

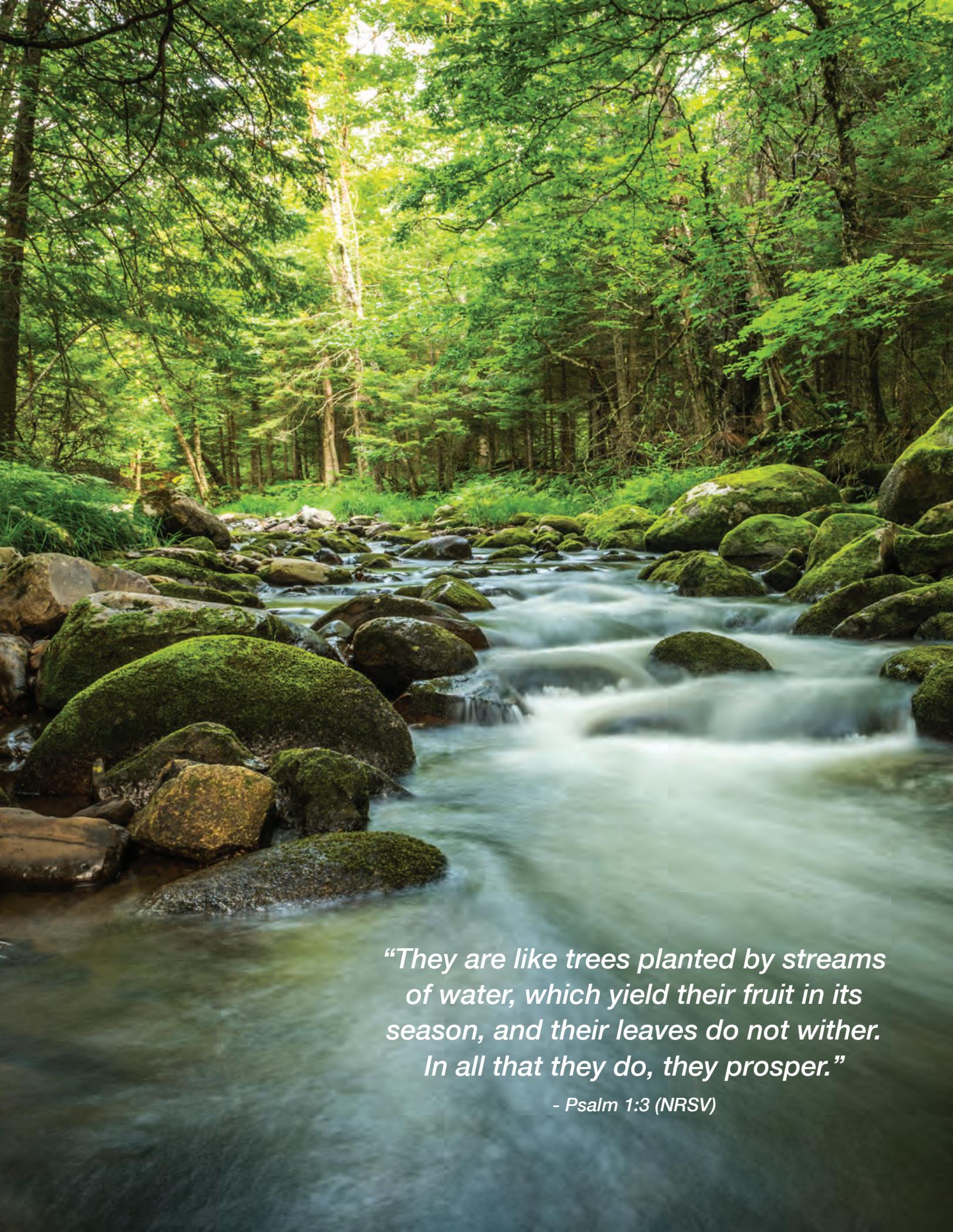
Annual Report 2019



Fruitful Ministries



The Pension Boards
United Church of Christ, Inc.
WHERE FAITH AND FINANCE INTERSECT



*“They are like trees planted by streams
of water, which yield their fruit in its
season, and their leaves do not wither.
In all that they do, they prosper.”*

- Psalm 1:3 (NRSV)



Our Mission

Operating at the intersection of faith and finance, we are caring professionals partnering with those engaged in the life of the church to provide valued services leading to greater financial security and wellness.

Our Vision

The Pension Boards delivers benefits and services from the intersection of faith and finance, providing clergy, lay employees, and all persons served with the peace of mind that comes through greater financial security and better health.

The Pension Boards achieves these results through:

- thought leadership regarding faith-based, socially responsible investing,
- professional investment expertise that enhances returns,
- a comprehensive mix of products and services that meet diverse needs,
- innovative application of technology,
- outreach to all settings of the UCC and the greater church, and
- fees and expenses that are at or below industry average.





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Building on Faith and Finance Streams

“They are like trees planted by streams of water, which yield their fruit in its season, and their leaves do not wither. In all that they do, they prosper.”

- Psalm 1:3 (NRSV)

We are committed to operating at the intersection of faith and finance, having established deep roots within the wider church, and which has broadened and compelled our faith and finance mandate to authentically steward the resources of our members so they can live out their lives, mission, and call to the fullest potential.



Brian R. Bodager
*President and CEO
The Pension Boards-
United Church of Christ*

As we reflect upon 2019 and the ongoing implementation of the strategic plan, we see the life-giving streams of faith and finance working together to bear a new Pension Boards identity—one that takes bold, innovative approaches to ministry programs, benefit plans and services, and internal business practices to better serve you, our members. In this vein, we invite you to read “Understanding the Faith and Finance Mandate” article (p. 10) by the Rev. Dr. James Moos, Executive Director of the newly-formed Faith and Finance Ministries. His insight and vision underscore the focus areas of our faith and finance initiatives that we alone cannot accomplish. This is a collaborative, perpetual work between us and our Creator to meet the ever-changing needs of our church for the era we are now entering. Will you partner with us?



Rev. Dr. Rodney Franklin
*Chair of our Board of Trustees
The Pension Boards-
United Church of Christ*

As we looked ahead to ways to meet ongoing needs of the church, the Pension Boards took a leap forward into two exciting new faith and finance ventures. The first, Generations Financial Resources, Inc., (p. 18) is a lending corporation that will help alleviate the educational debt payment burden among authorized ministers in the Ministers’ Financial Vitality Initiative program. The second, Generations Investment Services, Inc., will provide investment management services for UCC-related endowment funds (p. 24). These bold and innovative approaches are just two examples of the strategically-aligned streams shaping and strengthening our identity and relevancy to the UCC.

