

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.

As an agency of the General Synod, BOBS is subject to the provisions of the *Book of Church Order*. The General Synod has delegated to BOBS the responsibility to manage and administer the retirement and insurance programs required by the *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 12, 2023, in Grand Rapids, Michigan, and on March 14, 2024, 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: the general secretary of the General Synod or his or her designee, one member of the General Synod Council (GSC) with interest and experience in the work of the Board of Benefits Services, one person designated by the GSC from among its moderator or the president or vice president of the General Synod, and at least five and no more than thirteen directors-at-large.

Ends and Policy Governance

BOBS, like the GSC, utilizes the principles of policy governance to conduct its work and to guide its oversight 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 2023 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 Retired RCA-ordained ministers, or surviving spouses and other eligible retirees will have access to an assistance fund that is 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 10 or more years, and with former employees of the Southern Normal School.

E-4 Provide 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 Reformed Church in America.

E-4.1 Participants and eligible participants have access to and are encouraged to use educational resources and tools and to participate in financial counseling that allows them to make timely financial decisions

regarding their retirement and their health, life, and disability-related benefits.

E-4.2 Ensure availability of programs or services related to multidimensional wellness and well-being.

E-4.3 Active RCA-ordained ministers and commissioned pastors who express a long term commitment to the RCA have access to debt relief and other grants that are available based on demonstrated need and are limited by available funds.

Required Benefits for Ministers

As stated in the *BCO*, a consistory shall fulfill the provisions of the call form (Formulary No. 5) for retirement and insurance 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). The requirement also 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 required benefits apply equally to full-time and part-time ministers under call or contract.

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 [2023 edition, p. 15]).

Furthermore, "the classis is responsible to care for the pastoral care of each minister and their immediate family" (*BCO* Chapter 1, Part II, Article 15, Section 3 [2023 edition, p. 55]). In that role, it is the classis that must assure that the provisions of the call form are fulfilled for all its ministers serving in congregations or employed by an assembly, institution, or agency of the Reformed Church in America full-time and part-time under call or contract as noted above.

Retirement Services, Fidelity Investments, and Fund Management

To participate in the RCA 403(b) Retirement Program (“RCA 403(b) plan”), employers must have a completed Adoption Agreement on file with the Board of Benefits Services. The adoption agreement is a compliance document that recognizes the RCA 403(b) plan as the retirement plan of the employer and allows the employer some flexibility to make certain elections with respect to the provisions of the RCA 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. Employers should update this agreement whenever the information they submitted becomes outdated. BOBS 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/wp-content/uploads/2024/01/RCA-403b-Adoption-Agreement.pdf).

The contribution amount payable to the RCA 403(b) plan account of full-time RCA-ordained ministers must be at least the amount of the effective buying power per household (EBPH) or 11 percent of eligible pay, whichever is greater. The EBPH amount for 2024 is \$8,236. The EBPH does not apply for part-time ministers; however, churches are still required to contribute 11 percent of eligible pay for part-time ministers. It is important that ministers review their quarterly statements from Fidelity Investments to ensure that the church is contributing the appropriate amount to their account. A contribution calculator is available on the BOBS website to assist in calculating the required contribution amount (www.rca.org/benefits/retirement/contribution-limits).

All employers are expected to use Fidelity’s Simplified Contribution Platform (SCP) or Plan Sponsor WebStation (PSW) to remit their contributions electronically to Fidelity.

BOBS creates a shell account within the Fidelity system for new participants and then Fidelity invites each 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 in the lineup or select funds available through the Fidelity BrokerageLink that became available in April 2024.

Fidelity is the primary point of contact for distributions related to the RCA 403(b) plan. NetBenefits 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 meaningful experience and helps them determine how much they might choose to receive, how long their money will last, and what might be left upon death. Participants are also directed to NetBenefits to set up employee contributions, change investment options, provide tax information, and list and update beneficiaries. If participants prefer, they can opt to call Fidelity and speak with a service representative who will assist them in accomplishing these tasks.

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

Fidelity provides the recordkeeping services and investment management services for both the RCA Retirement Plan and the RCA 403(b) Retirement Program. In its fiduciary role, BOBS monitors the performance of the investment options available in the two retirement programs in collaboration with the GSC Investment Advisory Committee (IAC). BOBS and the IAC are assisted in this task by BOBS retirement consultants from Creative Planning Retirement Services, who take an active role in monitoring the investment options and administrative expenses associated with our retirement plans.

