Report of the Board of Benefits Services

The Board of Benefits Services (BOBS) was established by the General Synod of the Reformed Church in America and incorporated and approved by an Act of the Assembly of the State of New York on April 16, 1923.

The General Synod has delegated to the Board of Benefits Services the responsibility to manage and administer the retirement and insurance programs required by the Reformed Church in America Book of Church Order (BCO) Formulary No. 5 and the assistance programs, and also to ensure the availability of appropriate group life insurance benefits, group long-term disability benefits, and other programs or services related to the financial and physical well-being of eligible ordained ministers and their dependents, and of other employees of agencies, assemblies, and institutions of the Reformed Church in America. Fulfilling that responsibility is the purpose of the Board of Benefits Services.

The board met in Grand Rapids, Michigan, on October 10–11, 2017, and again in Tempe, Arizona, on March 19–20, 2018. The volunteer board consists of at least nine but not more than seventeen members, including pastors and professionals from business, finance, investments, and law. Board membership also includes the officers of General Synod and the general secretary.

Review of Ends and Executive Limitations

The Board of Benefits Services, like the General Synod Council, utilizes the principles of policy governance to conduct its work and to guide its oversight and supervision of its executive director in the fulfillment of the purposes (“ends”) it was established to accomplish by the General Synod.

Key to its use of the principles of policy governance is the responsibility to state clearly the reasons the Board of Benefits Services exists. In policy governance the reasons are stated as “ends.”

Two board work groups reviewed and proposed revisions to the BOBS governance policies to reflect the constitutional amendments approved by the 2016 General Synod. The following updated ends policies were approved in the October meeting:

1: Manage and administer the retirement programs required by BCO Formulary No. 5.

1.1: Participants and eligible participants have a means to wisely set aside funds at a rate commensurate with other church plans.

1.2: Participants and eligible participants have a means to convert accumulations into retirement income choices, including guaranteed lifetime income options.

2: Manage and administer the insurance programs required by BCO Formulary No. 5.

2.1: Reasonable health insurance benefits at rates commensurate with other church plans are available to participants and eligible participants through our partnership with Reformed Benefits Association (RBA). Recognizing that the partnership with RBA is a board decision, the
executive director is tasked with the following end: “Advocate for the purposes of 2.1 and monitor and report the effectiveness of current partnership with RBA to the board.”

3: Manage and administer the Reformed Church in America funded assistance programs.

3.1: Active and retired participants and spouses might have access to an assistance fund that may be available based on demonstrated need and is limited by available funds.

4: Ensure the availability of appropriate life insurance benefits and long-term disability benefits.

4.1: Reasonable life insurance benefits and long-term disability benefits at rates commensurate with other church plans are available to participants and eligible participants.

5: Provide other programs or services related to the financial and physical well-being of eligible ordained ministers and their dependents, and of other eligible employees of agencies, assemblies, and institutions of the Reformed Church in America.

5.1 Participants and eligible participants have access to and are encouraged to use information and educational resources that allow them to make timely financial decisions regarding their retirement and their health, life, and disability-related benefits.

5.2 Investigate and, if appropriate, ensure availability of programs or services related to multidimensional wellness and well-being.

Review of Services and Ministries

Retirement Services, Fidelity Investments, and Fund Management

Effective January 1, 2018, we implemented a fee reduction for our participants from 28 basis points to 22 basis points. This represents a cumulative decrease of nearly 50 percent in the past six years.

In collaboration with the Investment Advisory Committee (IAC), in its fiduciary role, BOBS monitors the performance of the investment options (funds) available under the two retirement programs. BOBS and the IAC are assisted in this task by outside investment consultants Lockton Advisors.

Fidelity Investments rolled out Simplified Contribution Platform (SCP), a new electronic system for churches to remit their payments directly through the Fidelity website instead of manually by check. Each month, a new group of churches will be instructed how to enroll and remit contributions through SCP. By the end of 2018, all churches will be expected to remit contributions electronically. Online remittance of funds is a crucial step in reducing administrative fees and to be more competitive for any future record keeper plan review or request for proposal (RFP). Full cooperation from treasurers is needed to make this transition successful.
To participate in the 403(b) plan, employers need to complete and submit an adoption agreement to the Board of Benefits Services office. This is a compliance document that can allow a consistory some flexibility in defining the terms of its participation in the RCA 403(b) retirement program. The agreement recognizes the RCA 403(b) plan as the retirement plan of the employer. If an employer submits funds on behalf of its ministers, the board recognizes this action as evidence that the employer has adopted the agreement. Staff will continue to request adoption agreements from employers as required by the plan. The agreement can be downloaded from the church treasurers’ page on the RCA website, www.rca.org/treasurers.

