

**Synodical Resolutions for Referral**

**1a. Resolution Concerning ELCA Board of Pensions Decisions Pertaining to a Shortfall in Board of Pension Annuity Commitments  
Minneapolis Area Synod (3G)**

WHEREAS, the theology of the Evangelical Lutheran Church in America (ELCA) includes the understanding that we are all one in the Body of Christ (1 Corinthians 12:14–26); and

WHEREAS, the ELCA “Economic Life: Sufficient, Sustainable Livelihood for All”, adopted by the sixth Churchwide Assembly on August 20, 1999, in Denver, Colorado, states in part, “We commit ourselves as a church to ... provide adequate pension and health benefits ...”; and

WHEREAS, the Board of Pensions of the ELCA (the Board) has a fiduciary responsibility to manage the pension funds so that they will adequately fund the annuity obligations owed to pensioners; and

WHEREAS, the Board’s plan to correct an underfunding of pension obligations to former employees puts much of the burden on the pensioners (with some experiencing greater hardship because of the cuts) and does not share the burden with the entire Body of Christ; therefore be it

RESOLVED, that the Minneapolis Area Synod meeting in assembly urge the ELCA Church Council to request that the Board reevaluate both the bases of loss in the Board’s formula that measures the gap to an average high over the past 10 years and thereby re-determine the gap that the Board needs to cut annuities; and be it further

RESOLVED, that the Minneapolis Area Synod meeting in assembly urge the ELCA Church Council to request that the Board reconsider those who have experienced this cut as a major hardship; and be it further

RESOLVED, that the Minneapolis Area Synod meeting in assembly urge the ELCA Church Council to request that the executive staff of the Board look for additional ways to re-fund the under-funding in the Annuity Fund; and be it further

RESOLVED, that the Church Council urge the Board of Pensions to separate the Annuity and Bridge Fund into two separate funds and manage the Annuity Fund in a more conservative and less risky way, so that in the future it will not experience the loss experienced in this last recession.

**1b. Board of Pensions and ELCA Participating Annuity and Bridge Fund  
Texas-Louisiana Gulf Coast Synod (4F)**

WHEREAS, the ELCA Participating Annuity and Bridge Fund (“the Fund”) experienced significant losses as a result of the recession that began in 2008; and

WHEREAS, the board of trustees of the ELCA Board of Pensions, in consultation with Board of Pensions senior staff and advisors, acted in a number of ways to address losses in the Fund, including: closing the Fund to new contributions; reducing payments to annuitants in the Fund by 9% for 2010; advising annuitants of potential decreases in annuity payments in 2011 and 2012; reducing in 2010 by 3.5% the value of not yet annuitized accounts of participants in the bridge component of the Fund; and advising these participants of potential decreases in account values in 2011 and 2012; and

WHEREAS, the 2010 reductions and possible future reductions have the potential of working severe hardships on many with fixed financial responsibilities; and

WHEREAS, the ELCA Special Needs Retirement Fund was created to provide assistance for eligible plan participants, spouses, and surviving spouses, who have financial need; therefore, be it

RESOLVED, that the Texas-Louisiana Gulf Coast Synod Assembly requests the Church Council of the Evangelical Lutheran Church in America to consult with the Board of Pensions regarding the background of, reasons for, and implications of the decisions made with respect to the ELCA Participating Annuity and Bridge Fund, to explore possible alternative ways to restore Fund losses and increase payment levels for annuitants and account values for those with bridge component accounts not

EVANGELICAL LUTHERAN CHURCH IN AMERICA  
CHURCH COUNCIL

August 4, 2010

Exhibit A

Page 2

yet annuitized, and to report on the results of the consultation at the November 2010 meeting of the Church Council; and be it further

RESOLVED, that steps be explored to mitigate the adverse effects of the Fund reductions and possible future reductions, including the expansion and promotion of the ELCA Special Needs Retirement Fund; and be it further

RESOLVED, that the Texas-Louisiana Gulf Coast Synod Assembly direct the Synod Council to forward this resolution to the Church Council for consideration and possible action.

