeping services for the retirement plans. 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 18 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 target date Fidelity Freedom Funds.

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.

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

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 Creative Planning Retirement Services, who take an active role in monitoring the investment options and administrative expenses associated with our retirement plans. Creative Planning also verifies that any revenue sharing and fees collected from Fidelity are consistent with fee agreements that are in place.

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

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 2025. 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

Because of a recent fund review with the Investment Advisory Committee and our financial consultants from Creative Planning, BOBS made changes in its investment lineup. On November 21, 2022, the Oakmark International Fund (OAKIX) and Allspring Emerging Markets Equity Fund (EMGNX) were removed, and existing balances and future contributions were transferred to an existing investment option, MFS International Diversification Fund (MDIZX). In addition, as of May 24, 2023, the Fidelity Government Money Market Fund Premium Class (FZCXX) replaced the Fidelity Government Money Market Fund (SPAXX). This will lower expenses for participants and increase the yield. Participants who are not satisfied with how their current elections were modified are able to make changes by logging on to NetBenefits at netbenefits.com/atwork or by calling Fidelity at 800-343-0860.

Effective January 1, 2022, the administrative fees charged to participants on employer contributions was reduced from 19 basis points to 10 basis points. A decrease in operational expenses, earnings from the ERISA Insurance Endowment Fund and other sources, and an increased value in retirement plans allowed for BOBS to reduce the fee. The administrative fee remains at 10 basis points for 2023.

Housing Allowance Designation

At its October 2022 meeting, the board approved the following housing allowance designation for eligible participants taking distributions from the RCA retirement plans.

For calendar year 2023, to designate up to 100% of distributions from the RCA Retirement Plan and 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 retirees who have money in either plan at the end of each calendar year and are available on the BOBS' retirement webpage.

Tiered Approach to Selecting Investment Options

BOBS' retirement 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 participants' 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, visit Fidelity NetBenefits at 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/esg.

Social Screening Constraints and Environmental, Social, and Governance Investing

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

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 (*Minutes of General Synod 2021*, p. 206) and ONB 21-9 (*Minutes of General Synod 2021*, p. 119). As a result, the Investment Advisory Committee (IAC) created an ESG subcommittee to discuss these two recommendations. Two BOBS board members with professional experience in retirement plans and investing are members of the IAC and of this subcommittee. The ESG subcommittee reported back to the full IAC and shared the following:

- Industry standards for ESG ratings and definitions are a work in progress. The criteria and scoring methods are constantly evolving. Recently, there is also significant political and regulatory pushback of ESG standards. At this point,

the RCA is not behind the industry on incorporating ESG criteria into our policies.

- In this frequently changing environment, we are being cautious and prudent and believe it is not a good time to integrate ESG criteria into our investment policies. As fiduciaries to the retirement funds, the subcommittee remains committed to balancing both investment growth and our ESG impact.
- The subcommittee commits to paying attention to the developing industry standards related to ESG and will meet annually to review the ESG environment and determine if we should take future action.

RCA 403(b) Retirement Program Plan Document Changes

At the March 16, 2023, board meeting, minor changes to the plan document were approved, effective April 1, 2023.

- The definition of Plan Year (Section 2.32) was changed to reflect that the financial reporting is done on a fiscal, not calendar, year.
- Updates throughout the plan were made to clarify the distribution process for lay foreign missionaries (various sections).
- The definition of Employer (Section 2.16) was changed to provide better clarity and so that the language is in line with the IRS code.

RCA 403(b) Retirement Contribution Verification Project

The RCA 403(b) Retirement Program holds funds for 1,500 active participants with a value more than \$276 million as of April 3, 2023. 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 by not contributing the required 11 percent of compensation to eligible RCA ministers' retirement accounts. Approximately \$1.8 million has been collected and added to the retirement accounts of RCA ministers since this project has begun. However, there is still a shortfall of an estimated \$912,794 that churches should have contributed to these accounts.

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, a significant number of churches fail to 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.

Churches and participants can help BOBS by:

1. Completing and submitting the Retirement Security Form in its entirety with accurate information.
2. Responding to inquiries from BOBS staff and, if needed, contributing the amount requested to cover the shortfall in contributions.
3. Reviewing quarterly statements to ensure that the church has made the required 11 percent contribution.

Reallocation Program

The RCA Retirement Plan, a non-qualified plan, holds funds for 388 active participants with a market value of almost \$190 million as of April 1, 2023. 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 2022 to participants in connection with the 2021 tax year. One hundred and sixty-three participants were able to reallocate almost \$6.59 million from the RCA Retirement Plan to the RCA 403(b) Retirement Program.

The reallocation program will be offered again this year to participants in connection with the 2022 tax year. Information will be sent to eligible participants on June 1, 2023, with a July 31 due date. Final eligibility and the amount that can be reallocated each year will be determined by BOBS based on the information provided by the participant and in accordance with the IRS annual contribution limits and IRS regulations. Participants are able to participate in the reallocation program while working for an RCA employer and for five years after they are no longer earning wages from an RCA employer.