Because of a fund review with the IAC and our retirement consultants from Creative Planning, BOBS recently made changes in its investment lineup. Effective April 1, 2024, the PIMCO Total Return ESG Institutional Fund was removed from the portfolio due to poor performance. The fund has been on the watch list for several quarters. Added to the available investment options is the Fidelity BrokerageLink that offers hundreds of mutual funds and exchange traded funds (ETFs), including environmental, social, and governance (ESG) funds for those who want to invest in funds that align with their personal values. It is important for participants who use the BrokerageLink to understand that the fees associated with funds in the brokerage account are retail share class, which means they are typically higher than the institutional share funds that are part of the current fund line-up. Also, the funds in the brokerage account are not screened and monitored by BOBS, the IAC, or BOBS' retirement consultants. As such, any risk lies solely with the investing participant. Finally, Fidelity is discontinuing the Freedom Fund 2005 in June 2024. Participants who are not satisfied with their current elections are able to make changes any time by logging on to NetBenefits at netbenefits.com or by calling Fidelity at 800-343-0860.

Seventy-three percent of participant funds remain invested in the target date Fidelity Freedom Funds, and an additional six percent of participants are enrolled in the Fidelity Personalized Planning and Advice (FPPA) program. (FPPA is an optional fee-based service that provides ongoing investment management and financial planning support that aligns with the participant's personal goals and is adjusted based on the market or life changes.) Other diversified mutual funds, including three ESG options, are available to participants, as well as the newly introduced BrokerageLink.

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, the purchase of annuities in the name of BOBS has been suspended through 2025. Participants can still purchase an annuity by taking a 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, clerks, and Fidelity representatives to service the needs of our participants from pre-enrollment through retirement.

Fund and Administrative Fee Changes

Effective January 1, 2022, the administrative fees charged to participants on employer contributions were reduced from 19 basis points to 10 basis points. Earnings from the ERISA Insurance Endowment Fund and other corporate investment sources, a decrease in operational expenses, and an increased value in retirement plans allowed BOBS to administer its programs by collecting fewer administrative fees. Participants were not charged administrative fees for July, August, or September 2023. We are grateful that the administrative fee remains at 10 basis points for 2024.

Housing Allowance Designation

At its October 2023 meeting, the board approved the following housing allowance designation for eligible participants taking distributions from the RCA retirement plans.

For calendar year 2024, 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.

Directive from General Synod 2023

At General Synod 2023, a motion was made from the floor during the Finance report and was ultimately adopted as follows:

To instruct the Board of Benefits Services to clearly communicate to participants in the RCA Retirement Plan and in the RCA 403(b) Retirement Program that the default investment options (Fidelity Freedom Funds) do not follow the current RCA investment policy statements, and may include 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 (*MGS 2023*, BBS 23-2, p. 152).

As part of the continuous education of our participants and to respond to this recommendation, BOBS wrote the following article that was published in the monthly e-newsletter and is also available on the BOBS' retirement webpage.

Did you know that BOBS has separate investment policy statements that govern corporate investments and retirement plan investments?

The investment policy statements for BOBS' corporate investments mirror the investment policy statements of the General Synod Council of the Reformed Church in America (RCA) and have specific social screening constraints that have been adopted by General Synod going back to 1985.

BOBS' corporate investment portfolios must seek to avoid investments in the securities of companies whose principal business involves the production or distribution of tobacco or alcohol, the business of gambling, the business of for-profit prisons, adult entertainment and pornography and firearms. The socially responsible investment guidelines for BOBS' corporate investments are not intended to be a "zero tolerance" policy and the determination, implementation, and ongoing monitoring of these guidelines is a shared responsibility of the Investment Manager and the GSC Investment Advisory Committee.

However, as stated in the retirement fund investment policy statement, the social screening investment guidelines apply only to the BOBS' endowment and operating reserve investments and do not apply to the RCA Retirement Plan and RCA 403(b) Retirement Program assets. Except for the funds as part of the Fidelity BrokerageLink, the investment options in the retirement plans, including the Freedom Funds, are monitored by the Investment Advisory Committee and BOBS' retirement consultant to ensure the objectives of the retirement fund policy statement are being achieved.

Social Screening Constraints and Environmental, Social, and Governance Investing

BOBS' corporate investments follow the current investment policy statements that require 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. These policy statements do not apply to the RCA Retirement Plan and RCA 403(b) Retirement Program assets.