**1c. Board of Pensions Participating Annuity and Bridge Fund  
Southwestern Minnesota Synod (3F)**

RESOLVED, that Southwestern Minnesota Synod at its 2010 Assembly request the Church Council to explore and implement, in partnership with the ELCA Board of Pensions, strategies to restore the reduction and cancel any future reductions to the recipients of the ELCA Board of Pensions Participating Annuity and Bridge Fund; and be it further

RESOLVED, that the Southwestern Minnesota Synod Assembly requests the Church Council of the Evangelical Lutheran Church in America to consult with the Board of Pensions regarding the background of, reasons for, and implications of the decisions made with respect to the ELCA Participating Annuity and Bridge Fund, to explore possible alternative ways to restore Fund losses and increase payment levels for annuitants and account values for those with bridge component accounts not yet annuitized, and to report on the results of the consultation at the November 2010 meeting of the Church Council; and be it further

RESOLVED, that steps be explored to mitigate the adverse effects of the Fund reductions and possible future reductions, including the expansion and promotion of the ELCA Special Needs Retirement Fund; and be it further

RESOLVED, that the Southwestern Minnesota Synod Assembly direct the Synod Council to forward this resolution to the Church Council for consideration and possible action.

**1d. Underfunding of ELCA Board of Pensions  
South Dakota Synod (3C)**

WHEREAS, the ELCA Participating Annuity and Bridge Fund ("the Fund") experienced significant losses as a result of the recession that began in 2008; and

WHEREAS, the board of trustees of the ELCA Board of Pensions, in consultation with Board of Pensions senior staff and advisors, acted in a number of ways to address losses in the Fund, including: closing the Fund to new contributions; reducing payments to annuitants in the Fund by 9% for 2010; advising annuitants of potential decreases in annuity payments in 2011 and 2012; reducing in 2010 by 3.5% the value of not yet annuitized accounts of participants in the bridge component of the Fund; and advising these participants of potential decreases in account values in 2011 and 2012; and

WHEREAS, the 2010 reductions and possible future reductions have the potential of working severe hardships on many with fixed financial responsibilities; and

WHEREAS, the ELCA Special Needs Retirement Fund was created to provide assistance for eligible plan participants, spouses, and surviving spouses, who have financial need; therefore, be it

RESOLVED, that the South Dakota Synod Assembly request that the Church Council of the Evangelical Lutheran Church in America consult with the Board of Pensions regarding the background of, reasons for, and implications of the decisions made with respect to the ELCA Participating Annuity and Bridge Fund, to explore possible alternative ways to restore Fund losses and increase payment levels for annuitants and account values for those with bridge component accounts not yet annuitized, and to

report on the results of the consultation at the November 2010 meeting of the Church Council; and be it further

RESOLVED, that steps be explored to mitigate the adverse effects of the Fund reductions and possible future reductions, including the expansion and promotion of the ELCA Special Needs Retirement Fund; and be it further

RESOLVED, that the South Dakota Synod Assembly direct the Synod Council to forward this resolution to the Church Council for consideration and possible action.

**1e. Board of Pensions and ELCA Participating Annuity and Bridge Fund  
Upstate New York Synod Council (7D)**

WHEREAS, the ELCA Participating Annuity and Bridge Fund (“the Fund”) experienced significant losses as a result of the recession that began in 2008; and

WHEREAS, the board of trustees of the ELCA Board of Pensions, in consultation with Board of Pensions senior staff and advisors, acted in a number of ways to address losses in the Fund, including: closing the Fund to new contributions; reducing payments to annuitants in the Fund by 9% for 2010; advising annuitants of potential decreases in annuity payments in 2011 and 2012; reducing in 2010 by 3.5% the value of not yet annuitized accounts of participants in the bridge component of the Fund; and advising these participants of potential decreases in account values in 2011 and 2012; and

WHEREAS, the 2010 reductions and possible future reductions have the potential of working severe hardships on many with fixed financial responsibilities; and

WHEREAS, the ELCA Special Needs Retirement Fund was created to provide assistance for eligible plan participants, spouses, and surviving spouses, who have financial need; therefore, be it