Psalm 1:3 vividly conveys that people of faith have a continual source of life, which in turn produces stability and uninterrupted prosperity. In like manner, the Pension Boards, in its more than 105 years of service to the United Church of Christ and its predecessor bodies, has drawn its life and mission from the ever-flowing and intersecting streams of faith and finance to secure the wellness and lifetime financial security of its members.

Together, we can support the lifespan and fruit-bearing work of the Pension Boards for our church and for generations to come. We invite you to journey with us.





MEMBER SERVICES

A “Vinedresser” of Member Plans and Services

Just as a vinedresser prunes and cultivates the grapevines to ensure a fruitful harvest, so is the work of the Pension Boards Member Services staff who daily interact with members to ensure that individual benefit plans and services are adequately provided to meet their needs. For more than 105 years, the Pension Boards has successfully served our church with proven expertise, integrity, and trust, building upon new and existing relationships cultivated through the Member Services Department.

Here is a summary of Member Services and what we do each day to service our members and employers.



Our Member Services Staff

The Pension Boards has a team of highly-trained service representatives dedicated to UCC employers and plan members. They are experienced advocates who ensure our benefits and plans are working for you throughout each stage of your life. Each day, they respond to a wide variety of questions on enrollments, benefit changes, terminations, beneficiary updates, invoices, navigating the PBUCC website, and completing forms. In 2019, we supported 21,414 calls, and processed 21,790 transactions.



CUSTOMER TOUCHPOINTS FOR 2019	TOTAL
Transactions Processed	21,790
Phone Calls	21,414
Fax	1,543
Emails	7,357
Online Chat	2,992
Total Engagement	55,096

“Many thanks. You folks at the Pension Boards continue to have the best customer service care. Out of the many, many companies I deal with, I continue to rank you tied for first. A whole lot of companies out there could learn from you.”

Pension Counseling

Our Pension Counselors walk alongside our members who are ready to retire. Through individualized and scheduled consultation sessions, Pension Counselors provide members with personalized retirement income projections; review Annuity Plan options, including tax-deferred options like contributing to a Retirement Savings Account (RSA); and provide basic housing allowance information for ministers who may be transitioning from serving the church full-time to part-time, or transitioning to another vocational setting. Our actively-contributing members preparing for retirement also have access to EY Financial Planning Services® at no cost to them to help make that transition to retirement a lot easier. They can receive help in managing debt, budgeting, insurance, home buying, estate planning, and more. The Pension Boards pension counseling services, coupled with EY financial planning assistance, means our members can retire with confidence.



Pension Counselor Anna Blandino leads a presentation on saving for retirement for the staff of Ryder Hospital in Humacao, Puerto Rico.

Member Education

The Pension Boards offers a variety of educational events and resources to help you meet your retirement goals and achieve financial wellness. In 2019, and in prior years, the Pension Boards worked with Conference staff to hold several retirement planning events in the six geographic regions of the UCC for members and their spouses/partners who contribute to the Annuity Plan.

In 2020, the Pension Boards is expanding its educational programs and financial planning services at no cost to more members of the Annuity Plan, including members with annuitized accounts, to assist them on their journey to financial wellness.

“Your Pension counselors are fabulous! I am not good at either finances or working on websites. So, I wanted to express my gratitude to your team for the patience that I was shown and for guiding me through the process.”

“The Retirement Seminar that I attended was very well received and very well done. It hit all the notes that employees wanted to sort through and the feedback from them was entirely positive. Thank you for organizing this session.”

Ryder Memorial Hospital

In 2019, Member Services representatives visited Ryder Memorial Hospital in Humacao, Puerto Rico, to present its benefit plans and services to new members. Three group meetings were held, and more than 40 enrollments were completed. The employees appreciated being able to connect with the Pension Boards team and we were able to answer many questions about saving for retirement, which gave Ryder employees confidence to move forward in their individual planning.



Member Services' Team Lead Maria Soto (fifth from left), helps Ryder Hospital employees with plan enrollment during a Pension Boards visit to Humacao, Puerto Rico in June 2019.





HEALTH PLAN OPERATIONS

Cultivating Self-Care and Holistic Wellness

Each year, the Pension Boards-administered benefit plans assist thousands of clergy and lay employees and their eligible dependents with Medical, Pharmacy, Dental, Vision, Life Insurance, Disability Income, and Flexible Spending Plans. But this is just a part of the wellness benefits offered to UCC members. Through the Healthy Stewards Wellness Program, Pension Boards-sponsored Clergy Wellness Retreats, and the Member Assistance Program, self-care and holistic wellness are cultivated to ensure all member needs are met, including physical, emotional, and spiritual wellness. Here are some highlights:

The Member Assistance Program, administered by Health Advocate, a nationwide leader in Employee Assistance and Work/Life Balance programs, provided confidential service through professional counselors to assist with personal and work-related issues, as well as with locating child care, legal, and financial experts.

The Healthy Stewards Wellness Program focuses on wellness, prevention, and targeted outreach to participants for the management of chronic conditions. Each year, UCC Non-Medicare Medical Plan participants have an opportunity to earn up to \$300 by simply completing wellness rewards activities as an incentive to advance their health goals.

In 2019, Health Plan Operations, in collaboration with the Pension Boards Church Relations and Member Education staff, offered leadership for clergy holistic wellness retreats in the Indiana-Kentucky, Maine, Michigan, and Wisconsin Conferences. The retreats, which

included massage therapy and yoga as part of a holistic approach to wellness, gave ministers the opportunity to recharge and revive their spirits and skills so they can serve others well. Wellness presentations focused on ways ministers can incorporate positive mental and physical habits into their daily lives.

Health Plan vendor partnerships provide participants with access to a nationwide network of providers, excellent customer service centers, and websites that allow participants to take an active role in managing their health. Participants access online information about claims and benefits, order medications, request and print ID cards, and access a library of information on physical and mental health conditions.

For the 2019 Plan Year, the Non-Medicare Plan and the Medicare Supplement Plan with Rx increased 2%, with no change to deductibles or copays. Rates for the Life Insurance and Disability Income Benefit Plan and Vision Plan remained unchanged from 2018 levels. The Dental Plan increased 4% to accommodate increased benefits. These rate actions were significantly lower than the nationwide average.

