

April 12, 2024

04/016

Holy Synod of Bishops of the Orthodox Church in America

CC: Church Officers
General Counsel
Metropolitan Council
Diocesan Chancellors
Pension Board



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Your Eminences, Your Graces,

I greet you at the end of this fourth week of the Great Fast as we continue to journey toward the great feast of the resurrection of our Lord, God, and Savior, Jesus Christ.

Last Thursday, we concluded the Regular Spring 2024 Session of the Holy Synod, which was preceded by a special joint meeting with the Church Officers, the Diocesan Chancellors, the General Counsel, and representatives of the Pension Board. Replicating the pattern established last October with the Metropolitan Council, this special meeting began with an educational session led by Mr. David Jarett, a principal and consulting actuary with 35 years of experience in defined benefit pension consulting. The educational session, supplemented by the reports from the Pension Board and the Pension Actuaries, GRS, provided the framework for a thorough discussion on the Pension Plan of the Orthodox Church in America.

I express my sincere gratitude to Your Eminences and Your Graces, and to all who participated in the fruitful discussions that were held over those two days. I note with thanksgiving to God that the conversations among the many stakeholders were marked by a spirit of openness, collaboration, and respect. I am confident that such a spirit will continue to guide us as we work together to address the challenges ahead.

Without a doubt, the Pension Plan has been a major point of discussion in our Church at all levels, and I anticipate this will remain the case for the coming years. This is not only because the subject of clergy and Church lay workers' retirement is a significant one but also because we have all openly acknowledged that the financial health and future viability of the Plan require urgent implementation of corrective measures from the various stakeholders in our Church.

Our discussions last week were enriched by the very valuable perspectives provided by the actuaries, the ad hoc group I appointed to work on the proposed amendments to the Pension Document, the legal counsel of Mr. Mark Hamilton, and the various reports received. From those presentations, it seems clear that stabilizing the Plan is our primary goal in the immediate future. However important they are, any significant conversations regarding alternative retirement vehicles and possible structural changes to our current Plan are contingent on stabilizing the funding status of the Pension Plan.

Based on the expert advice provided by the actuaries and Mr. Jarret, it is evident that stabilizing the Plan will require even greater efforts on our part to achieve the necessary participation levels among those eligible to participate. As we saw from the projecting tool presented by GRS, while cash infusions will help, the most determining factor for stabilizing the Plan is increasing participation itself.

Upon the proposal of the Pension Board and the revision of the ad hoc group I appointed, the Metropolitan Council approved three important amendments to the Pension Document to address a number of different issues, ranging from clarification of definitions to compliance and funding needs. I received the vote of the Metropolitan Council on March 28 for the first two amendments. The Holy Synod, to whom I had referred the confirmation of the third vote, approved the third amendment on April 2.

For your convenience, I am attaching the text of the three amendments that you have already received with other documents and reports for our recent meeting. However, I want to take the opportunity to highlight some significant clarifications and changes:

- All age-eligible priests and bishops of the Church are required to participate in the Pension Plan regardless of whether they have secular employment and regardless of the amount of their stipend or salary from the parishes where they are assigned.
- The exception to the above is for priests in the Diocese of Sitka and Alaska. Priests from this Diocese who are already in the Plan do not fall under this exception.
- Priests working at a mission or mission station who do not receive compensation are not mandated to participate in the Plan.

- All full-time lay employees of the Church (including of parishes, organizations of parishes, dioceses, seminaries, etc.) are mandated to participate in the Plan.
- The determination of compensation is made without regard to whether the employee is issued a Federal Form W-2 or a Form 1099, or any other form of reporting.
- The new definition of “Non-Compliant Eligible Member” refers to any employee who is eligible and received compensation but who fails to participate in the Plan as an active member because he or she fails to execute the member contribution authorization form.
- A member who fails to continue as an active member by not contributing, after a period of 120 days and following three written notices, shall forfeit any benefit derived from Employer and Member Contributions and shall only be entitled to the return of his/her Member Voluntary Contributions. This member will then be terminated from the Plan.
- Starting January 1, 2025, each Employer shall make an Employer Contribution to the Plan for each Inactive Member, Ineligible Member, and Non-Compliant Eligible Member equal to fourteen percent (14%) of the Member's Compensation on a monthly basis. This means that parishes and institutions with aged-out employees and employees who refuse to participate in the Plan are still mandated to remit 14% of the employee's compensation to the Pension Plan.

As I have discussed with both the Metropolitan Council and the Holy Synod, these changes will require the support of the many stakeholders involved. This is especially true when it comes to ensuring compliance and mandatory participation. The delayed effective date of January 1, 2025 is intended to give everyone the time necessary to evaluate and prepare for the impact of the additional participation and contribution requirements. To this end, I am sending copies of this letter to members of the Metropolitan Council, Diocesan Chancellors, and the Pension Board, because all of us have to work in concert with regard to the Plan.

I am aware that we must also acknowledge a problem with the perception of the Plan structure and current funding status, especially from our younger priests and some of our parish councils, who may have hesitations about the future of the Plan. I am sensitive to these concerns that my office has received over the past few years. In fact, some of the strong concerns expressed three years ago have allowed for a more in-depth analysis of the Plan which has led us to today. I also acknowledge

that we are currently bearing the weight of past decisions and unsatisfactory participation levels.

While I acknowledge the concerns, I must unequivocally state that non-compliance is not the answer. Choosing not to adhere to the mandate that we ourselves have approved as a Church when gathered together as an All-American Council contributes to the deterioration of the Plan. We are one Church and each of us is a member of the one Church of Christ. We act in accordance with the Body and not as individuals, just as the Apostle Paul encourages us to do, “that you all speak the same thing, and that there be no divisions among you, but that you be perfectly joined together in the same mind and in the same judgment” (1 Cor 1:10).

Once again, I am grateful for the encouraging discussion and commitment expressed at our recent joint meeting, as well as the support of the Holy Synod for the pension amendments previously approved by the Metropolitan Council. I look forward to receiving updates from the Pension Board on the fruits of these discussions and the renewed commitment by the Metropolitan Council and Holy Synod. As such, I would urge you and your chancellors to communicate accordingly with your parishes so to ensure full compliance with the mandates we have blessed.

Yours in Christ,

A handwritten signature in black ink, appearing to be 'Tikhon', written in a cursive style.

+Tikhon
Archbishop of Washington
Metropolitan of All America and Canada