RESOLVED, that the Upstate New York Synod Council requests the Church Council of the Evangelical Lutheran Church in America to consult with the Board of Pensions regarding the background of, reasons, for, and implications of the decisions made with respect to the ELCA Participating Annuity and Bridge Fund, to explore possible alternative ways to restore Fund losses and increase payment levels for annuitants and account values for those with bridge component accounts not yet annuitized, and to report on the results of the consultation at the November 2010 meeting of the Church Council; and be it further

RESOLVED, that steps be explored to mitigate the adverse effects of the Fund reductions and possible future reductions, including the expansion and promotion of the ELCA Special Needs Retirement Fund.

**1f. Board of Pensions and ELCA Participating Annuity and Bridge Fund  
La Crosse Area Synod (5L)**

WHEREAS, the ELCA Participating Annuity and Bridge Fund (“the Fund”) experienced significant losses as a result of the recession that began in 2008; and

WHEREAS, the board of trustees of the ELCA Board of Pensions, in consultation with Board of Pensions senior staff and advisors, acted in a number of ways to address losses in the Fund, including: closing the Fund to new contributions; reducing payments to annuitants in the Fund by 9% for 2010; advising annuitants of potential decreases in annuity payments in 2011 and 2012; reducing in 2010 by 3.5% the value of not yet annuitized accounts of participants in the bridge component of the Fund; and advising these participants of potential decreases in account values in 2011 and 2012; and

WHEREAS, the 2010 reductions and possible future reductions have the potential of working severe hardships on many with fixed financial responsibilities; and

WHEREAS, the ELCA Special Needs Retirement Fund was created to provide assistance for eligible plan participants, spouses, and surviving spouses, who have financial need; therefore, be it

EVANGELICAL LUTHERAN CHURCH IN AMERICA  
CHURCH COUNCIL

August 4, 2010

Exhibit A

Page 4

RESOLVED that the La Crosse Area Synod Assembly requests the Church Council of the Evangelical Lutheran Church in America to consult with the Board of Pensions regarding the background of, reasons for, and implications of the decisions made with respect to the ELCA Participating Annuity and Bridge Fund, to explore possible alternative ways to restore Fund losses and increase payment levels for annuitants and account values for those with bridge component accounts not yet annuitized, and to report on the results of the consultation at the November 2010 meeting of the Church Council; and be it further

RESOLVED, that steps be explored to mitigate the adverse effects of the Fund reductions and possible future reductions, including the expansion and promotion of the ELCA Special Needs Retirement Fund; and be it further

RESOLVED, that the La Crosse Area Synod Assembly direct the Synod Council to forward this resolution to the Church Council for consideration and possible action.

**1g. ELCA Board of Pensions Participating Annuity and Bridge Fund**

**Greater Milwaukee Synod (5J)**

WHEREAS, the theology of the Evangelical Lutheran Church in America (ELCA) is that it is one church in the body of Christ (1 Corinthians 12:14–26); and

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

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, Colorado, states in part, “We commit ourselves as a church to . . . provide adequate pension and health benefits;” and

WHEREAS, the ELCA Board of Pensions has a fiduciary responsibility to manage the pension funds; and

WHEREAS, the plan of the ELCA Board of Pensions to correct the underfunding puts the burden of that correction on the faithful pensioners that participated in the Participating Annuity and Bridge Fund; therefore, be it

RESOLVED, that the Greater Milwaukee Synod at its 2010 Assembly request the Church Council to explore and implement, in partnership with the Board of Pensions, strategies to restore the reduction and cancel any future reductions to the recipients of the ELCA Board of Pensions Participating Annuity and Bridge Fund; and be it further

RESOLVED, that the Greater Milwaukee Synod Assembly requests the Church Council of the Evangelical Lutheran Church in America to consult with the Board of Pensions regarding the background of, reasons for, and implications of the decisions made with respect to the ELCA Participating Annuity and Bridge Fund, to explore possible alternative ways to restore Fund losses and increase payment levels for annuitants and account values for those with bridge component accounts not yet annuitized, and to report on the results of the consultation at the November 2010 meeting of the Church Council; and be it further

RESOLVED, that the Greater Milwaukee Synod Assembly requests the Church Council of the Evangelical Lutheran Church in America to explore steps with the Board of Pensions to mitigate the adverse effects of the Fund reductions and possible future reductions, including the expansions and promotion of the ELCA Special Needs Retirement Fund; and be it further

RESOLVED, that the Greater Milwaukee Synod Assembly direct the Synod Council to forward this resolution to the Church Council for consideration and possible action.