The 403(b) retirement program document was approved through the IRS volume submitter program. Under this program, the IRS issues an option letter to the plan sponsor if the plan document meets legal requirements. As a result, each employer (church) must adopt the approved plan by 2020. Staff is drafting communication to each employer so we can begin the process of collecting the new adoption agreements.

We continue to work with participants and their financial advisor when the participant wants to purchase an annuity. Most of these are purchased from the old plan where it is required that the Board of Benefits Services is the owner of the annuity. Our consultant from Lockton Advisors reviews the funds and is able to provide feedback regarding the integrity and financial stability of the insurance company. Fidelity offers an annuity shopping service; however, we have found most participants prefer to work with someone they know locally.

After two years of availability, 35 participants are enrolled in the Portfolio Advisory Service at Work (PAS-W) program through Fidelity. PAS-W is an optional service that provides professional management of a participant’s plan account for an advisory fee of 0.50 percent based on total assets invested. Fidelity’s investment consultants create an investment strategy that aligns with the personal goals of an individual and will monitor those investments and adjust the strategy based on the market or life changes of the participant. This investment service is optional. Enrollment campaigns are held annually to allow a participant to enroll at a discounted price to test the program.

In order to improve security and reduce fraud, Fidelity rolled out a two-factor authentication (TFA) for participants performing certain high-risk transactions (password and user ID requests, rollover requests, etc.) on netbenefits.com.

New participants continue to enroll online through the Fidelity NetBenefits website. In addition, current participants can change their employee contributions and list and update beneficiaries directly on the Fidelity website.

Several participants of the retirement program met in the fall of 2017 in two small groups to participate in a research project. The objectives were to learn how participants in the RCA plans view retirement, to understand what major decisions they face, and to understand what they see as BOBS’ and Fidelity’s role in helping them. Staff were reminded that for those called to serve, it’s a calling, not a career; the call is demanding and emotionally draining, and retirement is just a continuation of their calling. Because there are unique challenges faced by those called to serve, it is important that staff and Fidelity provide tools that help them both understand and anticipate their needs.

**RCA 403(b) Retirement Contribution Verification Project**

BOBS’s benefit actuarial analyst Feifei Liu, under the supervision of manager of
retirement services Claude Bussieres, continues to collect the necessary information from RCA employers for the 403(b) correction project. By housing the Retirement Security Form (RSF) alongside the Consistorial Report Form, the necessary information for 2017 can be collected so staff is able to complete the contribution verification process. BOBS staff appreciate the cooperation of treasurers and consistory members in providing this information. There are more than 275 churches that have either not completed the RSF, not responded to the requests for payment, or have only provided the basic information requested to perform the review. It is impossible for staff to verify that the contributions have been made and are accurate without the needed information.

As reported in prior years, the correction project was initiated in 2012 to audit the participation and payment of the required employer contributions related to the retirement accounts of eligible ministers under call or contract. Many employers were out of compliance with the plan document and the Book of Church Order and had not contributed the required 11 percent of compensation to eligible RCA ministers’ retirement accounts.

Steady progress is being made on the collection of missing contributions. Approximately $1.3 million has been added to the retirement savings accounts of RCA ministers. As stated earlier, a growing concern is the lack of response from the churches that are not providing the requested data so staff can verify the contributions to the accounts of the ministers. The plan document states that the responsibility for making contributions lies with the church employer.

A full review of church compliance (adoption agreement, contributions, and life and LTD insurance coverage) on a per-classis basis was completed in June 2017. All of the classes have received reports that outline which churches are not in compliance and which churches have missing contributions to their pastors’ retirement accounts or missing adoption agreements. The regional synods have been copied on this communication. Staff feel confident that we have made reasonable efforts to collect these contributions.

We wrote off $440,000 in uncollectable contributions to the 403(b) plan in 2017 based on a confirmation that churches would not be paying into the plan. An acknowledgment form was sent to each church and each affected RCA minister, along with a letter explaining the process staff have gone through to collect the contributions. The minister and his or her spouse, if applicable, were asked to complete and sign the waiver in order to properly acknowledge and document the situation. In addition to waiving any claim(s) the minister or spouse may have against the applicable consistory, classis, or BOBS, it also includes an acknowledgement by the minister that he or she may not be considered for future financial assistance grants.