BOBS currently offers three environmental, social, and governance (ESG) funds to its participants in the retirement program. In addition, the newly offered brokerage account offers a greater variety of ESG funds for participants interested in investing in funds that align with their personal values.

General Synod 2021 took two actions regarding ESG investing: CA 21-6 (*MGS 2021*, p. 206) and ONB 21-9 (*MGS 2021*, p. 119). As a result, the GSC 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 recognizes that the industry standards for ESG ratings and definitions are a work in progress and that the criteria and scoring methods are constantly evolving. There is also significant political and regulatory pushback of ESG standards. The subcommittee believes that the RCA is not behind the industry on incorporating ESG criteria into our corporate investment policies. In this frequently changing environment, the IAC is being cautious and prudent and continues to believe that it is not a good time to integrate ESG criteria into our corporate investment policies. The committee remains committed to balancing investment growth, fiduciary responsibility, and our ESG impact.

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 four separate categories:

1. 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.
2. Core investment options: allows participants to construct a basic investment portfolio utilizing low-cost funds.
3. ESG investment options: environmental, social, and governance-themed investment options help participants find investments that align with their principles.
4. Brokerage account: provides access to a wide range of mutual funds, including ESG options, beyond those that have been designated for the retirement plans.

This approach allows participants to more easily select those investment options that are appropriate for their individual goals, values, 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, or meet one-on-one with a Fidelity retirement consultant by calling 800-642-7131.

Additional educational resources about the various investment options can be found on the BOBS' webpages at www.rca.org/benefits/investment-options-in-the-retirement-plans.

RCA 403(b) Retirement Contribution Verification Project

The RCA 403(b) Retirement Program holds funds for 2,227 participants with a value more than \$319.8 million as of March 28, 2024. The contribution verification project

was initiated in 2012 to verify 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 the retirement accounts of eligible RCA ministers. Almost \$2 million has been collected and added to the retirement accounts of RCA ministers since this project has begun. However, as of March 31, 2024, there is still a shortfall of an estimated \$610,443 that churches should have contributed to these accounts.

The necessary information to verify the contribution amounts is requested annually from employers through the Retirement Security Form (RSF), a confidential portion of the Consistorial Report Form (CRF). Each year we request ministers' salary information, review the data, and communicate the results to the churches, collecting shortfalls in contributions as they are discovered. The process was enhanced in 2024 to better capture salary information from ministers who are also working for regional synods and classes.

Unfortunately, a significant number of churches fail to complete the RSF or do not respond to the requests for payment. Without the needed information, it is impossible for BOBS to verify that the proper contributions have been made. The plan documents and the *BCO* are clear 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, delegates, 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 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 is a non-qualified deferred compensation plan that holds funds for 1,158 participants with a market value of almost \$184.6 million as of March 28, 2024. This plan was closed to new participants and contributions as of December 31, 2004.

BOBS implemented a process in the summer of 2015 for participants to reallocate their retirement savings from the RCA Retirement Plan to the RCA 403(b) Retirement Program. This reallocation 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.

The reallocation program was completed in the summer of 2023 in connection with the 2022 tax year. One hundred and sixty-six participants were able to reallocate \$6.7 million from the RCA Retirement Plan to the RCA 403(b) Retirement Program.

The reallocation program will be conducted again in 2024 in connection with the 2023 tax year. Information about the program was sent to potentially eligible participants beginning in April 2024, and relevant data is due to BOBS by July 31, 2024. Final eligibility and the amount that can be reallocated will be determined by BOBS based on the information provided by the participant and in accordance with the IRS regulations and annual contribution limits.

More information about the reallocation program is available on the BOBS' webpage at www.rca.org/benefits/retirement/reallocation or by contacting BOBS 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.

Group Life and Long-Term Disability Insurance

BOBS contracts with Lincoln Financial for both group life and long-term disability (LTD) plans that include voluntary options if participants would like to purchase increased coverage for themselves, their spouses, and their children. All eligible actively working RCA-ordained ministers who are regularly working a minimum of 17.5 hours per week are automatically enrolled in LTD insurance administered through BOBS. Those who are not enrolled in group life insurance through the RBA are also enrolled in group life insurance administered through BOBS. In providing these benefits, churches have access to an affordable group plan that allows them to easily fulfill the requirements of Formulary No. 5 for their ministers.

