

**The Historical and Current Relationship
of The Episcopal Church and The Church Pension Fund**

**A Joint Report by the Executive Council and The Church Pension Fund in Response to
General Convention Resolution 2018-A060
July 17, 2020**

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The Historical and Current Relationship of The Episcopal Church and The Church Pension Fund

1. Introduction

Resolution A060 of the 79th General Convention invited the Executive Council and The Church Pension Fund (**CPF**) to work together to study the relationship between The Episcopal Church (**the Church**) and CPF, since its founding over 100 years ago and currently, with a goal to achieve greater clarity on our respective roles, responsibilities and authority.

In response to Resolution A060, the Chair and Vice Chair of the Executive Council appointed representatives of the Executive Council, and the Chair of the Board of Trustees and Chief Executive Officer of CPF appointed representatives of CPF, to participate on a task force (**Task Force**) to study this relationship and issue the requested report. This Joint Report responds to that invitation.

The members of the Task Force, a summary of the information reviewed by the Task Force in preparing this Joint Report, and information about the meetings of the Task Force are provided in **Appendix I**.

In considering the historical and current relationship of the Church and CPF, the Task Force recognized that a wide range of relationships exists between these institutions. For example, CPF maintains relationships with more than 25,000 active clergy and lay employees who participate in its pension, health and related benefit plans, as well as approximately 9,500 retired clergy and lay employees and 3,000 beneficiaries of deceased clergy and lay employees; with Episcopal parishes, dioceses and other institutions that employ and provide CPF benefits to these clergy and lay employees and those that purchase property and casualty insurance from The Church Insurance Company of Vermont; and with the many Episcopal individuals and institutions that purchase liturgical materials and other publications and supplies from Church Publishing Incorporated. As parties to transactions with CPF, all of these individuals and entities in the Church may be considered CPF's "clients."

Moreover, CPF, its trustees, and employees maintain extensive relationships with individuals and institutions across the Church, including the General Convention, The Domestic and Foreign Missionary Society of the Protestant Episcopal Church in the United States of America (**DFMS**), the Executive Council, Dioceses, parish vestries and other Episcopal organizations and groups, sometimes with a formal "legal" relationship but often also informally.

Resolution 2018-A060 did not specify which relationships should be the focus of the requested study. The Task Force therefore discussed the many relationships that exist, but in the interest of managing the scope of our work, we decided to focus this Joint Report on the relationships between CPF and (1) the General Convention, (2) the Executive Council, (3) DFMS and (4) Dioceses, focusing on their respective roles, responsibilities and authority as directed by Resolution A060.

One of the goals of the Task Force was to gather extensive, if not complete, information on the historical relationship between the Church and CPF, which led us to look at the history of the Church and CPF separately and in relation to one another. For example, the Task Force considered three prior studies that were done of CPF. And, because we were charged with

“achiev[ing] greater clarity on our respective roles, responsibilities and authority,” you will find detailed examinations of the canonical and secular legal structures, roles and responsibilities of each entity vis-a-vis the other. The Task Force hopes that the gathered and summarized information will be of value for those who want to examine the relationship in detail.

Because the relationship between the Church and CPF is complex, the Task Force encourages that this Joint Report, including its appendices, be read in its entirety. All statements articulated herein should be understood in the context of the full report. These observations and reflections are those of the Task Force and are independent of the Executive Council and CPF, for whom the Joint Report has been prepared.

2. Introductory Reflection by Bishop Hollingsworth

Any exploration of relationships with and within the Church will benefit from some reflection on the ecclesial and theological context in which those relationships are grounded. One place to begin is with an understanding of baptismal authority as the only human authority in the church, and how all members, by virtue of their baptism, are recipients thereof in equal amount. No one has either more or less authority as a result of elected position, holy orders, gender, race, orientation, or any other defining attribute (save age, until turning 16). As the baptized, we are each equally endowed with authority.

Our polity, the way we agree to organize and govern ourselves as a body, constitutes us as a representational democracy. Beginning in annual parish meetings, we invest part of our baptismal authority in one another by electing lay colleagues as wardens, vestry members, and delegates to diocesan conventions, thereby surrendering some of our authority to them for specific and defined purposes. By canonical processes, we identify and ordain clergy, similarly investing in them some of our baptismal authority, again for specified roles. Vestries call rectors, diocesan convention delegates elect General Convention deputies and, from time to time, bishops, further investing in those fellow communicants some of the baptismal authority invested in them, again always for specific and defined duties and obligations. General Convention deputies and bishops, in turn, further invest some of the baptismal authority invested in them when electing trustees of church institutions like The General Seminary and CPF.

It is important to note that the baptismal authority we invest in one another is received not as authority, but as responsibility; it is received not as power over, but as accountability for. In this way, we all engage in a continuing dynamic of surrendering some of our individual authority to others, and taking on specific responsibility for and to the whole. This is for us, as Christians and Episcopalians, a spiritual discipline of letting go of self-will and taking on responsibility for the body of Christ. It serves as calisthenics for surrendering ourselves to God and making Jesus’s way our way.

Perhaps most importantly, all of this, both as practical polity and spiritual discipline, depends entirely upon trust: trust in God and trust in one another. The collaborative, clergy/lay leadership of our parochial and diocesan contexts and the bicameral legislative structure of our denominational governance are not designed simply to impose a restrictive check-and-balance on decision making, but rather to assure that we strive for a wider, more common, and holier ground, inclusive of all of our perspectives and best selves. Our structure is designed to inspire

an interdependent, trusting companionship that gives us the confidence and the accountability necessary that we might, individually and collectively, turn our will over to God.

That brings us back to the relationships, personal and institutional, that hold us together in the Episcopal branch of the Jesus Movement, and the mutual trust that must continually be offered and earned for their stability. Such trusting relationships are essential to the health of the Church. They are our defense from the power of evil, which ceaselessly works to isolate us from one another because, of course, that is the only way it wins.

3. Executive Summary

The Task Force discussed the varied roles and responsibilities of the Church and CPF, with particular attention to the General Convention, the Executive Council, DFMS, Dioceses and CPF, including its Trustees, as well as the management structure and practices of CPF and its constituent businesses.

What our study revealed is that the management of both the Church and CPF are complex, that it involves a variety of disciplines and contexts that are not easily assimilated, and that even best efforts at such integration are susceptible to questions of authority, accountability, credibility, and trust.

Both the Church and CPF share a common responsibility for the wellbeing of the Church's assets, institutions, congregations, and employees. The guiding principles and expectations of each differ considerably, however, and are not always easily integrated. While the Church is governed by a "bottom up" structure, capable of redefining its organization and rules by ecclesiastical process, the constituent companies of CPF are secular entities governed, in part, by state and federal laws and regulatory agencies.

The Church and the business of managing pension and health benefits, life and property insurance, financial assets, and publishing represent two quite varied systems. The Church, as a representational democracy, relies, for example, on democratic process and a polity of interdependence and accountability that is articulated in its Constitution and Canons. It requires at every governance level a mutually shared leadership and responsibility among laity and ordained leaders, and in the case of the General Convention, between Deputies and Bishops.

CPF, on the other hand, employs, comparatively, a "top down" governance and leadership dynamic whose decision making is directed by management and Trustees, largely according to industry norms and regulatory laws pertaining to its various businesses. The differences in governance, the laws and regulations that apply to CPF, as well as the intentional and structural independence of CPF, create challenges for the relationship between the Church and CPF.

The Task Force observed that these and other differences in the systemic operation and expectations of the Church and CPF do not structurally or legally come together with clarity or simplicity, either by secular law or ecclesial constitution and canon. Title I Canon 8 of the Canons of the Church provides authorization to CPF for the establishment of clergy and lay employee pension and health plans and other benefits, and to the General Convention for the election of CPF Trustees and the "power to alter and amend" said Canon. The Constitution and Canons of the Church offer little other guidance, however, as to how the relationship between

these two entities might best be understood and conducted. While the Canon states that “The Church Pension Fund . . . is hereby authorized to establish and administer the clergy pension system,” further and specific definition of that authority and the General Convention’s authority over CPF is lacking.

As suggested above, the quite different roles and responsibilities of these two entities, the differing expectations they each have of the other, and perhaps most importantly, the very different cultures that guide their governance (ecclesia and secular industry) have led to questions of trust, assumptions of motive, and conflicts regarding authority and control. And yet, as agents of God’s mission, we all share at least a theological understanding that we are of one body. The findings of the Task Force reflect the relational difficulty of these two quite different systems, and the vulnerability to contention and a we/they dynamic that results in both entities.

Systemically, much of what the Church requests of CPF involves a we/they relationship. As well, the industries in which CPF’s businesses operate dictate we/they relationships. At the same time, we live in a church that challenges and expects us to be in a unified relationship. Often, however, when our work involves common resources and their distribution, and perhaps especially at times of resource insecurity, the we/they seeps into our thinking even in the Church itself. Thus, an essential challenge in better integrating these two systems is to understand how differentiation benefits the shared responsibility of the Church and CPF, and how differentiation undermines the same.

The constructive relationship that is required of the Church and CPF necessitates an understanding of interdependence, mutuality, and trust. We recognize that the divisive potential of financial assets and the inherent cultural differences of the Church and the industries upon which it depends for financial stewardship and employee benefits leave well-intentioned people open to distrust and conflict. In the absence of a sound foundation of trust and a clear and common understanding of what is necessary to meet the common responsibility, we tend toward struggles for control and polarization.

Communication is, of course, essential to a trusting relationship. At the same time, trust is essential for communication to be effective. Relational communication is not simply repetition of the facts from either perspective. The Task Force identified a number of areas where this is particularly challenging; for example, in matters of insurance claims and coverage where client and vendor perspectives often differ and are affected by contractual and fiduciary limitations.

The questions remain, however, as to what that trust will cost us and whether we are willing to pay the price. Increased and more accessible articulation of the transactional nature of much of the relationship between the Church and CPF will be beneficial, as well as an honest recognition of the things that undermine the collaborative and interdependent work of both entities.

Finally, as explored in the reflection on the theological and ecclesial context in **Section 2**, we are reminded that this relationship itself, as do all relationships in the body of Christ, requires a spiritual discipline of surrender and trust in which authority given by one entity is received as responsibility by the other. Such a discipline leads not to power over, but to power with; it is practice for the continual surrender of our will and lives to God that makes us disciples of Jesus.

* * * * *

The members of the Task Force are grateful for the opportunity to have undertaken this work together. We appreciate that many relationships between the Church and CPF are strong; we also recognize, however, that instances of suspicion, contention, and conflict continue to arise. What we identified as a systemic dynamic manifested itself even in our own deliberations, in spite of the genuine admiration, respect, and affection with which we hold one another. The clear need for sustaining a relationship of collaboration and trust between the Church and CPF has led us to identify areas for potential further exploration, which are included in **Section 8** of this Joint Report.

4. Brief History of the Church's Involvement in Clergy Pensions Prior to CPF

The Task Force devoted significant time to understanding the joint history of the Church and CPF, both before and after the creation of CPF in 1914. For a more complete "timeline" of various events in this history that have influenced the relationship between the Church and CPF, please see **Appendix III**.

This section describes selected events in the history of pensions and benefits in the Church, before the creation of CPF. This history reflects the shifts in understanding, and adoption of new ways of thinking, in the Church about pensions and benefits.

Pre-Revolutionary War

- The earliest crown colonies of England not only established the Church, but also provided for its ministers by way of glebes (land grants) that were intended to guarantee a fixed salary.
- However, glebes provided little actual support for clergy, with the notable exception being Trinity Wall Street. (Trinity Wall Street did use the revenue from its land to improve the lives of clergy both inside and outside of the New York colony.)
- While there was no movement in the colonial Anglican Church to provide pensions, during the late 1700s there were a few other denominations that offered pension-like benefits. The Moravian Church provided for its ministers through communal support as early as 1742. While it had no annuity, the Presbyterian Church lent its name in 1756 to an insurance fund called the Ministers Fund, which provided for widows and orphans of those ministers who subscribed to the fund.
- In the colonial Anglican Church, local support was the only option until the founding of The Corporation for the Relief of Widows and Children of Clergy in the Communion of the Church of England (**Corporation for Relief**) in 1769, which provided support for widows and children of deceased clergy of the Church of England in the American colonies of New York, New Jersey and Pennsylvania. There was no provision for retired, disabled or unemployed clergy, but the benefits offered by the Corporation for Relief became a key factor that led to support for surviving spouses and children as one of the benefits later found within the structure of CPF's clergy pension plan.

- This Corporation for Relief was the earliest attempt at providing an annuity for the benefit of clergy who participated (by supporting their surviving spouses and children). There was a fund-raising effort to provide the original corpus of the Corporation for Relief, along with subscription rates, vesting rules, and support for survivors of the clergy who subscribed.

Post-Revolutionary War

- The Anglican Church in the new United States was greatly reduced in numbers after the Revolution. And, as there were no bishops in the new United States, ordination required an expensive trip to England or Scotland.
- In 1782, Bishop William White published a pamphlet about the disarray of the Church and in 1789, the third “Convention of the Protestant Episcopal Church in the States of New York, New Jersey, Pennsylvania, Delaware, Maryland, Virginia, and South Carolina” adopted a structure for the Church that is very similar to today’s structure.
- The 1789 Convention also addressed clergy support directly in Canon XIX, which stated that clergy must have reasonable support from a church in order to be ordained.
- Another canon passed in 1789 sought to limit the type of labor that a clergyperson could accept (prohibiting “base or servile labor”). This had the effect of creating a professionalization of the clergy, although there was no requirement that a church must provide an income to match this professional class.
- No mention was made in the Canons of the Church at that time of any support for disabled clergy or for the widows or surviving children of clergy, or of any pension for retired clergy. In fact, the Canons at that time did not include any mention that clergy might retire from active ministry in the Church.
- The Revolutionary War also had the effect of placing the Corporation for Relief at a standstill, with much reduced numbers of subscribers. Also, the distance covered by the three states made it difficult to manage the organization’s affairs, so the members decided to form a separate corporation in each of the three states to provide for the widows and children of clergy residing in that particular state and to allocate the assets of the organization among them. In 1806, the assets of the original Corporation for Relief were divided among three separate organizations serving clergy in New York, New Jersey, and Pennsylvania. Though the scope of annuities and provisions for survivors have changed over the years, these organizations continue to exist.

1800s

- At the General Convention of 1853, a commission was created to look into establishing a fund for relief of widows and orphans of deceased clergy throughout the entire Church. The commission’s report suggests a structure for a church-wide relief organization, to provide financial relief for the survivors.

- By the General Convention of 1859, a Fund for the Relief of Widows and Orphans of Deceased Clergymen, and of Aged, Infirm and Disabled Clergymen, of the Protestant Episcopal Church in the United States of America (**Fund for Relief**) had been established, with a Charter and By-Laws, but there was no funding apparatus in place. By the General Convention of 1862, the trustees of the Fund for Relief themselves called the efforts “manifestly hopeless”.
- The General Convention of 1871 revived the Fund for Relief again, granting it some financial footing by assigning to it the copyrights to the Hymnal. This is interesting to note, as this was also to be an initial source of funding for CPF. Even with this backstop, the lack of funds and the ambition of the scheme were to prove too much for it to be successful.
- In 1874, another venture for pensions was the Clergymen’s Retiring Fund Society, which started in the Diocese of New Jersey. It was an insurance plan that provided annuities for subscribers. This plan also failed in its original mission of pensions for all clergy due to lack of funding and subscribers, but was able to scale back its mission and survive in a very diminished capacity until the mid-1900s.
- The General Convention of 1892 adopted Canon 8 (“Of General Clergy Relief”) to authorize the Fund for the Relief to receive royalties, offerings, and other gifts to pay benefits to widows and children of deceased clergy.

Early 1900s

- The General Convention of 1907 proposed a fundraising effort for the Fund for Relief of “not less than five million dollars” but by 1910, this effort had raised only \$300,000.
- In the early 1900s, there was societal movement toward pensions in the US (Europe had begun funding pensions since the mid-1800s). This effort was influential in the founding and structure of CPF. Pension plans established for university professors, funded by Andrew Carnegie’s gifts of \$10 million and then \$5 million to fund private and state university pension plans, respectively, were probably the most influential in moving the Church forward.
- The General Convention of 1910 created the Joint Commission on the Support of Clergy, which had support in both Houses to address the needs of pensions and benefits in the Church. Contrary to earlier schemes, it does not appear that the Commission ever considered an outside insurance company to provide these services for the Church.
- By General Convention of 1913, the Joint Commission, under the leadership of Bishop William Lawrence, had prepared a proposal for the creation of a pension fund for all clergy of the Church. General Convention then authorized the Joint Commission to form a corporation and create the operations necessary for a clergy pension plan.

- The founding of CPF and its subsequent history is addressed in the next section of this Joint Report and in **Appendix III**.
- Due to lack of funds, the Fund for Relief formally closed in 1917 and was dissolved into CPF. While it did not succeed, it had raised awareness in the Church that financial support was needed for survivors, as well as disabled and retired clergy.
- The Clergymen's Retiring Fund Society formally closed with sale of its assets to Church Life Insurance Corporation, owned by CPF, in 1948

Attitudinal Shifts

From colonial times until the establishment of CPF in 1914, one can track a paradigm shift in thinking toward the vocation of clergy, in particular priests. Through the tenacity of concerned folk, including bishops and lay leaders, and through numerous General Conventions, key shifts took place over scores of years. A bird's eye view of these are:

- A shift from the clergy working until the grave, to being worthy of some income while they are still living, whether that is through disability or through a small retirement sum.
- A shift from clergy servants to the Church and her people, to being elevated to a certain class (gentry) of professional that may not earn outside of the profession.
- A shift from support of clergy (and/or their dependents) as being charity to being an earned benefit.
- A shift from local and diocesan funding for clergy relief, to a plan for the whole Church.
- A shift from the Church steering clear of secular business practices, to adopting practices of those business magnates gathered by Bishop Lawrence.
- A shift from individual contributions from clergy, to required contributions from congregations on behalf of clergy.
- A shift from the benefits being charity, to a right.

One must only read this quote from Bishop Lawrence (*Outlasting Marble and Brass*, p. 66) to imagine how this last shift set the stage for the CPF of today:

"This distinction must also be clear. A pension is not charity and charity is not pension. A pension is something which when once the contract is made, the pensioner may claim as a right, and there is no charity involved in receiving it."

5. The Founding of CPF

Following the 1913 General Convention, the members of the Joint Commission proceeded with the complex work of establishing a pension plan for the clergy of the Church. Among other things, the members of the Joint Commission incorporated CPF (as discussed below), conducted more in-depth actuarial work, and, based on that work, they decided upon the terms for a pension plan that would guarantee a minimum pension for clergy upon retirement and their surviving dependents. They also began fundraising in earnest, with a goal of raising just over \$5 million of “seed money” in donations – to ensure that CPF’s assets would be sufficient to pay the promised pensions to clergy and their beneficiaries.

As described by Bishop Lawrence in *The Story of the Pension Fund*, published in 1931, CPF and the terms of the pension plan were established with two essential principles firmly in mind:

1. Clergy have a right to a secure retirement, not as a favor or as charity but as a right, and “to gain this certainty the construction of the system must be as firm and reliable as actuarial science can make it System after system has failed because of a looseness of actuarial work or of kindly and apparently generous practices.”
2. The assessments received and benefits paid must be actuarially determined, and the administrators of the pension plan must “stand rigidly to the principles and actuarial terms of the [plan] as adopted. When the Church has created a system, its directors must without fear or favour administer the system. To give them the liberty to make exceptions [on] behalf of [sympathetic] cases or special groups is to endanger the system. In the case of pensions the Church had the choice between charity with personal favour or a system with definiteness of action: it selected the definite system: and although the hearts of the administrators may be moved by sympathy and a desire to make exceptions, their sense of responsibility to the Church holds them true to their duty.”

Both before and after the 1913 General Convention, the members of the Joint Commission also spent significant time educating clergy and the dioceses of the Church on the principles and proposed terms for the clergy pension plan, an effort that CPF has continued to this day.

By the time of the 1916 General Convention, CPF had raised approximately two-thirds of its \$5 million goal and, in addition, every diocese of the Church, as well as 19 missionary districts, had agreed to the terms of the clergy pension plan that CPF had established.

With the dream of a pension plan for the clergy of the Church nearing reality, both Houses of the 1916 General Convention met in joint session to learn more about the progress that had been achieved, and approved what was then Canon 56 (Of the Church Pension Fund), as discussed below.¹

¹ The 1916 General Convention also approved and authorized for use in the Church a new hymnal, and decided that the proceeds from the publication of the new hymnal should be committed for the benefit of CPF. This decision led to the creation by CPF of a new company as its subsidiary to own

As explained by Bishop Lawrence in The Story of the Pension Fund:

“No legislation of the Church has ever had more careful study on the part of the deputies to the General Convention, of the delegates to the Diocesan Conventions and of the clergy and laity of the Church than did the Pension Fund. Built upon the advice of leading actuaries and financiers this pension system stands by the unanimous approval of the Church; and is wrought into her canons as a part of her law.”

