

Lay Employee Pension System of The Episcopal Church

Resolution A138 established a mandatory Lay Employee Pension System. Any domestic diocese, parish, mission or other ecclesiastical organization or body subject to the authority of the Church with lay employees scheduled for 1,000 hours or more of compensated work annually must comply.

Employers have the option, but not the requirement, to provide lay employees scheduled for less than 1,000 hours of compensated work annually with a lay employee pension benefit.

The employer should adopt one of The Church Pension Fund's lay employee pension plans. Implementation was required to be completed by January 1, 2013. The Church Pension Fund administers both a defined benefit plan and a defined contribution plan.

Resolution A138 states that retroactive contributions will not be required. However, the employer may elect to make retroactive contributions within the limits established by the Internal Revenue Code and the plan documents.

The employer can continue an existing defined benefit plan as long as the plan delivers pension benefits not less than the pension benefits required by Resolution A138. The determination will be made by the Church Pension Fund. Annual certification will be required.

The employer will be required to begin participation in a Church Pension Fund lay employee pension plan if the employer currently participates in a 401(a) plan, 401(k) plan, SEP IRA, 403(b) plan or other defined contribution pension plan. *(Note: There are IRS regulations that should be considered prior to terminating an existing defined contribution plan.)*

Enrolling in the Defined Contribution Plan is simple. A parish downloads the [Employer Adoption Agreement](#) at the Church Pension Group website CPG.org. Send the completed form to:

The Church Pension Fund
19 East 34th Street
New York, NY 10016
Attention: Pension Services

Once your completed adoption agreement is received, the parish will be notified that the enrollment is active, generally within 24 hours of receipt.

The employee will need to complete an Employee Application for Membership form. The parish contributes 5% and matches employee contributions up to 4%. A parish may contribute more, if desired.

Both employee and employer contributions will be invested in the Fidelity Freedom K® Fund with the target retirement date closest to the year the employee might retire, based on his/her current age and assuming a retirement age of 65, at the direction of the Church Pension Fund.

The employee will receive a Welcome Kit from Fidelity that will indicate that he/she is now enrolled and will allow the employee to change their investment selections and payroll deduction if he/she wishes to do so. The Welcome Kit will include instructions on how to designate a beneficiary(ies).

How Resolution A135 affects Episcopal Schools

If a diocese has determined that a school serving children of any age is subject to the authority of the Church, the school has until January 1, 2018 to achieve the full employer base and matching contributions for defined

contribution plans. Resolution C042 provides a specific year-by-year phase-in schedule. If a school's contributions to employee pensions are already above the minimum required contribution or match percentage as indicated in the phase-in schedule, the school cannot lower its contribution or match. However, the school may hold off making further contribution increases until required to do so under the phase-in schedule.

If a school currently sponsors a defined contribution pension plan that is administered by TIAA-CREF and provides contribution levels equal to or exceeding those required by Resolution A138, that plan may be retained. Annual certification will be required.

Schools that are not participating in a TIAA-CREF administered plan will need to adopt a Church Pension Fund lay employee pension plan or a TIAA-CREF plan. Implementation is required in accordance with Resolution C042.