Commissioned pastors, while not mandated to have coverage, are eligible to enroll in BOBS' group life and LTD plans. Our policies allow an RCA-ordained minister to continue participating in the life and LTD insurances as long as he or she is actively serving as a minister and their church (whether it is an RCA church or not) pays the quarterly premiums. 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 Christian Reformed Church in North America (CRCNA) or Formula of Agreement partner churches.

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.

Although participation in BOBS' group plans has decreased 27 percent since 2021 because of the large number of churches and ministers who have left the denomination, the budget was trimmed proportionately to maintain the same premiums rates for 2024.

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 directly to BOBS 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 leaves the minister without financial security, is a violation of the *BCO*, and puts church employers out of compliance with Formulary No. 5.

To assist BOBS in administering these benefits with high integrity, churches should:

1. Keep BOBS' staff aware of current salary information. This information is requested at the time of enrollment, during each open enrollment period following and through 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 by credit card instead of sending manual checks. 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.

All participants are encouraged 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.

Reformed Benefits Association

The Reformed Benefits Association (RBA) was created in 2013 by The Board of Benefits Services of the Reformed Church in America, Inc. (BOBS) 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.

BOBS continues to collaborate with the CRCNA for 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 Surest Plan, which replaced the previous co-pay plan in 2024. Part-time employees working a minimum of 20 hours per week are eligible to participate. Two group life insurance options are available as well as dental, vision, supplemental life, accident, and critical illness insurance.

The RCA is represented on the RBA board by Ervin Anderson, Doug Struyk, and executive director of Benefits Services Kelly Oliveira.

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” (2023 edition, p. 139). For 2024, 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 \$2,000, and a family deductible of \$4,000
- 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 29 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.

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 available on the RCA website at www.rca.org/airb.

Benefits in the Future - What Will They Look Like?

Currently, the *Book of Church Order (BCO)* requires that a consistory provide the same benefits for part-time or full-time ordained ministers of Word and sacrament under call or contract. If one digs deep enough, this seems to be true for ordained ministers serving in church plants as well. The language in the *BCO* is not very clear, and people across the denomination interpret the *BCO* differently.

In the current reality of the RCA where our churches are smaller and where giving and membership is down, is the requirement of today sensible for the future? We know that many churches are struggling financially and paying for the required benefits adds to that struggle. We know that churches are hiring retirees or preaching elders to avoid the need to offer the required health, group life and long-term disability, and retirement benefits.

We are experiencing new concerns with international churches forming that are subject to the terms of the *BCO*, yet BOBS does not have a method in which to administer benefits for ministers serving in churches outside of the United States.

We are seeing newly organized churches in the United States that do not have knowledge as to what the consistory's promise to its minister should be, as outlined in the call form. Many of the newly ordained ministers in these churches are not being provided the mandated benefits as required by the *BCO*. Many are not even meeting the minimum salary guidelines established by their classis.

The danger in not providing benefits is that the minister and his or her family can be put in significant financial jeopardy should a medical crisis take place. How can they look forward to any level of financial security, either while serving the church or afterward, in retirement?

BOBS has begun exploring what a benefit package might look like for ministers of Word and sacrament who are serving in the denomination part time. Other denominations and non-profit organizations offer a different level of benefits for full-time and part-time employees. What might that look like for the RCA?

An Equitable Future

The paper "An Equitable Future" documents a conversation that took place in May 2022 in the Board of Benefits Services' office in New York City. Six people openly discussed some of the challenges that many racial and ethnic churches in the RCA face in providing the required benefits for their ministers. The paper outlines how the required benefits for RCA ministers should be studied and potentially adapted to create a system that provides more flexibility and honors cultural traditions, while also maintaining a high standard of care for RCA pastors. The paper highlights some of the realities that are preventing some churches from adequately providing for

their minister's financial well-being and realities to consider as the denomination seeks to be a multicultural denomination freed from racism.

The full paper is available on BOBS' website (www.rca.org/benefits/an-equitable-future) and was included in BOBS' report to General Synod 2023 with the following recommendation, which was adopted.

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 (*MGS 2023*, pp. 151-152).

BOBS met with the Commission on Race and Ethnicity (CORE) in September 2023 to discuss how we might partner together for positive change in the RCA. In a letter of response that CORE wrote to BOBS dated February 2024, CORE acknowledged the importance of this work, offered a couple of suggestions, and encouraged BOBS to continue this work as CORE's current priorities are directed in different areas. CORE left the door open to potentially working together in the future.