Although the Joint Commission’s original goal was to raise \$5 million to fund CPF’s obligations under the new clergy pension plan, the members of the Joint Commission ultimately raised \$8.5 million from over 47,000 donors across the Church. By 1917, with a legal framework and initial funding in place, CPF opened its doors and sent out its first pension check on March 1, 1917. Thus, CPF’s mission of serving the Church by providing retirement and other benefits to its clergy, and eventually lay employees, commenced.

6. The Legal and Canonical Status of the Relationship between the Church and CPF

This section will discuss the legal and canonical status of the Church and CPF, and their relationships, as well as their evolution over time.

a. Overview of Certain Legal Matters

Before proceeding with our discussion of the legal and canonical status of the Church, DFMS, and CPF, the Task Force thought that it might be helpful for readers to understand certain ecclesial and legal matters associated with these bodies:

Some entities such as the Church are not created in accordance with state laws. There are religious bodies that exist as ecclesiastical entities, not as secular entities. Ecclesiastical entities may be considered under secular law to be an unincorporated association or religious society. The essential distinction is that such entities have not been created to function under secular forms of organization such as a corporation, partnership, limited liability company or others created in statutes or other laws. Ecclesiastical entities decide for themselves what type of governing documents, if any, they will have and what authority, powers, duties and responsibilities different persons, groups, bodies or offices will have.

In the case of the Church, it has chosen to have a Constitution, Canons, a Book of Common Prayer, and Rules of Order (for each House of General Convention and Joint Rules for both Houses) as its primary governing instruments.

For entities that are incorporated under state laws, those state laws mandate many aspects of their governance. The principal governance documents for a corporation today are its charter (which may be in the form of a certificate of incorporation or articles of incorporation) and by-laws.

the copyright and publish the new hymnal for the Church, a company now named Church Publishing Incorporated.

In general, a corporation's charter is filed with the applicable state regulator to create the corporation and authorize the corporation to pursue the purposes described in its charter. Both DFMS and CPF are not-for-profit corporations formed in the State of New York, so the New York Department of State maintains on file, and makes available to the public, the Charters of DFMS and CPF. Both DFMS and CPF also have Constitutions: in the case of DFMS, Canon I.3 establishes its Constitution, and in the case of CPF, its Charter requires a Constitution.

The relevant state's corporation law (or not-for-profit corporation law) establishes and/or restricts the role, responsibilities and authority of each corporation formed in that state. New York's not-for-profit corporation law (both statutory and judicial) applies to both DFMS and CPF. Each of these not-for-profit corporations is also subject to the many federal, state and local laws and regulations that apply to their respective activities.

A corporation is governed by its board of directors, and state corporation law establishes the legal authority and constraints that apply to the board of directors of each corporation formed in that state. The Executive Council serves as the board of directors of DFMS and the Board of Trustees serves as the board of directors of CPF, so New York's not-for-profit corporation law (and other statutes and case law) dictates certain responsibilities for the Executive Council (in its capacity as the DFMS board of directors) and for CPF's Board of Trustees.

A corporation's board of directors creates by-laws to define various rules and procedures for the functioning of the board and address other customary matters. Like other corporations, both DFMS and CPF have Charters and By-laws.

New York not-for-profit corporations like CPF and DFMS may amend their Charters, and the boards of directors of these corporations may amend their Constitutions and By-Laws, but in doing so they must comply with any restrictions contained in those governing documents and any applicable laws and regulations. For example, a New York not-for-profit corporation may add, eliminate or change any of the authorized powers or purposes specified in its charter, but must first obtain the consent of its board of directors and approval of at least a majority of its members if it has members, as well as the approval of the New York Supreme Court or the New York State Attorney General. When applying for approval of the New York State Attorney General, a not-for-profit corporation must provide information about the proposed charter amendment to the New York State Attorney General's Charities Bureau. If a proposed amendment to the CPF or DFMS Charter would materially change any of its corporate purposes or powers, the Charities Bureau would likely request evidence that the Church supports the change.

b. Legal Status of The Episcopal Church

i. The Episcopal Church (the Unincorporated Ecclesiastical Entity)

The Church came into being in October 1785 when clerical and lay deputies from several states met in convention and adopted the first Constitution. [Journal of the General Convention of 1785, p. 8.] It was not then and is not now an incorporated entity of any type in

terms of secular law.² From a secular legal perspective, the Protestant Episcopal Church in the United States of America, otherwise known as The Episcopal Church (the name of the Church according to the Preamble to the Constitution) is an unincorporated voluntary association or religious society.

***ii.* The General Convention**

The General Convention is the governing body of the ecclesiastical entity of the Church. It meets every three years as a bicameral body consisting of the House of Deputies and the House of Bishops. The House of Deputies is composed of up to four lay persons and four priests and deacons from each diocese. The House of Bishops is composed of all the bishops of the Church.³ The Church has a unitary form of government, meaning that all authority resides in the General Convention. The General Convention chooses what to delegate to dioceses, provinces, bishops, clergy, and other bodies and offices.

The General Convention has chosen to govern the Church and itself under its Constitution, a set of Canons, the Book of Common Prayer, Rules of Order for each House of General Convention, those being the House of Deputies and the House of Bishops, and a set of Joint Rules of Order applicable to both Houses as well as numerous Resolutions of General Convention. All the proceedings of the General Convention and the House of Bishops, when it meets between General Conventions, are published in the Journal of each General Convention. All of the Church's governing documents are public and have historically been published for sale by Church Publishing Incorporated, a subsidiary of CPF. More recently, these documents have become available through various websites such as www.episcopalchurch.org, www.generalconvention.org and www.episcopalarchives.org.

The General Convention acts by adopting resolutions. Before being considered by the House of Bishops or House of Deputies, however, each proposed resolution must first be reviewed by the assigned legislative committee of each House. The Presiding Bishop and President of the House of Deputies assign proposed resolutions to legislative committees.

There have been legislative committees established for each General Convention since 1916 (then named "Committee on the Church Pension Fund") to consider resolutions that relate to CPF. Most recently, the 2018 Rules of Order of the House of Bishops allow that the Presiding Bishop may appoint legislative committees, as needed, which may include a Church Pension Fund Committee. Similarly, the 2018 Rules of Order of the House of Deputies state that the President of the House of Deputies may appoint a Church Pension Fund Committee with the following responsibilities:

"Receive[] and propose[] Resolutions on the purpose, scope, structure, and work of the Church Pension Fund including, but not limited to, pensions, disability, health insurance,

² It is beyond the scope of this memo to comment on the legal status of the Church in countries other than the United States.

³ It is beyond the scope of this Joint Report to discuss which bishops do and do not have the right to vote in the House of Bishops.

other insurance and products for lay and ordained employees of the Church, insurance for Church institutions, and publishing.”

The Church Pension Fund Committees have considered a wide variety of proposed General Convention resolutions and have been thoughtful in considering their impact on both the Church and CPF. For example, in 2018, the Church Pension Fund Committee of each House considered resolutions concerning pension equity, health benefits, and paid family leave. This legislative committee also addressed resolutions that sought more detailed reporting of clergy compensation by race and gender in CPF’s clergy compensation report.

In recent years, General Convention resolutions that would have a significant impact on CPF and its work have been assigned to other legislative committees. In fact, most legislative committees at the 2018 General Convention considered one or more resolutions that would impact CPF and/or its work. This has advantages and disadvantages, for both the Church and CPF.

The General Convention adopts Canons regarding CPF. The primary canon, discussed below, is Canon I.8, entitled Of The Church Pension Fund. The General Convention has also adopted a number of other Canons referencing CPF. As discussed later in this **Section 6**, CPF is required to prepare forms for medical and psychological examinations that are used for evaluating persons in the ordination process, clergy received from other churches, and bishops-elect. Other Canons require that CPF be notified (not as the Recorder of Ordinations) of ecclesiastical disciplinary actions against clergy and other changes in the status of clergy. Several canons require that a clergy person provide evidence of pension payments having been made to CPE.

In addition, the General Convention has enacted many resolutions regarding CPF since it was formed in 1914. The resolutions have addressed a variety of topics. Some have directed CPF to undertake certain tasks or work and others have requested CPF to do so. At other times it requests, urges, recommends, and encourages CPF to do or not do certain things. And in still other instances the General Convention authorizes CPF to take certain actions. The content and the fact of these Resolutions constitute an important component of the relationship between the Church and CPF. Taken together, the resolutions constitute an informative record and establish an important component of the canonical relationship between the Church and CPF.

iii. The Executive Council of the General Convention (“the Executive Council”)

The Executive Council is the body created by the General Convention to carry out many governance, administrative and policy responsibilities. The Executive Council has many but not all of the powers of the General Convention. There are some powers belonging to the General Convention that it has not delegated to the Executive Council such as the authority to amend the Constitution, amend the Canons, revise the Book of Common Prayer, and conduct elections required to be done by the General Convention. The extent of the Executive Council’s authority is set forth in the Canon on the Executive Council, Canon I.4, and any other Canons or resolutions of General Convention that grant authority to the Executive Council. It is the closest

thing the Church has to a board of directors, but since the Church is not a corporation, it does not have a board in the legal sense.

The precursor to the current Executive Council, the National Council, was created by the General Convention in 1919 via a new canon entitled “Of the Presiding Bishop and Council.” The National Council replaced three independent boards: the Board of Missions of the Domestic and Foreign Missionary Society, the General Board of Religious Education, and the Joint Commission on Social Service. [Journal of the General Convention, 1919, p. 169.] The purposes and authority of the Presiding Bishop and National Council, together, were described in the Canons and included:

“ . . . shall be the Board of Directors of The Domestic and Foreign Missionary Society and shall exercise all the powers of this Society.

. . . shall administer and carry on the Missionary, Educational and Social work of the Church . . .

. . . shall exercise all the powers of the Domestic and Foreign Missionary Society as provided in Canon 57, Article II., Section I, and have charge of the unification, development and prosecution of the work of Missions, Church Extension, Religious Education, and Christian Social Service; of the performance of such work as may be committed to them by the General Convention, and of the initiation and development of such new work between the sessions of the General Convention as they may deem necessary, subject, however, to the provisions of the Constitution and Canons and other directions of the General Convention.

. . . shall have the power to expend all sums of money provided for in the budget as adopted by the General Convention.”

[Canons 59 and 60, Journal of the General Convention, 1919, pp. 154-55.]

The National Council was renamed the Executive Council by the General Convention in 1964 and its purpose and authority were defined to include:

“ . . . shall be [the] Board of Directors [of DFMS] . . .

. . . [with the Presiding Bishop,] shall have charge of the unification, development, and prosecution of the Missionary, Educational, and Social Work of the Church . . .

. . . shall exercise the powers conferred upon it by Canon, and such further powers as may be designated by the General Convention, and between sessions of the General Convention may initiate and develop such new work as it may deem necessary.”

[Canons 3, 4.1(a) and 4.1(c), Constitution and Canons, 1964.]

The description of the purpose and authority of the Executive Council has changed slightly over the years and today reads:

“ . . . shall be [the] Board of Directors [of DFMS] . . .

. . . shall be to oversee the execution of the program and policies adopted by the General Convention. The Executive Council shall have oversight of the work done by the Domestic and Foreign Missionary Society in its capacity as its Board of Directors. The Council shall have oversight responsibility for the disposition of the funds and other property of the Domestic and Foreign Missionary Society in accordance with the provisions of this Canon and the resolutions, orders, and budgets adopted or approved by the General Convention. The Executive Council shall also have oversight responsibility for the work of the Office of General Convention and the Executive Officer of General Convention who shall report directly to the Executive Council. It shall also have oversight responsibility for the disposition of the moneys of the Office of General Convention. The Council shall adopt procedures it deems appropriate for approval of expenditures by the Domestic and Foreign Missionary Society and the Office of General Convention. . .

. . . shall exercise the powers conferred upon it by Canon, and such further powers as may be designated by the General Convention, and between sessions of the General Convention may initiate and develop such new work as it may deem necessary.”

[Canons I.3, I.4.1(a) and (c), Constitution and Canons, 2018.]

In addition to these responsibilities, the Executive Council also prepares the proposed budget for each triennium. It then turns the proposed budget over to the Joint Standing Committee on Program, Budget and Finance. [Canon I.4.6(a).] The General Convention adopts the budget.

The Executive Council is made up of

- the Presiding Bishop
- the President of the House of Deputies
- four bishops elected by the General Convention
- four priests or deacons elected by the General Convention
- twelve lay persons elected by the General Convention
- one bishop, priest or deacon and one lay person elected by each Province

The Chief Operating Officer, Secretary of General Convention, Treasurer of General Convention, Chief Financial Officer and the Chief Legal Officer of the Executive Council are all *ex officio* members of the Executive Council with seat and voice but no vote. The terms of all elected members of Council are six years, with a member eligible to serve only one six-year term until at least three years have elapsed since their term expired.

1. By-laws of the Executive Council

Since its creation in 1919, the Canon on the Executive Council has provided that it may enact By-laws for its own government subject to the provisions of the Constitution and the rest of the Canons. [Canon I.4.1(c).] In 1988, that Canon was amended to provide that the Chair

and Vice Chair of the Executive Council perform duties that are customary for those offices and that are also conferred by Canon and the By-laws of the Council. [Canon I.4.1(e).] In 1997, the Canon was amended to empower the Executive Council to establish by its By-laws, Committees and *ad hoc* working groups or task forces. [Canon I.4.4.] And, in 2018, the Executive Council was authorized to establish procedures and guidelines in its By-laws allowing members to participate in and vote at the Executive Council meetings by technology that allows all participants to hear one another simultaneously. [Canon I.4.5(b).]

The By-laws of the Executive Council (and the DFMS) cover matters that are typically covered by the By-laws of a board of directors including describing how resolutions are submitted and considered, specifying the committees and how they are appointed (Executive, Transitional Executive, Joint Standing Committees of the Executive Council and DFMS, and *ad hoc* committees), and matters of conflicts of interest, indemnification of members, and amendment of the By-Laws.

Currently, the Executive Council has one set of By-laws covering its work as both the Executive Council and as the board of directors of the DFMS.

2. *The Executive Council and CPF*

Subject to limitations in the Canons such as the election of Trustees and the amendment of Canon I.8, the Executive Council acts on behalf of the Church between General Conventions.

iv. Dioceses and CPF

The primary role of dioceses regarding CPF and its affiliated companies is as the employer of clergy and lay employees who participate in CPF benefit plans and as the body with some kinds of authority over congregations and other Episcopal organizations, including the authority to adopt diocesan canons for their governance. Some dioceses have a diocesan canon addressing matters concerning CPF. Typically, the diocesan canon sets up a committee of the diocese to receive reports from CPF and make an annual report to the diocesan convention about such matters. In addition, the diocesan canons typically obligate all diocesan organizations, including parishes and missions, to provide compensation information for clergy (and lay) employees to CPF.

Other than those roles, dioceses have no direct role regarding CPF. Dioceses elect Deputies to the General Convention and Bishops of the diocese are members of the House of Bishops, but dioceses *per se* have no authority regarding or governance function regarding CPF.

c. Legal Status of DFMS

DFMS is the incorporated entity of the Church. It owns the real and personal property of the Church, manages the funds, and employs all the staff of the Church. It is the corporate entity through which the Church does business.

The General Convention established DFMS in 1821. [Journal of the General Convention, 1821, p. 21-22.] The initial Constitution of DFMS is set forth in Appendix V to the 1821 Journal at pp. 51-54. The initial members were all the Bishops of the Church, plus all clerical and lay deputies and “such other persons, as shall contribute, by subscription, three dollars, or more, annually to the objects of the institution, . . .” (See p. 51.) The board of directors of DFMS was composed of the Presiding Bishop, the two senior Bishops of the House of Bishops as vice presidents, and twenty-four directors elected at the annual meeting. (See p.52.)

In 1835, the General Convention amended the DFMS Constitution to provide that “The Society shall be considered as comprehending all persons who are members of this Church.” [Journal of the General Convention, 1835, p. 129.] The world was declared to be the missionary field of the Church and the Church entrusted its missionary work to a body known as the Board of Missions, which was comprised of thirty members elected by the General Convention and all of the bishops of the Church, plus all of the persons who had become “patrons” of DFMS prior to the 1929 General Convention. [Journal, 1835, pp. 129-130.]

The DFMS was incorporated by the New York State legislature in 1846 “for the purpose of conducting general missionary operations in all lands” and was the first incorporated body of the Church.

The General Convention has amended the Constitution of the DFMS a number of times over the years. In 1871, it was amended to provide:

And the Board of Missions of the Protestant Episcopal Church in the United States of America, hereinafter provided for, may exercise, subject to the General Convention, and within the limitations contained in this Constitution, and in any amendments hereafter made in the same, all the corporate powers of the institution aforesaid.

According to the Annotated Constitution and Canons for the Government of the Protestant Episcopal Church in the United States of America otherwise known as The Episcopal Church (**Annotated Constitution and Canons**), 1981, p. 220, this amendment “was designed to give larger powers to the Board of Missions, authorizing it to exercise all the corporate powers of [DFMS].”

In 1877, the Constitution of the DFMS was enacted as a canon and has remained a canon since that time. [Journal of the General Convention, 1877, p. 178.] All the amendments are discussed at length in Annotated Constitution and Canons, pp. 208-241.

The current Constitution of DFMS is on pp. 43-44 of the Constitution and Canons (2018) available at <https://extranet.generalconvention.org/staff/files/download/23914>. It consists of three Articles. Article I states that the name of the corporation is the Domestic and Foreign Missionary Society of the Protestant Episcopal Church in the United States of America. It goes on to say that the corporation “comprehend[s] all persons who are members of the Church.” Article II provides that the Executive Council is DFMS’s Board of Directors. In addition, it directs that the Board of Directors adopt By-laws not inconsistent with the Constitution and Canons. Article III defines the officers of DFMS to be a President who is the Presiding Bishop, two Vice Presidents, one of whom is the President of the House of Deputies and the other being Chief

Operating Officer, a Treasurer who is the Chief Financial Officer of the Executive Council and a Secretary who is the Secretary of the Executive Council. Article III goes on to say that the officers have such powers and perform such duties as are assigned by the By-laws, that the By-laws may provide for other officers, and that the tenure, compensation, powers, and duties of the officers are set by the By-laws and Canons. Article IV provides that the DFMS Constitution may be amended by the General Convention.

i. The Executive Council as DFMS Board of Directors

Since 1919, with the creation of the National Council, the board of directors of DFMS has been defined by the DFMS Constitution as the National Council, now the Executive Council. [Journal of General Convention, 1919, p.165, Canon I.3.II.]

The canonical authority of the Executive Council in its capacity as the board of directors DFMS, was stated in the 1964 Executive Council canon, Canon 4.1(c):

“the Council shall have the power to direct the disposition of the moneys and other property of said Society in accordance with the provisions of this Canon and the orders and budgets adopted or approved by the General Convention.”

Today that authority is described as:

“The Executive Council shall have oversight of the work done by the Domestic and Foreign Missionary Society in its capacity as its Board of Directors. The Council shall have oversight responsibility for the disposition of the funds and other property of the Domestic and Foreign Missionary Society in accordance with the provisions of this Canon and the resolutions, orders, and budgets adopted or approved by the General Convention. . . .”

Canon I.4.1(a).

ii. By-laws of DFMS

As with the Executive Council, the Canon on DFMS has authorized its board to adopt By-laws not inconsistent with the Constitution and Canons. The Canon on the Executive Council is permissive; it “may” adopt By-laws. [Canon I.4.1(c).] The Canon on DFMS is mandatory; the board “shall” adopt By-laws. [Canon I.3.II.] Article III of Canon I.3 provides that in addition to the mandated President, Vice Presidents, Secretary and Treasurer, the Canons or By-laws may provide for the appointment of additional officers. Article III goes on to provide that the powers, duties, tenure, and compensation of the officers shall be prescribed by the Canons and the By-laws.

Currently, the Executive Council has one set of By-laws covering its work as both the Executive Council and as the board of directors of the DFMS.

iii. Relationship of DFMS and CPF

Because the DFMS is the incorporated entity that carries on the business of the Church, all employees of the Church at the church wide level in the United States are employees of the DFMS.⁴ As such, all clergy employees of the DFMS participate in CPF's clergy pension plan and related benefit plans. Under the recently enacted mandatory lay pension system of the Church (offered through CPF), eligible lay employees of the DFMS participate in CPF pension plans. (See Canon I.8.3.) Eligible clergy and lay employees of DFMS also participate in the mandatory denominational health plan, opting for whichever plan they choose of those offered by DFMS. (See Canon I.8.3.) The DFMS has no other role regarding CPF other than as an employer offering mandatory and discretionary employee benefits.

d. Legal Status of The Church Pension Fund (CPF)

i. CPF was Created as a New York Not-for-Profit Corporation in 1914

As discussed above, the 1913 General Convention responded to the recommendation of the Joint Commission by authorizing the members of the Joint Commission to create a new corporation and take the necessary steps to establish a clergy pension fund for all Episcopal clergy.

At that time, a not-for-profit corporation could be created only by legislation. The members of the Joint Commission chose New York as the state for the creation of CPF because of New York's comprehensive fiscal oversight by state regulators, as well as its being home to the country's principal financial markets.

