

What to Know About Deacons and Benefits



The Rev'd Dcn. Garth M. Howe
Community/Cultural Liaison Officer

**Archdeacon & Deacon
Directors' Conference (A3D)**
June 22, 2023



Today's Agenda



- Participation in the Clergy Pension Plan
- Benefits of Being a Plan Participant
- Cost/Benefit Analysis of Being a Plan Participant
- Resources
- Questions & Answers

Be Sure You Are in Our Records

Diaconal Ordination

- Diocesan Ordination Officer files a New Record of Ordination to the Recorder of Ordination Office at CPF

Recorder of Ordinations Office

- Sends the cleric instructions for logging into [MyCPG](#)

Cleric (YOU)

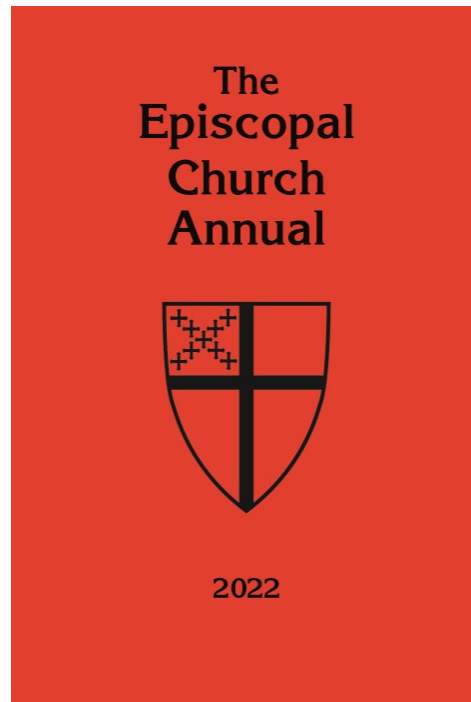
- Log into [CPG](#) and enter your demographic information

Episcopal Clerical Directory

- [ecdplus.org](#)

Episcopal Church Annual

- [theredbook.org](#)
- Published by Church Publishing Incorporated



A Guide to Clergy Benefits



cpg.org

View: Active Clergy Forms and Publications

≡ The Clergy Pension Plan Is a Defined Benefit Plan ≡



**Employer pays
assessments**



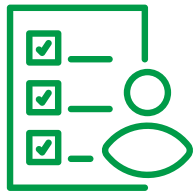
**Plan sponsor controls
investment decisions**



**Employee's pension
benefit is based on a
formula regardless of
investment performance**

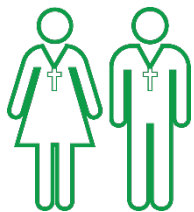
Participation in the Clergy Pension Plan

Eligibility and Participation



Mandatory criteria

- Ordained, scheduled to be regularly employed for five plus consecutive months with the same employer and compensated



Regularly employed—meet one or more of the following criteria:

- Letter of Agreement (contract of employment), OR
- Duly called by bishop, vestry, or rector, OR
- Formal title indicating substantial ongoing relationship, OR
- Issued Form W-2, OR
- Scheduled to work 20+ hours per week




Exception for short-term service

- Participation is optional if there is a Letter of Agreement directing payment of assessments for services of less than five months
- Must still be regularly employed and compensated

First Job and/or New Cure

Employment Change Form

- Usually submitted by your employer
- Can submit paper form
 - cpg.org (Forms & Publications)
- Must submit each time cleric changes employer or has compensation change



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Reset Print

Employment Change Form New Assignment Notice & Change in Compensation

Reason for change:
 Compensation Change New Assignment/Hire Change in Employment Status Termination Retirement
Please select all benefits that apply Clergy DB Lay DB Lay DC RSVP

Employee Information

Legal Name
First _____ MI _____ Last _____

Mailing Address _____

City _____ State _____ Zip _____

Social Security #/TIN # _____ Date of Birth _____

Canonical Residence _____

Employee information updated? Yes No

Employment Information

Employer Name _____

Mailing/Billing Address _____

City _____ State _____ ZIP _____ Country _____

Phone Number _____

Employee's Title _____ Effective Date of Change _____

Hours expected to work per year _____

Compensation

Other than a one-time payment, list all amounts on an **annual basis**. For explanations, see the instructions on the next page.