Plan Enhancements in 2019 included:

Dental Plan:

- Annual Benefit Maximum per person increased from \$1,800 to \$2,000
- Annual Preventive Services (i.e., cleanings and examinations) are not applied to the Annual Benefit Maximum

Vision Plan:

- Annual Allowance for frames and contact lenses increased from \$140 to \$150





FROM THE UCC BOARD CHAIR

Nurturing the Soil for Future Growth

As the new chair of the United Church of Christ Board (UCCB), I attended the Pension Boards Next Generation Leadership Initiative (NGLI) Dinner for the first time at General Synod 32. The three keynote presentations from NGLI participants were powerful stories of personal growth evolving into experiences of renewal in our congregations and communities. Many of us were touched that night. We heard how these young pastors have deepened their leadership skills, and how they have learned to address conflict more effectively, which helps our congregations be healthier and foster growth. Listening to these amazing, talented leaders share how God is moving powerfully in their lives and enriching the lives of UCC congregations underscores why the nurturing work of the Pension Boards is so crucial to the future of the church.



There are many areas where the Pension Boards is also fueling growth for the UCC:

- ongoing support for the Christmas Fund, which provides financial assistance for our retired clergy and lay employees;
- the Annuitant Visitor Program, where UCC retirees receive periodic home visits or phone calls;
- lending capabilities through Generations Financial Resources, Inc., which will help the church reach wholeness and financial health by refinancing debt at lower rates for eligible clergy members;
- Conference partnership support of the Generations of Service: Faith and Finance in Action campaign to secure financial legacies; and
- financial planning services offered through PBUCC's partnership with Ernst & Young to help clergy work toward achieving and maintaining financial stability during their working and retirement years, all at no cost to them.

All of these resources are vital to the life of the church today and in the future. I invite you to learn more about the full suite of available plans and programs. The Peace of Christ be with you all.



Yvette Wynn CFP®
Chair, United Church of Christ Board





FAITH AND FINANCE MINISTRIES

Understanding the Faith and Finance Mandate

As I began my journey with the Pension Boards last Fall, I reflected on PBUCC's 105-year history serving the United Church of Christ and its commitment to operate at the intersection of faith and finance. But, what does this mean for you, our members?

God is the source of all wealth, and we are called to use our financial resources, however large or small, in covenant with God and one another (Deuteronomy 8:17-18). The faith mandate to leverage our resources for the sake of mercy and justice is not only embedded in the Judeo-Christian tradition, it has a broad interfaith embrace in shared values of inclusion, justice, sustainability, and equity.

The Pension Boards takes seriously its fiduciary responsibility to manage assets in the best interests of members. This is not, however, separate from our covenantal responsibility to manage resources in order that all of God's people and creation might share in God's abundant life (John 10:10). Our faith commitments and values must guide decision-making in the Pension Boards and be made manifest in all of our programs.

Our Faith and Finance Initiative has identified four focus areas for our attention and action that shape a common values-driven mission between the Pension Boards and the wider church:

- The Sacredness of Creation
- Human Rights
- Wellness of Clergy and Lay Members
- Underserved/Underrepresented Groups

The success of the Faith and Finance Initiative will be measured by our ability to positively impact each of these areas. We believe that trust, transparency, collaboration, responsiveness, and a customer service mindset must guide our relationships within the Pension Boards, with you our members, and the wider church.

As a ministry of the church, the Pension Boards has a theological grounding. Our sacred texts and those of many other traditions represent God as the God of love and justice who calls us to follow the divine example, including in how we utilize financial resources.

Faith and finance are not separable, they must be practiced together (Matthew 23:22-24). Through the Faith and Finance Initiative, the Pension Boards addresses this ancient imperative in the contemporary context. In the process, we participate in the vision of the United Church of Christ of being co-creators with God in building a Just World for All through a faith and finance lens.



*Rev. Dr. James Moos
Executive Director
Faith and Finance Ministries*





GENERATIONS OF SERVICE: FAITH AND FINANCE IN ACTION

The Fruit of Your Generosity

During 2019, the assistance and leadership programs of the United Church Board for Ministerial Assistance (UCBMA) continued to yield fruit for those serving our United Church of Christ, in large measure because they are fed and nourished by the free-flowing generosity of so many across our church. Philanthropy is the desire to promote the welfare of others expressed especially by gifts of financial support. As we have told the story of the mission and impact of UCBMA in ever-widening circles in the past year, the philanthropic heart of our constituents has become ever more vividly apparent.

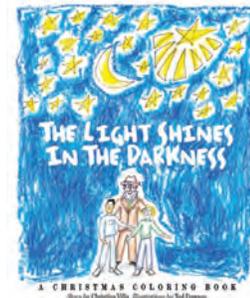


GENERATIONS OF SERVICE
 Faith and Finance in Action
A Campaign for the United Church Board for Ministerial Assistance

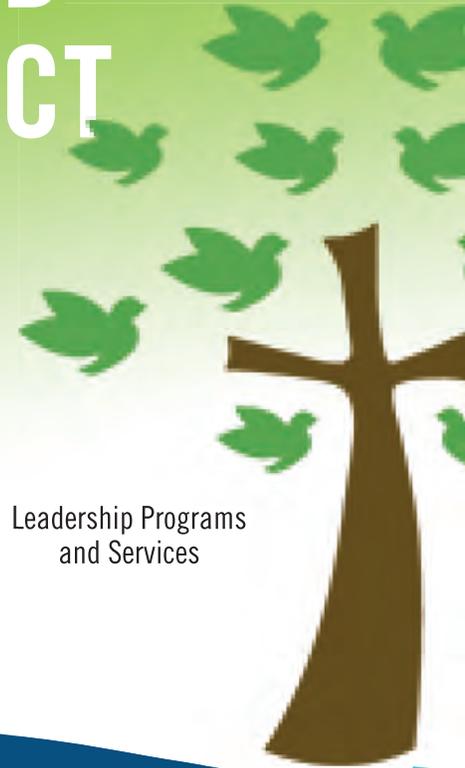
The Generations of Service: Faith and Finance in Action \$20 million capital campaign, now in its third year, has been an ongoing opportunity to educate new audiences about the circumstances and often urgent needs of our servant leaders. It is our shared responsibility to ensure resources will be available to sustain them in years to come. Because of the inspiring work of leaders and staff at the Pension Boards, along with the energies and enthusiasm of many volunteers, donors have committed more than \$11 million to the campaign (as of the writing of this report), and many now know and value the effective and timely programs we provide. In service to the campaign, we have formally partnered with 11 Conferences across the country, with more in process. These partnerships allow us to work cooperatively with Conferences and their congregations, providing capacity and connections that will endure, while modeling for the wider UCC a mutually supportive approach to fundraising.