Accordingly, on April 3, 1914, the legislature of the State of New York enacted a law to establish CPF as a charitable (not-for-profit) corporation with the following specific purposes:

- to provide "pensions and other forms of support" for clergy of the Church and churches in communion with the Church "who, by reason of long and meritorious service, or by age, disability, or other reason, shall be deemed entitled to the assistance and aid of this corporation, *on such terms and conditions, however, as such corporation may from time to time approve and adopt*";
- to provide "pensions and other forms of support" for individuals dependent upon those clergy who "shall be deemed entitled to the assistance and aid of this corporation, *on such terms and conditions, however, as such corporation may from time to time approve and adopt*"; and
- "to do and perform all things necessary and appropriate to a corporation created for the purpose of providing pensions and other forms of support" for these clergy and their dependents.

Notably, the 1914 law authorized CPF to determine the terms and conditions for the "pensions and other forms of support" that it provides.

⁴ It is beyond the scope of this Joint Report to deal with the legal status of employees who may work for the Church in countries other than the United States.

The 1914 law also required the members of the Joint Commission to adopt a “constitution” for CPF that would prescribe the number and qualifications of the “members” of CPF⁵ (making clear that the members may or may not be the same as CPF’s trustees), the number of members that would constitute a quorum, the number of trustees who would manage CPF’s business and affairs, and the qualifications, powers and manner of selection of CPF’s trustees and officers.

Interestingly, the 1914 law specified:

the “selection of trustees or officers, or both, may or may not be by the governing body of the [Church], now known as [General Convention], or by appointment with reference to their holding official positions in the said church or in the said general convention, or in accordance with canons or regulations adopted or prescribed the said general convention.”

Finally, the 1914 law gave authority to New York’s insurance regulator to conduct examinations of CPF and required CPF to submit certain financial reports to the insurance regulator.

The 1914 law has been amended by the New York legislature twice since its enactment, but most of the requirements of this law survive to this day. The amendments to this law and CPF’s Constitution are discussed below.

ii. CPF’s Charter Establishes its Legal Authority

The 1914 law, as amended, represents what New York State authorities and modern-day lawyers would consider to be CPF’s “Charter” so we will now refer to it as such.

There have been only two changes to CPF’s Charter since 1914, both effected by laws enacted by the New York State legislature. The first change, in 1926, broadened the types of benefits that CPF may provide to dependents of clergy, to include “pensions, death benefits, annuities or other forms of support.”

The second change to CPF’s Charter, in 1940, takes into account the evolution of CPF as described in the timeline provided in Appendix VIII. In particular, although CPF was initially created only to provide pensions and other forms of support for clergy and their dependents, it had evolved to become a “holding company” for a life insurance company and publishing company. Moreover, CPF proposed in 1940 to become the sole shareholder of a property and casualty insurance company (the company that is now The Church Insurance Company).

Accordingly, CPF’s Charter was amended by the New York State legislature in 1940 to make it clear that CPF was authorized:

⁵ The members of a New York not-for-profit corporation do not have any economic or ownership interest in the corporation, but do have certain voting rights.

(d) . . . to acquire, own and hold, with power to vote, all of or a controlling interest in the capital stock of any corporation, domestic or foreign, organized for any purpose which shall be authorized or approved (before or after the acquisition thereof) as useful or beneficial to the Protestant Episcopal church [sic] in the United States of America by the governing authority of such church now known as the general convention of the Protestant Episcopal church [sic] in the United States of America; . . .

The 1940 amendment also addressed certain technical changes to New York's insurance laws, but CPF remains to this day subject to examination by, and must submit reports to, New York's insurance regulator (the New York Department of Financial Services).

With respect to the roles, responsibilities and authority of CPF, its Charter makes clear that CPF is a corporation that:

- Has limited purposes. In general, CPF's express purposes are: (1) to provide pensions and other forms of support for clergy of the Church (or another church in communion with the Church); (2) to provide pensions, death benefits, annuities and other forms of support for dependents of these clergy; and (3) to own and dispose of companies whose purposes are authorized or approved by General Convention as useful or beneficial to the Church;⁶
- Is permitted to use any means to achieve these purposes "as seem expedient to its members or trustees, including the establishment and maintenance of any appropriate activities, agencies or institutions for like or similar purposes"; and
- Has legal power and authority to determine the terms and conditions for the pensions and other forms of support that CPF provides.

CPF's Charter is a public document and is available from The New York Department of State.

iii. CPF's Constitution Addresses Certain Governance Matters

As discussed above, CPF's Charter requires that CPF must have a "constitution" that addresses certain matters relating to the governance of CPF. Accordingly, the first Constitution for CPF was adopted on April 17, 1914, two weeks after CPF was formed. CPF's initial Constitution named Bishop Lawrence and the other living members of the Joint Commission as

⁶ In 1940 General Convention "ratifie[d] and approv[ed] the action of the Trustees of The Church Pension Fund in having established The Church Hymnal Corporation and the Church Life Insurance Corporation as wholly-owned subsidiaries of the Fund . . . ; and in particular approv[ed] the purposes of such subsidiaries as being useful and beneficial to the . . . Episcopal Church . . . ; and ratifie[d] and approve[d] the ownership by The Church Pension Fund . . . of all the stock of such corporations." In addition, it "approve[d] the purposes of Parish Securities Corporation, The Church Properties Fire Insurance Corporation, and the related Church Finance Corporation and agency corporation, as useful and beneficial to the . . . Episcopal Church . . . , and approve[d] such corporations and the action heretofore taken by The Church Pension Fund with respect thereto" Journal of the General Convention, 1940, pp. 348-350.

the initial “members” of CPF (see prior footnote explaining “members” of a New York not-for-profit corporation) and as CPF’s initial trustees, and required that the members and trustees of CPF would be the same individuals.

The Constitution adopted in 1914 specified that there would be 18 trustees, divided into 3 classes of 6 trustees: the term of one class would expire upon the adjournment of the General Convention in 1916; the term of the second class would expire upon the adjournment of the General Convention in 1919; and the term of the third class would expire upon the adjournment of the General Convention in 1922. The Constitution specified that beginning in 1916, each General Convention would elect six trustees to serve for 9-year terms.

CPF’s initial Constitution also explained how vacancies on the Board of Trustees should be filled when the General Convention is not in session, how meetings of the Board of Trustees may be called, the number of trustees that constitutes a quorum for a meeting and other ministerial matters.

The Constitution could be amended by the Board of Trustees, except:

“no amendment made by the Board of Trustees abridging in any way the rights of the General Convention to select and appoint Trustees shall become effective without the consent of the General Convention to such amendment.”

CPF’s current Constitution, which has remained unchanged since 1970, also specifies that the members of CPF are the same individuals who serve as trustees of CPF, but it requires that CPF must have 25 trustees: 24 trustees who are elected by the General Convention, and CPF’s president (Chief Executive Officer) must also serve as a trustee *ex officio*.

The CPF Constitution consists of three Articles. Article I states the name of the corporation. Article II is titled “Members and Trustees.” Section 1 on Membership establishes that the members of the corporation are the Trustees. Section 2 on Trustees is lengthy, eight paragraphs, detailing the election of Trustees by the General Convention, the division of the Trustees into classes, sets the length of the term of Trustees (six years), the ability of a Trustee to succeed him/herself, and the fact that if a Trustee elected by the General Convention declines to serve, it is treated as if the General Convention had not elected the person. Of the nine paragraphs in Article II, all but one of them refer to the General Convention. In fact, there are 20 references to the General Convention in Section 2. Section 3 specifies how vacancies on the Trustees are filled and references the General Convention seven times. Section 4 specifies the officers of the corporation. Section 5 specifies that the Trustees, subject to the Constitution, have all the powers of the corporation. Section 6 on the Executive Committee and also references the General Convention. Section 7 entitled “Meetings of Board of Trustees” specifies how meetings of the Trustees can be called. Section 8 sets the quorum for meetings of the Trustees. Article III, as was the case in 1914, specifies that the Constitution may be amended by the Board of Trustees and retains the requirement that the General Convention approval be obtained for any amendment that abridges the General Convention’s rights to select and appoint Trustees.

CPF's Constitution and Charter together with Canon I.8, discussed below, are the three primary instruments describing the relationship between CPF and General Convention. In spite of this, CPF's Constitution has not been a public document available for review by the Church or the public. A copy of the Constitution was provided to the Task Force and is now available on CPF's website.

iv. CPF's By-Laws Supplement (but are Subject to) CPF's Charter and Constitution

CPF's Board of Trustees adopted its first By-Laws in 1941. The initial By-Laws as well as CPF's current By-Laws explain that the By-Laws supplement the provisions of CPF's Charter and Constitution, but acknowledge that the By-Laws are subject to the provisions of CPF's Charter and Constitution. (This requirement is similar to the mandate of Canon I.3 for DFMS, which states that the Executive Council must "adopt By-laws for its government not inconsistent with the Constitution and Canons.")

CPF's By-Laws explain that "The number of Trustees, their term of office, the method of their election, the method of filling vacancies and the quorum required for meetings of the Board of Trustees shall be prescribed in [CPF's] Constitution and the Constitution & Canons of The Episcopal Church."

CPF's By-Laws also describe, among other things, how meetings of the Board of Trustees may be called and what notice of meetings must be provided, authorize approvals by unanimous written consent and meetings by telephone conference, and explain that Trustees serve without compensation (although expenses may be reimbursed). In addition, the By-Laws specify the six standing committees of the Board of Trustees: the Audit Committee; Benefits Policy Committee; Compensation, Diversity and Workplace Values Committee; Executive Committee; Finance Committee and Investment Committee. Finally, the By-Laws address various other matters that are typically addressed in corporate by-laws, including the election and removal of officers, and the liability and indemnification of CPF Trustees and employees.

e. Canonical Status of the Relationship Between the Church and CPF

This section summarizes Canon I.8 (*Of the Church Pension Fund*), which establishes the relationship between the Church and CPF. For additional information about changes to this Canon that have been made over time, please refer to the Journals of General Convention (<https://www.episcopalarchives.org/governance-documents/journals-of-gc>).⁷

Canon I.8 authorizes CPF to establish and administer for the Church the pension, health and related benefit plans for Episcopal clergy and lay employees. This Canon, as supplemented by CPF's Constitution, also creates the formal relationship between the General Convention and CPF, by requiring that each General Convention must elect 12 persons to serve

⁷ Also see the Annotated Constitution and Canons, and the 1989 and 1991 Supplements prepared by the Standing Commission on Constitution and Canons (collectively referred to as "White and Dykman"), which are available at <https://www.episcopalarchives.org/governance-documents/white-and-dykman>.

as trustees for 6-year terms. The General Convention's ability to select the 24 individuals who serve on CPF's Board of Trustees from time to time (and the responsibility of these 24 trustees to decide upon CPF's 25th trustee, its chief executive officer) in theory gives the General Convention significant influence over the strategy and policies of CPF.

Much of Canon I.8 remains unchanged from the original canon (Canon 56) that was adopted by the General Convention in 1916, shortly after CPF was formed. Among other things, Canon I.8:

- Authorizes CPF to establish and administer the pension, health and related benefit plans for Episcopal clergy and lay employees.

In 1916, Canon 56 (*Of the Church Pension Fund*) authorized CPF to establish and administer only the clergy pension system for the Church, substantially in accordance with the principles approved by the General Convention in 1913. The current Canon I.8 retains this authorization (including the requirement that the clergy pension system must be maintained substantially in accordance with the principles approved by the General Convention in 1913), but since 1967 this Canon has made it clear that the clergy pension system includes life, accident and health benefits and also calls for providing for clergy disabled by age or infirmity, and for widows and minor children of deceased clergy. Canon I.8 also authorizes CPF to establish and administer the lay pension system and denominational health plan for the Church, substantially in accordance with the principles approved by the General Convention in 2009. For additional information on the work of the Church and CPF that led to this authorization, please see the timeline included as Appendix III of this Joint Report.

- Establishes how CPF's Board of Trustees must be elected: candidates for trustee must be nominated by a joint committee of the General Convention (now known as the Joint Standing Committee on Nominations), and each General Convention must elect 12 persons to serve as trustees for 6-year terms. Canon I.8 also explains that the Board of Trustees may elect a trustee to fill any vacancy that occurs between General Conventions, but the next General Convention would then elect a trustee to fill that vacancy.

The requirement that candidates for trustee must be nominated by a joint committee of General Convention has not changed since Canon 56 was approved by the General Convention in 1916. Indeed, prior to 1916, the Canon governing the election of trustees of the General Clergy Relief Fund, a predecessor to CPF, contained this same wording.⁸

⁸ Canon I.8.2 specifies that the General Convention elects the CPF Trustees "on the nomination of a Joint Committee thereof" [of General Convention], and Rule VII.17(a) of the Joint Rules of Order of the House of Bishops and House of Deputies states that the Joint Standing Committee on Nominations serves "as the Joint Committee referred to in Canon I.8.2." Joint Rule of Order VII.20 describes the procedures for nomination of individuals to serve in various leadership positions in the Church, including CPF Trustees, and explains that those procedures should not preclude nominations from the floor. Although there have been multiple efforts to amend Canon I.8 or the Joint Rules of Order to clarify whether "nominations from the floor" for CPF Trustee are permissible, none of the proposed amendments

The canonical requirements for the number of trustees and length of their terms have changed since CPF was founded. Consistent with CPF's original Constitution as discussed above, Canon 56 required that each General Convention elect 6 persons to serve as trustees for 9-year terms. In 1946, the number of trustees elected at each General Convention was increased from 6 to 8 and in 1970, Canon I.8 (then I.7) was amended to require each General Convention to elect 12 persons to serve as trustees for 6-year terms, as it requires today. (In addition, CPF's president [Chief Executive Officer] must serve as a trustee *ex officio*.)

The only other changes in the canonical requirements for election of CPF trustees were: (1) in 1964, to recognize that the Board may fill vacancies that occur between General Conventions, and (2) in 1988, to prohibit the re-election of trustees who have served 12 or more consecutive years until the General Convention following the General Convention at which the trustee would not have been eligible for re-election.

- Authorizes CPF to receive all net royalties from publications authorized by the General Convention to support the administration of the pension system.

This authority has not changed since 1916.

- Authorizes CPF to collect pension assessments from employers based on the salaries and other compensation earned by their clergy and lay employees.

This authority is substantially the same as in 1916, except the assessments in 1916 were based only on salary (without taking into account other compensation).

- Authorizes CPF to collect health plan and related contributions from employers based on the salaries and other compensation earned by their clergy and lay employees.

This authority was added in 2009.

- Requires CPF to administer the pension system in a manner to ensure that it has sufficient funds to pay the pensions it promises.

This requirement has been included in the Canons since Canon 56 was adopted in 1916.

- Mandates that CPF must pay a minimum pension, as determined by the Board of Trustees, to clergy with at least 25 years of credit service (for which assessments have been paid), and that CPF must also provide benefits to the surviving spouse

have been enacted. In 2018, the General Convention directed the Standing Commission on Structure, Governance, Constitution and Canons, by Resolution 2018-B030, to "review the process for nomination of candidates to serve as Trustees of The Church Pension Fund contained in Canon I.8, the Joint Rules of Order of the House of Bishops and the House of Deputies and any other relevant Canons or rules, and propose amendments to address any inconsistencies."

and minor children of those clergy. The Canon empowers CPF to determine the appropriate pension for clergy with less credited service, consistent with proper actuarial practice.

Originally, Canon 56 assured clergy that if they were ordained “at or about the usual age of ordination,” they would receive a pension of at least \$600 per year; clergy who were ordained when older would receive a pension in an amount determined by CPF “consistent with actuarial relations.” The current language was incorporated in Canon I.8 in 1979.

- Empowers the CPF Trustees to establish rules and regulations for the pension, health and related benefit plans that CPF administers to fulfill the intentions of Canon I.8 and sound actuarial practice.

This authority was granted to CPF’s Board of Trustees by the amendment to the Canon (then Canon 58) approved by General Convention in 1940.

- Limits the power of the General Convention to amend Canon I.8, by requiring that any amendment must first be communicated to CPF’s Board of Trustees and the Trustees must be given ample opportunity to be heard with respect to the proposed amendment.

This limitation on the General Convention’s power to amend Canon I.8 is unchanged since Canon 56 was adopted in 1916.

f. CPF as Recorder of Ordinations [Canon I.1.6(a)]

In 1789, the Secretary of General Convention was given the responsibility of keeping the “register of all the Clergy of this Church.” [Canon XVI of the 1789 Canons.]

In 1910, the office of the Recorder of Ordinations was created in order to “continue the list of Ordinations” and to “keep a list of the Clergy in regular standing.” [See Canon 47.IV.i of the 1910 Canons.] The Recorder was required to be a presbyter nominated by the House of Bishops and elected by the House of Deputies.

In 1925, the Recorder of Ordinations canon was amended to eliminate the requirement that the Recorder be a presbyter. [See Canon 51.IV.1 of the 1925 Canons.] The incumbent Recorder (Fr. W.S. Slack, appointed in 1921) explained that the amendment was intended to allow CPF to serve in this capacity. [Journal of the General Convention, 1925, pp. 540-41.] Fr. Slack wrote in his report:

There was a time when the office of Recorder as separate and distinct was of great service to the Church, but, today, while the Church has at hand in the office of the Church Pension Fund a body of men engaged in keeping a very accurate record of all Ordinations, Suspensions, Depositions, Transfers and Deaths of the Clergy, it might be best, if the Convention in its wisdom sees fit, to affix the duties of this office to that Board and require of the Church Pension Fund, through its Secretary, the continuance of the list of Ordinations, etc., as has heretofore been made to the Convention at its Triennial

meetings. Following a suggestion from the Bishop of Massachusetts “that almost all of the facts, if not all, that you ask for in these letters are in the office of the Church Pension Fund, 14 Wall Street, New York, and could probably be obtained there, thus saving a great deal of work for you,” I got in touch with Mr. Sayre and found that the Bishop was correct in his kind proffer of assistance, and have had some communication with him relative to the C.P.F. taking over this work of the Recorder, feeling sure that the purpose of the Church in establishing this office of Recorder would be best carried out through such a body as the C.P.F. For it is a matter of business with them, and their future pensions depend upon the accuracy of their records, whereas it is with the office as presently constituted simply a matter of compliance with an aggravating request of “an officious and pestilential setterforth of questionnaires.” With this in mind, the future safeguarding of the record of ordinations, I have been in communication with Rt. Rev. A.C.A. Hall, D.D., in that regard, as also with the late Rev. Dr. E.A. White, and asked that suitable provision be made by Canon to enable such an arrangement to be made.

In 1943, Fr. Slack resigned as the Recorder of Ordinations and General Convention appointed CPF as the new Recorder of Ordinations. [See Journal of the General Convention, 1943, p. 299.] The resolution stated:

Resolved, The House of Bishops concurring, that the work of Recorder of Ordinations under Canon 51 (New 1) be transferred to the Church Pension Fund and the former Recorder be requested to turn over to the Church Pension Fund all his records pertaining to the office of Recorder.

In his report, Fr. Slack writes that it is “increasingly evident that it is beyond the ability of any individual to carry on the work of the recorder” and that he is “fully persuaded that this necessary work can be more correctly and more carefully done by The Church Pension Fund.” [1943 Journal of the General Convention, pp. 471-72.]

CPF (or its President) has been appointed by each General Convention since 1943 to be the Recorder of Ordinations. Bishops, or Standing Committees in the absence of a Bishop, must report annually to the Recorder all changes in clergy status including ordinations, receptions, transfers, removals, deaths, suspensions and depositions. The Recorder presents a report of all this information to each General Convention. In recent years, the canons have been expanded to require that notice of other disciplinary actions regarding clergy be reported to the Recorder, including notices of Accords and Orders. [See Canon IV.14.12.]

g. CPF as Provider of Medical and Psychological Screening Forms Used in the Ordination Process

Since 1904, the Canons have required that Standing Committees determine that they have no reason to suppose there exists “any sufficient obstacle, physical, mental, moral, or spiritual” to ordination prior to recommending candidates for ordination to the diaconate or priesthood. In 1919 the Canons were amended to mandate a thorough examination by a physician “to cover his mental, nervous, and physical condition” of Postulants for Holy Orders. [Canon 1.1.ii (1919).]

Since its founding in 1914, the benefits that CPF promised to clergy have included payments to support disabled clergy. It was not long before CPF realized that the cost of

providing this benefit was much greater than originally contemplated. CPF had also experienced instances when clergy had applied for disability benefits early in their professional ministry, raising questions about their fitness at the time of their ordination.

Accordingly, the General Convention responded to CPF's concerns by requiring that these forms must be provided by CPF, while recognizing that the Bishop remained responsible for ensuring that a proper examination is conducted. CPF has had access to medical professionals to evaluate clergy's eligibility for disability benefits, so CPF has relied on experts to prepare these forms.