**1h. Board of Pensions and ELCA Participating Annuity and Bridge Fund**

**New Jersey Synod (7A)**

WHEREAS, the ELCA Participating Annuity and Bridge Fund (“the Fund”) experienced significant losses as a result of the recession that began in 2008; and

WHEREAS, the board of trustees of the ELCA Board of Pensions, in consultation with Board of Pensions senior staff and advisors, acted in a number of ways to address losses in the Fund, including: closing the Fund to new contributions; reducing payments to annuitants in the Fund by 9% for 2010; advising annuitants of potential decreases in annuity payments in 2011 and 2012; reducing in 2010 by 3.5% the value of not yet annuitized accounts of participants in the bridge component of the Fund; and advising these participants of potential decreases in account values in 2011 and 2012; and

WHEREAS, the 2010 reductions and possible future reductions have the potential of working severe hardships on many with fixed financial responsibilities; and

WHEREAS, the ELCA Special Needs Retirement Fund was created to provide assistance for eligible plan participants, spouses, and surviving spouses, who have financial need; therefore, be it

RESOLVED, that the New Jersey Synod Assembly ask the Church Council of the Evangelical Lutheran Church in America to consult with the Board of Pensions regarding the background of, reasons for, and implications of the decisions made with respect to the ELCA Participating Annuity and Bridge Fund, to explore possible alternative ways to restore Fund losses and increase payment levels for annuitants and account values for those with bridge component accounts not yet annuitized, and to report on the results of the consultation at the November 2010 meeting of the Church Council; and be it further

RESOLVED, that steps be explored to mitigate the adverse effects of the Fund reductions and possible future reductions, including the expansion and promotion of the ELCA Special Needs Retirement Fund; and be it further

RESOLVED, that the New Jersey Synod Assembly direct the Synod Council to forward this resolution to the Church Council for consideration and possible action; and be it further

RESOLVED, that the New Jersey Synod take leadership in supporting the Special Needs Retirement Fund of the Board of Pensions to assist those who are in or on the edge of poverty.

**1i. Board of Pensions and ELCA Participating Annuity and Bridge Fund  
Northern Illinois Synod (5B)**

WHEREAS, the ELCA Participating Annuity and Bridge Fund (“the Fund”) experienced significant losses as a result of the recession that began in 2008; and

WHEREAS, the board of trustees of the ELCA Board of Pensions, in consultation with Board of Pensions senior staff and advisors, acted in a number of ways to address losses in the Fund, including: closing the Fund to new contributions; reducing payments to annuitants in the Fund by 9% for 2010; advising annuitants of potential decreases in annuity payments in 2011 and 2012; reducing in 2010 by 3.5% the value of not yet annuitized accounts of participants in the bridge component of the Fund; and advising these participants of potential decreases in account values in 2011 and 2012; and

WHEREAS, the 2010 reductions and possible future reductions have the potential of working severe hardships on many with fixed financial responsibilities; and

WHEREAS, the ELCA Special Needs Retirement Fund was created to provide assistance for eligible plan participants, spouses, and surviving spouses, who have financial need; therefore, be it

RESOLVED, that the Northern Illinois Synod Assembly request the Church Council of the Evangelical Lutheran Church in America to consult with the Board of Pensions regarding the background of, reasons for, and implications of the decisions made with respect to the ELCA Participating Annuity and Bridge Fund, to explore possible alternative ways to restore Fund losses and increase payment levels for annuitants and account values for those with bridge component accounts not yet annuitized, and to report on the results of the consultation at the November 2010 meeting of the Church Council, and to those members who experienced a reduction in their pensions; and be it further

RESOLVED, that steps be explored to mitigate the adverse effects of the Fund reductions and possible future reductions, including the expansion and promotion of the ELCA Special Needs Retirement Fund; and be it further

RESOLVED, that the Northern Illinois Synod Assembly direct the Synod Council to forward this resolution to the Church Council for consideration and possible action.

