



## **Deacons in the Pension Fund #2: The only article about CPG you must force yourself to read.**

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Are you one of the many deacons irritated that I am writing this series of articles, because you know you will never be included in the Church Pension Fund? You agree those few deacons paid by their churches or Episcopal institutions should get assessments paid, but it's a tiny number; so why am I spending so much time on this topic?

I am spending this time because while it is a tiny number, it is artificially tiny through a good deal of confusion and injustice. It is also a number that is going to grow. CPG has just revised its eligibility rules, and many more deacons will be eligible, of January 1, 2018. CPG did this on purpose. I literally asked the Chief Operating Officer if they understood what they had done: that by changing their rules, it was likely that many more deacons would find themselves potentially eligible. He said yes.

You may be among the deacons who believe it is inappropriate for us to ever be compensated by any church entity. If so, you are excused from reading further. BUT . . . read this one last paragraph:

Although they are the official Recorder of Ordinations for the Episcopal Church, CPG doesn't have records of who is a deacon of The Episcopal Church (TEC) as good as AED's records. We have been keeping track since the diaconate was renewed, and we were doing it because we knew dioceses were not submitting the data to CPG. When I got this job in 2013, I called up CPG and confirmed this was true. CPG now has worked several years, comparing our data with theirs, and contacting unrecorded deacons listed in our records to encourage them to complete this step. I addressed this in the last column: some dioceses did not record deacons because they did regard them as clergy. Many deacons were told to throw away the paperwork to register with CPG for a pension, and threw away the recordation forms as well. So, the one thing every deacon needs to do to make sure TEC knows how many of us there are (as well as to pass a threshold step of rendering themselves potentially eligible for a pension, should they ever be compensated), is make sure their ordination is recorded. If you don't know, you can look it up online. If you don't know how to look it up, you can call them up and ask. (Part of the class is now excused, but I hope you will stay.)

What's next? Let's say you know your ordination is recorded, because you keep getting those annoying letters from CPG. You know the ones. Those letters with the lovely descriptions of how well they manage CPG funds that you will never get access to? And recount the all-expense-paid luxury retreats you will never get an invitation for? And refer you to the financial planning help that you can never take advantage of? With enclosed glossy brochures with titles like "The Stewardship of Abundance"?

Those letters. Isn't it funny how the people who are giving their lives away never get financial planning assistance to help them do it, or access to the restful retreats we so desperately need because we are working extra hours at our regular job to pay the sitter so we can go do what we do for the parish for free? (Excuse me; minor rant. Had to get it out of my system.)

So what's next? How can a deacon figure out if they have "assessable" compensation, that is, compensation that the Episcopal entity providing it must make an additional 18% go off to CPG? For that, we need to review some history, and how it continues to affect policy today in unhelpful ways.

The Church Pension Fund was created in the early 20th century to provide retirement support to clergy. It was set into canon law and articulated in policy. *All* priests who were canonically resident in a

domestic diocese of the Episcopal Church “*must participate in the Clergy Pension Plan.*” That word “must” is in there because poor parishes tried to bypass paying assessments, and the whole denomination said, nope, everyone’s in. The thing that deacons often don’t understand about CPG is that CPG was founded in great idealism, with the intention of providing a great retirement to clerics in an era when that was revolutionary thinking. The whole reason for founding CPG was that TEC, like many other denominations, had become ashamed of their clerics’ genteel poverty in retirement, and pensions were the replacement for the church’s sometimes fickle charity to its retired workers.

But that idealism had its limits, and they were sociocultural. Various other people were left out. Deacons were excluded. (There were only transitional deacons, and the black and brown deacons I discussed last time who were kept deacons for reasons of racism.) Deaconesses were also barred; they would be provided for by their families. How the church thought these celibate women were going to find a nice husband to take care of them in retirement is a mystery. However, the deaconesses, with typical resourcefulness, began their own fund. It became the Fund for the Diaconate and today provides charitable stipends to deacons who are in financial need. So, from the get-go, from the founding of CPG to 1970, deacons were out.