More information about the reallocation program is available on the BOBS webpage at www.rca.org/benefits/retirement/reallocation or by contacting BOBS staff 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 that consistories can easily fulfill this promise.

The Reformed Benefits Association was created in 2013 by the Board of Benefits Services of the Reformed Church in America and the Christian Reformed Church in North America (CRCNA) for the provision of health and welfare benefit plans for ministers, lay employees, and retirees of each denomination and other eligible employers. The RCA is represented on the RBA board by Dr. James Kuplic, Leanne Bough, Doug Struyk, and staff representative and executive director of Benefits Services Kelly Oliveira.

BOBS continues to collaborate with the 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, which had remained the same since 2019, increased two percent in 2023. 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' 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 cancelation is sent to the minister, to the treasurer, and to the classis. The loss of or lack of coverage leaves the minister

without financial security, 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 encourage to keep their beneficiary information up to date by using the beneficiary designation form (www.rca.org/wp-content/uploads/2021/03/Life-Beneficiary-Form.pdf).

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 need 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 during 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" (2022 edition, p. 139). For 2023, the minimum standard of coverage established by BOBS is met by offering coverage that approximates the consumer plan, as offered by the RBA.

- A coinsurance of 80 percent, an individual deductible of \$3,000, and a family deductible of \$6,000
- A maximum in-network, out-of-pocket cost of \$5,000 for an individual and \$10,000 for a family
- Coverage that is 80 percent after the deductible has been met and until the out-of-pocket maximum has been reached
- 100 percent coverage of eligible medical expenses once the out-of-pocket maximum has been met

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 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.
- For the RCA 403(b) Retirement Program, part time is defined as 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 and Assistance Programs

Through the retiree chaplains program, BOBS employs a network of 27 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 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* booklet is a compilation of reflections from our retirees edited by retiree chaplain Bob Terwilliger. The booklet is published and sent to retirees three times a year, and individual reflections are posted on the webpage for retirees: www.rca.org/benefits/retirees.

Each spring, the retiree chaplains gather in person to share stories, receive any updates on internal processes, and spend time together in prayer. The retiree chaplains met in person in Holland, Michigan, on April 25 and 26, 2023.

The assistance program is a ministry available to eligible ministers, their surviving spouses, and dependents who are experiencing long-term or immediate financial need. Lay missionaries with ten or more years of services and former employees of the Southern Normal School are also eligible for grants from the assistance program.

- Financial assistance grants are primarily awarded for needs related to housing and utilities, ongoing medical insurance premiums, funeral grants to surviving spouses, and EBPH retirement contributions for disabled ministers. At times, a one-time grant is provided for an immediate, unexpected, or urgent need.
- While rarely requested, financial assistance is also available for costs related to the higher education of children of deceased ministers and to assist in the payment of medical insurance premiums of full-time RCA ministers involved in a new church plant.

To be eligible for monthly grants, recipients must have exhausted their retirement account(s) and have established financial need through a formal assistance application. Each year, assistance recipients are required to complete and submit a new application. Mornier Rich, coordinator of retiree chaplains and assistance programs, and Kelly Oliveira, executive director of Benefits Services, review applications and award grants for the upcoming year. Applications are distributed and reviewed throughout the year as new financial needs are presented; grants are awarded when needed. Twenty-six monthly grants totaling \$12,121 per month were approved and will provide assistance in 2023 for essential needs or medical insurance premiums.

Board of Benefits Services' Assistance Grant Assessment Request

For many years, General Synod has approved a request to support the Assistance Program through assessment dollars. The ERISA Insurance Endowment Fund was established in 2019; the earnings from this endowment can be used to fund the Assistance Program. Due to this new revenue stream, BOBS will not be requesting the \$2.00 per member assessment it has requested in the past for the funding of the Assistance Program for 2024.

This means that, as of January 2024, the retiree chaplains and assistance programs will be funded only through endowment earnings and contributions. We are grateful that assessments and administrative fees from the retirement plan are no longer needed to support these critical ministries. We are also grateful for the many churches, organizations, and individuals who donate to the Assistance Fund each year. (If you would like to be one of them, visit www.rca.org/give/bobs-assistance-fund.)

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). Our contract includes an expanded network of providers so that pastors and their families can seek services at a local clinic in their community. Ministers 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. The EAP is available 24 hours a day, seven days a week. To receive services, call 833-244-2490 and identify yourself as an RCA member.

The Ministerial Excellence Fund (www.rca.org/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 has given \$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.