In 1937, the General Convention amended the Canons to add a role for CPF in this process: "the Bishop shall require the applicant to submit to a thorough examination by a physician appointed by the Bishop. This examination shall cover the man's mental and nervous as well as his physical condition. The form of medical report prepared by the Church Pension Fund shall be used for this purpose." This requirement applied to those seeking to be Postulants and candidates for ordination to the diaconate. [Canons 1.I.ii and 7.III (1937).] In 2003, the requirement was expanded to those seeking ordination as priests.

In 1949, the Canons were amended to provide for an examination of all Bishops-elect as to their physical and mental condition by a physician. [Journal of the General Convention, 1949, p. 184.] In 1982, the Canon on the election of bishops was amended to provide that the forms for the medical and psychiatric examination of Bishops-elect would be prepared by CPF. [Journal of the General Convention, 1982, p. C-80.]

Although the language has been changed from time to time, the Canons continue to include a role for CPF in promulgating forms by requiring that the medical, psychological and/or psychiatric condition of candidates for deacons, priests and of Bishops-elect of the Church and clergy coming into the Church must be evaluated by professionals using forms provided for this purpose by CPF.⁹

In the mid-1990s, CPF promulgated an extensive resource manual on medical and mental health screening for those in the ordination process. The manual consisted of two types of forms: the canonically mandated forms for medical examination and mental health evaluation and non-canonically required resource documents including several Release and Authorization forms, a Behavior Screening Questionnaire, and a Life History Questionnaire.

7. Past Reviews of CPF

Questions about the relationship between the Church and CPF have arisen periodically. Several past reviews are summarized here.

a. Joint Commission to Study Clergy Pension Plans and Clerical Salaries, appointed by the General Convention in 1949

⁹ See Canons III.6.5(j)(2) (deacons), III.8.5(k)(2) (transitional deacons), III.10.1(b) (received clergy), III.11.3(a)(2) (Bishops-elect) and III.12.5(b)(3)(v) (assistant bishops in communion with the Church).

The appointment of this group was in response to proposals raised by multiple dioceses and the “El Paso Committee” to the 1949 General Convention that included:

- Alternate methods for the development of pensions as individual accounts rather than on a group basis (a plan that became known as the “El Paso Plan”);
- The possible payment by clergy of a portion of the pension assessments paid by parishes;
- The possibility of paying all clergy the same pension amount after retirement;
- The possible classification of beneficiaries as between married and unmarried priests and older and younger widows; and
- The advisability of setting minimum clergy salaries by canon.

The Commission’s report to the 1952 General Convention advised against adoption of the “El Paso Plan” after reviewing the founding principles on which CPF was based. It did conclude that the then-present pension payments, while providing a firm foundation for retirement, were inadequate to maintain a fair living standard for a retired clergy person and his wife and family. The Commission also recommended that the “Dioceses, Missionary Districts and parishes continue and increase their efforts towards meeting the responsibility of the Church for the welfare of the clergy over and above the sums provided under The Church Pension Fund as set forth by that organization pursuant to actions of General Convention.”

The Commission also determined that it could not recommend equalization of all clergy pensions, and “that there is no valid reason for such equalization, which would disregard all variations of circumstances among retired clergy with respect to environment and other conditions of their former service and of their situation in retirement.”

After considering whether minimum clergy salaries should be set by canon, the Commission’s report stated:

Yet when we come to consider the relation of General Convention to pensions and to salaries, we find fundamental differences. With the operation of the pension system, the General Convention has everything to do. The Convention established the Pension Fund by canon; it fixes premium rates by canon; it elects the trustees as prescribed by canon, and may by canon set forth general principles affecting the operation of the pension system.

In regard to salaries, however, the General Convention now has little direct responsibility. No canon can raise or lower salaries of parish clergymen, or prescribe penalties for failure to carry out salary agreements. Your Commission feels that the responsibility for clerical salaries should continue to rest primarily with diocesan authorities, as far as they are responsible, in whole or in part for the salaries of the missionary clergy, and with parish vestries. Conditions vary so greatly from diocese to diocese, and from district to district that no common standard, even a minimum one, would be realistic or effective if embodied in the Canons of the General Church.

The Commission unanimously recommended that a Joint Commission be appointed to continue the study of clergy pensions and salaries during the next triennium.

As shown in the timeline provided in Appendix III, the General Convention responded to this recommendation by approving the continuation of the Commission to study potential means for supplementing the income of retired clergy.

b. Committee to Review the Role of the Church Pension Fund appointed by the Presiding Bishop in 1966

The impetus for the appointment of this group was an April 1966 resolution of CPF's Board of Trustees requesting the Presiding Bishop to appoint an "independent Committee of Review" to "examine the benefits provided by The Church Pension Fund and make recommendations as to changes which the Committee believes desirable." [Journal of the General Convention, 1967, Appendix 4.1.] This resolution may have resulted from a groundswell of desire to enable clergy retirement at age 65 that grew to include questions about investment and management practices of CPF, vesting, equal pensions, and suggestions for replacing the Trustees with a commercial pension management firm. (See The Archives of the Episcopal Church, Research Report (2018-A060 Study), Relationship Between the General Convention and the Church Pension Fund Board of Trustees, April 12, 2019, provided in **Appendix IV** to this Joint Report.)

The Committee retained an actuarial firm to recommend a proper balance among the clergy pension plan's various benefits, determine whether benefits could be improved, consider the future effects of inflation and Social Security benefits, perform calculations to verify the clergy pension plan's funding levels, report on CPF's investments and audit techniques for communicating benefits information to clergy, and recommend changes where indicated.

In the Committee's 20-page report to the General Convention, which can be found in Appendix 4 to the 1967 Journal and became known as the "Fey Report", the Committee recommended among other things:

- retaining the 15% assessment rate
- that the Trustees consider utilizing a higher ratio of equity-investments compared to bonds
- changing the benefit formula from 1.5% of career average salary to 1.1% of the ten highest consecutive years of salary
- reducing normal retirement from 68 to 65 years of age, and reducing the minimum age for voluntary retirement from age 65 to age 60, with an actuarially reduced pension
- changing eligibility of widows for pensions
- that the Trustees consider their organizational makeup and actual operations, including meeting more than once a year as a full Board of Trustees (previously, an Executive Committee met eight or nine times per year and operated largely as the policy- and decision-making group for CPF)
- changing the term of Trustees from nine years to six and limiting Trustees to two consecutive terms

- that the Fund implement a major effort in communication with clergy, parishes, and beneficiaries

The Committee also strongly endorsed every effort being made to improve clergy salaries, as well as the development of group life insurance and medical care programs for clergy and their beneficiaries.

CPF responded to these recommendations in various ways, as shown in the timeline provided in Appendix III.

c. Special Committee to Dialogue with The Church Pension Group appointed by the Executive Council in 1995

At its February 1995 meeting, the Executive Council's Committee on Administration and Finance was asked to look into claims of high administrative costs and possible overfunding of pension accounts at CPF, and a Special Committee to Dialogue with The Church Pension Group was appointed. [Episcopal News Service, February 24, 1995.] Issues examined by this Special Committee included:

- CPF's decisions to invest some of its assets in its subsidiary companies
- the decision to waive employers' obligations to pay 75% of clergy pension plan assessments during four quarters in 1994 and 1995 totaling \$40 million
- the purchase of an office building for CPF's offices
- the amount of some clergy and survivor pensions
- the influence and involvement in the Board of Trustees in decision-making and management oversight
- the compensation and perquisites for top management

[Episcopal News Service, June 8, 1995 and December 12, 1995.]

The Special Committee was also asked to explore ways the Executive Council can continue to relate to CPF. [Episcopal News Service, March 7, 1996.]

The Special Committee then spent 12 months examining the allegations, including conducting meetings with the Executive Committee of CPF's Board of Trustees and individual members of CPF's leadership team, and examining written correspondence and personal conversations with critics of CPF. [The Executive Council Report to the 72nd General Convention, 1997, p. 137.]

CPF also issued a 40-page report responding to the criticisms called "The Stewardship of the Church Pension Group: A Report to the Church." Among other things, this report pledged increased communication with the wider Church. Although CPF explained that it already provided extensive communications, the report acknowledged that "the lack of understanding about what [CPF does] and why [CPF does] it is disappointing." [Episcopal News Service, March 7, 1996.]

Following this work, the Special Committee reported to the General Convention that its “goal from the outset was to contribute to the restoration of the trust level between client and management, and to communicate thoroughly and accurately the information that was given to [the committee].” The Special Committee concluded that “the trustees are dedicated, devoted servants of the church and responsible stewards of the assets under their management. The CPF trustees are aware of the issues presented through the numerous meetings and conversation with the EC Committee, and are committed to continued dialogue directed toward a workable, pastoral, compassionate, and responsible resolution of these issues.” [The Executive Council Report to the 72nd General Convention, 1997, p. 137.]

8. Possible Areas for Further Exploration

The charge presented to this Task Force, as expressed in Resolution A060 of the 79th General Convention, directed us “to study jointly the historical and current relationship of The Episcopal Church and The Church Pension Fund.” It was not within our purview, at least as articulated in this legislation, to determine how that relationship ought to be structured and executed in the future. Nevertheless, the study we undertook and our own interactions as colleagues naturally led us to imagine some capacities in which the Church and the CPF, through the individual and collaborative efforts of their respective governing and management bodies, might more constructively and effectively live out their common responsibility for the wellbeing of the Church, modeling the beloved community to which we all aspire. As a result, we identify the following areas for potential further exploration:

- (1) Given the critically important and ongoing work of addressing challenges and changes facing the future of The Episcopal Church by both CPF and the Executive Council, how might the Church and CPF work together more intentionally, through DFMS officers and staff, the Executive Council, CPF Trustees and management, and others in exploring issues and implications of the emerging church that are of mutual importance and concern? Are there vehicles by which their collaboration might be strengthened, particularly in that regard?
- (2) While CPF is a creation of the General Convention, we found that, particularly in our governance structures, there is not a shared and commonly understood narrative of that historical and structural reality. This is complicated by CPF having with the Church both an essential dependence and a practical independence, as described in this Joint Report. How might the Church and CPF come to a better understanding of their interdependent relationship?
- (3) Do the current governance documents of the Church and CPF (Constitutions, Canons, Charters, By-Laws, etc.) provide an accurate and adequate description of the relationship between these two entities and sufficiently articulate the expectations for their structural connection and the responsibilities of those who are entrusted with carrying them out?
- (4) How might CPF and the relevant bodies or offices of the Church such as DFMS, the Executive Council, Office of the General Convention, interim bodies, General Convention legislative committees, and/or authors of General Convention resolutions

collaborate more fully in the preparation of General Convention legislation that might require some action by CPF?

- (5) Currently, the Trustees of CPF carry an important responsibility for collaboration and communication with the Church. Given this and other important governance responsibilities of CPF Trustees, are there ways in which the Joint Standing Committee on Nominations might better inform the Church's understanding of the roles and responsibilities of CPF Trustees and identify and attract qualified candidates with the necessary skills and expertise?
- (6) The General Convention authorized the creation of CPF and its major areas of work, including pensions and medical benefits for clergy and lay employees, publishing for the Church, and property and casualty insurance. Given this role of the General Convention as well as CPF's existence as a separate not-for-profit corporation with its attendant laws, regulations, contracts and other implications, how might CPF, its Board of Trustees, and the Church writ large, come to a common understanding of the responsibilities and obligations of CPF to the Church?

Members of the Task Force

The members of the Task Force were:

Representatives of the Executive Council

Mr. Douglas Anning (2018-2019)
The Rev. Canon Michael Barlowe,
Convenor
Canon Jane Cisluycis
The Rt. Rev. Mark Hollingsworth, Jr.
Ms. Sally Johnson

Representatives of The Church Pension Fund

The Rt. Rev. Diane M. Jardine Bruce
The Rev. Clayton D. Crawley
The Rev. Canon Anne Mallonee
The Rt. Rev. Brian N. Prior
Ms. Nancy L. Sanborn

Summary of Information Reviewed by the Task Force

In preparing this Joint Report, the Task Force benefited greatly from a book entitled *Outlasting Marble and Brass* by Harold C. Martin, which provides historical information about the plight of retired Episcopal clergy and their surviving spouses before CPF's founding, the decision to establish CPF in 1914, and CPF's work since that time.

Publications by and about Bishop William Lawrence, who led the group of churchmen committed to the establishment of a pension plan for clergy across the Church, gave us valued historical information prior to the founding of CPF and CPF's early years: *A Harvest of Happy Years: The Addresses Delivered on the Fortieth Anniversary of the Consecration of William Lawrence*, published by Houghton Mifflin Company, The Riverside Press; *Memories of a Happy Life*, by William Lawrence; and *The Story of the Pension Fund*, by William Lawrence.

The Task Force is also grateful for research and other information provided by the Archives of the Church, including Journals of General Convention and *Episcopal News Service* articles, and research on the legislative history of Canon I.8 (*Of The Church Pension Fund*) provided by Edwin Augustine White and Jackson A. Dykman, and the supplements to their work prepared by the Joint Standing Committee on Constitution and Canons.

In addition, members of the Task Force consulted various materials, including CPF's October 30, 2017 responses to questions raised by a subcommittee of the House of Deputies State of the Church Committee (<https://www.cpg.org/linkservid/AE5B9576-C6B6-F14A-3A62FCDD836EE568/showMeta/0/?label=HoD%20Committee%20on%20the%20State%20of%20the%20Church%20Report>), which provided very useful information for the Task Force.

Meetings of the Task Force

The Task Force met together in person on three occasions during 2019, which allowed the members to build strong working relationships and engage in constructive discussions about the work of the Church and CPF and our interdependent relationships. In addition, the Task Force participated in video conference calls on a regular basis, and individual members and

sub-groups of the Task Force collaborated separately, particularly in the latter half of 2019 and in 2020, to prepare this Joint Report.

Principal Legal Entities Comprising Church Pension Group

The principal legal entities that comprise Church Pension Group (also known as CPG) are listed below. For information about each of these legal entities, please see CPF's most recent annual report, which is available at <https://www.cpg.org/forms-and-publications/publications/annual-report/>.

1. The Church Pension Fund
2. The Episcopal Church Clergy and Employees' Benefit Trust
3. Church Life Insurance Corporation
4. Church Insurance Companies (The Church Insurance Company of Vermont, The Church Insurance Company, The Church Insurance Agency Corporation and Church Insurance Services LLC)
5. Church Publishing Incorporated
6. Church Pension Group Services Corporation
7. CPG 34th Street Realty LLC

Principal Legal Entities Comprising the Church

1. The Church
2. The Domestic and Foreign Missionary Society

Timeline¹⁰

The Episcopal Church (the Church)	Year	The Church Pension Fund (CPF)
The Church of England in the New World is overseen by the Bishop of London. Clergy are paid from taxes. The vestry system develops (George Washington and Thomas Jefferson serve on vestries).	1607 to 1785	
The Declaration of Independence is signed. Most Anglican clergy, who have sworn loyalty to the King of England in their ordinations, remain loyal to the King.	1776	
Treaty of Paris ends the Revolutionary War.	1783	
Samuel Seabury of Connecticut is consecrated the first bishop of the Church by nonjuring bishops of the Scottish Episcopal Church, after being elected in Connecticut and rejected by Church of England bishops who, legally, could not ordain him. Seabury promises to use the Scottish 1764 Communion service, based on the Eastern Orthodox service.	1784	
First Convention of the Church is held, with clerical and lay deputies from Delaware, New York, New Jersey, Pennsylvania, South Carolina, and Virginia. Convention authorizes preparation of an American Prayer Book and names itself the Protestant Episcopal Church in the United States of America.	1785	
Convention approves American Book of Common Prayer for use on a state-by-state	1786	

¹⁰ This timeline was prepared based on reports provided by Episcopal Archives, information contained in Journals of General Convention and CPF's Annual Reports. Quoted text is excerpted from those materials. If there are discrepancies between this timeline and the source materials, please rely upon the source materials and not this timeline. This timeline does not purport to be a complete listing of all actions or developments involving the Church and CPF during this period.

The Episcopal Church (the Church)	Year	The Church Pension Fund (CPF)
<p>basis.</p> <p>Samuel Provoost of New York and William White of Philadelphia are consecrated bishops by the Church of England. (Seabury's Scottish consecration helped motivate Parliament and the Church of England to change its practices. Both bishops continue to be rectors.)</p>		
<p>Convention adopts structure for the Church that is very similar to today's structure – with a House of Deputies composed of clergy and laity and a separate House of Bishops.</p> <p>Convention adopts Revised Book of Common Prayer, prepared by William White. This version is based on the Church of England's 1662 Prayer Book, with the exception of the 1764 Scottish Communion Service.</p>	1789	
<p>Absalom Jones is ordained the first black priest in the Church.</p>	1804	
<p>Bishop Provoost of New York secures for New York a fair share of inheritance left by Queen Anne (d. 1714). Methodism gains strength in England and the United States.</p>	Early 1800s	
<p>The General Convention authorizes the founding of the General Theological Seminary in New York City.</p>	1817	
<p>The Diocese of Virginia establishes a second Episcopal seminary, Virginia Theological Seminary, in Alexandria.</p>	1823	
<p>The Oxford Movement (Anglo-Catholic) begins in England. In the following decades, many new Religious Orders (i.e., monastic communities) were formed.</p>	1833	
<p>The Diocese of Virginia establishes the first</p>	1839	

The Episcopal Church (the Church)	Year	The Church Pension Fund (CPF)
high school in Virginia, Episcopal High School (adjacent to Virginia Theological Seminary).		
The General Convention authorizes a fund for the relief of widows and orphans of deceased clergymen, and for the relief of aged, infirm and disabled clergymen, of the Church, and asks Bishops “to endeavour to procure from each congregation an annual contribution to this very important object.”	1853	
During the American Civil War, Southern Episcopal dioceses join the Protestant Episcopal Church of the Confederate States of America, but are welcomed back to the Church after the war ends. Other denominations experience long term (100+ years) splits.	1861 to 1865	
The General Convention approves 1871 Hymnal, with royalties on sales of the Hymnal to be paid to a new clergy relief fund, the Fund for the Relief of Widows and Orphans of Deceased Clergymen, and of Aged, Infirm, and Disabled Clergymen.	1871	
Evangelical, “low church”-oriented Reformed Episcopal Church is founded.	1873	
The House of Bishops adopts the Chicago Quadrilateral.	1885	
The General Convention approves the Quadrilateral.	1886	
The Lambeth Conference of Anglican bishops adopts the Chicago-Lambeth Quadrilateral.	1888	
Joint Special Committee on General Clergy Relief reports that “The duty of the Church to make suitable provision for the widows and orphans of deceased clergymen and for aged, infirm, and disabled clergymen, is	1892	

The Episcopal Church (the Church)	Year	The Church Pension Fund (CPF)
<p>recognized almost universally . . . [but] . . . does not, as yet, control the public conscience of the Church. . . . It is the opinion of the Committee that it shall become the fixed policy of the Church to secure for its aged, infirm, and disabled clergy proper pensions and not mere compassionate benevolence.”</p> <p>The General Convention adopts Canon 8 (“Of General Clergy Relief”) to authorize the Fund for the Relief of Widows and Orphans of Deceased Clergymen to use funds received from royalties, offerings from parishes and other voluntary gifts and legacies to pay benefits to widows and children of deceased clergymen of the Church.</p> <p>Minor revisions are made to the Book of Common Prayer.</p>		
<p>The General Convention appoints Joint Commission on the Support of the Clergy to study the feasibility of a mandatory pension system for all Episcopal clergy.</p>	1910	
<p>Joint Commission on the Support of the Clergy issues report to the General Convention, concluding that “the time has arrived when the national Church should construct a budget . . . adequate to provide annuities for all aged clergymen, for all disabled clergymen, and for the widows and minor orphans of all clergymen, throughout the entire national Church.”</p> <p>The General Convention authorizes Joint Commission on the Support of the Clergy to create a separate corporation and establish a clergy pension plan consistent with the proposed pension principles.</p>	1913	
	1914	New York State legislature creates CPF as not-for-profit corporation authorized to

The Episcopal Church (the Church)	Year	The Church Pension Fund (CPF)
		<p>provide pensions and other forms of support for clergy of the Church (and churches in communion).</p> <p>Bishop William Lawrence is named the President of CPF, and the Chair of its Board of Trustees.</p>
<p>The General Convention adopts Canon 56 (now Canon I.8) <i>Of the Church Pension Fund</i>, authorizing CPF to “establish and administer the [clergy] pension system of this Church” and to fund the clergy pension system, to:</p> <ul style="list-style-type: none"> • “levy upon and to collect from all Parishes, Missions, and other ecclesiastical organizations or bodies [of the Church] . . . assessments based upon the salaries and other compensation paid to Clergy”; and • to receive and to use all net royalties arising from publications authorized by the General Convention” 	1916	
	1917	<p>After raising \$8.7 million to create a reserve to fund CPF’s liabilities for clergy pensions, CPF begins operations, sets the assessment rate at 7.5% of clergy salaries and pays its first pension benefit on March 1, 1917.</p>
	1918	<p>CPF incorporates The Church Hymnal Corporation (Church Hymnal), predecessor to Church Publishing Incorporated.</p>
<p>The National Council (now the Executive Council) is established by the General Convention. The Office of the Presiding Bishop is established to oversee national church programs.</p> <p>The General Convention expresses the “gratitude of the whole American Church”</p>	1919	<p>Church Hymnal publishes <i>The Church Hymnal</i>, the first edition to be published with an authorized musical edition.</p>