\$ _____	\$ _____	Employer-provided housing? <input type="checkbox"/> Yes <input type="checkbox"/> No
Base salary (excluding housing) and scheduled taxable cash payments	Cash housing allowance and/or utilities	(Check Yes if employer provides physical housing for the employee)
\$ _____	\$ _____	
Employer contributions to a qualified or non-qualified plan	One-time payments	

Send assessment bills to: Employer Diocese

Previous Employer _____ Date Compensation Ended _____

Employer's Signature _____ Date _____

Employer Email Address _____

Print Name _____ Title _____


Employee's Signature _____ Date _____ ID# (CPF use) _____

Submit the completed and signed form to:
The Church Pension Fund, 19 East 34th Street, New York, NY 10016, Attn: Client Services or email to admin-assist@cpg.org.
If you have any questions, call us at (866) 802-6333, Monday – Friday, 8:30AM – 8:00PM ET (excluding holidays).

Please note that this document is provided for informational purposes only and should not be viewed as investment, tax or other advice. In the event of a conflict between this document and the official plan documents, the official plan documents will govern. The Church Pension Fund and its affiliates retain the right to amend, terminate or modify the terms of any benefit plans described in this document at any time, without notice and for any reason.

Extension of Ministry

- Clergy must be in good standing and exercising active, ordained ministry outside of The Episcopal Church (TEC) in a position that is pastoral, educational, or social work.
- The work is not secular and furthers the mission of TEC.
- The application must be approved by the canonical bishop and geographic bishop, if applicable, and CPF.
- Approval is needed every two years.



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Extension of Ministry Application

Section 1: Employee Information

Legal Name
First _____ MI _____ Last _____

Mailing Address
Street _____

City _____ State _____ ZIP _____

Social Security # (last 4 digits) _____ Date of Birth _____

Canonical Residence _____

Section 2: Employment Information

Your Position
Please attach a description of your duties and responsibilities for the position at a non-participating organization. If you have more than one new source of employment, complete a separate form and description of your duties for each employer. You must also include a letter from the Ecclesiastical Authority of the diocese in which you are canonically resident, providing an explanation of how your work constitutes ministry in pastoral, educational or social work; will not be secular work; and how it will advance the mission of the Episcopal Church and not violate the Constitution and Canons of the Episcopal Church.

Employer Information

Employer Name _____

Mailing/Billing Address
Street _____

City _____ State _____ ZIP _____

Phone _____

Employee's Title _____

Effective Date of Ministry _____

Is this position expected to last five or more months? Yes No

Section 3: Compensation

Other than a one-time payment, list all amounts on an **annual basis**. See www.cpg.org for details.

\$ _____	\$ _____	Employer-provided housing? <input type="checkbox"/> Yes <input type="checkbox"/> No (Check Yes if employer provides physical housing for the employee)
Base salary (excluding housing) and scheduled taxable cash payments	Cash housing allowance and/or utilities	
\$ _____	\$ _____	Send assessment bills to: <input type="checkbox"/> You <input type="checkbox"/> Employer
Employer contributions to a qualified or non-qualified plan.	One-time payments	

Assessments on Compensation



18% of Total Assessable
Compensation (TAC)

≡ Total Assessable Compensation (TAC) ≡

TAC* = The annual sum of the following TAC = \$25 per mo. x 12 mo. = \$300

1

Base salary
(excluding
housing) and
scheduled
taxable cash
payments

2

Cash housing
allowance
and/or utilities

3

Employer
contributions
to a qualified
or nonqualified
plan

4

One-time
payments
(applies to
month when
paid)

5

Value of employer-
provided housing, which
equals 30% of the sum
of 1 through 4, or, if
higher, 30% of the
Hypothetical Minimum
Compensation (HMC)**

Assessments paid to Church Pension Fund =
18% x \$25 = \$4.50 per mo., or \$54 per year

*Any form of severance (including pay continuation following a termination of employment) should be excluded in all cases.

**HMC is currently \$1,500/mo.

Benefits of Being a Plan Participant



Credited Service for Pension Benefits



A cleric earns a full month of Credited Service (CS) for pension benefits when

- Eligibility criteria are met, and
- Full assessments are paid on 1/12th of the cleric's Total Assessable Compensation (no minimum dollar limitation; no CS is earned for partial assessment payment)

Enrollment in the plan will only occur on the 1st of the month.