And, as always, support for the Christmas Fund for the Veterans of the Cross and the Emergency Fund, which funds much of our assistance to retirees and their families, remains steady and heartfelt, totaling over \$1.5 million in 2019. Congregations across the denomination make the annual mission Offering a centerpiece of Advent and Christmas. More individuals are responding to our direct appeals for support with gifts of all sizes, and they are including the Christmas Fund in their estate planning—another direction for the philanthropic heart to be encouraged. It is a growing priority in our fundraising efforts.

When needs are clear and relationships nurtured, generosity thrives. The Pension Boards investment in philanthropy continues to grow, as do its fruits: understanding, relationship, and the capacity to meet the needs of those we are called to serve.



WHERE FAITH AND FINANCE INTERSECT



Leadership Programs
and Services

FAITH

THE FAITH MISSION SUPPORTS AND EMPOWERS

- Next Generation Leadership Initiative
- Clergy Wellness Retreats • Annuitant Visitor Program
- Ministers' Financial Vitality Initiative • CREDO
- Ministerial Assistance • Social Justice
- UCC Partnerships • Ecumenical Partnerships



Steward Sacredness
of Creation



Sustain Ministry



Wellness





Lifetime Income
(Annuity Plan)

FINANCE



Human Rights



Underrepresented Groups

OUR FINANCE MISSION OFFERS

- Sustainable Investing
- Shareholder Activism
- Investment Products
- Investment Services
- Member Services
- Retirement Plans
- Benefit Plans

GROWING MINISTRY, INTEGRATING VALUES





FAITH AND FINANCE MINISTRIES

UNITED CHURCH BOARD FOR MINISTERIAL ASSISTANCE (UCBMA)

Upholding Servants of Our Church for Fruitful Ministry

They come when you need them. They answer the phone when you call. They baptize, marry, and bury your loved ones. They give up significant amounts of their time to care for your spirit, lead you in worship, and point to God in your midst.

Some of them serve for less money than they could live on. Some of them do it for less than they would have been willing to do for any other job. Why? Because of what they believe about who God is, and what they believe about

who you are. United Church of Christ clergy and lay church workers are the faithful servants to the church whom we uphold through financial assistance so they can continue to bear fruit in the life of the church.

To honor and uplift the clergy and lay church workers, and all they have sacrificed throughout the United Church of Christ, the United Church Board for Ministerial Assistance (UCBMA), the charitable arm of the Pension Boards, provided \$2,449,564 million in financial assistance and \$1,324,686 million in leadership development initiatives in 2019.





2019 DIRECT SUPPORT FOR THOSE WHO SERVE THE CHURCH TOTALED \$2,449,564

*supported by gifts to the Christmas Fund

Pension Supplementation*

for 350 retired clergy/lay employees/surviving spouses, totaling \$1,347,419

Health Benefits Supplementation*

for 144 retired clergy/lay employees/surviving spouses, totaling \$374,577

Emergency Grants*

for 69 individuals in urgent need, totaling \$123,727

Christmas "Thank You" Gift Checks*

for 521 retired clergy/lay employees/surviving spouses, totaling \$260,500

Ministerial Assistance Grants

for 90 retired/disabled clergy/lay employees/surviving spouses, totaling \$280,925

New Church Start Benefit Grants

for 11 new church start pastors to support the cost of health benefits or seed their annuity accounts, totaling \$87,416

Higher Education Scholarships

for 2 adult children of a deceased or disabled clergy member, totaling \$4,000

Herring Stark Memorial Seed Grants

for 10 new authorized ministers to seed their accounts in the Annuity Plan for the United Church of Christ and begin saving for a more secure retirement, totaling \$20,000

100th Birthday

in celebration of their 100th Birthdays, 10 members received a card and a \$100 check, totaling \$1,000

2019 FAITHFUL & FRUITFUL LEADERSHIP INITIATIVES TOTALED \$1,324,686

Ministers' Financial Vitality Initiative (MFVI)

105 authorized ministers increased their financial literacy and management skills in order to move toward a more secure future. The cost of this ministry was \$335,500.

Next Generation Leadership Initiative (NGLI)

Equips, energizes, and empowers 141 younger UCC pastors to build up vibrant congregations that change lives and further God's mission in the world. The cost of this ministry was \$504,742.

CREDO

30 authorized ministers were given time, resources, and encouragement to achieve greater wholeness in spiritual, vocational, financial, and physical/mental health aspects of their lives and ministries. The cost of this ministry was \$257,931.

Annuitant Visitor Program (AVP)

160 visitors call on about 6,000 retirees and their spouses to check in regarding their benefit services and offer appreciation for their faithful service to the church. The cost of this ministry was \$226,513.

"Thank you! [The monthly financial] workshops [provided by Ernst & Young] have been very helpful! I have paid off four credit cards so far. By October, I will have three more paid off. My car will be paid off in February. My plan is to take the car note money and apply that to the remaining cards and be completely debt free (except for student loans) by March/April."





Yielding the Good Fruit of Financial Vitality

The Ministers' Financial Vitality Initiative (MFVI) program celebrates its third year of operation with a promise of future expansion.

MFVI Program One, which engages UCC authorized ministers to commit to a three-year personal finance education curriculum, including a yearly financial incentive, and no-cost financial planning and counseling through Ernst & Young Financial Planning Services (EYFPS), is currently serving 90 authorized ministers from all settings of the United Church of Christ, and with over 80% of UCC Conferences represented. The newest cohort is comprised of 29 pastoral leaders representing significant diversity and highlighting the bright future of our church. The third cohort expands our reach within the Conferences and its participants include 52% persons of color, 69% women, 35% LGBT persons, and 14% individuals living with disabilities. Their ministry settings range from Conferences and local churches to community nonprofits and theological education.

MFVI Program Two, which helps UCC authorized ministers achieve personal financial vitality through provision of one-time grants of up to \$1,000, with the employing congregations committing to raising a matching amount for the minister, has awarded 15 \$1,000 grants to local church pastors. Program Two applications

will continue to operate on a rolling basis until all 100, one-time \$1,000 matching gifts have been awarded. The current applicant pool is comprised of local church pastors ranging from new church starts to large congregations and across the Conferences.

