

**A motion to address the 27% cut to retired pastor's pensions over the period
between 2010, 2011, and 2012**

RESOLUTION

1. Whereas, the theology of the Evangelical Lutheran Church in America (ELCA) is that we are one church in the body of Christ (I Corinthians 12:14-26); and
2. Whereas, at the time of the organization of the ELCA the pension fund of the Lutheran Church in America (LCA) was underfunded; and
3. Whereas, for the first 16 years of its existence the Evangelical Lutheran Church in America' budget contributed \$6,000,000 a year to the Board of Pensions in a pension recovery fund, in order to fully fund the LCA obligation; and
4. Whereas, the \$6,000,000 per year was funded by all congregations of the ELCA, not just former LCA congregations; and
5. Whereas, the Lutheran church bodies which are the predecessor church bodies of the ELCA have a 250-year history of being concerned that its retired clergy and rostered lay workers have adequate pensions; and
6. Whereas the ELCA *Social Statement on Economic Life; Sufficient, Sustainable Livelihood for All*, adopted by the sixth Churchwide Assembly on August 20, 1999 in Denver, CO, states in part, " We commit ourselves as a church to...provide adequate pension and health benefits..." and
7. Whereas, the Board of Pensions of the ELCA has a fiduciary responsibility to manage the pension funds so that they will adequately fund the annuity obligations of the pensioners; and
8. Whereas, the confidence of rostered personnel in the Board of Pensions is very low and will be restored when the fund once again is fully funded; and
9. Whereas, the plan of the Board of Pensions to correct the underfunding puts all the burden of that correction on the faithful pensioners and does not share the underfunding burden with the executive staff of the Board and with the whole Body of Christ in the ELCA; therefore,

Therefore be it resolved that Southwestern Minnesota Synod at its 2010 Assembly memorialize the 2011 ELCA assembly to explore and implement, in partnership with the Board of Pensions, strategies to correct the current underfunding, for example:

BACKGROUND: Last Fall the ELCA Board of Pensions took several actions that have adversely affected the income of annuitants in the regular pension plan and the Bridge Fund as well as potentially the future of those in the plan nearing retirement.

Current annuitants were notified that their income from the Plan would be reduced by 9% each year in 2010, 2011 and 2012 in order to help the Fund recover from the impact of the stock market downturn and global economic recession. The Bridge Fund was closed to any further entrants at the end of March 2009 and the ability of future retirees to annuitize has been terminated for the time being.

This resolution is intended to address those actions and offer possible correctives that would soften the economic impact on current annuitants particularly but also share the load of their loss of income with active members of the plan in the spirit of St. Paul's admonition that we "Share one another's burdens..." (Galatians 6:2)

Members of the Plan who have not annuitized or did not enter the Bridge Fund are not affected by the 9% reduction.

Some suggested strategies to consider are:

1. By adding a temporary surcharge, such as \$25 per congregation per month, toward the administration of the funds, which would demonstrate a shared responsibility across the whole church; and
2. By instituting a temporary surcharge, such as \$25 per month to be deducted from the monthly pension contributions for active members of the Plan and dedicate those proceeds to the recovery of annuity obligations, which would further demonstrate a shared responsibility across the whole church, and
3. By adding a temporary surcharge to the performance of the fund that would be used to add to the recovery of annuity obligations; and
4. By asking the Board of Pension's executive staff to take the same salary cut they are imposing on the pensioners, (9% in 2010,) and adding this amount to the recovery of annuity funds; and
5. By asking the Church Council of the ELCA to reinstate the pension recovery fund until the obligation to all pensioners is fulfilled; and
6. By recalculating and reducing the percentage being subtracted from annuitants' monthly checks in the light of the added income streams from the above proposals, and
7. By recalculating the particular burden on those pensioners who have low pension incomes.

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