≡ Your Basic Benefit ≡

Annual Pension Benefit Formula

$$(\text{HAC} \times \text{CS} \times 1.6\%) + (\text{First } \$10,000 \text{ HAC} \times \text{CS} \times 1.15\%)$$

• Highest Average Compensation (HAC):
Generally the highest paid seven 12-month periods over the cleric's career*

Credited Service (CS)
for Pension:
Assessments fully paid on monthly Total Assessable Compensation (TAC)

• Vesting
Five years of credited service, or 65+ and Active

Example Calculation

Highest Average
Compensation (HAC):
Assume no change in
compensation = \$300

Credited Service (CS)
for Pension: Retires at
age 72. CS = 10 years

Vested: Yes,
> five years of CS;
65+ and Active

Annual Pension Basic Benefit Calculation

$$\begin{aligned} & (\text{HAC} \times \text{CS} \times 1.6\%) + (\text{First } \$10,000 \text{ HAC} \times \text{CS} \times 1.15\%) \\ & (\$300 \times 10 \times 1.6\%) + \$300 \times 10 \times 1.15\% = \$82.50^* \end{aligned}$$

Basic Retirement Benefit Plus . . .

Ongoing benefit

- ▶ Christmas benefit

\$25 x CS: $\$25 \times 10 = \250

One-time benefits

- ▶ Resettlement benefit

12 x monthly benefit, min \$2,000; max 20,000: $\$2,000$

- ▶ Retiree life insurance benefit

6 x HAC, max \$50,000: $6 \times \$300 = \$1,800$

Discretionary benefits

- ▶ COLA increases
- ▶ 65+ Group Medicare Advantage

Access to, but no subsidy

While Active: Death and Disability

- ▶ Life insurance benefit
- ▶ Pre-retirement survivor benefit
- ▶ Eligible child's benefit
- ▶ Short-term disability
- ▶ Long-term disability

6 x TAC, max \$150,000: **\$1,800**

Cost/Benefit Analysis of Being a Plan Participant

Cost and Benefit Analysis \$25/Mo; 10 YCS; Active

Assumptions

- Total Average Compensation (TAC): **\$300 per year** (\$25/mo.)
- Credited Service: **10 years**
- Highest Average Compensation (HAC): **\$300** (no change in TAC)

Cost for employer

- Salary over career: **\$3,000** (TAC x 10)
- Total assessments paid over career: **\$540** (18% x TAC x 10)

Benefits

- Active life insurance: **\$1,800** (6 x TAC)
- Retiree life insurance: **\$1,800** (6 x HAC)
- Annual pension benefit: **\$82.50** (2.75% x HAC x Credited Service (CS))
- Annual Christmas benefit: **\$250** (\$25 x CS)
- Resettlement benefit: **\$2,000**

Cost and Benefit Analysis \$25/Mo; 10 YCS; Inactive

Assumptions

- Total Average Compensation (TAC): **\$300 per year** (\$25/mo.)
- Credited Service: **10 years**
- Highest Average Compensation (HAC): **\$300** (no change in TAC)

Cost for employer

- Salary over career: **\$3,000** (TAC x 10)
- Total assessments paid over career: **\$540** (18% x TAC x 10)

Benefits

- Active life insurance: **\$1,800** (6 x TAC)
- Retiree life insurance: **\$0** (6 x HAC)
- Annual pension benefit: **\$82.50** (2.75% x HAC x Credited Service (CS))
- Annual Christmas benefit: **\$250** (\$25 x CS)
- Resettlement benefit: **\$0**

Cost and Benefit Analysis \$25/Mo; 7 YCS; at 65; Active

Assumptions

- Total Average Compensation (TAC): **\$300 per year** (\$25/mo.)
- Credited Service: **7 years**
- Highest Average Compensation (HAC): **\$300** (no change in TAC)

Cost for employer

- Salary over career: **\$2,100** (TAC x 7)
- Total assessments paid over career: **\$378** (18% x TAC x 7)

Benefits

- Active life insurance: **\$1,800** (6 x TAC)
- Retiree life insurance: **\$1,800** (6 x HAC)
- Annual pension benefit: **\$57.75** (2.75% x HAC x Credited Service (CS))
- Annual Christmas benefit: **\$175** (\$25 x CS)
- Resettlement benefit: **\$2,000**

Cost and Benefit Analysis \$100/mo; 10 YCS; Active

Assumptions

- Total Average Compensation (TAC): **\$1,200 per year** (\$100/mo.)
- Credited Service: **10 years**
- Highest Average Compensation (HAC): **\$1,200** (no change in TAC)

Cost for employer

- Salary over career: **\$12,000** (TAC x 10)
- Total assessments paid over career: **\$2,160** (18% x TAC x 10)

Benefits

- Active life insurance: **\$7,200** (6 x TAC)
- Retiree life insurance: **\$7,200** (6 x HAC)
- Annual pension benefit: **\$330** (2.75% x HAC x Credited Service (CS))
- Annual Christmas benefit: **\$250** (\$25 x CS)
- Resettlement benefit: **\$2,000**

Please Let CPG Know if...