As we closed 2019, the Pension Boards was awarded a \$1 million grant by the Lilly Endowment to enable the expansion of MFVI to reach double the current number of participants. This will result in increased financial vitality among hundreds of UCC authorized ministers and churches.

The impact of the MFVI program has been transformative within the lives of authorized ministers.

Clergy Wellness Retreats

Each year, the Pension Boards works with Conference staff to facilitate clergy holistic wellness retreats for UCC authorized ministers and Members in Discernment (MIDs). In 2019, wellness retreats were held in the Indiana-Kentucky, Michigan, Wisconsin, and Maine Conferences.

The Rev. Franz Rigert, Conference Minister, Wisconsin Conference, shared his thoughts during a retreat held at Moon Beach Camp in St. Germain, Wisconsin.

"The Pension Boards so graciously helped fund and provide a wellness retreat for our authorized ministers. We're learning about spiritual wellness, we're learning about financial wellness, we're learning about the Ernst & Young tools that we can access for our financial well-being, [and] we're learning about physical wellness. I'm even having a massage this afternoon! I'm so grateful for this opportunity. Our Pension Boards is an incredible organization that provides ministerial assistance in so many ways, and one of them is to support our authorized ministers. Blessings to you."





Partnering with the National Setting to Strengthen Faithful and Fruitful Ministry

The Pension Boards-United Church of Christ has partnered with the Local Church Ministries of the UCC in fruitful and faithful ways.

Through Faith Education, Innovation and Formation (Faith INFO), the national setting has faithfully stewarded the resources of the New Church Benefit Support Grants program to empower and support dozens of new church start clergy with health and dental insurance and pension support. Representatives from PBUCC presented to 40 Members in Discernment (MIDs) at the Ministerial Excellence, Support and Authorization (MESA) annual MID Event in Cleveland, sharing valuable information about negotiating a call agreement, the Annuity Plan, and Health Benefits Plans. Additionally, the Pension Boards provided sponsorship support for Member in Discernment events that took place at General Synod.

MESA continues to provide encouragement throughout the church for PBUCC's various programs, including NGLI, CREDO, and financial wellness seminars, as well as offering logistical assistance regarding potential CREDO applicants. MESA was particularly delighted to offer opening worship for NGLI's new cohort when it met in Cleveland this year. Staff from several teams met over the course of the year to explore how we might strengthen our shared partnership.

We look forward to the ways we might deepen our collaborations in 2020 and beyond.



*Rev. Elizabeth Dilley
Team Leader
Ministerial Excellence, Support and Authorization*



*Rev. Chris Davies
Team Leader
Faith Education, Innovation and Formation*

Partnering with Local Colleges and Universities for Summer Internships

In 2019, the Pension Boards launched its first "Working With: Us" Summer Internship Program, which engaged the brightest students from some of the best colleges in New York City to experience and delve into PBUCC's core areas of work including Investments, Finance, Member Services, Information Technology, Human Resources, and Communications.

Five students, selected from Columbia University, Baruch College, and Fordham University, became ambassadors for PBUCC's mission and ministry. The students were empowered to offer insight and ideas that informed PBUCC's future strategic plan and design, while engaging in a number of activities including community service. The students concluded their ten-week assignment with a presentation of their ideas and assessments to the PBUCC's Executive Team.

To read their testimonials, visit: http://bit.ly/PB_2020_INTERN.





Improving Financial Wellness for MFVI Participants

In 2018, the Pension Boards commissioned an extensive study to gain deeper insight into the scope of the debt burden among United Church of Christ (UCC) clergy. The study showed that 3,900 of UCC's 7,000 active ministers graduated from college with original debt totaling more than \$25.5 million; and 1,500 UCC ministers are still paying off student loans three times higher than the national average.

In response to these findings and others in this study, the Pension Boards established Generations Financial Resources (GFR), a controlled subsidiary of the Pension Boards, to utilize a novel three-component approach to address the crushing burden of clergy indebtedness. GFR will combine the benefits of financial education and grant provision through the Ministers' Financial Vitality Initiative (MFVI) program with the centerpiece of low interest rate refinancing.

GFR's approach to addressing the widespread debt burden of UCC ministers includes:

Education:

Leverage the educational component of the MFVI program to provide personal finance education to empower participants in managing their financial affairs.

Loan Refinance:

Upon successful completion of the educational component of MFVI, participants become eligible for loan refinancing with the objective of substantially reducing the interest rate in order to reduce the monthly servicing burden.

Grant Support:

Raise funds to support a program of need-based grants to reduce debt levels or supplement monthly debt payments.

"The Pension Boards knows that improving financial wellness of clergy directly impacts their effectiveness in ministry. We are excited to provide this valuable service to UCC clergy and to provide personal financial security and empowerment," said Randy Garrett, Senior Finance Manager.

GFR's loan refinance strategy is its most unique aspect. Low-interest rates provide direct and lasting reduction of the monthly debt servicing burden. This, coupled with additional relief through the provision of grants, will make a significant impact in reducing clergy debt.





CORPORATE SOCIAL RESPONSIBILITY

Working to Benefit You and Our World

In the 2018-2019 Proxy Season, when annual shareholder meetings of publicly-traded companies are conducted, Interfaith Center on Corporate Responsibility (ICCR) members—including the Pension Boards, a founding member—engaged with 188 companies on climate change; human rights; diversity and inclusiveness; and sustainable food and water. These engagements resulted in more than 100 wins or positive actions that will forever change our world for the better.

Majority votes were achieved in more than 25% of the 281 resolutions filed with companies. In 10 companies, majority votes clearly showed that environmental and social concerns are shared by all, including mainstream investors. These successes bring the witness of the faith community directly to those in business who have the power to create significant change and further the social justice values we seek to share.

This is the work of Corporate Social Responsibility (CSR) and that of the Pension Boards. We engage directly with the publicly-traded companies we own on our members' behalf; invest in securities that have a direct, positive impact on the environment and human rights; and participate in ecumenical ministries that provide support and resources for justice work.

Most of our members and stakeholders are aware that the Pension Boards offers high-quality retirement, health, and insurance benefit plans for clergy and lay church workers. Some are aware that we also offer significant programs to enhance leadership, improve financial wellness, and reduce clergy debt.