There are a number of churches in each classis who have failed to respond to our request for information and failed to complete the retirement services form (RSF) within the Consistorial Report Form system. This information is critical so we can calculate and verify that the church has contributed the proper amount to the minister’s or ministers’ retirement account(s). Our next step is to work through each classis to try again to get the needed information, contacting the classis clerks for assistance.

Reallocation Project

The Board of Benefits Services’ non-qualified retirement plan holds funds for 1,739 participants with a market value more than $260 million as of December 31, 2017. This plan was closed to new participants and contributions as of December 21, 2004. The plan has advantages and disadvantages. BOBS feels that the potential disadvantages are
compelling enough to open the opportunity for participant funds to be transitioned out of the RCA retirement plan and into the 403(b) retirement plan.

Following approval by the 2015 General Synod, the legal plan document of the RCA retirement plan was amended to allow the reallocation of participant funds from the RCA retirement plan to the RCA 403(b) retirement plan. The Board of Benefits Services implemented a process in the summer of 2015 to reallocate retirement savings from the RCA retirement plan to the RCA 403(b) plan. This reallocation is a two-step process that requires participants to provide relevant information to confirm their eligibility and determine the amount that can be reallocated. Staff work closely with Fidelity Investments in the process and the review is completed in strict compliance with the IRS 415(c) rules. Participation in this program is optional.

The Reallocation Project was offered for a third time in the summer of 2017 to participants in connection with the 2016 tax year. One hundred eighty-eight participants were able to reallocate $6.5 million.

In June 2018, the Reallocation Project will be offered to participants in connection with the 2017 tax year. Participants interested in more information can find it at: www.rca.org/benefits/retirement/retirement-plan-reallocation-faq.

Insurance Programs

The Board of Benefits Services continues to collaborate with the Christian Reformed Church in North America (CRCNA) regarding the provision of medical benefits through the Reformed Benefits Association (RBA).

RCA and CRCNA entities are eligible to participate in RBA benefit offerings by agreeing to the Terms of Participation. The terms require that entities enroll all eligible full-time staff in the health insurance (unless the staff member has coverage through a spouse or parent or has retiree health insurance) and that members be enrolled in the basic life insurance of $175,000. Part-time staff are eligible to participate as well. Optional benefit offerings include dental, vision, and supplemental life; however, participants cannot enroll in the supplemental benefits without purchasing medical and life insurance coverage. RBA does not provide long-term disability insurance for clergy.

In the fall of 2016, the RBA began to offer physical well-being opportunities for its members. The Real Appeal weight loss program, offered in 2016–2017, was reintroduced during open enrollment for 2018. The RBA has contracted with Allegro Coaching for well-being webinars and for the development of an individualized movement program for members. These physical well-being programs are being funded by a renewable $10,000 grant from United Healthcare.

RCA ministers who are not enrolled in medical insurance through the RBA are enrolled in the group life and long-term disability insurance offered and administered through the Board of Benefits Services. In providing these benefits for eligible ministers, churches have access to an affordable group plan that allows them to easily fulfill the requirements of Formulary No. 5 of the Book of Church Order.

Churches are billed quarterly for BOBS’ group plans. Reminders are sent to the church and the classis when an invoice is not paid by the due date. If payment is not received, a notice of cancellation is sent to the minister and the treasurer. The loss of or lack of coverage is a violation of the Book of Church Order and puts church employers out of compliance with
Formulary No. 5. More importantly, this loss of coverage puts the participants at financial risk should an uncovered insurance event happen. Cineca Anthony, BOBS’ life and LTD administrator, and Feifei Liu continue to work with the classes to ensure proper insurance coverage is available and provided to all eligible RCA ministers. A summary of ministers without life and long-term disability insurance is communicated to each classis stated clerk prior to termination of the policy.

Effective October 1, 2017, BOBS’ group life and long-term disability insurance policies moved from Reliance Standard to UNUM. This allowed BOBS to expand the eligibility requirements so active ministers regularly working a minimum of 17.5 hours per week are able to enroll in life and long-term disability coverage as opposed to a 20 hour minimum that was required in prior years with Reliance Standard.