When TEC needed clerics in a hurry to help with the Baby Boom pastoral workload, the post-WWII “perpetual deacons” (ordained 1954 to 1970) were ordained after they studied with one priest for service at one parish. It was in their canon that a perpetual deacon could actually *not* be ordained without an assurance to the diocese that he had adequate income to meet his family’s needs. This assumption of economic privilege on the part of a deacon looks strange to us today, but it was the responsible view of a church that had provided pensions to its retired clerics for only the last few years. Thus, it was written into canon: perpetual deacons were not only excluded from CPG, they had to assure the church they were well-provided for, too. And transitional deacons were not still included at all.

When the renewed diaconate was initiated by TEC post-1970, this perpetual diaconate was abolished (along with the deaconesses). Both transitional deacons and the new (vocational) deacons (like us) were finally included in CPG by canon. To CPG, deacons of all kinds were now eligible for participation. So to CPG a deacon was a deacon was a deacon, and both transitional deacons and deacons like us were now required to participate if compensated. Canon law said so. Whatever we get is assessable.

Despite the new canon, the values of the church surrounding the diaconate led to many ways of regarding money and deacons that assumed the two did not mix. There were some peculiar results in diaconal financial lives. I went through the theological reasons for this view in article #1, and in most parishes and dioceses, deacons still remained ineligible for participation. The theological reasons buttressed practical arrangements.

First, parishes and dioceses assumed that only “employees” have to have assessments paid. There are a variety of ways deacons were viewed as not being “employees.” State or federal employment law concerning the definition of employee vs. independent contractor is sometimes cited. Second, parishes and dioceses assume that if they call the money a deacon receives a “stipend” (or some other term), not a “salary,” this stipend is not compensation and is not assessable.

Neither of these statements are true under CPG rules. CPG is a pension plan, which can define its own eligibility criteria; state or federal law about who is an employee and who is not is irrelevant. And a cleric who is paid anything except reimbursement for receipted expenses is considered compensated. It does not matter what they call the money you receive, to CPG. When in the 1980’s I was a deacon in my 30’s with three little kids, the diocesan treasurer called me up to inform me that the \$300 per month babysitting money the bishop gave me to keep me from going crazy was actually reportable

compensation, even though the bishop had told me it wasn't. Even in 1989, this was the rule. (Interestingly, the treasurer never told me it was also assessable. Hey, I could be retired by now!)

Somehow, the common wisdom remained that "deacons don't participate in the pension plan." This view, which deacons are often told is a CPG rule, is in practice the biggest impediment for deacons' access to the pension fund. But a couple of simple facts made it very likely that even if dioceses believed deacons to be eligible, most of us actually *were* ineligible because we were just plain too old.

We have always been kinda old. I think the perpetual deacons had to be 40, by canon. The diaconate was something people pursued in their retirement years. You need to have time and leisure to do what we do, so devotedly. We are still old. Our current average age is 69. And the rule that kept us out was: *Clergy who are age 67 or older at ordination . . . are not eligible to participate in the Clergy Pension Plan because they will not meet the five-year vesting requirement before the mandatory retirement age of 72.* So that took care of a lot of us.

Some of us were ordained well before age 67, though. I was 33. We were excluded most often because we did not get paid enough to meet a minimum CPG had for including us. Until January 2018, CPG required that the cleric had to be paid a minimum amount, for a minimum length of time, by the same church organization, for the money we were paid to be assessable. Getting money from the same Episcopal institution for three months wasn't usually a problem, but the money had to be more than \$200 per month. Most of us received much less than that, if anything. That took care of the rest of us.

Are you still with me? As we have wended our way through this maze of genuine eligibility requirements and purported ones, are you ready for some good news? What are the changes CPG has made that make it more likely you will someday be eligible for assessments to be paid on your behalf?

**First, CPG has made it perfectly clear that deacons are eligible, just like any other cleric.** (All quotes in italics here are from the fact sheets provided by CPG to explain the changes.) *Vocational deacons who are compensated, regularly employed by an entity that is subject to the authority of the Episcopal Church, and scheduled to work for at least five months **must** participate in the Clergy Pension Plan.* There's that word **must** again, and we are mentioned in the same sentence. So, dioceses must quit quibbling. If you pay us, you must pay assessments for us.