BOBS encourages 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, we provide a matching grant of up to \$2,000 to pay down student loans or medical debt. Ministers are encouraged to take this opportunity to invest in themselves by using their own money to receive the matching grant if their church is not able to participate. We are pleased that, in total, over \$80,000 in student loans and medical debts was paid down for 23 ministers in the 2022 Bless Your Pastor campaign (www.rca.org/benefits/bless-your-pastor). Since 2019, over 100 ministers have received a grant from the Bless Your Pastor campaign. This opportunity will be offered again in 2023.

Two new types of grants were available in 2022:

1. The Retirement Kickstart grant was established to incentivize ministers who are behind in saving for retirement to make or increase their employee contribution into their RCA 403(b) Retirement Program account. To qualify, clergy needed to contribute an additional two to four percent of their salary into their account. Those awarded the Retirement Kickstart grant received a contribution between \$2,000 and \$4,000 directly into their RCA 403(b) retirement account.

2. The Clergy Revitalization grant was created to offer ministers a two- to three-week paid leave to participate in a revitalization experience, including professional counseling or spiritual direction. BOBS collaborated with local congregations and, in 2022, awarded over 100 Clergy Revitalization Grants, totaling just over \$240,000, to help clergy become revitalized for ministry in ways that will bless the RCA for years to come.

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 also 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 available not only to our pastors, but also 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 is available to clergy and others who work for nonprofit organizations. 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. Those eligible can 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.

With the knowledge that congregational financial health is directly connected to a minister's participation in benefits, BOBS partnered with the GSC Advancement department and the Lake Institute on Faith and Giving to host Cultivating Generous Congregations learning communities for RCA churches. The curriculum was provided by the Lake Institute and presented by BOBS and Advancement staff through a hybrid of in-person and online gatherings. The first offering was held in Long Island on March 2, 2023, where a cohort of churches gathered in person to begin the three-month experience. Plans are in the works for another cohort that will gather in northwest Iowa. This project is funded by money left over from a previous Lilly Endowment Inc. grant.

After the success of the September 2022 "Ready to Retire" workshops, BOBS offered two more sessions of the same workshop in January. Thos Shipley and Billy Norden developed content and presented an interactive online workshop to help participants understand timelines, tasks, and resources as they prepare to retire. All retirement plan participants age 50 and above who were not yet retired were invited to attend.

Fifty-eight participants attended the September workshops and another thirty-eight attended the January workshops. Participants provided positive feedback through a follow-up evaluation and were grateful for the experience. We plan to offer these workshops three to four times per year.

BOBS invited all classis clerks and regional synod executives to sign up for a 30-minute listening session. Almost 40 people signed up for these conversations. Through these listening sessions, we asked about the main priorities of the clerks and how engaged they are in the work of BOBS; how they address the *BCO*-mandated benefits for their racial and ethnic churches, church plants, and financially struggling congregations; and what they need from BOBS now and as we strategically think about BOBS' services in the future. We heard over and over about how much time and energy is being spent caring for the churches and pastors who are leaving, and there is concern for what will be left, which, in many cases, will be smaller churches that cannot afford benefits. Many shared their hope for rebuilding. BOBS is grateful for our partnership with the classis clerks and regional synod executives as we continue to find the best ways to care for our ministers.

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. Newly ordained ministers are invited into a conversation with retirement and financial education coordinator Billy Norden, where they 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 while receiving 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 help the minister 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 more equipped to lead their congregations in financial discussions and generosity.

The Annual Insurance and Retirement Benefits Information booklet is updated and distributed to ministers and churches each September. An email link was sent to all ministers, churches, classes, and regional synods, and a hard copy was mailed to each church. A PDF copy of the booklet can be found online at www.rca.org/airb.

The BOBS' webpages (www.rca.org/benefits) are regularly updated with new resources that help participants understand how to navigate their insurance and retirement plans. Ministers, lay people, and employers can access the webpages to find forms, plan documents, policies, and educational materials. The most recent webpage 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.

The Board of Benefits Services' monthly 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. 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 (www.rca.org/benefits/financial-health) and on Faithward.org.

Board and Staff Transitions

The Board of Benefits Services expresses its gratitude and appreciation to Philip Doeschot, Lucille Perkins, Larry Ten Haken, Kenneth Tenckink, and Arvin Wester for their faithful service as retiree chaplains. We welcome Ronald Cassie as our newest retiree chaplain, as well as returning retiree chaplain Gene Poll.

BOBS also thanks Jack Doorlag and Doug Struyk for their service as board members.

Finances and Annual Audit

Please see the report of the Office of Finance on pages 46-58 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 the dissolution of the New York corporation were submitted to New York State in spring 2021, and the New York State Attorney General's office approved the dissolution of the BOBS New York corporation, effective August 31, 2022.

