

## **A Motion to address the Augsburg Fortress Pension Plan Termination Restoring pension benefits to faithful servants**

**Whereas:** ““Social statements establish policy for the Evangelical Lutheran Church in America’s (ELCA) work in the areas of advocacy and corporate social responsibility, enabling, limiting, and directing these activities.’ (Policies and Procedures of the Evangelical Lutheran Church in America for Addressing Social Concerns, p.13). Social policy resolutions serve the same function”; and

**Whereas:** in 1999 the ELCA adopted a social statement entitled, “Economic Life: Sufficient Sustainable Livelihood for All,” which states, “God is at work in economic life. Economic life is intended to be a means through which God’s purposes for humankind and creation are to be served. When this does not occur, as a church we cannot remain silent because of who and whose we are”; and

**Whereas:** that statement further says, “**We commit ourselves as a church to:** provide adequate pension and health benefits, safe and healthy work conditions, sufficient periods of rest, vacation, and sabbatical, and family-friendly work schedules”; and

**Whereas:** Augsburg Fortress Publishers [legally incorporated as “The Publishing House of the Evangelical Lutheran Church in America”], a unit of this church, has terminated its defined benefit pension plan, removing, limiting, or greatly reducing the annuity payments promised through the plan; and

**Whereas:** The Augsburg Fortress Publishers action places 175 retired persons in untenable financial positions and an additional 325 past and present employees, many of whom have worked for 20, 25, or 30 years for the ELCA publishing ministry, facing the prospect of spending their end-of-life years in poverty; be it

**Resolved:** that the Evangelical Lutheran Church in America search for ways to provide “adequate pension and health benefits” for these faithful servants; and be it further

**Resolved:** that Southwestern Minnesota Synod at its 2010 Assembly memorialize the 2011 ELCA assembly to investigate the pension funds of all units and agencies under the ELCA umbrella to ensure that such a pension plan failure never again occurs in this church.

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Background:

There are two arguments against the ELCA stepping in to provide any redress the Augsburg Fortress defined benefit plan termination.

**One, (not a very defensible argument) Augsburg Fortress is a separate corporation.** Here is a partial list of concrete expressions of Augsburg Fortress (AFP) as the ELCA.

The first is that AFP avoided the federal mandate that pension funds be insured by claiming to be a church fund. If you review the requirements for the church fund exemption, AFP would not qualify. AFP is not a church, so the only qualification to permit that exemption is as an ELCA fund. There should be federal documentation that this is exempted as an ELCA pension fund.

Other evidence that Augsburg Fortress is an expression of the ELCA:

- a. The ELCA elects the members of the AFP board, just like other churchwide units.
- b. The AFP CEO sits on the Presiding Bishop's cabinet.
- c. The ELCA appoints a staff adviser to the AFP board just as they do for the other boards.
- e. The AFP non-profit corporation status, while a commercial institution, comes as an extension of the ELCA ministry.
- f. AFP files financial statements through/with the ELCA
- g. Beth Lewis has spent the last seven or eight years telling synods and congregations, "We are the church, your partners in ministry."
- h. AFP is "managing" the Bible Book of Faith five-year initiative of the ELCA.
- i. AFP is required to report to the Churchwide Assembly, as are other churchwide units.
- j. At past Churchwide Assemblies the work of the publishing house has been reviewed by assembly voting members just as the other units were reviewed.

**Two, why should ELCA fund the plan.** There is precedence in the ELCA for funding underfunded pension programs. At the beginning of the ELCA, the medical part of the LCA pension program was underfunded. Consequently, for many years there has been a six million dollar line item budgeted by the ELCA to cover that underfunding (more precisely un-funded program). The budgeted amount has been gradually reduced to a present two and half million dollars.

Another piece of background information. **The Augsburg plan had two parts.**

The annuity for those people who retired before 1995 was to have been fully funded. Following this action the annuity payments were cut by 40% to 50%.

Those people who retired after 1995 will receive their last pension payment on March 1, 2010, and will receive a lump sum equal to three times the present annual payment.

Those people who worked at Augsburg for 5, 10, 20, 30 years or more and have not retired will receive a lump sum payment equal to about 3 times their promised annual payment had the plan continued.

As received from the Crow River Conference