But many are surprised to discover that we invest the assets held in trust for our members' benefit, not only for growth and security, but to further the social justice witness of the church in keeping with the historical witness of the United Church of Christ and God's sacred call to justice—A Just World for All.

Why is the Pension Boards engaged in this work? Because under the Constitution of the United Church of Christ, we are a designated ministry of the UCC, called to faithfully serve those who serve the church, and to respond to the mandate of justice for our world.

Learn more about this dynamic ministry of Faith and Finance by contacting the Rev. Richard Walters, Director of Social Responsibility, at rwalters@pbucc.org. You can also read ICCR's 2018 Proxy Report here: http://bit.ly/ICCR_2018_PROXY.





INVESTMENTS

2019—Strong Global Market Rebound, Led by the U.S.

Investment Review

Global markets had a stellar year, starting with a strong first quarter rebound and ending with a robust fourth quarter. Markets remained volatile during the year due to political uncertainties, concerns surrounding U.S.-China trade, Federal Reserve (Fed) rate moves, and shifting economic indicators. The U.S. continued to lead global markets with strong corporate earnings, all-time low levels of unemployment, and low interest rates. All asset classes and markets ended the year in positive territory.

International equity markets were more volatile during 2019 due to trade concerns and other lingering tariff threats, Brexit discussions, and the unprecedented \$15 trillion of negative yielding debt. Like the overall global market, emerging markets started strong and ended strong, but were weak in between. Emerging markets outperformed U.S. markets in the fourth quarter, highlighting the benefits of diversification.

Large U.S. companies, as represented by the Standard & Poor's (S&P) 500® Index, increased 31.49% in 2019 after ending 2018 in negative territory at -4.38%. The Russell 2000® Index, which measures the performance of small-cap U.S. companies, increased 25.52% in 2019 compared with -11.01 at the end of 2018.

Regarding fixed-income markets, bonds, as represented by the Barclays Capital U.S. Government/Credit Index, were up 9.71% in 2019. The Fed cut interest rates three times in 2019—after four increases in 2018—as the economy showed renewed signs of slowing. In a further sign of volatility, the yield on the 10-year U.S. Treasury note went from 2.66% at the beginning of the year to 1.47% at the end of August, and ended the year at 1.92% as investors sought the safe haven of U.S. government bonds.

Where there is flexibility, such as in the Balanced Fund, the Pension Boards investment team leveraged its flexibility by moving from an overweight allocation to cash at the beginning of 2019 to an overweight position in equities as we entered a risk-on environment. Thus, asset allocation decisions were generally positive during the year. In addition, manager contributions to performance in equities were strong, while fixed income detracted in 2019.





Market Outlook

With global trade slowing, aging demographics, and income inequality increasingly visible, we expect more subdued returns in 2020. Technology has kept inflation under control. Although returns will be moderate, we do not expect a recession in 2020 and thus anticipate positive returns.

The valuation gap between the U.S. market and both international developed markets and emerging markets has widened. As a result, we expect to monitor our asset allocation and strategically continue to allocate to international markets over the long run.

Political and economic uncertainties, in the U.S. and abroad, remain a concern for fixed-income investors. We believe our focus on diversification, quality, and duration (interest rate sensitivity) will be the best discipline to weather and prosper in volatile markets.

The Pension Boards will continue to identify and strategically pursue opportunities in equity

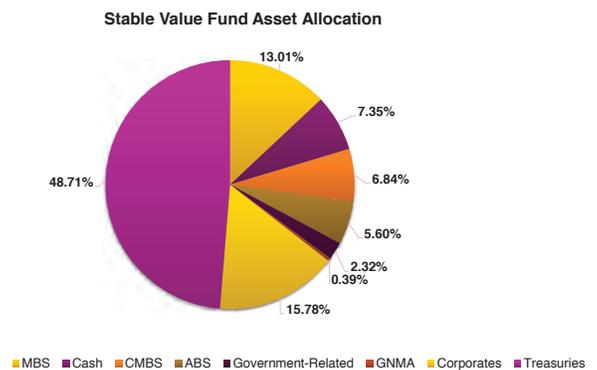
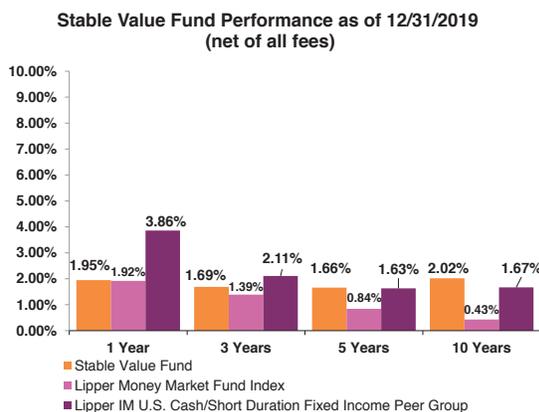
and fixed-income markets, both domestic and international. We will build on asset allocation decision capability and tools that helped our Funds in 2019, especially if volatility continues.

Selecting skilled managers, maintaining low management fees, and skillful asset allocation are essential to delivering consistent and competitive investment performance. We benefited from our strong active equity manager lineup in 2019. We still believe in active security selection for a portion of our Funds, especially if the direction of markets remains uncertain.

We remain focused on employing our Faith and Finance lens in investing, and insisting on a focus on environmental, social, and governance (ESG) factors in the investments our managers make.

Above all, we will continue to be good stewards of investments on your behalf in this increasingly complex world.

INVESTMENTS Accumulation Fund Performance



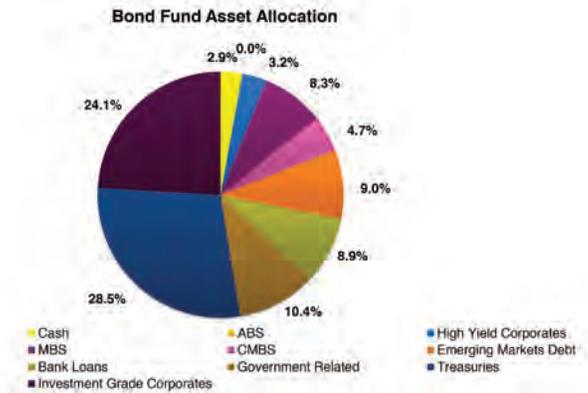
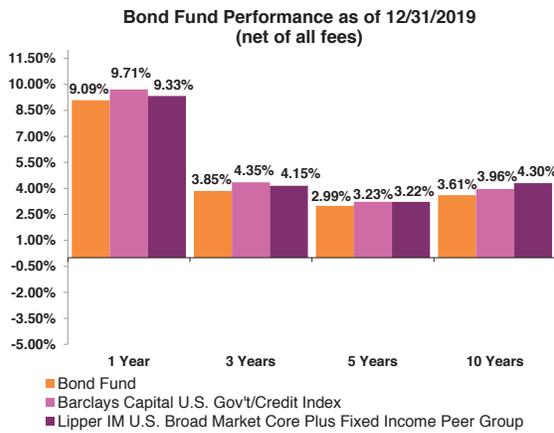
Stable Value Fund

For 2019, the Stable Value Fund had a total return of 1.95% versus 1.92% for the Lipper Money Market Fund Index. The Stable Value Fund continues to preserve principal and generate a stable rate of return by investing in a diversified portfolio of fixed-income investments.