**CC ACTION [EN BLOC]**

**Recommended:**

**To receive the resolutions of the Minneapolis Area, Texas-Louisiana Gulf Coast, Southwestern Minnesota, South Dakota, Upstate New York, La Crosse Area, Greater Milwaukee, New Jersey, and Northern Illinois synods related to the ELCA Board of Pensions annuity funding;**

**To establish an Ad Hoc Committee, including the following members:**

- 1. Church Council: David Anderson, Mark Helmke, Ann Niedringhaus, Carlos Peña (convener)**
- 2. Board of Pensions: Lois O'Rourke, chair, Board of Trustees**
- 3. Liaison Bishops: Callon Holloway, Jr., Martin Wells**
- 4. Ex-Officio: Christina Jackson-Skelton, ELCA treasurer and David Swartling, ELCA secretary**
- 5. Board of Pensions staff liaison: Robert Berg**
- 6. Churchwide staff liaison: Ruth Hamilton, Office of the Secretary;**

**To request that the Ad Hoc Committee respond to synodical resolutions related to the ELCA Participating Annuity and Bridge Fund, including but not limited to:**

- 1. Consultation with the Board of Pensions regarding the background of, reasons for, and implications of the decisions made with respect to the ELCA Participating Annuity and Bridge Fund; and**
- 2. Exploration of possible:**
  - a. alternative ways to restore Fund losses and increase payment levels for annuitants and account values for those with bridge component accounts not yet annuitized;**
  - b. steps to mitigate adverse effects of the Fund reductions and possible future reductions, including the expansion and promotion of the ELCA Special Needs Retirement Fund;**

**To request that a report and possible recommendations be brought to the November 2010 meeting of the ELCA Church Council; and**

**To request that the secretary of this church inform the synods of this action.**

**Evangelical Lutheran Church in America**  
**2010 Income Estimate**  
 With 2009 Actuals

	2009 Actual	2010			Revised Estimate
		CWA Total	Current Estimate	Revisions	
<b>CURRENT FUNDS</b>					
<b>UNRESTRICTED</b>					
Mission Support	\$59,700,627	\$62,250,000	\$55,100,000	(\$4,100,000)	\$51,000,000
Vision for Mission	1,048,745	1,000,000	1,200,000		1,200,000
Investment Income	1,698,336	1,000,000	600,000		600,000
Bequests & Trusts	2,238,629	1,100,000	1,100,000		1,100,000
Endowment	800,768	700,650	742,000		742,000
Rent	1,003,420	1,000,000	900,000		900,000
Other	140,041	400,000	326,000		326,000
<b>Total Unrestricted</b>	<b>\$66,630,566</b>	<b>\$67,450,650</b>	<b>\$59,968,000</b>	<b>(\$4,100,000)</b>	<b>\$55,868,000</b>
<b>TEMPORARILY RESTRICTED</b>					
Missionary Support	3,644,356	3,800,000	3,700,000	(50,000)	3,650,000
Bequests and Trusts	1,831,862	1,400,000	1,400,000		1,400,000
Endowment	1,531,487	1,341,350	1,332,000		1,332,000
Unit Designated	346,112	400,000	400,000	(50,000)	350,000
Mission Investment Fund	1,625,000	1,500,000	1,500,000		1,500,000
Grants	940,000	800,000	1,000,000		1,000,000
<b>Total Temporarily Restricted</b>	<b>\$9,918,817</b>	<b>\$9,241,350</b>	<b>\$9,332,000</b>	<b>(\$100,000)</b>	<b>\$9,232,000</b>
<b>TOTAL CURRENT FUNDS</b>	<b>\$76,549,383</b>	<b>\$76,692,000</b>	<b>\$69,300,000</b>	<b>(\$4,200,000)</b>	<b>\$65,100,000</b>
<b>WORLD HUNGER</b>					
Gifts:					
Through Synods	\$10,112,318	\$ 11,200,000	10,400,000		\$10,400,000
Through Direct Giving	7,345,734	6,600,000	7,300,000		7,300,000
Endowment	487,418	400,000	500,000		500,000
Bequests and Misc.	1,603,315	500,000	500,000		500,000
<b>TOTAL WORLD HUNGER</b>	<b>\$19,548,785</b>	<b>\$18,700,000</b>	<b>\$18,700,000</b>	<b>\$0</b>	<b>\$18,700,000</b>
<b>TOTAL INCOME</b>	<b>\$96,098,168</b>	<b>\$95,392,000</b>	<b>\$88,000,000</b>	<b>(\$4,200,000)</b>	<b>\$83,800,000</b>