The Episcopal Church (the Church)	Year	The Church Pension Fund (CPF)
<p>for the work of Bishop Lawrence in establishing CPF.</p> <p>The General Convention asks CPF Trustees “to consider the terms and conditions on which pensions may be granted to Deaconesses.”</p> <p>Canons are amended to require Dioceses and Missionary Districts to “see to it that adequate insurance is maintained upon all Church property.”</p> <p>The General Convention instructs the Church’s Finance Committee to study “the entire question of the protection of Church property by insurance, with power to take such action in the premises as it thinks advisable, either through the establishment of a Mutual Insurance Association, or in other ways.”</p>		
	1922	<p>Responding to the General Convention’s concerns for deaconesses, CPF explains in its 1922 annual report: “it is the understanding of the Trustees that the General Convention had in mind not only the specific cases of deaconesses, but of other workers in the Church for whom it has a somewhat similar responsibility. The Trustees of course immediately took into consideration this action of the General Convention, but both their legal and their actuarial advisers reported that it was not possible to include within the pension system any individuals except the clergy. But . . . the Trustees . . . felt that they were bound to do everything in their power to effectuate the desires of the Convention.”</p> <p>After receiving advice that “the nearest approach to a pension system” would be life insurance and that CPF could establish a life insurance company with a</p>

The Episcopal Church (the Church)	Year	The Church Pension Fund (CPF)
		<p>“comparatively small amount” of capital, and that the incremental administrative cost would be “trifling”, CPF incorporates Church Life Insurance Corporation (Church Life) to provide life insurance and annuities at cost for clergy, deaconesses and lay employees of the Church and their immediate families.</p>
<p>Recorder of Ordinations (then The Rev. William Slack) reports that “There was a time when the office of Recorder as separate and distinct was of great service to the Church, but, today, while the Church has at hand in the office of [CPF] a body of men engaged in keeping a very accurate record of all Ordinations, Suspensions, Depositions, Transfers and Deaths of Clergy, it might be best, if the Convention in its wisdom sees fit, to affix the duties of this office to that Board.”</p>	<p>1925</p>	<p>CPF starts paying pensions that exceed the guaranteed minimum amount.</p>
<p>The revised Book of Common Prayer includes language updates and a new translation of Psalms. "Love, honor, and obey" is dropped from the bride's vows in the service of Holy Matrimony.</p>	<p>1928</p>	<p>Church Hymnal publishes a revised edition of the 1892 <i>The Book of Common Prayer</i>, selling it for a price that is lower than the price charged by other publishers.</p>
	<p>1929</p>	<p>A number of prominent and active church laymen, including several CPF Trustees, incorporate The Church Properties Fire Insurance Corporation, predecessor to The Church Insurance Company (Church Insurance), to provide property insurance to protect Church properties.</p>
<p>The General Convention’s Committee on the Church Pension Fund, responding to resolutions urging CPF to provide benefits to adopted children and to extend pension benefits to dependent surviving members of the immediate families of unmarried clergy, explains: “there seems to be some misunderstanding of the character of the</p>	<p>1931</p>	<p>The Rt. Rev. William Lawrence retires as its President.</p>

The Episcopal Church (the Church)	Year	The Church Pension Fund (CPF)
<p>Pension Fund. . . . In the first place the Pension Fund is not an insurance company issuing policies to individuals. It is a group plan for providing pensions to the Ministers of the Episcopal Church under specific conditions. The group plan means that the pension for any individual is made possible, not alone by the [assessments] paid for that individual, but by those paid by all the parishes and organizations paying [assessments] together. . . . In the second place the Pension Fund is based upon, and its solvency is involved in, certain definite actuarial calculations. The Charter of the Fund has been granted upon these calculations, and would be endangered by departure from them. To introduce new or other factors in the administration of the Fund would, therefore, involve either a recalculation of the whole Fund, with a different basis of [assessments], or make the solvency of the Fund and the fulfillment of its promises to the parishes and clergy, seriously questionable.”</p>		
	1932	CPF makes its initial investment in Church Insurance.
	1933	Monell Sayre retires as CPF's chief executive officer, and is succeeded by Bradford Locke
<p>The General Convention expresses that “it is the mind of the General Convention that the age for Compulsory Retirement for the Bishops and other Clergy of the Church be fixed at 72 as soon as the resources of [CPF] will make this possible.”</p>	1934	CPF responds to a proposed resolution requesting a study whether adopted children could receive the same pension benefits as “natural children,” which was approved by the House of Deputies but not the House of Bishops: “We are advised by the most eminent actuaries that there would be no known method of determining the liabilities of the Fund if its benefits should be extended to adopted children. The matter will, however, be given the most careful study and a report

The Episcopal Church (the Church)	Year	The Church Pension Fund (CPF)
		will be rendered to the General Convention in 1937.”
U.S. Social Security Act enacted , but excludes employees of nonprofit organizations.	1935	
<p>Celebrating CPF’s 20th anniversary, the General Convention expresses “its sincere appreciation of the . . . untiring service of the Trustees of [CPF] and the Directors of its two affiliated organizations, The Church Life Insurance Corporation and The Church Fire Insurance Corporation, and the Officers thereof, and for their unswerving adherence to sound business policies and actuarial practices.”</p> <p>The General Convention rejects resolutions seeking pension benefits for adopted children.</p> <p>The General Convention asks CPF Trustees to investigate the desirability and practicability of establishing disability insurance for clergy.</p> <p>The General Convention recommends that Dioceses, Parishes, Missions and other Church organizations give immediate consideration to the purchase of retirement contracts to provide benefits for all lay employees, and calls attention to policies offered by Church Life and other insurance companies.</p> <p>The General Convention amends Canons to require postulants and deacons to submit to thorough examination of their physical, mental and nervous condition, using the form of medical report prepared by CPF for this purpose.</p> <p>The General Convention establishes Joint Committee on Social Insurance for Lay</p>	1937	<p>CPF reports to the General Convention on pensions for adopted children, expressing concerns that “the future experience of [CPF], if pensions should be granted automatically to adopted children, would not be subject to any reliable actuarial forecast” and questioning “whether the Church, which, in the last analysis, pays for all pensions through the medium of [CPF], should be considered automatically responsible for the future support of children who are adopted by the clergy.” The Trustees assure the Church, however, that “their sympathies in the matter are the opposite of their findings, but that they are reluctantly led to the above conclusions by their investigation of the facts and by the responsibilities laid upon them by the Church for the careful and sound administration of [CPF], in order that its promises as to future pensions, as originally planned, may not fail of full performance.”</p>

The Episcopal Church (the Church)	Year	The Church Pension Fund (CPF)
Employees of the Church.		
	1938	Church Life develops Retirement Plan for Lay Employees , an annuity plan for lay employees of the Church.
National Council opines that all lay employees should be covered by the US Social Security Act, and that if Congress fails to take this action that “some pension provision, whether in the form of retirement compensation, annuities or outright grants, be made for all person retiring at the age of 65 from service in the Church after the completion of five or more years of service.”	1939	
<p>Joint Committee on Social Insurance for Lay Employees of the Church distributes questionnaire to learn more about lay employees, and reports to the General Convention that only about 10% of reporting employers provide some sort of retirement plan for lay employees; other employers may be caring for retired lay employees out of current income or contributory annuities. “The opinion is widely held that when the worker is on part time only, . . . , the Church has no responsibility for making provision for a future retirement.”</p> <p>The General Convention appoints new Joint Committee on Social Insurance for Lay Employees of the Church to study whether the Church should encourage or oppose an amendment to the US Social Security Act to include coverage for church employees.</p> <p>The General Convention authorizes revised <i>Hymnal 1940</i>, with publication committed to CPF for its benefit.</p> <p>The General Convention ratifies and</p>	1940	<p>Church Life provides funding to enable Joint Committee of General Convention on Social Insurance for Lay Employees of the Church to distribute a questionnaire and compile the data on the lay employees of the Church.</p> <p>CPF acquires <i>Stowe’s Clerical Directory</i> and renames it <i>Clerical Directory</i>.</p> <p>CPF provides report to the General Convention on its clergy disability study, which describes the complexities and challenges of offering this type of benefit and concludes that the assessment rate increase that CPF would require to cover this additional benefit would likely be no less expensive for the Church than the rate charged by third party disability insurance providers.</p> <p>CPF amends its Charter to make it clear that CPF is authorized to own all or a controlling interest in the capital stock of any corporation that is authorized or approved by the General Convention as useful or beneficial to the Church.</p>

The Episcopal Church (the Church)	Year	The Church Pension Fund (CPF)
<p>approves the creation of Church Hymnal and Church Life as wholly owned subsidiaries of CPF, and approves the acquisition and direct control by CPF of Church Insurance, recognizing that CPF and its affiliated organizations have been successfully administered in the general interest of the Church and the clergy and lay-workers of the Church.</p> <p>The General Convention expresses hope that no action will be taken by the CPF Trustees to provide disability benefits to clergy if it “might impair CPF’s ability to discharge the obligations laid upon it in accordance with the principles adopted by the General Convention of 1913.”</p> <p>The General Convention amends Canon to empower the CPF Trustees to establish rules and regulations for the clergy pension system that fulfill the intention of the Canon and are consistent with sound actuarial practice.</p>		<p>CPF becomes sole shareholder of Church Insurance.</p>
<p>The General Convention establishes mandatory retirement of Bishops at 72.</p> <p>The General Convention asks “the Church and its organization” to seek inclusion of lay employees in the U.S. Social Security program.</p> <p>The General Convention instructs National Council to “take such measures as will lead to the inclusion of lay employees of religious bodies in the Federal Social Security Act.”</p> <p>The General Convention approves amendment to CPF’s Constitution to expand Board of Trustees from 18 to 24 members.</p>	1943	<p>The General Convention appoints CPF Recorder of Ordinations for first time, and asks former Recorder to transfer records to CPF. Each General Convention after 1943 also elects CPF (or its President) as the Recorder of Ordinations.</p>
Henry St. George Tucker becomes The	1944	

The Episcopal Church (the Church)	Year	The Church Pension Fund (CPF)
Episcopal Church's first full-time Presiding Bishop.		
	1945	With lower interest rates and, therefore, reduced investment income to support clergy pension benefits, CPF's Board approves an increase in the assessment rate from 7.5% to 10% effective January 1, 1947, subject to approval by the General Convention.
<p>The General Convention amends Canon to increase number of Trustees elected by the General Convention from 18 to 24.</p> <p>The General Convention asks CPF to raise the minimum pension amount for clergy and increase the pension plan assessment rate from 7.5% to 10%, effective January 1, 1947.</p> <p>The General Convention asks CPF Trustees to include adopted children of clergy in the scope of the orphan's benefit "within such limitations as the Trustees may deem desirable and necessary to protect the essential safety of the Fund's promises."</p> <p>The General Convention appoints Joint Committee to Consider Appealing for Fund to Supplement Clergy Pensions, a committee to consider raising a fund to supplement the pensions provided by CPF to clergy, their widows and children.</p>	1946	<p>Following Bradford Locke's death, Robert Worthington became CPF's chief executive officer.</p> <p>CPF's report to the General Convention explains that its Board is empowered to increase the pension assessment, but the Board felt, nevertheless, that it should report this action to diocesan and missionary district conventions for their information and then to the General Convention for its approval.</p> <p>Responding to requests that CPF add adopted children as beneficiaries under the clergy pension plan, CPF's report to the General Convention explains that "Actuaries are in general agreement that benefits to adopted children as a class cannot safely be made a part of an actuarial reserve pension system" such as CPF. To protect the integrity of CPF, therefore, the Trustees propose to include adopted children as beneficiaries but with limits – e.g., no more than 2 adopted children per cleric.</p>
"An Open Letter to the Trustees of The Church Pension Fund" written by the Rev. Theodore Bell of California, calls for increased minimum pensions for clergy, raising assessment rate from 10% to 15% and requiring clergy to contribute an additional 5%.	1948	CPF provides information to assist the Joint Committee to Consider Appealing for Fund to Supplement Clergy Pensions

The Episcopal Church (the Church)	Year	The Church Pension Fund (CPF)
<p>“Report on Episcopal Church Pension Fund” by Mr. Ian Benton proposes that CPF should be dissolved and the principle of a “group” pension system for the Church should be abandoned because minimum pensions benefit lower paid clergy, disabled clergy and their widows and children and this “should be the responsibility of the clergyman himself.”</p> <p>“El Paso Plan” calls for the replacement of CPF with an investment trust to be run by professional managers who would follow an aggressive investment strategy.</p>		
<p>Joint Committee to Consider Appealing for Fund to Supplement Clergy Pensions concludes: “it is of the utmost importance that the corporate strength and actuarial basis and responsibility of [CPF] be maintained in full.” The Joint Committee recommends, therefore, either fundraising to contribute additional reserves to CPF with a small increase in the assessment rate or a larger increase in the assessment rate to enable CPF to increase pensions.</p> <p>The General Convention’s Committee on The Church Pension Fund reports “After reviewing the financial and actuarial soundness of the present plan for over 30 years, the Committee feels that extreme caution should be exercised in making any fundamental alteration in the plan, and the Committee is not convinced, on the basis of its study, that it should recommend any basic change in the mode of operation.” This Committee also concludes that “It appears to be inexpedient at this time to raise a capital fund sufficiently large” to raise minimum clergy pensions.</p> <p>The General Convention approves resolutions asking CPF to increase the</p>	1949	<p>CPF rejects the “El Paso Plan” due to concerns that the aggressive investment strategy that is proposed would jeopardize CPF’s soundness by exposing its assets to the fluctuations of the stock market.</p> <p>CPF Board approves increase in assessment rate to 15%, along with clergy pension benefit increases, effective January 1, 1950.</p>

The Episcopal Church (the Church)	Year	The Church Pension Fund (CPF)
<p>minimum clergy pension and also raise the assessment rate to 15%, with 12% considered permanent and 3% temporary.</p> <p>The General Convention establishes mandatory retirement age for clergy at 72, beginning in 1957.</p> <p>The General Convention establishes Joint Commission to Study Clergy Pension Plans and Clerical Salaries.</p> <p>The General Convention urges “that all church property be insured against fire and related risks with [Church Insurance], noting that “all surplus profits” of [Church Insurance] accrued to the benefit of CPF and its beneficiaries.</p>		
<p>US Social Security Act amended to permit nonprofit organizations to obtain Social Security coverage for their employees (other than ministers) on a voluntary basis.</p>	1950	<p>Clergy pension benefits are increased by 67% on average.</p> <p>CPF adds common stock to its investment portfolio for the first time, to enhance investment returns.</p>
<p>Church leadership realizes that the substantial increase in minimum pensions requested by the General Convention in 1949 would cause pensions to be granted that depended, in part, on future assessment income, and this sweeping change was inconsistent with the Canon that read: “The pension system shall be so administered that no pension shall be allotted before there shall be in the hands of The Church Pension Fund sufficient funds to meet such pension.”</p> <p>The General Convention therefore amends the Canon by adding “except as directed by the General Convention in 1949.”</p> <p>The General Convention approves</p>	1952	<p>CPF’s annual report reminds the Church that “Dioceses ought to be mindful of their responsibility not only to see that the salaries of the clergy are reasonably adequate, but in cases of special need among the retired and disabled clergy or their widows they ought also to supplement at their discretion the pensions granted by [CPF]. It is obvious that operating on an actuarial basis [CPF] has no moneys for such discretionary use. Relief in these cases can be given wisely only by those near at hand who can appraise the need.”</p>

The Episcopal Church (the Church)	Year	The Church Pension Fund (CPF)
<p>continuation of Joint Commission to Study Clergy Pension Plans and Clerical Salaries, among other things to study means of supplementing the income of retired clergy.</p>		
<p>US Social Security Act amended to permit clergy to participate in Social Security on a voluntary basis, as self-employed individuals, for the first time.</p>	1954	
<p>Joint Commission to Study Clergy Pension Plans and Clerical Salaries reports that CPF is “efficiently administered on actuarial principles with sound investment policies, and that it gives the retired and disabled clergy of our Church, and the widows and minor orphan children of clergy, larger pensions and greater security than any other Church pension plan.”</p> <p>The General Convention approves continuation of Joint Commission to Study Clergy Pension Plans and Clerical Salaries, among other things to study means of supplementing income of retired clergy.</p> <p>The General Convention encourages Dioceses and Missionary Districts to appoint committees to consult with parish vestries or mission committees on clergy salaries and allowances.</p> <p>The General Convention asks CPF to study the effect on CPF if clergy were permitted to retire with full pensions at age 65.</p>	1955	
<p>The General Convention approves continuation of 15% assessment rate for clergy pensions, along with 20% increase in pensions effective December 1, 1958.</p>	1958	<p>CPF reports that the assessment rate would have to be 30% higher to enable CPF to provide the same pension if clergy were to retire at age 65 (versus age 68, the full retirement age under the plan as</p>

The Episcopal Church (the Church)	Year	The Church Pension Fund (CPF)
<p>The General Convention asks Dioceses to appoint committees to study clerical salaries with special attention to the adequacy and equity of their salaries, and to report the findings from the study to guide vestries and mission committees.</p> <p>The General Convention approves continuation of Joint Commission to Study Clergy Pension Plans and Clerical Salaries.</p> <p>The General Convention asks Dioceses, Missionary Districts and the Joint Commission on the Status and Training of Professional Women Workers to “take such action as they may deem appropriate” regarding pensions and insurance protection for lay workers.</p> <p>The General Convention considers resolutions calling for uniform pensions for clergy, but resolutions are not approved.</p> <p>The General Convention considers concerns with CPF’s rules that require termination of a cleric’s pension under certain circumstances if s/he returns to active ministry after retirement, but the General Convention approves of CPF’s rules.</p>		<p>then in effect).</p> <p>CPF reports that clergy pensions could be increased by 20% if the 15% assessment is continued.</p> <p>Pension formula revised and minimum pensions increased, resulting in an average 20% increase in clergy pensions effective December 1, 1958.</p>
	1959	<p>Church Life offers group medical plans, sponsored and administered by Liberty Mutual Insurance Companies, for clergy and lay employees of the Church.</p>
<p>John Hines of Texas is elected Presiding Bishop.</p> <p>Strong social justice commitments elicit negative reaction from conservatives.</p> <p>Concerns regarding need for clergy to</p>	1961	<p>Church Insurance adds liability insurance coverage for churches.</p>

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<p>have access to affordable medical insurance surface at the General Convention. Some Dioceses provide health insurance and major medical expense protection, but many clergy have limited or no protection against medical expenses. The General Convention asks CPF to study feasibility of providing a Churchwide group medical plan.</p> <p>The General Convention asks CPF to study and report on the feasibility of establishing a Churchwide retirement plan for Deaconesses, Directors of Christian Education, and other lay workers, and to bring to the attention of Church employers the retirement plan that Church Life already offers.</p>		
	1962	<p>CPF increases the pension benefit for widows, from \$900 to \$1,200 per year.</p> <p>Church Life works with Liberty Mutual Insurance Company and the National Blue Cross Association to study the feasibility of a Church-wide group medical plan for clergy and lay employees.</p>
<p>The General Convention's Church Pension Fund Committee explains that it "does not believe that it would be feasible, at least at this time, to provide a mandatory [medical insurance] coverage for all full-time lay employees, because of the diversity of their employment and tenure, and for other reasons."</p> <p>The General Convention requests approval by all of the dioceses, missionary districts and the Convocation of American Churches in Europe of a medical plan for clergy, as described by CPF in its report, and resolves that the plan should be put into action as soon as two-thirds of the dioceses approve it.</p>	1964	<p>CPF reports on its study of a potential Church-wide plan medical plan, concluding that it is both desirable and feasible.</p> <p>CPF's report to the General Convention describes retirement plan for lay employees offered by Church Life, and suggests several reasons why more Church employers have not made these retirement benefits available to their lay employees: (1) their vague impression that Social Security is adequate; (2) the employers' assumption that the pension benefits of the spouse should suffice; (3) cost concerns; (4) experience with short-tenure workers; and (5) inertia. CPF</p>