As stated in the paper, "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."

Retiree Chaplains and Assistance Programs

Through the retiree chaplains program, BOBS employs a network of retired pastors and ordained elders who visit, befriend, assist, and maintain contact with over 1,100 retired RCA ministers and their spouses or surviving spouses, with lay missionaries who served for ten or more years, and with former employees of the Southern Normal School. This ministry, coordinated by 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 develop and 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 often the first point of contact in distributing the assistance application for new needs.

The retiree chaplains met in Holland, Michigan, on April 29 and 30, 2024, for their annual gathering. They enjoyed connecting and praying with each other and expressed their appreciation for the time to discuss their joys and challenges, both professionally and personally.

The retiree chaplains are instrumental in coordinating annual luncheons for retirees with the regional synods. The Michigan retiree luncheon took place on May 1, 2024, at the DeWitt Ministry Center. The retiree chaplains who coordinated the event asked general secretary Eddy Alemán to bring an update about the restructuring team's work.

The *In Touch* booklet is a compilation of reflections from RCA retirees that is published and mailed to retirees three times a year. Individual reflections are posted on the BOBS' webpages: www.rca.org/benefits/retirees.

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 for surviving spouses, and EBPH retirement contributions for disabled ministers. At times, a one-time grant is provided for an immediate, unexpected, or urgent need.
- 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. Twenty-five monthly grants totaling \$12,546 per month were approved and are providing assistance in 2024 for essential needs or medical insurance premiums.

As of January 2024, the retiree chaplains and assistance programs is 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, Debt Relief, and Education

To address the emotional well-being of pastors, employee assistance program (EAP) services are provided through Pine Rest Christian Mental Health Services or the Reformed Benefits Association. Active and retired RCA-ordained ministers and members of their households have access to free, confidential, short-term counseling

services that are available virtually or in person at a local clinic in their community. Ministers and members of their household are entitled to up to three face-to-face consultations per issue. In addition, clergy have access to assessments, articles, videos, templates for legal forms, and training via an online library. The EAP is available 24 hours a day, seven days a week. To learn about these programs and find contact information, visit www.rca.org/eap. This webpage also provides a list of retreat centers, therapy resources, and spiritual directors that have been utilized by pastors who have received a Clergy Revitalization Grant.

Through our partnership with Everence Financial, clergy can participate in a seven-part financial planning process with a team of Everence Certified Financial Planners. Topics include cash flow, protections, taxes, investing, estate planning, retirement, and charitable giving. The cost of the program is \$1,500 per household; however, BOBS is able to subsidize the cost, bringing the final cost to only \$375 for ministers interested in this yearlong experience. In 2023, 20 clergy households enrolled in and began the financial planning process.

BOBS also maintains a partnership with LSS Financial Counseling to provide ministers 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 receives up to six sessions with a certified financial counselor. 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 to cover all RCA ministers, commissioned pastors, seminary students, GSC staff, and their households. Eligible individuals benefit from consulting with a professional from LSS Financial to navigate the student loan forgiveness program.

With the knowledge that congregational financial health is directly connected to a minister's participation in benefits, BOBS partners with Everence Financial and the Lake Institute of Faith and Giving to host Cultivating Generous Congregations learning communities for RCA churches. The curriculum is provided by the Lake Institute and presented by BOBS, Advancement, and Everence staff through a hybrid of in-person and online gatherings. This project is funded by surplus money from a previous Lilly Endowment Inc. grant, Everence, and a small fee charged to each participating congregation.

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. Grant money is available from a combination of funds from the Lilly Endowment, BOBS, and individual donations. Grant recipients are expected to disclose their financial situation, meet regularly with an accountability partner, and participate in a financial educational program.

The grant process was open during the month of February 2024, and grant review teams met to review applications in early March. Four different types of grants were offered, and \$123,000 in grants were awarded. The four types of grants include:

- Debt Relief – helps ministers become free from significant and burdensome personal debt. Recipients are granted up to \$10,000 to pay down or eliminate their personal debt.
- Matching Grant – debt relief grant for previous grantees. This grant was new for 2024 and requires a matching contribution in order to receive the grant. The matching grant provides an additional one-time grant to help pastors who have been consistent about achieving financial independence.
- Retirement Kickstart – incentivizes 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 must contribute an additional two to four percent of their salary into their account. Those awarded the grant received a contribution between \$2,000 and \$4,000 directly into their RCA 403(b) Retirement Program account.
- Clergy Revitalization – offers ministers a three-week leave to participate in a revitalization experience that includes professional counseling or spiritual direction.