An amendment to the BCO was proposed by the Commission on Church Order (CCO) at the 2016 General Synod to address inconsistencies between requirements in the BCO and the eligibility requirements for insurances offered by BOBS and RBA. The insurance policies offered by BOBS and RBA are only available to participants actively working at least 20 hours per week. The BCO, on the other hand, says that a consistory is responsible to “fulfill the provisions of the call form (Appendix, Formulary No. 5) for retirement and insurance for all ministers serving the church under call or contract unless … the classis determines that the minister is serving the church part-time and that circumstances warrant that the consistory be exempt from this requirement.” This caused conflict between the plans and the requirements of the church. (BCO Chapter 1, Part I, Article 2, Section 7 [2016 edition, p.15]).

The amendment was adopted by the 2016 General Synod, received the required approval of at least two-thirds of the classes, and declared effective by the 2017 General Synod.

As a result of this amendment, the Board of Benefits Services is responsible for defining “part-time.” This definition has been created and is published in the “Annual Insurance and Retirement Benefits Information” brochure that is sent to ministers and churches each fall. The Board of Benefits Services remains committed to providing group life and long-term disability insurance at a competitive rate for eligible RCA ministers. We continue to seek ways to expand the coverage.

Retiree Chaplains Ministry

Twenty-eight retiree chaplains are employed by the Board of Benefits Services to call and visit more than 1,000 retired pastors and surviving spouses across the U.S. and Canada each year. The retiree chaplains see each retired pastor once per year and call them at least three times per year. This ministry attempts to keep retired pastors and their spouses connected to the RCA after a life of service and provides a resource for those who are experiencing significant medical, financial, or emotional needs. Retiree chaplains play a key role in the assistance program. They know the needs of the retirees, are able to identify those who might have a need, and, at the request of staff, will contact the applicant or a family member to clarify the extent of the need.

We are currently recruiting two retiree chaplains to serve in the Albany, New York, area and the region encompassing North and South Carolina and Georgia.

The annual retiree chaplain meeting took place April 26–27 in Holland, Michigan.
Assistance Program

Financial assistance grants are awarded each year to eligible ministers and their surviving spouses and dependent children. Assistance may be granted for housing and utilities, ongoing medical insurance premiums, higher education for children of deceased ministers, funeral grants to surviving spouses, and retirement contributions for disabled ministers. Matching grants are available for emergency needs of active RCA ministers and for the medical insurance premiums of full-time RCA ministers involved in a new church. The assistance program provided nearly $300,000 in grants to approximately 50 recipients in fiscal year 2016–2017.

Each year, grant recipients express their gratitude by sending a note of thanks to the staff. One recent thank-you note said:

My wife and I want to thank you a lot for your good decision giving us the assistance grant of RCA. The beginning of February, we received the payment … We thank our God sincerely and appreciate your great help for our living in old age. We will try our best to live animated with job, and to love our God, RCA, and neighbors. May the Lord bless you all and RCA.

Another spouse thanked the RCA by saying:

Thank you from my heart for the help you give me and have given in the past. I so much appreciate the retiree chaplain’s annual visit and deep concern for my welfare and appreciate the social gathering with other clergy widows.

Four primary sources of income for the program have been identified: administrative fees from the RCA retirement plan, assessments, contributions, and endowments. The donor’s intended purpose for each endowment has been researched and documented.

1. **Administrative fees (RCA retirement plan):** Expenses for the retiree chaplains program and the assistance program that are not covered through assessments, contributions, or endowments are covered by the administrative fees charged to the plan as noted in Article V, Section 5.4 of the plan document.

2. **Assessments:** In 2017, assessments designated for the assistance fund were increased from $1.50 to $2.00 per member.

3. **Contributions:** Any donation to BOBS that is not specified for another fund is deposited into this fund to be used for the assistance program.

4. **Endowments:**
   - **Ed and Luella Mulder Pastor Assistance Fund:** Beginning in 2017, the earnings are being distributed to the assistance fund.
   - **Frank Williams Fund:** This endowment specifies that the interest shall only be used to aid ministers who have special emergency needs. This has traditionally been used to provide assistance to active RCA ministers on a matching-funds basis with the consistory, other RCA employer, or classis of membership.
   - **Stillwell Trust:** The interest can only be used to fund the assistance program. Beginning in 2017, the earnings are being distributed to the assistance fund.
   - **Restricted legacies and assistance funds:** These are board-restricted funds to be used for assistance. In 2017, the Children’s Fund (formerly the Orphan’s Fund) was rolled into the assistance fund, expanding the coverage to include the provision of higher education grants for dependent children of deceased RCA ministers of Word and sacrament.
• **Van Brunt Trust**: The distributions from this trust are made each quarter to the assistance fund.