The Episcopal Church (the Church)	Year	The Church Pension Fund (CPF)
<p>The General Convention urges all Church organizations with 4 or more employees to apply to Church Life for the inclusion of lay employees in its Church Major Medical Plan.</p> <p>The General Convention asks CPF to reduce the retirement age under the clergy pension plan to age 65, “with such reduction in benefit amounts as may be in accordance with sound actuarial practice.”</p> <p>The General Convention approves 15% as “permanent” assessment rate for clergy pension plan.</p> <p>The General Convention considers a resolution proposing that pension payments to retired clergy be based solely on length of active service in the Church, without regard to compensation, but approves resolution confirming that present system (calculating pensions based on both years of service and compensation) should be continued.</p>		<p>encourages the General Convention and Dioceses to urge employers to offer adequate retirement benefits for lay workers.</p> <p>CPF proposes that the retirement age for clergy under its pension plan could be reduced to age 65 if their retirement benefits were adjusted to be actuarially equivalent to the benefits payable with retirement at age 68.</p> <p>CPF reports that clergy benefits could be increased 10% if the 15% assessment rate were made permanent.</p>
	1965	<p>CPF increases minimum pension benefits for clergy, widows and children, as well as the disability benefit for clergy.</p> <p>CPF amends clergy pension plan to permit clergy to retire at age 65 with a reduced pension or 68 with a full pension.</p> <p>Clergy pension plan revised to provide annual increase in pensions based on the increase in average clergy salaries.</p>
<p>Presiding Bishop appoints Committee to Review the Role of the Church Pension Fund, under the chairmanship of Dr. John T. Fey, then President of National Life Insurance Company, and with advice from the actuarial firm of Towers, Perrin, Forster</p>	1966	<p>Seeking an objective response to questions that were expressed from time to time about CPF’s policies and operations, the CPF Board asks the Presiding Bishop to appoint an independent committee to examine the</p>

The Episcopal Church (the Church)	Year	The Church Pension Fund (CPF)
and Crosby, Inc.		<p>benefits provided by CPF and recommend any changes the committee believes desirable. (CPF's annual report notes that CPF's president received 335 letters about CPF in the prior year, with 7% containing negative criticisms.)</p> <p>CPF engages Case and Company, Management Consultants, to review CPF's operating procedures.</p> <p>Church Insurance changes its name to The Church Insurance Company.</p>
<p>Committee to Review the Role of the Church Pension Fund submits report to the General Convention (known as the "Fey Report"), concluding:</p> <ol style="list-style-type: none"> 1. "All evidence indicates that the investment of the Fund's assets has been in conscientious and capable hands," but recommends that CPF use a higher ratio of equity investments and other suitable investments, including mortgages, to increase CPF's investment returns. 2. Equal pensions for all clergy, regardless of divergent salaries, would be inappropriate unless the salary structure in the Church is changed to provide uniform salaries 3. Various changes could be made to the benefits offered to clergy and their survivors 4. Although the CPF Board's Executive Committee and Finance Committee met frequently, the Trustees as a group should meet more often, and that their terms be reduced from 9 years to 6 with a 2-term limit 5. Communications between CPF and clergy, parishes and beneficiaries should be improved <p>The General Convention encourages CPF</p>	1967	<p>CPF observes 50th anniversary.</p> <p>CPF moves to new office space at 800 Second Avenue, across the street from the Episcopal Church Center.</p>

The Episcopal Church (the Church)	Year	The Church Pension Fund (CPF)
<p>to adjust its pension rules as soon as practicable to incorporate the Fey Report's recommendations.</p> <p>The General Convention amends Canon to authorize CPF to administer life, accident and health benefits.</p>		
	1968	<p>Following the retirement of Robert Worthington, Robert A. Robinson becomes CPF's chief executive officer.</p> <p>Benefits provided under clergy pension plan are increased substantially, including by lowering the normal retirement age from 68 to 65, raising minimum pensions and doubling the lump sum death benefit.</p> <p>CPF shifts its investment strategy to a more aggressive policy by increasing the percentage of common stock in its investment portfolio from 25% to 60%.</p> <p>CPF initiates socially responsible investment in minority-controlled banks.</p>
<p>The General Convention authorizes CPF to establish and administer a mandatory group life, accidental death and dismemberment and medical/health benefit plan for clergy.</p>	1969	<p>CPF provides report on a Churchwide plan to provide group life, accidental death and dismemberment, and major medical benefits.</p>
<p>The first authorized women Deputies join the House of Deputies.</p> <p>The General Convention amends Canons to provide that the separate category for women of "Deaconesses" will be recognized as being fully within the Order of Deacons.</p> <p>The General Convention acknowledges that "there are many clergymen currently subsisting on inadequate pensions, which problem originates in the employment</p>	1970	<p>Because the General Convention recognizes women as full deacons, they may participate in CPF's clergy pension plan on the same basis as male clergy.</p>

The Episcopal Church (the Church)	Year	The Church Pension Fund (CPF)
<p>practices and salary scales that were operating during the work years of those clergymen and their dependents,” and encourages the Church to “examine the salary scale of their clergymen, with the intent of adjusting salaries so as to be adequate in the economy of the day, and so that [their pensions will be] adequate during retirement years.”</p> <p>The General Convention asks CPF Trustees to “give serious consideration” to increasing minimum pensions for retirees with at least 25 years of accredited service, with similar increases in other benefits. To enable this, the resolution authorizes Trustees “in their sole discretion to implement such increases . . . and to levy upon such Dioceses, parishes, missions and other employing units, such increases in the rate of pension assessment . . . as shall be necessary in the judgment of the Trustees to maintain The Church Pension Fund on a sound actuarial basis.”</p> <p>The General Convention asks CPF Trustees to study the feasibility of providing equal pensions for all retired clergy.</p> <p>The Executive Council establishes Ghetto Investment Committee to invest in minority enterprises and appointed Committee on Social Criteria for Investments of this Church.</p>		
<p>Church files shareholder resolution asking General Motors (GM) to withdraw from South Africa; Presiding Bishop John Hines supports resolution at GM’s annual meeting of shareholders.</p>	<p>1971</p>	<p>Church Life establishes group life and group medical insurance plan for all clergy of the Church.</p> <p>CPF Board of Trustees approves pension enhancements and an increase in assessment rate to 18%, each effective January 1, 1972.</p> <p>CPF organizes first pre-retirement</p>

The Episcopal Church (the Church)	Year	The Church Pension Fund (CPF)
		planning conferences.
	1972	<p>Assessment rate under CPF’s clergy pension plan increases to 18%.</p> <p>Pension benefits payable to retired clergy and their surviving spouses increase by 21% on average.</p> <p>CPF obtains ruling from Internal Revenue Service to permit portion of pensions paid by CPF to retired clergy to be excluded from gross income for federal income tax purposes as housing allowance.</p> <p>CPF seeks to improve communications with the Episcopal Church through day-long seminars with bishops and parish senior administrators.</p> <p>CPF Board establishes Committee on Social and Fiduciary Responsibility in Investments (SFRI Committee).</p>
<p>John Allin of Mississippi is elected Presiding Bishop for 12-year term.</p> <p>The General Convention asks CPF to study and report, among other things, on (1) the feasibility of admitting lay employees to the clergy pension plan; (2) adding as participants in the clergy pension plan (i) divorced wives of former clergymen; (ii) re-married widows; (iii) widows of deposed clergymen; (iv) clergymen deposed prior to 1968; (v) widows of clergymen deposed prior to 1968; and (vi) widows of clergymen marrying after retirement; and (3) whether the minimum clergy pension benefits may be increased without increasing the assessment rate.</p>	1973	<p>CPF reports on requests made by the prior General Convention.</p> <p>Trustees thank the General Convention “for seeing the need to raise the assessment rate . . . from 15 percent to 18 percent.”</p> <p>CPF Trustees acknowledge in report to the General Convention their social as well as fiduciary responsibilities regarding investments and describe why the Board created a Committee on Social and Fiduciary Responsibility in Investments, “whose task it will be to advise the Trustees on its investments, to see that they reflect a concern for human beings and their environment as well as adequate financial return for the commitments of [CPF].”</p>

The Episcopal Church (the Church)	Year	The Church Pension Fund (CPF)
<p>Eleven women known as the “Philadelphia Eleven” are ordained as priests in Philadelphia, before the General Convention authorizes the ordination of women.</p>	1974	<p>Employee Retirement Income Security Act of 1974 (ERISA) enacted, but church plans such as those administered by CPF are exempt.</p> <p>CPF’s investment assets decline almost 10% in value.</p>
	1975	Formulas for calculating clergy pension benefits are liberalized.
<p>First reading on new Prayer Book.</p> <p>The General Convention approves ordination of women to the priesthood and episcopate, effective January 1, 1977.</p> <p>The General Convention requests that CPF Board study, among other things: (1) increasing clergy pension benefits (B077, B078, B080, B082, B086, D002); (2) mandatory pension plan for lay employees (B076, B083, B085, B088, B214); (3) pension benefits for former wives of divorced clergy (C026); (4) participation by non-stipendiary deacons in the clergy pension plan (B046) and (5) the principle of clergy contributions to increase pension benefits.</p>	1976	<p>CPF reports on requests made by prior the General Convention.</p> <p>CPF revises formula for clergy pension plan participants to increase benefits.</p>
<p>Pauli Murray was ordained the first African American woman priest.</p>	1977	<p>CPF consultants distribute questionnaires to over 8,000 Church employers, to learn more about lay employees, hours worked, salaries, ages, etc. but less than half of employers respond. CPF provides available data to actuarial firm to assist it in evaluating potential lay pension plans.</p> <p>Clergy pension plan amended to allow divorced clergy to reduce their pension benefits to provide for a former spouse.</p> <p>Consulting firm analyzes the benefits offered under CPF’s clergy pension plan, concluding that “the benefit structure is</p>

The Episcopal Church (the Church)	Year	The Church Pension Fund (CPF)
		<p>comparable to the best private pension plans in the United States and that it offers larger benefits to participants than most industry plans for persons of similar income and service.”</p> <p>CPF adds fixed income securities issued by non-U.S. corporations and governments to its investment portfolio for the first time, recognizing the potential for higher returns outside the U.S.</p>
<p>Iglesia Episcopal Puertorriqueña (Diocese of Puerto Rico) votes to separate from the Episcopal Church.</p>	<p>1978</p>	<p>CPF creates The Episcopal Church Clergy and Employees’ Benefit Trust (a Voluntary Employee Beneficiary Association) to establish a structure for self-funding health benefits.</p>
<p>The General Convention (B-117) asks CPF to increase clergy pensions (A082, B-135) and study retirement options for clergy with 30 years of service.</p> <p>The General Convention (D-49) acknowledges need for national pension plan for lay employees and urges all units of the Church to participate in the National Pension Plan for Lay Employees</p> <p>The General Convention (D-20) urges all dioceses and Church-related institutions to make every effort to provide medical insurance for retired clergy, retired lay employees and surviving spouses</p> <p>The General Convention (D-65) asks the CPF Board Trustees to report on a proposed amendment to Canon I.8 to permit nominations from the floor for CPF Trustees</p> <p>Second reading approves new (present) Book of Common Prayer. The General Convention approves</p>	<p>1979</p>	<p>CPF reports on requests made by the prior General Convention.</p> <p>CPF proposes a “National Pension Plan for Lay Employees of the Episcopal Church.”</p> <p>CPF increases monthly benefits payable under clergy pension plan, adds a resettlement benefit and doubles the lump sum death benefit.</p>

The Episcopal Church (the Church)	Year	The Church Pension Fund (CPF)
<p>Covenant Agreement between the Church and the Diocese of Puerto Rico, and the Diocese of Puerto Rico establishes its own pension plan for clergy</p> <p>Diocese of Liberia becomes autonomous from the Episcopal Church, but enters into Covenant Agreement that encourages work to develop sources of funding to support its pension plan.</p>		
	1980	<p>CPF establishes The Episcopal Church Lay Employees' Retirement Plan (Lay DB Plan), a defined benefit pension plan designed to address the retirement needs of lay employees.</p>
<p>The General Convention (A-93A) authorizes <i>The Hymnal 1982</i> for use in the Church, with publication for the benefit of CPF</p> <p>The General Convention rejects resolution (D-63) urging CPF Trustees to change approach to investments.</p> <p>The General Convention (B-20) commends CPF for sponsoring pre-retirement conferences for clergy, and urges expansion</p> <p>The General Convention rejects resolution (D-74) calling for nominations from the floor for CPF Trustees.</p> <p>The General Convention (B-010) approves of the transfer of the Diocese of Venezuela to Province IX of the Church.</p>	1982	<p>CPF reports on requests made by the prior General Convention</p> <p>Church Hymnal publishes <i>The Hymnal 1982</i></p> <p>CPF adds second investment advisor to further diversify its investment portfolio.</p>
<p>Social Security Act amended to require all nonprofit employers to participate, but permits these employers to treat clergy as self-employed persons</p>	1983	<p>CPF enhances benefits payable under the clergy pension plan, including pensions paid to retired clergy, the formula for calculating clergy pension benefits, the resettlement benefit and benefits payable to surviving children.</p>

The Episcopal Church (the Church)	Year	The Church Pension Fund (CPF)
		Present value of future benefits payable by CPF exceeds \$1 billion for first time.
	1984	CPF adds common stock issued by non-U.S. corporations to its investment portfolio for the first time.
<p>Edmond Browning of Hawaii is elected Presiding Bishop for a 12-year term. The General Convention (D126) asks CPF to consider full retirement benefits after 40 years of service.</p> <p>The General Convention (C046) asks CPF to propose a low-cost health care program for clergy eligible for Medicaid and Medicare.</p> <p>The General Convention rejects resolution (C038) to extend clergy pension fund coverage to non-stipendiary deacons.</p> <p>The General Convention approves resolution (D073) to require the Executive Council to divest all holdings in companies doing business in South Africa and Namibia, and urging CPF and all dioceses, parishes and other Church-affiliated institutions to examine their portfolios with a view to identifying and divesting any holdings of companies doing business in South Africa and Namibia.</p>	1985	<p>CPF reports on requests made by the prior General Convention</p> <p>CPF increases pension benefits and adds a "thirteenth check" (also known as the "Christmas check") as a benefit under CPF's clergy pension plan.</p>
	1986	<p>CPF implements an Equity Portfolio Protection Plan to protect the fund from a drastic fall in stock prices, while enabling it to share in stock market gains.</p> <p>CPF Board approves program to exclude from CPF's investment portfolio the shares of certain companies doing business in South Africa, and to use its influence as a shareholder to encourage companies to dismantle apartheid and</p>

The Episcopal Church (the Church)	Year	The Church Pension Fund (CPF)
		build a just society in South Africa.
	1987	CPF revises the calculation of compensation used in the pension formula to enhance benefits under the clergy pension plan.
<p>The General Convention (A134) encourages all units of the Church to provide retirement benefits for all lay employees who work over 1,000 hours annually and authorizes CPF to conduct a census of lay employees.</p> <p>The General Convention (C028) recommends that CPF change formula to increase pensions.</p> <p>The General Convention asks CPF to study (1) equal pension benefits for equal years of service (D041) and (2) unemployment insurance for clergy following involuntary dissolutions (D107).</p> <p>The General Convention (D073) urges CPF to allow single persons to name joint and survivor pension beneficiaries.</p> <p>The General Convention (B029) authorizes 6-year trial period for the 3 Mexican dioceses, leading toward autonomy.</p>	1988	<p>CPF adds Major Medical Supplement to Catastrophic Medicare Coverage as important new benefit for retired clergy, their spouses and surviving spouses.</p> <p>CPF issues its one millionth pension check to the Venerable Louis M. Brereton, D.D., in Shaker Heights Ohio.</p> <p>CPF reports on requests made by the prior General Convention.</p>
Barbara Harris is consecrated the first woman bishop in the Anglican Communion.	1989	Church Life conducts study of lay employees in the Church
<p>The General Convention (D165) directs all parishes, missions, and other Church organizations to provide, by no later than January 1, 1993, retirement benefits for all lay employees who work at least 1,000 hours annually through participation in CPF's Episcopal Church Lay Employees Retirement Plan or in an equivalent plan, with an employer</p>	1991	<p>Alan F. Blanchard succeeds Robert Robinson as CPF's President.</p> <p>CPF develops new defined contribution plan for lay employees.</p> <p>CPF reports on requests made by the prior General Convention.</p>

The Episcopal Church (the Church)	Year	The Church Pension Fund (CPF)
<p>contribution of less than 9% of the employee's salary if the plan is a defined benefit plan; or not less than 5% with a "match" of up to another 4% if the plan is a defined contribution plan</p> <p>The General Convention (A137) encourages all parishes, missions and other Church organization to provide health and life insurance benefits for all lay employees who work at least 1,000 hours annually, comparable to those provided to active clergy.</p> <p>The General Convention asks CPF to study, among other things, (1) allowing plan participants to name joint & survivor adult pension beneficiaries (D015), (2) a comprehensive employee benefits program for lay church employees (A137) and (3) the conditions for naming adult pension beneficiaries.</p>		<p>CPF's report to the General Convention on equal pensions explains, among other things, that "Equalization of pensions has been experimented with in the past by a number of Church groups, including an Anglican province. It has never worked. For one reason, a number of affluent parishes, seeking to reward and retain their clergy, provided them with added benefits over and above the general pension. The greatest fault of the equal years – equal pensions concept, however, is that it attacks the perceived problem from the wrong end: equal pensions can properly result only from equal salaries."</p> <p>CPF's report to the General Convention on unemployment insurance for clergy explains, among other things, that it had been advised by an unemployment insurance carrier "that a successful Church-managed and financed program would probably require participation by three-quarters of the dioceses. Participation by only those dioceses and/or parishes with high unemployment rates would result in such extremely expensive premium rates as to make an insurance program impractical. . . . [but] less than one-third of the dioceses" indicated in a survey that they would be willing to consider it.</p>
	1992	<p>Church Pension Group (CPG) adopted as new name and logo, to describe CPF and its affiliated companies.</p> <p>CPF celebrates 75th anniversary.</p> <p>CPF's 401(a) defined contribution plan for lay employees, The Episcopal Church Lay Employees Defined Contribution Retirement Plan, becomes effective.</p>

The Episcopal Church (the Church)	Year	The Church Pension Fund (CPF)
	1993	<p>Church Hymnal, working with the Episcopal Commission for Black Ministries, publishes <i>Lift Every Voice and Sing II: An African American Hymnal</i> to supplement <i>The Hymnal 1982</i>.</p> <p>CPF's 403(b) defined contribution plan for lay employees, The Episcopal Church Lay Employees Defined Contribution Retirement Plan, becomes effective.</p> <p>Clergy Pension Plan benefits increased to ensure that the benefit amount provided at least the same "purchasing power" as the benefit that the individual first received.</p> <p>CPF purchases office condominium space at 445 Fifth Avenue in New York City to serve as its new headquarters.</p> <p>CPF implements investment diversification program, making investments in real estate, venture capital and strategic block investing.</p>
<p>The General Convention (D071) expresses gratitude for CPF's report on its study regarding implementation of comprehensive lay employee benefits</p> <p>The General Convention urges CPF to continue to review lay employee pension plan to address potential inequities (B011) and to change formula for benefits under CPF's lay employee defined benefit pension plan (D047).</p> <p>The General Convention rejects resolution (D046) that would have authorized the Episcopal Church Clergy and Employees Medical Trust to offer health benefits to domestic partners of clergy and lay</p>	1994	<p>CPF reports on requests made by the prior General Convention.</p> <p>Church Insurance implements a new program, Safeguarding God's Children.</p> <p>CPF grants one-time waiver of 75% of the clergy pension plan assessments that were payable by Church employers during the 4 consecutive calendar quarters beginning July 1, 1994.</p> <p>CPF adds new life insurance benefit for clergy pension plan participants.</p> <p>CPF forms Clergy Wellness Initiatives Advisory Committee to study and</p>

The Episcopal Church (the Church)	Year	The Church Pension Fund (CPF)
<p>employees.</p> <p>The General Convention rejects resolution (C043) that would have required equal pensions for equal years of credited service.</p> <p>The General Convention does not approve proposed resolution to amend Canon I.8 to permit nominations from the floor for CPF Trustee.</p> <p>The General Convention releases Iglesia Anglicana de Mexico (IAM) from the Church, and ratifies Covenant Agreement with IAM that, among other things, asks CPF to maintain IAM clergy in CPF's clergy pension plan for 3 years so that IAM may establish its own pension plan.</p> <p>The General Convention asks Standing Commission on Church Music and CPF to continue to investigate and report on options for a more flexible copyright license for musical materials published by Church Publishing.</p> <p>The General Convention rejects resolution (D120) to respectfully urge CPF to consider re-designating \$10 million of its \$50 million clergy wellness initiative to establish a fund to assist victims of sexual misconduct, their families and congregations.</p>		<p>recommend to the Board of Trustees ways for CPF to enhance clergy wellness, with new initiatives or strengthening existing programs.</p>
<p>The Executive Council creates Special Committee to Dialogue with The Church Pension Group.</p>	1995	<p>Medical Trust introduces HMO option for medical benefit plans.</p>
	1996	<p>CPF responds to concerns by publishing <i>The Stewardship of the Church Pension Group: A Report to the Church</i></p> <p>The Episcopal Church Retirement</p>