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

An Equitable Future

The following paper, "An Equitable Future," discusses some challenges that many RCA churches of color are facing regarding the provision of the required benefits for their ministers. How the RCA has structured the required benefits for RCA ministers should be studied and adapted in order to create a system that provides more flexibility and honors cultural traditions, while also maintaining a high standard of care for RCA pastors. In some cases, this may mean we need to seek culture change

in areas where we discover unhealthy culture that leads to pastoral burnout and long-term harm. The paper highlights some of the realities that are preventing all churches from adequately providing for their minister's financial well-being and topics to consider as the denomination seeks to be a multicultural denomination freed from racism.

AN EQUITABLE FUTURE

A Conversation with the Board of Benefits Services of the Reformed Church in America

First published in July 2022

Author: Rev. Billy Norden (Retirement and Financial Education Coordinator, BOBS)
Edited by: Kelly Oliveira (Executive Director, BOBS), Mornier Rich (Coordinator of Retiree Chaplains and Assistance Programs, BOBS), and Becky Getz (Writer and Editor, GSC)

Reviewed for accuracy by: Rev. Daniel Davila, Bizzy Feekes, and Rev. Imos Wu

Overview

On May 3-4, 2022, six people gathered at the Board of Benefits Services (BOBS) office in New York City to have a conversation about compensation and benefits for non-white/non-Anglo clergy in the Reformed Church in America (RCA). The group was composed of RCA ministers, a seminary student, and BOBS staff members. Present were Daniel Davila, Bizzy Feekes, Kelly Oliveira, Billy Norden, Mornier Rich, and Imos Wu. Sharon Atkins was invited but was not able to attend because of employer restrictions due to a spike in COVID-19. This report will detail the grant that allowed for this conversation to occur, how the need for this conversation emerged, the structure of the two-day dialogue, and some of the barriers that were identified to financial well-being. The report will conclude with some possibilities and hoped-for outcomes as a result of this conversation.

Funding Source

In September 2020, Billy Norden was invited by the Leadership Education School of Duke Divinity to participate in a cohort called "Seek the Welfare: Faith, Community, Sustainability and New Vision." Over a 12-month period, the cohort was to travel to four different sites across the country to learn how different Christian leaders are implementing sustainable Christian communities that seek welfare and equity for diverse groups of people. The cohort members were challenged to think about how their own work could be inspired by what they learned. The first event was virtual because of the pandemic, but there was hope that other events could happen in-person. As the pandemic continued to unfold, the entire experience became online-only. As a result, the Leadership Education School had excess funds that they wanted the cohort to have access to. Each member of the cohort was invited to apply for a \$5,000 grant that fit within the focus of the program, while specifically enhancing

the ongoing personal work of the participants. Billy wrote a proposal to use the funds to have this conversation in New York City.

A Problem Identified

When a minister becomes ordained in the RCA, they receive an initial email from the Board of Benefits Services, giving them a brief overview of the benefits that their churches are responsible for providing them according to the *Book of Church Order (BCO)*, the services and ministries administered by BOBS, and an invitation to a follow-up conversation to walk through the information and address any questions the minister may have.

In 2021, the Classis de las Naciones submitted a number of forms to inform the General Synod Council (GSC) staff of new ordinations and newly organized churches. As Billy Norden met with the newly ordained ministers, it became clear that many of these ministers were not aware of the requirements for RCA ministers of Word and sacrament and RCA churches to participate in the RCA 403(b) Retirement Program, life insurance, and long-term disability insurance, and for churches to provide health insurance that meets or exceeds the minimum requirement as required in the *Book of Church Order*. The pastors Billy spoke to articulated that they would love to receive these benefits, but that there was no way their congregations could afford them. Generally speaking, for a full-time minister and his or her family, a benefits package is usually greater than \$25,000, and health insurance is usually the largest portion of that cost.

Two realities were held in tension in those conversations. For many congregations with few financial resources, coming up with this amount in addition to current expenses is unrealistic. But the other reality is that RCA churches cannot opt out of these benefits for full-time ministers. These benefits are required by the *Book of Church Order* and are a critical resource for the long-term well-being of clergy.

After this discovery, helpful conversations were held between BOBS staff members; the classis executive, classis clerk, and ministers from Classis de las Naciones; and then-director of Church Multiplication, Randy Weener. Those conversations resulted in increased communication and education about the required benefits, but the barrier to funding benefits still existed. One question from a pastor during those conversations was important: “What should we do in the meantime while General Synod works on this?”

The unfortunate reality at that time was that no one was working on it.

Many church members and ministers in the Classis de las Naciones are Hispanic, hailing from many countries spanning Mexico, Central America, the Caribbean, and South America. We at BOBS know that if a stated goal of the RCA is “Living into a multicultural, multiracial future freed from racism, sexism, and ableism” (as stated by the RCA’s Office of Advocacy and Race Relations, www.rca.org/office-of-advocacy-and-race-relations), then it is highly problematic if our Hispanic ministers are not getting benefits, while a vast majority of our white ministers are.