- Change of address
- Marriage
- Late marriage
- Birth
- Adoption
- Disabled children
- Divorce (before or after retirement)
- Death

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Employment Change Form
New Assignment Notice & Change in Compensation

Employee Information

Legal Name: _____
First _____
Mailing Address _____
City _____
Social Security _____
Diocese (Canon _____
Employee information _____

Employer Information

Employer Name _____
Mailing/Billing Address _____
City _____
Employee's Title _____

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Change in Personal Information Form

Use this form to report:

- A new address, phone number or email
- A change in your marital status
- Birth, adoption, fostering, or legal guardianship of a child

If you want to report a death, please call Client Services at (866) 802-6333 Monday – Friday 8:30AM – 8:00PM (excluding holidays).

Who should complete the form:

- Clerics or lay employees participating in a pension or retirement savings product sponsored by The Church Pension Fund

Your Personal Information Name, address, phone, and/or email updated Yes No

Legal Name _____
First _____ MI _____ Last _____
Mailing Address _____
Street _____
City _____ State _____ Zip _____ Country _____
Home Phone _____ Mobile Phone _____
Email _____

Forms can be found at cpg.org/forms-and-publications/forms/pensions/

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Save time



Make changes
at anytime



Your personal
information is
protected



Conferences

CREDO and Planning for Wellness



Resources



MY CPG

Retirement

Insurance

Learning

Active Clergy



Finance

Health

eLearning Library

Conferences

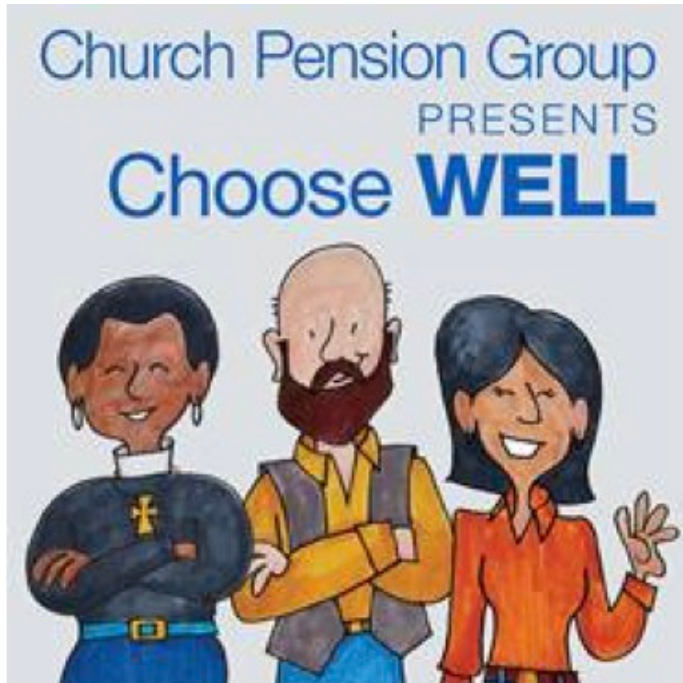
CREDO

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Choose WELL Podcast

Conversations with experts in health, behavioral science, and financial education



Tune in for insights and concrete steps to

- ▶ Train your brain
- ▶ Adopt new behaviors
- ▶ Learn financial skills
- ▶ Focus on mindfulness

Discover what happens when you Choose WELL!

Church Pension Group

19 East 34th Street,
NY, NY 10016
(800) 223-6602

Website: cpg.org

Client Services

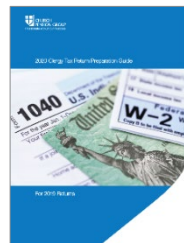
Monday – Friday
8:30 AM – 8:00 PM ET
(excluding holidays)
(866) 802-6333

Email: benefits@cpg.org

Complimentary Individual Financial Discussions

Committed to helping you retire with more financial security. Our dedicated specialists with almost 100 years of combined experience who understand the unique needs of those who serve the Episcopal Church

Tax Hotline



**Mary Ann Hanson,
CPA**
(877) 305-1415

**Nancy Fritschner,
CPA**
(877) 305-1414

**Dolly Rios,
CPA**
(833) 363-5751
(Spanish and English)

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CPF currently offers a post-retirement health subsidy to eligible clergy and spouses. However, CPF is required to maintain sufficient liquidity and assets to pay its pension and other benefit plan obligations. Given uncertain financial markets and their impact on assets, CPF has reserved the right, at its discretion, to modify or discontinue the post-retirement health subsidy at any time.

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Questions & Answers

Use chat or raise your hand
to ask your questions.