The Episcopal Church (the Church)	Year	The Church Pension Fund (CPF)
		<p>Savings Plan (RSVP) is established to offer eligible clergy and lay employees a defined contribution retirement savings plan to supplement their pension.</p> <p>CPF enhances benefits under clergy pension plan.</p>
<p>Frank Griswold of Chicago is elected Presiding Bishop for a 9-year term. The General Convention B019 releases four Central American dioceses to form la Iglesia Anglicana de la Región de Central de América (IARCA) as an autonomous Province in the Anglican Communion, and asks the new Province to implement a new pension program in consultation with CPF.</p> <p>The General Convention urges CPF to study, among other things, the pension needs of clergy ordained later in life (C027); the feasibility of increasing retirement benefits (C023); and pension issues for overseas missionaries (A067).</p> <p>The General Convention (C024) requests that the Medical Trust offer health coverage to domestic partners.</p> <p>The General Convention rejects resolution (C005) to extend all of the financial benefits that CPF provides to spouses of married employees to same-sex partners of unmarried employees.</p> <p>The General Convention rejects resolution (C012) asking CPF to study equal pensions for equal years of service.</p> <p>The General Convention (C020) endorses CPF's 30-year early retirement option for clergy, and encourages Bishops, Standing Committees and Commissions on Ministry to consider its implications for leadership, morale and deployment of clergy, and</p>	<p>1997</p>	<p>CPF reports on requests made by the prior General Convention.</p> <p>Church Hymnal changes its name to Church Publishing Incorporated.</p> <p>CPF Board approves recommendation of Wellness Initiatives Advisory Committee to add 30-year early retirement option for clergy, and seeks endorsement of the General Convention</p> <p>CPF increases clergy and spousal minimum pensions under the clergy pension plan</p>

The Episcopal Church (the Church)	Year	The Church Pension Fund (CPF)
<p>report to CPF annually from 1998-2000.</p> <p>The General Convention D063 asks CPF to report on a plan to achieve competitiveness and profitability for Church Insurance.</p> <p>The General Convention D010 commends CPF for many years of service to the Church, but recommends that CPF undertake efforts to make its billing, processing, and communication functions more accurate and understandable.</p> <p>The General Convention B024 commends CPF Board of Trustees for its work on the clergy retirement policy of the Church; asks the Trustees to provide more detailed information about the work of the internal Benefits Policy Committee and other committees of the Board of Trustees of the Church Pension Fund; and urges the Trustees to propose Canons or amendments thereto as needed from time to time to clarify the fiduciary functions of the Board of Trustees and the relationship between the Trustees and General Convention.</p> <p>The General Convention (A133) commends the Office of General Convention and CPF for their extraordinary work of addressing the deficiencies of data gathering for statistical reporting on the State of the Church.</p>		
	1998	<p>CPF adopts early retirement option, offering full pension benefits for clergy who are at least 55 and have achieved at least 30 years of service.</p> <p>CPF organizes Benefits Research Advisory Committee (known as the BRACE committee), with members selected in consultation with the Presiding</p>

The Episcopal Church (the Church)	Year	The Church Pension Fund (CPF)
		Bishop, to gather data on the needs of the Church and its ordained clergy and assess the impact of potential benefit changes.
	1999	<p>CPF incorporates The Church Insurance Company of Vermont as a Vermont captive insurance company created to provide property and liability insurance for dioceses, parishes and other institutions of the Church.</p> <p>Driven largely by the “dot-com boom” in stock markets, the value of CPF’s investment assets rise by 52% in one year, from \$4.2 billion at March 31, 1999 to \$6.4 billion at March 31, 2000. (The value of CPF’s investment portfolio falls modestly the next year.)</p>
<p>The General Convention approves "Called to Common Mission," a revised version of the Lutheran Concordat, establishing full communion between the Evangelical Lutheran Church in America (ELCA) and The Episcopal Church, effective January 1, 2001.</p> <p>The General Convention (D102) urges CPF to continue to develop socially responsible screens for its investment portfolio, and explore dedicating a small percentage of assets to invest in economic development of low-income neighborhoods</p> <p>The General Convention (D046) encourages CPF to provide short-term disability benefits at no charge to all congregations and church-related organizations.</p> <p>The General Convention asks CPF to study, among other things, pensions for older ordinands (D077); expansion of health care benefits for retirees (D078);</p>	2000	<p>CPF responds to growth in the value of its investment assets by creating “Advisory Committee for Pension Fund Abundance,” consisting of 7 bishops, 8 clergy and 9 lay leaders from across the Church, to participate in CPF’s continuing study of clergy wellbeing and needs.</p> <p>CPF reports on requests made by the prior General Convention with report entitled “Stewardship of Abundance.”</p> <p>CPF forms CREDO (Clergy, Reflection, Education, Discernment, Opportunity) Institute, Inc. to organize conferences for clergy to reflect on spiritual, vocational, health and financial aspects of their lives.</p> <p>CPF establishes a death benefit plan to provide a payment upon the death of active participants in the Lay DB Plan.</p>

The Episcopal Church (the Church)	Year	The Church Pension Fund (CPF)
<p>and housing needs of retired clergy (C024).</p> <p>The General Convention (C039) commends and encourages CPF to continue its shareholder activism.</p> <p>The General Convention (A071) affirms CPF's CREDO project, and encourages CPF to continue to fund the initiative.</p> <p>The General Convention rejects resolution (D093) requesting that CPF cease collection of pension premiums until its Additional Reserves are equal to or less than the anticipated pension benefit costs for the following year.</p>		
	2001	<p>Stock market declines by more than 10% for the year ended March 31, 2001; CPF's investment portfolio declines in value by 5.2%.</p> <p>CPF adds "zero option" to clergy pension plan, to give clergy, whether married or single, an option at retirement to increase their pension benefits in exchange for waiving the traditional spousal pension benefit.</p>
	2002	<p>Substantial increases in clergy pensions and other benefits.</p> <p>CPF incorporates Church Pension Group Services Corporation, a Delaware nonstock corporation, to provide administrative and other services to CPF and its affiliated companies.</p> <p>CPF continues "abundance" conversations across the Church.</p>
<p>The General Convention approves the Diocese of New Hampshire's election of the Rev. Canon Gene Robinson, an openly</p>	2003	<p>Stock market declines by approx. 12.1% for the year ended March 31, 2003; CPF's investment portfolio declines in value by</p>

The Episcopal Church (the Church)	Year	The Church Pension Fund (CPF)
<p>gay priest in a long-term committed relationship, as Bishop Coadjutor.</p> <p>The General Convention (A142) admits the Diocese of Venezuela to the Church, affirms that its clergy will be eligible to participate in CPF's pension plan, and urges CPF to work with the Diocese to cover the liability for past service to the Church.</p> <p>The General Convention (A141) re-admits the Diocese of Puerto Rico to the Church, affirms that its clergy and lay employees will be eligible to participate in CPF's pension plan, and urges CPF to work with the Diocese to cover the liability for past service to the Church.</p> <p>The General Convention (A006) authorizes the Executive Council to appoint a Task Group to study and report back on employment policies and practices within dioceses and parishes of the Church.</p> <p>The General Convention (A023) establishes Task Force for the Prevention of Sexual Misconduct.</p> <p>The General Convention (D021) endorses Church Publishing Incorporated as a significant provider of books, software, and related services.</p> <p>The General Convention rejects a resolution (D042) proposed by the Vice Chair of the CPF Board, which would have reduced the number of CPF trustees elected at each General Convention from 12 to 9, and require the CPF Board to elect 3 trustees at its first meeting after each General Convention.</p> <p>The General Convention rejects resolution (D052) to adopt a policy of disinvestment</p>		<p>6.7%.</p> <p>CPF reports on requests made by the prior General Convention.</p>

The Episcopal Church (the Church)	Year	The Church Pension Fund (CPF)
<p>from certain categories of U.S. defense contractors, and urge CPF and other church investors to refrain from adopting any policies that support the Executive Council resolution.</p>		
	2004	<p>T. Dennis Sullivan succeeds Alan F. Blanchard as President.</p> <p>CPF adds short-term disability benefits for all active participants in the clergy pension plan, effective January 1, 2004.</p> <p>CPF agrees to invest and administer the pension plan for clergy and lay in the Diocese of Puerto Rico that was previously administered by the Diocese.</p> <p>CPF agrees to invest and administer pension plans (“companion plans”) for former dioceses of the Church Iglesia Anglicana de Mexico and the Episcopal Church of Liberia.</p>
	2005	<p>Church Publishing Incorporated acquires Morehouse Publishing.</p>
<p>Katharine Jefferts Schori of Nevada is elected the 26th Presiding Bishop of The Episcopal Church for a 9-year term. She is the first and only woman to be a churchwide leader in the Anglican Communion.</p> <p>The General Convention (A083) asks the Office for Ministry Development, in collaboration with CPF, to coordinate a study of the optimum mandatory resignation age for clergy and the implications for pension benefits.</p> <p>The General Convention (A086) instructs the Standing Commission on Ministry Development to create and disseminate training materials to recognize and respond</p>	2006	<p>CPF reports on requests made by the prior General Convention</p> <p>CPF restructures pension plans to allow assets of the lay employees' defined benefit pension plan and CPF staff defined benefit pension plan to be commingled for investment purposes with the assets of the clergy pension plan, expanding investment opportunities for these plans</p> <p>CPF revises pension formula and enhances other benefits payable under the clergy pension plan</p> <p>CPF incorporates new subsidiary, The Church Insurance Company of New York,</p>

The Episcopal Church (the Church)	Year	The Church Pension Fund (CPF)
<p>to evidence of abuse.</p> <p>The General Convention (A121) acknowledges CPF's efforts to establish appropriate formulae for pensions for clergy in overseas dioceses where compensation for service has been limited by standards and costs of living, and asks that its cooperative work with overseas dioceses be continued.</p> <p>The General Convention (A125) continues Task Force to Study Employment Policies and Practices in the Church, with the intention of offering a resolution for 2009 General Convention to address issues of employment, striving to make the Church a fair and just workplace.</p> <p>The General Convention (A125) asks (1) CPF to conduct survey of lay employees concentrating on employee demographics, the exercise of authority in the employment setting, and compensation and benefits, and (2) Office of Ministry Development to take lead in determining the best way to conduct feasibility study examining whether pension benefits for lay employees should be made compulsory and be administered by a single provider.</p> <p>The General Convention (A140) affirms CPF's work in considering ways to respond to the particular needs of ordained women as they approach retirement.</p> <p>The General Convention (A147) endorses CPF's proposal to study the costs and issues of healthcare benefits for all clergy and lay employees.</p> <p>The General Convention (B003) commends CPF for creating network of Diocesan Chaplains for Retired Clergy and Spouses.</p>		<p>a captive insurance company established to provide property and liability insurance for Episcopal dioceses, parishes and other institutions located in New York State.</p> <p>Responding to Hurricane Katrina and other hurricanes and storms across the Gulf Coast, CPF deferred and/or waived the obligations of certain Church employers to pay pension assessments and other charges and sponsored a Weathering the Storms conference in collaboration with the Office of the Presiding Bishop and other Episcopal entities, for more than 220 bishops, clergy, diocesan staff members and their families.</p>

The Episcopal Church (the Church)	Year	The Church Pension Fund (CPF)
<p>The General Convention (D048) asks CPF to investigate formula for calculating credited service for participants receiving part-time compensation.</p> <p>The General Convention (D065) asks CPF to study a Family Leave Pension Waiver policy for clergy.</p>		
	2007	<p>CPF engages The Gallup Organization to conduct survey of lay employees</p> <p>CPF establishes pension plan to provide the same benefits for clergy of the Diocese of Puerto Rico that are provided to similarly situated participants in the pension plan for U.S. clergy, as well as a separate defined benefit pension plan for lay employees in Puerto Rico.</p>
	2008	<p>Responding to General Convention Resolution 2006-A125, CPF issues Comprehensive Lay Employee Study.</p>
<p>The General Convention charges the Standing Commission on Liturgy and Music to develop theological and liturgical resources for same-sex blessings and report back to the General Convention in 2012.</p> <p>The General Convention (A137) continues Task Force to Study Employment Policies and Practices in the Church.</p> <p>The General Convention (A138) establishes a mandatory lay employee pension system, amends Canon I.8 to authorize CPF to implement the lay pension system and asks CPF to conduct a further study on the feasibility of including overseas Episcopal dioceses in the lay employee pension system.</p>	2009	<p>CPF reports on requests made by the prior General Convention.</p> <p>Responding to General Convention Resolution 20016-A147, CPF issues Healthcare Coverage Feasibility Study and Recommendation, recommending a mandatory denominational health plan (DHP).</p> <p>CREDO holds special Strength for the Journey conference for clergy from the four reorganizing dioceses of Fort Worth, Pittsburgh, Quincy, and San Joaquin.</p> <p>Following the General Convention's approval of the Lay Employee Pension System and Denominational Health Plan for the Church, CPF begins implementation.</p>

The Episcopal Church (the Church)	Year	The Church Pension Fund (CPF)
<p>The General Convention (A177) establishes mandatory Denominational Health Plan and amends Canon I.8 to authorize CPF to administer the DHP.</p> <p>The General Convention (A169) directs (1) Office of Pastoral Development to maintain annual statistics about numbers of women and men in elections to the episcopate and to report them annually to the Church, and (2) Office for Transition Ministry (in consultation with CPF and others) to gather data and report annually on clergy compensation by gender, and numbers of male and female clergy.</p> <p>The General Convention (B024) encourages Presiding Bishop to establish fund to provide clergy in Cuba with annuity upon retirement.</p> <p>The General Convention (C038) commends CPF its work in all areas of benefits policy, including but not limited to benefits for surviving spouses, and recommends that CPF continue its study and analysis of pension equity, with particular focus on raising the benefits of those below the average for surviving beneficiaries.</p> <p>The General Convention (D053) affirms support of CREDO as a wellness benefit for clergy and lay employees and encourages expansion of CREDO for lay employees.</p> <p>The General Convention (D061) commends CPF for its ongoing study of retirement benefits for clergy originally ordained in another Anglican jurisdiction.</p> <p>House of Deputies approves resolution to amend Joint Rules of Order to make explicit the practice of not allowing nominations from the floor for CPF</p>		<p>CPF forms DHP Advisory Group, comprised of bishops, Canons to the Ordinary, diocesan administrators, diocesan chancellors, parish administrators, parish priests, and other Church leaders from across the Church, to assist with the DHP implementation strategy and process.</p> <p>Financial crisis causes U.S. stock market (measured by the S&P 500 Index) to fall over 38% during the 12 months ending March 31, 2009; CPF's investment portfolio declines almost 21% during this same period.</p> <p>CPF opens an office in Hong Kong to focus on investment opportunities in Asia.</p>

The Episcopal Church (the Church)	Year	The Church Pension Fund (CPF)
Trustees, but resolution does not reach House of Bishops.		
	2010	<p>CPF responds to the earthquake that devastated Haiti by granting a temporary waiver of the obligations of parishes in that diocese to pay pension assessments; and CPF Trustees and employees personally donate nearly \$45,000 to Episcopal Relief and Development, with matching funds contributed by CPF.</p> <p>CPF establishes Emergency Medical Fund for Non-Domestic Dioceses, a pilot program to fund emergency or high-cost medical expenses for eligible clergy and lay employees in non-domestic dioceses.</p>
The Episcopal Church inaugurates a full communion relationship with the Northern and Southern provinces of the Moravian Church in North America.	2011	<p>Mary Kate Wold succeeds T. Dennis Sullivan as CPF's CEO and President, becoming the first woman to serve in this position.</p> <p>CPF amends Clergy Pension Plan, Lay DB Plan, and The Church Pension Fund Clergy Post-Retirement Medical Assistance Plan to ensure that legally married same-gender spouses would receive the same benefits as traditional spouses.</p> <p>CREDO hosts 4 Strength for the Journey conferences for ordained and lay leaders in Haiti to assist them in recovering from the earthquake, as well as 2 Strength for the Journey conferences for lay employees and lay leaders in the reorganizing dioceses of Pittsburgh, San Joaquin, Fort Worth, and Quincy.</p> <p>CPF launches redesigned website www.cpg.org.</p> <p>CPF launches the Institution Roster, an online registration system to help CPF</p>

The Episcopal Church (the Church)	Year	The Church Pension Fund (CPF)
		confirm and collect information about parishes and other church employers.
<p>The Episcopal Church approves the trial use of an official liturgy to bless same-sex couples and their unions, called "The Witnessing and Blessing of a Lifelong Covenant."</p> <p>The General Convention rejects resolutions (e.g., B002, C022, C027, C031, C034) calling for significant changes in Denominational Health Plan and parity mandates, and instead (B026) commends Medical Trust for its progress in containing health care premium costs, urges continued efforts to reduce cost disparity among dioceses, and confirms that parity in cost-sharing between clergy and lay employees must be achieved in each diocese as soon as possible, but no later than December 31, 2015.</p> <p>The General Convention (C042) extends deadlines for school employers to comply with mandatory contribution requirements of lay pension system.</p> <p>The General Convention rejects resolution (D086) directing development of plans through which retired, non-stipendiary clergy serving small congregations may receive Medicare Supplemental Health Benefits.</p> <p>The General Convention (A144) requests Office of Pastoral Development to monitor episcopal elections to gather data on gender, race, and cultural bias, and report annually to the Executive Council.</p> <p>The Episcopal Church approves the trial use of an official liturgy to bless same-sex couples and their unions, called "The Witnessing and Blessing of a Lifelong</p>	2012	<p>CPF completes Hymnal Feasibility Study requested by the 2009 General Convention.</p> <p>CPF reports on requests made by the prior General Convention.</p> <p>Responding to the 2012 General Convention's request (A138) that CPF study the feasibility of including overseas Episcopal dioceses in the Lay Employee Pension System, CPF report that its 2-year study concluded that "While the majority of those interviewed and surveyed believes that a required lay employee pension plan is desirable, those same people also agree that the nondomestic dioceses do not have the resources necessary to implement such a plan at this time."</p> <p>CPF launches the Employee Roster, an online registration system to confirm and collect information about employees.</p> <p>CPF establishes Fund for Special Assistance, a program to provide grants to relieve occasional extraordinary financial needs of eligible retired clergy and eligible surviving spouses and dependents of deceased clergy.</p>

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<p>Covenant."</p> <p>The General Convention rejects resolutions (e.g., B002, C022, C027, C031, C034) calling for significant changes in Denominational Health Plan and parity mandates, and instead (B026) commends Medical Trust for its progress in containing health care premium costs, urges continued efforts to reduce cost disparity among dioceses, and confirms that parity in cost-sharing between clergy and lay employees must be achieved in each diocese as soon as possible, but no later than December 31, 2015.</p> <p>The General Convention (C042) extends deadlines for school employers to comply with mandatory contribution requirements of lay pension system.</p> <p>The General Convention rejects resolution (D086) directing development of plans through which retired, non-stipendiary clergy serving small congregations may receive Medicare Supplemental Health Benefits.</p> <p>The General Convention (A144) requests Office of Pastoral Development to monitor episcopal elections to gather data on gender, race, and cultural bias, and report annually to the Executive Council.</p> <p>The General Convention rejects resolution (B001) proposing an amendment to Canon I.8.1 to specify that the lay pension system and denominational health plan should be in accordance with the principles adopted not only in 2009 but also as revised in 2013.</p> <p>The General Convention rejects resolution (B003) to amend the lay pension system to allow existing pension plans to continue as</p>		

The Episcopal Church (the Church)	Year	The Church Pension Fund (CPF)
<p>long as their plan design delivers pension benefits not less than the pension benefits required by General Convention resolution 2009-A138.</p> <p>The General Convention rejects resolution (D092) requesting that CPF publish a study of barriers to voluntary participation in the denominational health plan, and that CPF make available a fund for transitional assistance.</p>		
	2013	CPF relocates to 19 East 34 th Street, New York City.
	2014	<p>CPF's New York City office achieves Gold level certification from the Leadership in Energy and Environmental Design (LEED) for meeting LEED's high level of sustainability and cost-efficiency in water and energy use, building materials and environmental quality.</p> <p>CPF hosts series of focus groups, regional forums, and smaller conferences with clergy, lay employees, treasurers, and wardens to assist CPF in considering the evolving needs of the Church and its clergy and lay employees.</p> <p>CPF establishes Client Council with a broad range of Church leaders, including bishops, priests, canons, deacons, diocesan and parish administrators, lay leaders, and executive directors, selected for their diverse backgrounds, expertise in the Church, and willingness to provide candid feedback on CPF's products and services.</p>
The Most Reverend Michael Bruce Curry was installed as the 27th Presiding Bishop and Primate of The Episcopal Church on November 1, 2015.	2015	CPF continues to conduct listening events across the Church to solicit input from bishops, clergy, and lay leaders, including diocesan administrators, wardens, and treasurers, on potential changes to create

The Episcopal Church (the Church)	Year	The Church Pension Fund (CPF)
<p>The General Convention (A180) expresses gratitude to CPF for meeting the needs of the Church's clergy, laity and institutions.</p> <p>The General Convention (A181) requests CPF study and report on (1) compensation and costs for all employee benefits for beneficiaries in Province IX dioceses, Haiti, Cuba, and Covenant Partners, and include guidance on alternative pension plan strategies (A181); and (2) feasibility of short-term disability plan for lay employees in the Church (B016)</p> <p>The General Convention (D030) urges the Church to establish parental leave policies, and directs CPF to promote the existing short-term disability benefit covering parental leave policy; and requests development of a model policy.</p> <p>The General Convention (A177) directs CPF to continue to work actively to revise benefits to be responsive to the changing Church, with particular focus on bi-vocational, non-stipendiary, interrupted continuity of service, and those serving in interim ministries</p> <p>The General Convention (D021) rejects request that CPF reevaluate the Denominational Health Plan.</p> <p>House of Deputies amends rules of order to permit nominations from the floor for all positions, including CPF Trustees. House of Bishops expresses concerns between new rules of order and Canon I.8.</p>		<p>more flexible pension and related benefit plans that will meet the needs of a changing Church while ensuring that CPF remains financially sustainable, that the value of benefits is maintained and that the plans are easier to administer and understand.</p> <p>CPF reports on requests made by the prior General Convention.</p>
	2016	<p>CPF's total assets approach \$12 billion.</p> <p>CPF's socially responsible investments top \$900 million.</p> <p>CPF continues listening events to obtain</p>