The Lilly Endowment Inc. believes that financial burdens carried by pastoral leaders are significant barriers to effective, faithful, and fruitful ministry. We have heard many stories from grant recipients how the Ministerial Excellence grants and the Clergy Revitalization grants have had a positive impact on pastors, their families, and their congregations.

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, BOBS provides 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 \$93,000 in student loans and medical debts was paid down for ministers in the 2023 Bless Your Pastor campaign (www.rca.org/bless-your-pastor). Since 2019, over 115 ministers have received a grant from the Bless Your Pastor campaign. This opportunity will be offered again in 2024.

BOBS continues to offer “Ready to Retire” workshops three times annually. The interactive online workshop helps attendees understand timelines, tasks, and resources available as they prepare to retire. Participants age 55 and above who are not yet retired are invited to attend. Spouses are encouraged to attend as well. Attendees have provided positive feedback through a follow-up evaluation and expressed their gratitude for the experience. These workshops have prompted ministers and other participants to engage BOBS in individual conversations that help them think through next steps for their particular situation.

In partnership with Fidelity, BOBS continues to offer complimentary one-on-one consultations with a Fidelity retirement advisor. For years, BOBS has offered in-person consultations at General Synod and sporadically throughout the year in

various locations. Due to an increased demand, BOBS expanded this offering through virtual appointments available over a two- to three- day period. Because of the high participant engagement, BOBS will offer these one-on-one consultations every other month in 2024 as well as the in-person consultations at General Synod.

Newly ordained ministers of Word and sacrament are invited into a conversation in which they learn about the benefits promised to them in the *Book of Church Order (BCO)*, are oriented to the services provided by BOBS, walk through the steps to complete their Fidelity enrollment, and become grounded in their benefits knowledge early in their ministry. These conversations also provide basic knowledge of clergy housing allowance and self-employment taxes. BOBS feel confident that when ministers enter the ministry talking about and understanding their finances, benefits, and retirement savings, they will be more equipped to lead their congregations in financial discussions. Through these conversations, BOBS has discovered when a minister's call did not include the required benefits, which provides an opportunity to further educate the church and classis or to learn about the church's barriers in providing the required benefits.

The Annual Insurance and Retirement Benefits Information booklet is updated and distributed in September. This annual publication is a guide for ministers, consistories, classes, and regional synods that clearly communicates the benefit requirements for ministers, information about the benefits administered through BOBS and the RBA, and tips and tools for participating in these benefits. In September 2023, an email link was sent to all ministers, churches, classes, and regional synods, and a hard copy was mailed to each RCA church. A PDF copy of the booklet can be found online at www.rca.org/airb.

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.

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. Key enhancements in this past year include:

- A new page detailing the four different investment options in the fund line-up: Fidelity Freedom Funds; Core Investment Options; Environment, Social, and Governance (ESG) investments; and the new brokerage link that became available in 2024.
- A response to a recommendation from General Synod 2023 regarding the need to communicate that the investments in the retirement funds do not

follow the corporate investment policy statements and may include 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.

- A distributions option page offers an easy-to-read summary of the elections available in each retirement plan.
- A custom webpage for classis clerks and regional synod executives that includes approximately 20 quick links to the most commonly requested BOBS information so they can do their work in caring for ministers.
- A webpage that contains the salary minimum guidelines from each classis and regional synod, designed to provide a resource for ministers, consistories, and classis leaders.
- A complete overhaul of the Employee Assistance Program (EAP) webpage that now lays out a path for eligible participants to access important services offered. Additionally, a list of retreat centers, counselors, and spiritual directors was added for those seeking any of those services.

Board and Staff Transitions

The Board of Benefits Services expresses its gratitude and appreciation to Steve Giordano, Charles Kleinhesselink, Kelvin Kronemeyer, Gene Poll, Jane Richardson, and Bob Terwilliger for their faithful service as retiree chaplains. BOBS welcomes Douglas Banks, David Blauw, Carl Boersma, Edward Schmidt, Thomas Smith, and Paul Wernlund as new retiree chaplains.

BOBS also thanks Leanne Bough and Ralph Condis for their service as board members.

Annual Audit and Finances

For additional information about the annual audit and BOBS' finances, please see the report of the Office of Finance.