Close to this time, a representative from our Korean churches contacted us, asking if BOBS could present some information about benefits to a gathering of churches in New York. We were excited to connect with our Korean churches in this way because past experience had indicated that there is a barrier to Korean RCA churches participating in RCA benefits programs.

All of this caused us to wonder, “What else should we be aware of? What other barriers or considerations might exist in other non-white RCA communities?” Considering these two questions, we wanted to get a broader perspective from the experience of people in our African American and Black communities, Asian American and Pacific Islander communities, Hispanic and Latino communities, and Native American, Indigenous, and First Nations communities.

From these questions, and with grant funds available to us, a conversation with the aspiration of “An Equitable Future” was born.

Participants and Structure of the Conversation

As we entered into this conversation, we were well aware that six people couldn’t possibly represent the diversity of every community within the RCA. However, we did believe that beginning the conversation, even if it couldn’t possibly reflect every aspect of our diversity, was better than no conversation at all. Around the table, six voices were able to represent some aspects of our diverse racial and ethnic communities, and our voices included those of men, women, ministers, seminary students, and the Board of Benefits Services.

After allowing ample time for introductions and getting to know one another, the heart of our time together was painting a picture of reality within the contexts we were connected to. This was an opportunity for deep listening as we began to understand the realities, challenges, and differences within the RCA. The second day began with an overview of the services BOBS offers and the values and theology behind these services. Believing that positive change occurs when we discover shared values, we began to identify the values regarding financial well-being that might be embraced across diverse communities. Finally, we began to dream and discern what action steps might lead to a more equitable future in the RCA.

Barriers and Problems Identified

As we expected, the more we spoke with each other, the more layers and challenges were unveiled.

Complexities Multiply

The first and most obvious issue is that it is insufficient to categorize groups into the categories of the three RCA racial and ethnic councils (African American Black Council, Council for Pacific and Asian American Ministries, and Hispanic Ministries Council) and Native American Indigenous Ministries. There are significant variations among Taiwanese, Chinese, and Korean churches, just as there are among Puerto

Rican, Mexican, and Venezuelan churches, just to name a few examples. Just as there is no one cultural description that fits all Asian people and churches, the same is true for every grouping in the RCA. There is wide variation from church to church. This makes identifying strategies for change and impact much more difficult.

As if this didn't make things complex enough, within each specific cultural context there are generational variations that add to differences within each community. For example, younger members of Korean churches may be more open to talking about finances than older generations. Likewise, in our Hispanic churches, second-generation children of immigrants might have significantly more financial resources than first-generation immigrants do. Churches composed of primarily second- or third-generation congregants have very different needs and financial strategies than churches that are composed of primarily first-generation immigrants.

We also learned together that there is not a shared vocabulary across cultural lines, and in some cases, helpful vocabulary for one group could be harmful vocabulary for another. For example, we discovered that for many Hispanic churches, having a missionary ideology and mentality was motivating and helpful; however, for our Native American communities, the missionary terminology brings with it centuries of harm and damage, and that language is unacceptable in that context. As we will discuss more in depth, language—like full time or part time, vocation and call, health and well-being—is vastly different depending on the context in which one ministers. The more we spoke, the more complex our dream about an equitable future became.

Vocation and Call

One vocabulary word that became a focus was the term “covocational.” Covocational replaces the previous term bivocational to describe someone who has two or more careers at the same time. The underlying reality is that many pastors of all races and ethnicities view having an additional funding source outside of congregational ministry a necessity. Especially in communities of color, funding sources outside of congregational ministry is a very common practice. For our African American and Black churches, renting building space to other churches is a common practice to bring in extra revenue. For our Hispanic churches, it is common for ministers to have their primary income come from other work, while more moderate income comes from the church budget.

The adoption of the term “covocational” and the discarding of the term “bivocational” has to do with the concept of call. In most communities, regardless of race or ethnicity, call to ministry is viewed as a whole-life commitment. And so it follows that for a person to consider oneself a part-time minister is a rejection of God's whole-life call to ministry. The term covocational is a way to embrace the fullness and wholeness of ministry, while also acknowledging another aspect of life that involves work and compensation.

While this makes sense from a theological perspective, it becomes problematic from a BOBS perspective. In the RCA, if one is a full-time minister, one must participate in the benefits required of a full-time minister. Benefits are also required for part-time

ministers. A benefits waiver can be filed for part-time ministers; the waiver must be approved by the classis. This is, of course, discouraged, but it is an option. Based on requirements from our vendors, BOBS must have a clear reporting of how many hours per week a minister is employed, and BOBS must make sure that the benefits given and received are appropriate according to that reporting.

We also heard in our conversation that many pastors in our Hispanic communities report having full-time non-church jobs while also working full time for the church. It caused us to wonder, specifically when it comes to administering benefits, how the ministry hours are being counted and calculated in these circumstances. While it might be possible for someone to work 80+ hours a week, it seems to us that those situations would be rare and would be unsustainable in the long term.