The Episcopal Church (the Church)	Year	The Church Pension Fund (CPF)
		<p>feedback on potential pension plan revisions.</p> <p>CPF conducts survey of clergy deployment patterns to gain a deeper understanding of clergy career paths and assist it in evaluating potential changes to the clergy pension plan.</p> <p>CPF Board approves changes to the pension, retirement savings, and welfare plans it administers for eligible clergy and lay employees of the Church to offer greater flexibility, consistency, and simplicity while maintaining the overall value of benefits provided.</p> <p>CPF issues Short-Term Disability Plan Feasibility Study in response to Resolution 2015-B016</p> <p>CPF, in collaboration with Episcopal Church Foundation and Episcopal Relief & Development, co-hosts three-day wellness conference for clergy, lay employees, and lay leaders of the Diocese of Ecuador Litoral impacted by earthquake.</p>
	2017	<p>CPF observes 100 years of service and benefits for the Episcopal Church.</p> <p>CPF launches Insights & Ideas: Centennial Conversations to create opportunities for clergy, lay employees, lay leaders, CPF trustees, officers and third-party experts to share information, insights, and ideas about issues of importance to the Church and CPF, including the demographics of a changing Church and socially responsible investing.</p> <p>CPF issues Report on the Costs of Pension Benefits in Foreign Dioceses in response to resolution 2015-A181</p>

The Episcopal Church (the Church)	Year	The Church Pension Fund (CPF)
		CPF issues report responding to questions raised by the House of Deputies Committee on the State of the Church.
<p>The General Convention (A060) invites the Executive Council and CPF to study jointly the historical and current relationship of the Church and CPF.</p> <p>The General Convention (A238) decides to re-admit the Diocese of Cuba as an Episcopal Diocese, and requires that its clergy must be eligible to participate in CPF's international clergy pension plan and related benefit plans, effective immediately, consistent with the terms of the plans and applicable law.</p> <p>The General Convention asks CPF, among other things, to report on pension parity (lay/clergy, domestic/non-domestic, employees with disparate incomes, and across gender, race and ethnicity) (A237 and D045), to provide more detailed information regarding disparities in compensation that clergy receive from the Church based on race, ethnicity and gender identity (C029, D005 and D037), to provide a sustainability plan (A020) and to collaborate with task forces and others in the Church on various matters.</p> <p>The General Convention (B030) directs Standing Commission on Structure, Governance, Constitution and Canons to review process for nomination of candidates to serve as CPF Trustees, and propose amendments to Canon I.8 and/or applicable rules to address inconsistencies.</p> <p>The General Convention rejects resolution (D049) requesting that the Church create a</p>	2018	<p>Pension plan revisions approved in 2016 become effective January 1, 2018.</p> <p>CPF launches survey to examine how well-prepared lay employees of the Episcopal Church are for retirement.</p> <p>CPF launches official Facebook page (@ChurchPension) and Twitter account (@ChurchPension).</p> <p>CPF reports on requests made by the prior General Convention.</p> <p>CICNY merges into CICVT to simplify administration of their property and casualty insurance programs.</p>

The Episcopal Church (the Church)	Year	The Church Pension Fund (CPF)
Priest Development Plan to provide financial support for postulants and candidates to the priesthood, to be designed and administered by CPF.		
	2019	CPF hosts series of listening events to gain insights to assist it in responding to questions regarding pension parity and pension equity raised by the General Convention in 2018 (A237 and D045), and Insights & Ideas panels to examine current trends in shareholder engagement.

**The Archives of the Episcopal Church
Research Report (2018–A060 Study):
Relationship Between the General Convention and the Church Pension Fund Board of Trustees
April 12, 2019**

The Church Pension Fund (CPF) was established as, and remains, an independent and separately-incorporated organization whose primary purpose is to manage the clergy pension system and the other pension and insurance plans that the General Convention has approved since the CPF's founding. It was designed to operate on a group basis and to guarantee minimum pensions to its members of the clergy and their surviving dependents (defined originally as spouse and children), features that distinguished it from other pension plans.

Three primary documents are key to defining the relationship between General Convention and the CPF Trustees, namely Canon I.8, the CPF's charter, and its constitution. The canon assigns power over the CPF's day-to-day operations to the Board of Trustees and reserves to the General Convention the sole authority to elect the trustees and the power to "alter or amend" the canon, with the limitation that alterations or amendments will not be made before they have been communicated and the trustees have had an opportunity to respond.

The 1914 CPF charter empowered retirement and disability pensions and other forms of support for eligible clergy and dependents "on such terms and conditions as the corporation may from time to time approve and adopt."¹ The constitution defined membership of the board of trustees according to the terms of Canon I.8.2. The constitution cannot be amended in any way that affects the right of the General Convention to elect trustees.²

Changes to the Canon on The Church Pension Fund

Significant amendments to the Canon have occurred infrequently, primarily for the purpose of accounting for major changes in services or beneficiaries.³ At no time has the Canon been amended in ways that restate the roles initially assigned to the trustees and the General Convention. On the few occasions when such changes have been proposed, they have been rejected. For example, there have been several attempts over the years to amend the CPG canon to tighten the qualifications for trustee nominees or guarantee an open nomination process, including the following:

- In 1961, a proposal to require that nominees be "members of this Church" was defeated after some debate. The same resolution was dismissed in 1964 as inexpedient.⁴

¹White and Dykman, 1981, p. 319 and Laws of the State of New York Passed at the One Hundred and Thirty-Seventh Session of the Legislature, Vol. I, Chapter 97, pp. 329-351 or <https://babel.hathitrust.org/cgi/pt?id=nyp.33433090742671;view=1up;seq=7>, pages 329-351.

²White and Dykman, 1981, p. 320. The CPF's Constitution provided for a board of trustees composed of the president, ex officio, and 24 individuals elected in classes by the General Convention. Deeper research into the evolution of the CPF's Constitution is inhibited as the CPF's records are not located in The Archives of the Episcopal Church.

³*Journal of the General Convention*, 1940, pp 201- 206, multiple changes including addition of widows' and minor orphans' allowances and empowering CPF to make rules and regulations; 1952, pp. 160-161, re permitting allotment of pensions before the funds were in hand; 1967, p. 360, adding life, accident, and health benefits to the system; 1970, pp. 226-228, to increase the number of trustees, reduce terms, set term limits; 1979-A006, re pensions for women in the diaconate; 2009-A 177, authorizing CPF to establish and administer the denominational health plan.

⁴*Journal*, 1961, pp. 296-297; *Journal*, 1964, p. 169.

- Guaranteeing open or floor nominations for trustee candidates has been suggested at least twice. A 1982 resolution was defeated after several attempts to revive it. In 1994, a resolution to allow floor nominations was allowed to die after debate and amendment.⁵
- In 2003, Convention rejected an attempt to change the number of trustees elected by General Convention from twelve to nine by delegating election of the remaining three to the trustees themselves.⁶
- In 2015, a House of Bishops resolution regarding that year's trustee nomination process requested a review of the relevant canons and shareholder consultation to clarify the process.
- In 2018, a Standing Commission reported progress in developing a background check and application process for nominees and recommended a conforming change to Canon I.8.2. That provision was struck from the resolution before concurrence. However, Resolution B030, which again directed a review of the nomination process, was concurred.⁷

Taken together, these resolutions suggest a sense of doubt or discomfort with the election process on the part of some Church members, which was nonetheless offset by a general sense of confidence in the fiduciary oversight by General Convention.

Relations Between the General Convention and the CPG Trustees

Relations between the General Convention and the CPG Trustees have historically been complex. On one hand, the trustees have consistently fulfilled their original mission of providing an unflinching minimum level of clergy pension and survivor benefits, a fact which has been affirmed by multiple reports and studies and, to a certain extent, appears to be generally understood.⁸ On the other hand, one can hear from the General Convention's records a nearly constant low-level rumble of distant appreciation and sometimes dissatisfaction, exacerbated by poor communications between the trustees and representatives of the wider Church.⁹

The issues have varied from one triennium to another but center on benefits that General Convention wished to either extend or create anew, and a reluctance by CPG to stretch for solutions that could overcome internal structural barriers. Clergy disagreement over the inherent equity of CPG's guaranteed pension minimum and survivor benefits (i.e. the group plan), and the perceived lack of CPG's efforts to bring equity to non-group lay pension offerings were constant ongoing issues.¹⁰

General satisfaction with CPG's overall performance has not been without question. Pockets of suspicion flared with accusations that the investments were not optimally or properly managed by the trustees. The dissonance pointed to failure to invest for maximum performance, extravagant administrative expenses, and failure to follow General Convention's socially responsible investing

⁵ *Acts of Convention*, 1982-D074 and 1994-D119.

⁶ *Acts*, 2003-D042.

⁷ 2018 Blue Book Report, Standing Commission on Structure, Governance and Canons, Proposed Resolution A105; *Acts*, 2018-A105 and 2018- B030.

⁸ *Journal*, 1952, Report of the Joint Commission to Study Clergy Pension Plans and Clerical Salaries, p. 324; 1967, Report of the Committee to Review the Role of the Church Pension Fund, pp. 4.1-4.20; Executive Summary (preliminary draft) of "The Stewardship of the Church Pension Group," February, 1996 in Executive Council Minutes, February 8-12, 1996, Appendix G; "Pension Fund defends decisions in investments, style," *Episcopal Life*, April, 1966, p. 9.

⁹ See for example, "Pension Fund defends decisions in investment, style," *Episcopal Life*, April, 1996, p. 9.

¹⁰ See for example *Journal*, 1919, pp. 518-519; *Journal*, 1949, p. 377; *Journal*, 1952, p. 324; *Journal*, 1967, p. 4.2.

recommendations.¹¹ In the middle-1990s, during a period of higher than usual concern among Church members, one CPG executive commented "A big thing we learned . . . is the high level of interest in things financial among the clergy, and maybe the low level of trust."¹²

Lastly, in the earliest years of the CPF a significant amount of friction was generated by the trustees' strict, sometimes rigid adherence to the CPF's original, very tightly defined, mission. The trustees tended to stand very firmly on their ground by invoking the founders and the expectation of strict reliability that Bishop Lawrence was committed to ensuring in 1917. Lawrence's innovative and risk taking approach to problem solving in an earlier age seemed to be a lost virtue in the legacy interpretation of the Fund's inception.

Resolving Dissatisfaction and Differences

For Church members desiring change or improvements, the trustees' cautious approach has often been frustrating. It took nearly 15 years of advocacy, for example, before the CPG was persuaded to find a way to include adopted children as beneficiaries without, in their opinion, risking the integrity of the Fund (the discussion began in 1931 and guidelines for adopted children were added in 1946).¹³

Sometimes, what was requested of the trustees was not immediately possible and their response on alternatives was not well-received. This was especially the case regarding the requests to replicate a group plan for lay employees, particularly for deaconesses, which began in 1919 at the first Convention following the birth of the CPF.¹⁴ The trustees responded almost immediately by making insurance policies available to encourage employees to build their own retirement assets (or for employers to purchase on behalf of employees). The General Convention was frustrated that their numerous requests for a national lay system were met with inaction and formulaic responses about structural constraints and resource scarcity. It took five resolutions in 1976 for the CPF to finally hear that frustration and offer the first national group lay plan in 1979-1980.¹⁵

Periodic public expressions of dissatisfaction have escalated to demands for action about every twenty years. Historically, CPF trustees, the General Convention, and Executive Council have alternated in taking the lead role in pressing for resolution of outstanding issues through study, dialogue and targeted actions. Not uncommonly, review committees were appointed. At no time, however, have these committees recommended formal mechanisms that would fundamentally strengthen the relationship between the General Convention and the CPF to permanently improve the strained communication and consultation between General Convention sessions.¹⁶ Several examples of conflict and attempts at resolution follow.

¹¹ Executive Summary (preliminary draft) of "The Stewardship of the Church Pension Group," February, 1996 in Executive Council Minutes, February 8-12, 1996, Appendix G; "Pension Fund defends decisions in investments, style," *Episcopal Life*, April, 1996, p. 9.

¹² "Pension Fund defends decisions in investments, style," *Episcopal Life*, April, 1996, p. 9.

¹³ *Journal*, 1931, p. 323; 1937, pp. 417-420 (report of CPF); 1946, p. 264 and pp. 373-375.

¹⁴ *Journal*, 1919, p. 138.

¹⁵ *ACS*, 1979-D049. See Archives Research Report on Lay Pension Plans.

¹⁶ The possible exception is the Joint Council on Socially Responsible Investing that for a number of years created a forum for collegial rapport to have a widely supported Church-wide impact. See separate Archives Research Report on the CPF and socially responsible investing.

Example 1: Executive Council concerns about CPF management

In 1994 and 1995, fueled in part by an inflammatory expose in a church newsletter and by an unexpected and poorly-communicated return to the Church by CPG of about \$200 million in excess reserves, a wave of deep concern flowed through the Church regarding the reliability of the CPF.¹⁷ In response, Executive Council's Administration and Finance Committee appointed an *ad hoc* "Committee in Dialogue with the Church Pension Fund" in 1995 to gather information and meet with the Pension Group's president, senior management, and trustees.¹⁸

Over the course of a year the Committee explored with the CPF its management philosophy and also systemic issues, including "the working method of the Board, the accountability of the Board, and the relationship between the Trustees and the wider Church."¹⁹ The questions explicitly included ones regarding the accountability of the trustees: "To whom or to what, if anyone or any group, are the Trustees of the Church Pension Fund held accountable? (The Canons seem to indicate the General Convention, which means the Executive Council during the interim between General Conventions.) Is this thought shared by the Trustees? ... How is that accountability monitored?"²⁰

The dialogue identified areas in which management needed improvement, particularly regarding involving all board members in important decisions, being mindful of its spending practices, and attending carefully to communications with the wider Church. The need to identify and stop the source of internal information leaks was identified as a priority by CPG. CPG's response to unauthorized trustee and employee release of information was to seek to "improv[e] . . . our performance" in communication and offer a detailed list of communication pieces, which were, however, mostly product marketing in nature. The Dialogue Committee's final report to Council noted consensus that "the Episcopal Church leadership, as well as the CPF, must minister to the anxiety and suspicion which is present, and continue to build trust through, among other things, its openness and style of leadership" rather than merely providing additional factual information.²¹ The Committee ultimately expressed overall satisfaction that "the trustees and management were being faithful to their duties."²²

Example 2: Executive Council concerns about social investing

In November 1982, the Executive Council adopted instructions for a shareholder resolution authorizing its Committee on Social Responsibility to file with the CPF a shareholder resolution dealing with socially responsible investing. The resolution requested the CPF to report to Executive Council on or before May

¹⁷Special Report, Church Pension Fund Gambles with Episcopal Clergy's Future," *United Voice*, vol. 1, no. 8, September 1995, pp. 1 and 5-8;

¹⁸"Executive Council Committee Examining Church Pension Group Actions," ENS Release, June 8, 1995 [95-1130]; Executive Council minutes, February 8-12, 1996, p. 26.

¹⁹Report of the Committee in Dialogue with the CPF, February 8, 1996, Appendix G in the Executive Council Minutes, February, 1996. See also Preliminary Report, Special Committee to Dialogue with the CPG, in Executive Council Minutes, October-November 1995, Appendix I.

²⁰M. L. Agnew to CPG President Blanchard, October 4, 1995, in Preliminary Report, Special Committee to Dialogue with the Church Pension Group, November 1, 1995, in Executive Council Minutes, October-November 1995, Appendix I.

²¹Preliminary Report, Special Committee to Dialogue with the Church Pension Group, November, 1995, pp. 13-15; Final Report, Special Committee to Dialogue with the Church Pension Group, in Executive Council Minutes, February, 1996, p. 5; "The Stewardship of the Church Pension Group: A Report to the Church" CPG Report, February 1996, pp. vii, 30-32.

²²Report of the Committee in Dialogue with the CPF, February 8, 1996, Appendix G in the Executive Council Minutes, February, 1996. and "Pension Fund defends decisions in investment style," *Episcopal Life*, April, 1996, p. 9. Significantly, one Committee member reported back: "Neither the Trustees with whom I met, nor I individually, felt that any canonical changes with regard to the relationship between the CPF and the General Convention are indicated. Nor do we believe that there needs to be an on-going review and dialogue such as has taken place in the last year between the CPG and the Ad Hoc."

31, 1983 "on its voting record during calendar years 1980, 1981 and 1982, resolution by resolution, with respect to social issue resolutions" for companies in which the CPF held stock during those years. The press described this request for disclosure "as an unusual move."²³ Perhaps as a result, subsequent CPF Blue Book reports included detailed descriptions of its efforts at socially responsible investing.²⁴ (For information on discussions regarding socially responsible investing, see the research report on that topic.)

Example 3: General Convention leadership on inadequate pensions

Ordinarily it has been the CPF Trustees that took responsibility for adopting changes in benefits or assessment rates. However, there have been instances where General Convention prodded CPF to a course of action. For example, the Convention took matters in hand in 1949 when inflation and low interest rates in the post-World War II economy caused problems for both the trustees and the beneficiaries of the Fund. Inflation had created significant distress for retired clergy whose already low pensions became utterly inadequate, to the point that *Time* magazine picked up the story and spread word nationwide of the "pension scandal" in the Church.²⁵

At the 1949 General Convention, in the midst of a swirl of alternative proposals for managing pensions and investments²⁶, the Convention acted decisively. Armed with recommendations from a Joint Committee the Convention had appointed in 1946 to investigate ways to supplement existing pensions, the General Convention requested the trustees to implement both a substantial benefit increase and another rate increase no later than January 1 of 1950.²⁷ The Convention also appointed a Joint Commission to Study Clergy Pension Plans to examine the matter of pensions in more detail.²⁸ Ultimately, clerical salaries and pensions remained under study well into the 1950s.

Example 4: CPF Trustee leadership on questions of Pension Fund management

In the mid-1960s, a groundswell evolved around a desire to enable clergy retirement at age 65. It grew to include questions about investment and management practices of the CPF, vesting, equal pensions, and even suggestions for replacing the Trustees with a commercial pension management firm.²⁹ In April of 1966 the Board of Trustees asked the Presiding Bishop to appoint an independent Committee of Review to make recommendations on change.³⁰

The resulting report documented good, conscientious management on the part of the Trustees. It outlined a number of changes that could be made, including improved benefits, changes to the Trustees that included shorter terms and limits on service to ensure "a regular infusion of 'new blood'," and recommendations for improved communication between the Trustees and the Church. However, it also

²³ Executive Council minutes, November 17-18, 1982, p. 42 (EXC111982.34); ENS release, November 24, 1982 [82246].

²⁴ See, for example, CPF reports in *Journal of Convention* 1985, pp. 628-630; *Journal*, 1988, pp. 718-719.

²⁵ *Time* magazine, June 20, 1949 and "Is \$8,000,000 Enough? Report to the Presiding Bishop by the Joint Committee to Consider Appealing for Funds to Supplement Clergy Pensions," *The Living Church*, August 14, 1949, pp. 13-18.

²⁶ See discussion in "Is \$8,000,000 Enough? Report to the Presiding Bishop by the Joint Committee to Consider Appealing for Funds to Supplement Clergy Pensions," *The Living Church*, August 14, 1949, pp. 13-18.

²⁷ *Journal*, 1949, pp. 282-284 and CPF report of 1952.

²⁸ *Journal*, 1949, Appendix 4, pp. 374-385.

²⁹ See, for example, "Information Please!: Two priests ask seven questions about the Church Pension Fund," *The Living Church*, November 14, 1965, pp. 8-9, 14.

³⁰ *Journal*, 1967, Appendix 4.1, Report of the Committee to Review the Role of the Church Pension Fund..

identified some of the suggestions that would not work, such as equalizing clergy pensions, as well as important elements that were outside the Trustees' control, such as clergy salaries.

Taken together, these specific examples suggest that tensions between the CPF and the General Convention and Executive Council are particularly likely to flare when stakeholders become dissatisfied with some aspect of the way the CPF operates, communicates, and governs itself within the greater Church body. Generally, CPF's financial health and investment management has not been found deficient. The Executive Council's 1996 Dialogue Committee identified the behavior as the awkward straddling of "a boundary issue," namely that CPF is:

. . . a trustee of a pension fund and an insurance company on the one hand, and the leader of an institution whose motto is "in the service of the Episcopal Church" on the other hand. Is the CPF and the Church Insurance Company primarily a pension fund and an insurance company, or are they agencies of the Episcopal Church?³¹