A board-restricted endowment fund has been established with the reserves from the medical plan that was managed by the Board of Benefits Services. Future earnings from the fund will be used for assistance and for emotional and financial program expenses.

Budgets are being planned so that the assistance fund and the retiree chaplains program will be fully funded by assessments, contributions, and earnings from the various endowment funds.

**Well-being**

To address the emotional well-being of pastors, we contracted with Pine Rest Christian Mental Health Services to provide the Employee Assistance Program (EAP). Our pastors (ordained, commissioned, and retired) and their direct family members will have access to a nationwide network of clinicians where they can seek confidential, short-term counseling for mental health, marital, substance abuse, financial, and work-related issues. Eligible clergy and their households will have access to a 24-hour phone line to explore their concerns with M.S.W. or Ph.D. counselors. If needed, clergy will be entitled to up to three face-to-face consultations per problem. In addition, clergy will have access to assessments, articles, videos, templates for legal forms, and training via an online web tool. Services began March 1, 2018. Training, webinars, and promotional materials are being developed.

A participant survey was conducted in the summer of 2017. About half of those who responded indicated they would be interested in a multidimensional well-being program. The areas where participants are seeking the most support are financial, physical, and emotional well-being. For more information on the survey, visit images.rca.org/docs/bobs/RCASurvey.pdf.

Priorities for staff will be to increase the resources for financial well-being so participants will have access to educational opportunities and tools for budgeting, managing debt, saving responsibly, and turning savings into retirement income.

Members enrolled in the benefit programs through the RBA have access and are encouraged to participate in the physical well-being opportunities offered through the RBA.

**Communication and Education**

The Board of Benefits Services hosted one-on-one meetings with a Fidelity planning and guidance consultant for participants who attended General Synod 2017 and for those located in New Brunswick, New Jersey; Orange City, Iowa; and Grand Rapids, Michigan. Participants were able to register for a 45-minute face-to-face consultation to review their investment choices and to manage their retirement savings goals. A Fidelity planning and guidance consultant will be on site again at General Synod 2018 in Grand Rapids, Michigan.

BOBS’s retirement program plan administrator, Thos Shipley, and Claude Bussieres had a successful meeting with the staff of Reformed Church Home on February 22, presenting and talking about the RCA retirement program.

Participants were able to take part in a number of webcasts in 2017. The webcasts and campaigns included topics like America Saves Week, PAS-W discount, Social Security
planning, managing debt, Medicare, and beneficiary designations. A number of age-
specific electronic mailings and quarterly check-ins were provided to participants. Topics
varied depending on the age of the participant.

A job description is being created to hire a new part-time staff member who will specialize
in education and communication. The education and communications coordinator will
create Board of Benefits Services–branded retirement readiness resources for our
participants, coordinate the quarterly newsletter, keep the benefits website up to date, and
coordinate other projects internally and with our record keeper.

The newsletter continues to be created and distributed to participants either through print
or digitally. The newsletter is housed on the benefits page of the RCA website (www.rca.
org/benefits).

The benefits page of the RCA website is an evolving resource for ministers, treasurers,
consistories, and stated clerks. Information available includes minimum standards for
medical insurance, newsletters, housing allowance letters, a calculator for imputed taxes,
life and long-term disability insurance highlights, beneficiary and address change forms,
retirement plan documents, investment performance updates, and links to Fidelity and
RBA. Watch for enhancements in 2018!

Compliance-related documents (e.g., adoption agreements, retirement plan investment
changes, etc.) are reviewed either by the RCA’s general counsel or Board of Benefits
Services’ external attorneys at Conner and Winters prior to distribution to employers,
supervising entities, and participants.

Participants are encouraged to contact retirement@rca.org with any questions.

Finance and Annual Audit

Please see the report of the Office of Finance on pages 53–66.

Board and Staff Transitions

The Board of Benefits Services expresses its gratitude and appreciation to Norma
Coleman-James, Karen Feeney, and Pam Foster, who are completing their board terms at
the end of June 2018. The board is also grateful for the faithful service of Stephen Hanson,
Debra Jameson, John Verhoog, Marlin Vis, and Arvin Ten Brink, who have completed
their employment as retiree chaplains since General Synod 2017.