Finally, in regard to covocation, we learned that while many Asian churches can only afford to pay for part-time work, the minister is strongly discouraged from finding work with additional income outside of that specific ministry. In this case, there is an embrace of a whole-life call to ministry but an inability to compensate a minister for that level of service.

Relationship between Congregation and Pastor

The relationship between the congregation and the pastor makes a significant difference when it comes to giving benefits. This is true no matter what racial or ethnic context we examine, but the following are some specific revelations we heard.

- In some Asian churches, ministers' salaries are intentionally kept low to qualify them for government or local aid programs. Part of the salary is provided in the form of rent or a leased car. Other times the pastor will receive cash as payment. This can create an unhealthy dependency of the minister on the church and does not provide any financial stability for the minister's future.
- In some Asian cultural contexts, there is the overt belief that a pastor should suffer. This belief can be held by the minister, the congregation, or both. There can be an outspoken aversion to a minister living comfortably or being able to afford nice or new things.
- In some Asian churches, ministers who are first-generation immigrants are not comfortable receiving benefits because many of their members don't have benefits due to the type of work they can find. For this same reason, many ministers who are second-generation Asian Americans leave those types of churches.
- In some Hispanic cultural contexts, there is hesitancy to apply for healthcare through the Affordable Care Act, based on one's citizenship status. While healthcare is available for undocumented residents, many are suspicious of the U.S. government and refuse to enroll. It can create a challenge for clergy to receive healthcare benefits if many in the congregation aren't receiving similar benefits.
- Likewise, in Native American contexts, there is a strong distrust of U.S. government programs. Additionally, many Native American communities find

themselves in financial hardship, so organizing a church and funding a salary package for a minister is far outside of current reality. Finally, we heard that there is an expectation of helping others in need, even if you have very little to give.

- In some African American Black churches, there is likely to be more of an openness to a covocational minister, but the expectations for the time and presence of that minister remains very high. Ministers are expected to be at most events, exhibit a high level of member care, and care for the many programmatic, facility, and administrative needs of the congregation.

Financial Literacy

Mornier Rich highlighted the reality that financial literacy and financial education is lacking in some of the African American Black churches that she is connected to. She shared that a debt reduction and financial literacy class offered by New Brunswick Theological Seminary was a significant catalyst for positive change in her life as well as the lives of her children. She perceives that there is a significant need for resources like that.

Similarly, Daniel Davila Sr. noted that many who immigrate to the United States, in his context, quickly (and surprisingly) adopt the consumerist mindset that is the norm in the U.S.

In various communities, financial programs are available but not utilized. One of the causes is skepticism of government resources, as noted above. Other reasons are inaccessibility and language barriers.

Underfunctioning of Classes

When examining the structure and polity of the RCA, it is clear that while BOBS exists to provide and administer the benefits program, it is the responsibility of the classis to educate its members about benefits, oversee the proper participation in benefits, and hold churches accountable should they fall out of compliance with *BCO* requirements.

While some classes are carrying out those duties accordingly, BOBS staff reported that there are a significant number of classes that are not. Examples include:

- In some classes with a significant number of Hispanic churches, churches have been organized that aren't financially sustainable enough to pay both denominational assessments and clergy salary with benefits.
- In some classes with a significant number of African American Black churches, new ministers from other denominations aren't properly vetted, causing a break between RCA order and the practices of the congregations.
- In some classes with a significant number of Asian and Asian American churches, congregations have been brought in from other denominations without proper onboarding and orientation, creating a disconnect between RCA standards and the practices of the congregations.

- The feedback we heard about our Native American communities is that there is a lack of unified leadership and connectedness. We can't say conclusively whether this is an issue at the classis level or if this is more of a concern and responsibility for the General Synod.

We find that some classis clerks are not appropriately knowledgeable about benefits requirements, some classis committees do not have practices in place to oversee church compliance to benefit requirements, some churches do not administer benefits correctly, and there is not a consistent system for catching these mistakes in a timely manner. This observation is not limited to classes with a higher percentage of people from a racial or ethnic background that is not white, but the concern is prevalent throughout the RCA.

The Wrong Leverage Point

BOBS has two main touch points: ministers and classes.

Put yourself into the shoes of this minister. You pastor a small congregation. Many of your members work in the service industry and are struggling to make ends meet. You are aware that expenses for the congregation are a point of high anxiety, and your compensation is by far the biggest item in the budget. Even if you knew that you needed appropriate benefits for the well-being of yourself and your family, would you advocate for yourself and push the congregation to increase giving and budgeted expenses to meet your needs? Many feel like they cannot, and that there is no one to advocate on their behalf.