**Evangelical Lutheran Church in America**  
**Revised 2010 Expense Proposal Including World Hunger**  
**By Unit and Section**

	<u>Current Fund</u>			<u>World Hunger</u>			<u>Total</u>	<u>% Of Total</u>	
	<u>Current Authorization</u>	<u>Revisions</u>	<u>Percent Reduction</u>	<u>Revised Authorization</u>	<u>Current Year Income</u>	<u>Prior Year Overage</u>			<u>Total</u>
<b>PROGRAM UNITS</b>									
Evangelical Outreach and Congregational Mission	\$17,913,700	400,000	(2.23%)	17,513,700			17,513,700	20.5%	
Global Mission	13,422,175	448,000	(3.34%)	12,974,175	13,164,280	1,166,885	14,331,165	32.0%	
Multicultural Ministries	1,226,860	94,870	(7.73%)	1,131,990			1,131,990	1.3%	
Church in Society	2,773,275	131,000	(4.72%)	2,642,275	3,929,740	348,333	4,278,073	8.1%	
Vocation and Education	9,424,847	592,000	(6.28%)	8,832,847	148,325		148,325	10.5%	
<b>OFFICES</b>									
Presiding Bishop	1,056,200	-	0.00%	1,056,200			1,056,200	1.2%	
Ecumenical and Interreligious Relations	1,306,140	46,500	(3.56%)	1,259,640			1,259,640	1.5%	
Research and Evaluation	661,155	20,000	(3.03%)	641,155			641,155	0.8%	
Human Resources	659,930	5,000	(0.76%)	654,930			654,930	0.8%	
Synodical Relations	1,338,020	19,000	(1.42%)	1,319,020			1,319,020	1.5%	
Worship and Liturgical Resources	421,090	-	0.00%	421,090			421,090	0.5%	
Secretary	3,037,275	75,000	(2.47%)	2,962,275			2,962,275	3.5%	
Treasurer	1,482,315	-	0.00%	1,482,315			1,482,315	1.7%	
Information Technology	2,294,225	25,000	(1.09%)	2,269,225			2,269,225	2.7%	
Management Services	2,187,015	25,000	(1.14%)	2,162,015			2,162,015	2.5%	
<b>SERVICE UNITS</b>									
Communication Services	3,058,268	80,000	(2.62%)	2,978,268			2,978,268	3.5%	
Development Services	1,500,765	331,050	(22.06%)	1,169,715	1,457,655	116,298	1,573,953	3.2%	
<b>OTHER</b>									
General Treasury	741,975	-	0.00%	741,975			741,975	0.9%	
Release of Designated Funds/unit breakage		1,707,580		(1,707,580)			(1,707,580)		
Retiree Minimum Health/Pension Obligation	2,500,000	-	0.00%	2,500,000			2,500,000	2.9%	
Depreciation	2,037,860	-	0.00%	2,037,860			2,037,860	2.4%	
Strategic Initiative Fund	256,910	200,000	(77.85%)	56,910			56,910	0.1%	
<b>Total</b>	<b>\$69,300,000</b>	<b>\$4,200,000</b>	<b>(6.06%)</b>	<b>\$65,100,000</b>	<b>\$18,700,000</b>	<b>\$1,631,516</b>	<b>\$20,331,516</b>	<b>\$85,431,516</b>	<b>100.0%</b>