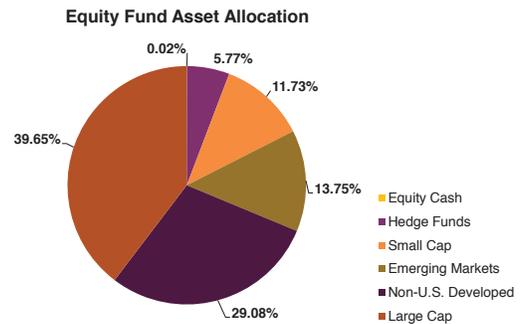
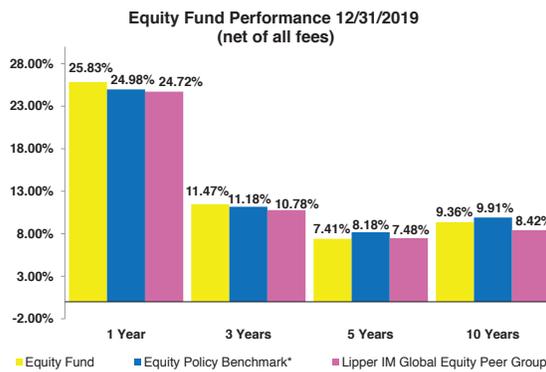
INVESTMENTS

Accumulation Fund Performance



Bond Fund

For 2019, the Bond Fund generated a positive return of 9.09% versus 9.71% for the Barclays Capital U.S. Government/Credit Index. Market strength was a result of declining global interest rates, while underperformance resulted from an underweight to U.S treasury securities, and more conservative core fixed-income management.



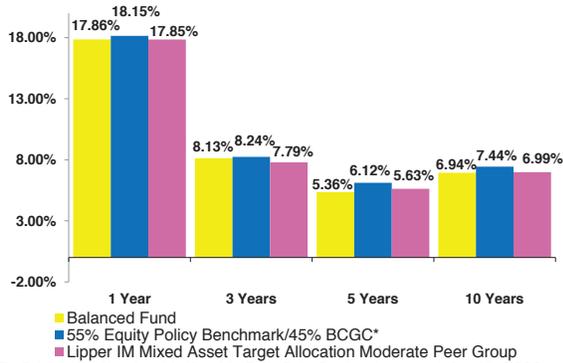
Equity Fund

In 2019, the Equity Fund returned 25.83% versus 24.98% for the benchmark. The outperformance was a result of an overweight to U.S. small cap and emerging markets, in addition to strong manager performance in all asset classes except U.S. large cap equity.



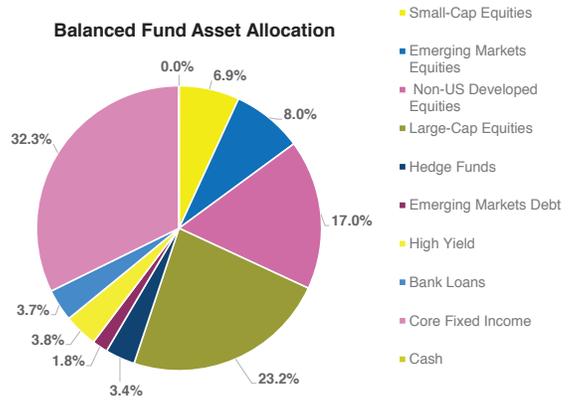


**Balanced Fund Performance as of 12/31/2019
(net of all fees)**



*The Balanced Fund benchmark is 55% of the Equity Policy Benchmark return and 45% of the BCGC return.

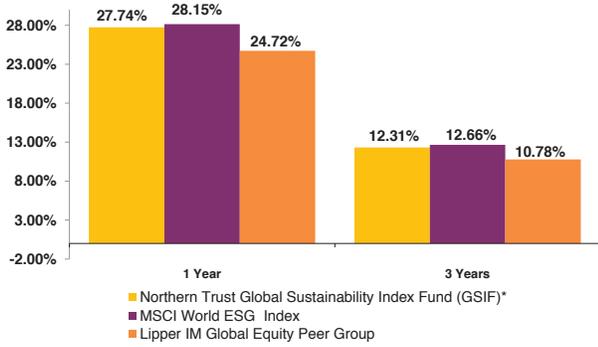
Balanced Fund Asset Allocation



Balanced Fund

In 2019, the Balanced Fund performed well with a total return of 17.86% versus 18.15% for the benchmark. The fund benefited from the appreciation of both equities and fixed income. The move from cash to equity during the year was also positive.

**Northern Trust Global Sustainability Index Fund
Performance 12/31/2019
(net of all fees)**



* Inception Date: December 1, 2015.

Northern Trust Global Sustainability Index Fund (GSIF)

The Northern Trust Global Sustainability Index Fund (GSIF) returned 27.74% versus 28.15% for the benchmark. The Northern Trust Global Sustainability Index Fund (GSIF) is a global, developed market strategy that targets companies that are leaders in implementing ESG (Environmental, Social and Governance) criteria.

TAD Funds Performance as of 12/31/2019

	1 Year	3 Years	5 Years	10 Years
TAD 2020	4.78%	3.61%	2.83%	5.13%
TAD 2025	13.93%	7.13%	4.97%	6.74%
TAD 2030	17.89%	8.28%	5.63%	7.34%
TAD 2035	19.50%	8.97%	na	na
TAD 2040	20.89%	9.57%	na	na

Target Annuitization Date (TAD) Funds

The Target Annuitization Date (TAD) Funds are invested in the Equity, Bond, and Stable Value Funds according to asset allocation glide paths that become more focused on capital preservation as the annuitization date approaches.