A reality that emerged in this discussion is that any real change will need to happen at the level of local church leadership. This is where education, good communication, and accessible resources might be most impactful. Ironically, it is also the area of the RCA structure where BOBS has the least access, influence, and connection.

Imbalanced Resources

An older model of ministry expansion had white ministers with Dutch heritage going to minister to people with non-white racial and ethnic backgrounds. That model has shifted (and we would argue that the shift was much needed) to a model where leaders indigenous to a certain community are empowered, equipped, and sent to do ministry in their local communities.

Consider this situation: A young Native American person feels a call to ministry in her local community. She doesn't come from wealth, just as many in her community don't come from wealth. She goes through an undergraduate program and then through seminary, accumulating student debt along the way. She then returns to her community, to which she feels called to bring God's love and care. She is well educated by credible institutions and equipped to serve. However, she now has a significant amount of debt and will be serving a community that has no means to pay her at a level that will cover her most basic living expenses, let alone her benefits needs. This is a cycle that will continue to repeat itself.

In many of our racial and ethnic communities, there is an appropriate hope that over time, with the right resources and care, they can become financially sustainable and even financially vibrant. If we hope to see these communities thrive, they will, for the time being, need financial support that comes from an outside source with a clear plan of shifting that responsibility over time to the local community.

Possibility and Hope

Going into this conversation, we knew that we would likely uncover more challenges than solutions. However, there were a number of insights from this conversation that are cause for hope and new possibilities.

Relationships as Key to Positive Change

Face-to-face conversations, where all people present commit to deep listening, are key to transformative change. Through conversations like these, the subject of finances and benefits guidelines can move from an adversarial experience to a collaborative experience. Relationship building results in identifying shared values and a desire for the well-being of the other. For positive change to take place in the RCA, in-person conversations will be a key in moving toward shared values and outcomes.

Creative Contribution Systems

An emerging reality may be that ministers receive their primary compensation from an employer outside of the church. If that employer doesn't offer a tax sheltered retirement plan, we wondered if there are ways a minister could contribute to the RCA 403(b) Retirement Program. One suggestion was that a minister could give money to the church, with the understanding that the church would then contribute those funds into the 403(b) account as an employer or employee contribution. This idea was suggested because individuals can only contribute to the 403(b) program through payroll deduction. This idea raises a number of questions, though: Is this legal? Would there still be a tax benefit to saving in this manner? Would this honor the laws surrounding the clergy housing allowance benefit in retirement? How would the church record the donation from the minister?

Based on information from our legal counsel at Conner & Winters, there is a provision in Internal Revenue Code for self-employed ministers to contribute directly to 403(b) plans, but all money contributed must be earned doing work that the IRS considers ministry work.

While this concept leaves much to be answered, the question is important. Is there a mechanism to allow ministers to save for retirement in the RCA 403(b) Retirement Program if most of their income is from another source?

Contextual Financial Literacy Resources and Tools

Dave Ramsey's "Financial Peace University" is likely the most popular and readily available Christian personal finance resource in the United States. While the foundational principles in these resources are widely applicable, we have found that this resource is geared toward a white, evangelical, middle-class audience.

How much more impactful could it be if each of the communities represented in this conversation had financial literacy resources that were written in the language of the people, were contextually sensitive and familiar, were free from assumptions, and were written by someone who understands the particular gifts and challenges of that community? We wondered if it might be worth an investment from the General Synod to commission and produce some of these resources. Could it be worth it to create resources about personal finance, stewardship, and generosity that were contextually relevant? Additionally, there is a need to train and equip leaders *from* each community to teach this material. This idea hangs on the belief that personal financial health precedes the financial health of the religious institution.

Shifting from a One-Size-Fits-All Approach

Going into this conversation, we had a main focus of "how do we get all of our churches and ministers in compliance with our retirement guidelines?" so that our non-white ministers could have enough to retire in dignity, without experiencing poverty in their later years.

We sensed a shift in thinking as the conversation progressed. As we uncover the multiple contextual differences and challenges, it becomes clear that a one-size-fits-all approach won't work in the future church. Especially as we identified that a congregation's funding might shift outside of member donations, and as ministers enter a covocational reality, it will become less realistic for a traditional retirement plan from one employer.

A new question began to emerge: How do we provide a structure and accessible resources so that clergy have the option to save for retirement and receive other critical benefits, but in a way that fits their context and needs? Perhaps equity won't look like the same dollar amount or savings account for every person, but will look more like a structure with equal access for all.

An unsettling question emerges from this reality: Will a multi-employer plan like the RCA 403(b) Retirement Program be sustainable in a future that looks like this? The strength of the RCA 403(b) Retirement Plan works when all of our churches participate at the required level. If this is not the primary requirement going forward, how would BOBS function, be funded, and execute its responsibilities?