**Second, CPG has made it perfectly clear that (almost all) deacons are "regularly employed."** This is kind of mind-boggling to me, and what made me ask the COO whether they knew what they were doing. They have chosen to define "regular employment" as follows: *Clergy will be considered to be "regularly employed" if they meet at least one of the following criteria: (1) a letter of agreement or contract of employment; (2) being duly called by a bishop, vestry, or rector; (3) a formal title indicating a substantial ongoing relationship; (4) issuance of Form W-2 (or equivalent); or (5) scheduled to work 20+ hours per week.* Having the formal title of "Deacon of St. Swithin's," being assigned to St. Swithin's by your bishop, or having a letter of agreement (whether compensation is addressed in it or not), pulls us into eligibility. I asked. I really did. It does.

**Third, CPG has made it perfectly clear that they don't care how much you make, at least for pension eligibility.** We are benefitting from a simple fact. Lot of priests are being paid less and less, and CPG has changed its rules because of that new fact. Here's the new rule about mandatory participation: *If (1) you are a deacon, priest, or bishop who is canonically resident in any diocese of the Episcopal Church, (2) your employer is subject to the authority of the Church (or is associated with the Church and has elected to participate in the Clergy Pension Plan), and (3) your employer is located in a domestic diocese of the Church, you must participate in the Clergy Pension Plan.* There is no mention of a minimum amount of \$200 a month, because it has been *eliminated*.

The explanation provides: *The new provision focuses on the nature of employment as opposed to salary level. For example, a cleric who works for at least five consecutive months, but earns less than \$200 per month, is now eligible. However, compensation level will be used to determine a participant's eligibility for earning Credited Service towards the Medicare Supplement Health Plan subsidy. (CPG supplements Medicare for retirees who have earned enough; more on that in the future. This is expensive so they have to have a financial requirement attached.)*

*The new provision focuses on the nature of the employment relationship. Clergy who have a substantial and ongoing relationship with an Episcopal employer will receive a more meaningful benefit, regardless of the level of their compensation. Deacons are included in this group.*

**Fourth, CPG has made it possible to participate even if you are ordained when you are older, and made it easier to get vested for benefits.** The new rules states: *Clergy will become fully vested after earning five years of Credited Service on or after turning age 65 while an Active participant in the plan, whichever occurs first.*

*The age 67 limit on participation has been eliminated. As Active participants in the plan, late ordinands will have access to all of the same benefits as other Active clergy, including, for example, the Medicare Supplement Health Plans, life insurance, and disability benefits.*

What this all will mean to deacons is not entirely clear. My article has gotten really long, because this stuff is complicated. We really are in for some hard work to understand and implement it. It feels strange to think of ourselves as “employed” by the churches we serve when we actually have what we often consider our “real” job somewhere else. Perhaps for most deacons, this is all irrelevant.

It's easy to figure out how to follow rules – it might be tiresome, but you get it if you plug through it. This isn't following rules. It's an entire sea-change in how we think about our vocations. And it's not just a sea-change for us; it's a sea-change for all of TEC.

Deacons are notoriously cranky about CPG. I get awfully tired of all the resentment. CPG is a pension fund; complaining that you don't get its benefits is like complaining that you don't get a pension from Ford when you work for Toyota.

But we work hard, very hard, and some of us pay the piper more than others. Some of the stories I hear are terrible – deacons bankrupted from uninsured cancers, because they have been keeping tiny rural churches alive alone and had no health care after they quit their paid job to do it. Deacons driving school buses into their 80's, because they can't get by without the \$180 they earn each month. Deacons being given gas cards by their parishes, because they themselves can't afford the gas to get to the impoverished folks they serve. We can do better than this, and we should. Because when deacons suffer, *diakonia* suffers. I am not writing these articles to shut the whiners up. I am writing them because *diakonia* will suffer unless we get it straightened out.

**Up next month:** The methods other clerics regularly utilize to make the most of their benefits, changes CPG has made to make it easier, the barriers to their use by deacons, and why you can't trust CPG (yet) to advise you well on how to do it.