As the target date approaches, a higher allocation is given to safer assets. Asset allocation is adjusted at least twice a year to conform to the established allocations.



INVESTMENTS



Generations Investment Services, Inc.

PBUCC Offers Investment Services to UCC-related Ministries

Since 1914, the Pension Boards has adjusted its products and services to align with the needs of a changing church landscape, including managing investments. In 2019, the Pension Boards established Generations Investment Services (GENIS), a controlled affiliate of the Pension Boards corporation, to provide investment management services for UCC-related endowment funds.

GENIS offers UCC Conferences and other ministries a unique opportunity to strategically sustain their investments for future generations, mission, and ministry.

“We are excited to offer our investment expertise to UCC Conferences and churches that wish to see their endowment funds grow in alignment with the faith values of the United Church of Christ,” said President and CEO Brian R. Bodager. “We believe Generations Investment Services will underscore the importance of these values along with the church’s legacy and mission by ensuring foundation assets are securely invested for the work of the generations that follow.”

Randy Garrett, Senior Finance Manager, added, “Just as with the Pension Boards Annuity Plan investments, Generations Investment Services will align with investment principles that incorporate Environmental, Social, and Governance (ESG) criteria in its investment practices so that those investments bring about social justice and change.”



The Wisconsin Conference of the United Church of Christ chose GENIS in 2019 as its partner to assure that legacy gifts continue to support donors’ dreams for ongoing mission and ministry. (See p. 25.)

GENIS uses best-in-class investment managers to skillfully manage UCC endowment and foundation assets, while providing strategic asset allocation and diversification considerations that allow for fee savings well below commercial financial services firms. GENIS will offer four investment options that include the Equity Fund, Bond Fund, Global Sustainability Index Fund (GSIF), and a Money Market Fund.

These options will enable UCC Conferences and churches to achieve the objectives of long-term sustainable investment growth, positive social justice change, and environmental improvement. GENIS is honored to provide these services and benefits to UCC-related endowments and foundations.





Sustaining Mission and Ministry

Nonprofit financial development centers on two concerns: effectively managing the dollars we have and generating our next new dollar. The Wisconsin Conference partnered with the Pension Boards Generations Investment Services (GENIS), to more effectively address both concerns.

It began when Conference leaders, through a strategic planning process, identified two unique opportunities for our congregations.

First, we realized that investing the endowments of the Conference and our congregations together would result in lower fees and better returns. The Conference created a foundation to hold these investments.

GENIS emerged as the best investment partner for the new foundation. GENIS provided a lower expense ratio (management fees) than the secular firms previously used. Of equal importance, GENIS invests our funds in alignment with the faith and values of the United Church of Christ.

Recently, a local congregation looked at investing through the Conference's foundation. The congregation owned two mutual funds and paid investment fees to both the mutual fund manager and the broker. Through the foundation and GENIS, the congregation cut its fees in half. Together, the Conference's foundation and GENIS help to more effectively manage the dollars our congregations currently have.

Second, we noticed few congregations engaged their members and friends in conversations about planned gifts. The urgency of pastoral demands often meant a discussion of estate plans got pushed off until another day. Or, discomfort about financial topics created delays. The Conference began a planned giving program to support and resource our congregations.

GENIS, as our investment partner, assures donors their legacy gifts will continue to sustain the mission and ministry the donor cherishes.

Supported by GENIS, the Wisconsin Conference foundation and our congregations can both manage our current dollars more effectively and work together to receive our next newest dollar.



*Rev. Andrew Warner
Director of Development
Wisconsin Conference*



THE PENSION BOARDS- UNITED CHURCH OF CHRIST, INC.

An Affiliated Ministry of the United Church of Christ Incorporated under the laws of New Jersey, 1914

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Are You Maximizing These Comprehensive Benefits?

Retirement Income

Participating in the Annuity Plan for the United Church of Christ provides lifetime retirement income or beneficiary benefits to clergy and lay employees. Membership in the Annuity Plan is open to anyone working for a UCC employer. At retirement, income from the Annuity Plan is eligible for the clergy housing allowance tax exclusion, unlike distributions from IRAs or other retirement accounts.

UCC Medical and Dental Benefits Plan

Choose from four health plan options that offer varying levels of benefits and premiums to fit each participant's individual needs, including a new 100% tax-deductible Health Savings Account (HSA) option.

No-Cost Financial Planning Services

As actively-contributing members to the Annuity Plan, as well as retired members with annuitized accounts, you have access EY Financial Planning Services® at no cost to you! Talk with a planner or get the educational tools you need to meet your unique financial goals.

Flexible Benefit Plan for UCC Ministries

Also known as Flexible Spending Account or FSA, this plan allows participants to pay for medical and dependent care expenses with pre-tax dollars, which reduces employees' out-of-pocket costs and annual taxable income.

UCC Life Insurance and Disability Income (LIDI) Benefit Plan

The LIDI plan offers four key benefits: Basic Life Insurance, Optional Additional and Dependent Life Insurance, Short-Term and Long-Term Disability insurance.

The Annuity Plan for the United Church of Christ Providing Solutions Without Compromising Values or Returns

The Pension Boards understands your ministry and the life challenges you face each day. Securing future income shouldn't be among your concerns. Through the Annuity Plan for the United Church of Christ, an innovative, well-designed plan that provides lifetime retirement income or beneficiary benefits to clergy and lay employees, our team of caring professionals provide financial solutions without compromising your values or returns. The choice is yours!

- **Your Investment Choice:** Choose how much money to place aside for retirement and allocate that amount to any of PBUCC's 10 competitive fund offerings; choose the way your assets are managed; and choose the right asset mix to meet your goals.
- **Your Financial Outcome:** PBUCC partners with top-notch investment managers to help you manage your assets before and after retirement, and we provide a socially responsible lens that aligns with UCC values to steward your assets for the best possible financial outcome.
- **Your Lifetime Income:** Achieved through early and frequent contributions so that at retirement you enjoy income for a lifetime.

Learn more today!

Call Member Services
1.800.642.6543 Visit: www.pbucc.org

475 Riverside Drive, Suite 1020,
New York, NY 10115-0059
(800) 642-6543
(212) 729-2700 FAX (212) 729-2701
www.pbucc.org info@pbucc.org



for Generations



The Pension Boards
United Church of Christ, Inc.

WHERE FAITH AND FINANCE INTERSECT