There are two other significant things to note. First, we've recently received feedback from Everence financial planners who have worked with RCA clergy. They reported: "Prior to working with RCA ministers, as we designed financial plans for clergy in other traditions, it was rare that they would be 'okay' as we forecasted

expenses versus income in retirement. With RCA clergy, it is rare for any of them that they won't be 'okay.'" Other denominations have given similar feedback—that they wish they had the retirement account requirements that the RCA does.

Second, the “suffering servant” mentality might sabotage a minister if retirement savings requirements become decentralized and contextual. As noted previously, many ministers have a belief that they should suffer, so they may not take appropriate measures to save for retirement. Will this be permissible? How might this impact the BOBS Assistance Fund? The reason many RCA clergy don't suffer in retirement is in large part due to the requirements and administration of the RCA Retirement Plans as mandated by the BCO.

Significant Point of Leverage: Young People

A theme that emerged across cultures in the conversation was that change might be most possible with young people, regardless of racial or cultural identity. Two main reasons emerged for this possibility. Conversation participants reported that many young people are more open to conversations about money than members of older generations. It might be easier to form relationships, talk openly about money, and discover workable solutions together. Second, when it comes to retirement, time is the greatest asset when it comes to building wealth. Financial advisor Shawn Persing recently likened saving for retirement in your 20s as “having a cheat code for a video game.” By targeting young clergy or church members with good resources and benefits structures, we might be able to have the greatest impact in the long term.

The significant downside of this is that for many young people, retirement can seem so far off that it does not get priority in their life and finances and can be put off for too long. Young clergy who are motivated and passionate about the church might be willing to sacrifice retirement savings because it doesn't feel relevant to them yet.

Classis Engagement

As mentioned above, the classis is the assembly in RCA polity that has the most influence in this discussion. It is at the classis level that education, oversight, and accountability are most likely to occur. It is worth considering what incentives or penalties for classes might be established so that benefits standards are properly administered by each church. Are there resources from the General Synod or BOBS that might incentivize greater attention to this? Are there penalties, such as not seating a classical delegation to General Synod, that might hold classes to greater accountability?

Where We Go From Here

Earlier, this paper mentioned an important question that came up during the events that led up to this conversation, and we'll write it again here: “What should we do in the meantime while General Synod is working on this?” The reality, of course, is that beyond this conversation, there is no active work being done. It is the sincere hope of

the participants in this conversation that the work will continue on in RCA classes and the GSC's racial and ethnic councils.

The Board of Benefits Services is bound to the plan documents, the *Book of Church Order*, and the Internal Revenue Service. BOBS will continue to honor these commitments by administering the benefits programs with excellence, guided by the Covenant of Care.

Wherever the work continues, if change is to occur, it must eventually be initiated at the General Synod level. Without action from the General Synod to amend the provisions related to benefits in the *Book of Church Order*, BOBS must continue to administer benefits in a manner consistent with current *BCO* provisions, even if that manner doesn't fit the different contextual realities within the RCA.

While we've identified that a one-size-fits-all solution is likely not what is needed in the future, that challenging reality also comes with a great deal of promise. There are so many possibilities before us, including available resources, savings tools, the Affordable Care Act, and thoughtful institutional partners like Fidelity, Everence, LSS Financial, and the Lilly Endowment. There is a wealth of resources around us, should we choose to collectively and creatively work on this.

The Board of Benefits Services maintains a commitment to keeping this conversation alive and to working with willing partners to create a more equitable future for all of the RCA's pastors. BOBS will make this document available to leadership throughout the RCA, and representatives from BOBS will present these findings to the Joint Racial and Ethnic Councils meeting in August 2022.

Likewise, BOBS will connect with the president, chairperson, or other designated representative of each racial and ethnic council to learn how we might work together for positive change in the RCA.

Lastly, there is something important to name before introducing a few final questions. As Mornier Rich articulated, there is a historical pattern in the U.S. and the RCA of white communities pointing out problems like this, and then handing it off to communities of color and saying, "the ball is in your court." This practice is damaging and contributes to systemic racism. Any solutions that lead to an equitable future for everyone in the RCA will take a commitment and partnership between white communities and communities of color together.

We'll end with these questions: Which councils, agencies, commissions, staff members, and classes should partner together for an equitable future? Where and who in the polity and structure of the RCA has the most leverage for change? How might the continuation of this discussion unbind systemic racism, rather than contribute to it?

Conclusion

The BOBS' board approved "An Equitable Future" and voted to include the paper in its entirety in the BOBS' report to this General Synod. It also voted to recommend that General Synod take action in the following ways:

BBS 23-1

To commend "An Equitable Future" to all RCA assemblies in the United States; and further,

To direct the Commission on Race and Ethnicity, in its role as advisor to the church on policies and initiatives that address issues of institutional racism, to study the paper, to partner with the racial and ethnic councils and the Board of Benefits Services to seek ways to address a more equitable future, and to report back to General Synod 2024.