

PC(USA) Pastors' Pensions are Not at Risk

by James R. Tony

How does ceasing to serve in a call approved by the PC(USA) affect coverage by the PC(USA) Pension Plan? Members of the PC(USA) who are at this moment “vested” in its Pension Plan will not lose a dime of their retirement pension benefits if they cease to be affiliated with an approved call in the PC(USA).

Civil law governs the financial realities of “defined benefit” pension plans. The Pension Plan of the PC(USA) states that those who are members currently contributing are vested after three years of membership/contributions. Thus the benefits accrued in relation to service and contributions are defined and must be paid in accord with the schedule of payments laid out in the plan. This is a part of the fiduciary responsibility of the Benefits Plan of the PC(USA).

If members of the clergy cease to be in approved calls in the PC(USA), their contributions are no longer collected and therefore pension payouts would cease to increase except in cases where the Board of Pensions adds to the payouts of contributions already made (increased “apportionments”).

Although contributions to the PC(USA) Board of Pensions (BOP) also include medical coverage, medical insurance through the PC(USA) would not continue. To continue medical coverage for pastors not in an approved call in the PC(USA), employers—in most cases this means churches—would have to provide their own medical insurance for their employees or the individuals would have to find ways to secure their own medical coverage.

Medical coverage by the PC(USA) Board of Pensions is provided in a way similar to a medical insurance plan. The dues are paid for the current year. A plan member is not “vested.” The dues are used by every member of the group covered. In reality, the sum of all contributions is necessary to cover the costs of medical services in that year. Ordinarily, there is little or no money left to accumulate. This is therefore different from retirement benefits which are not paid out until retirement age.

The PC(USA) medical benefits plan covers all abortions for members and their families at any time during pregnancy for any reason. That is true even when a church opts into the “relief of conscience” provision. That provision merely separates the amount of that church’s contribution from actually paying for abortions, but all abortions are covered under the plan for members and their families—even for members whose churches have joined the “relief of conscience program.” In addition, the BOP is in the process of considering medical coverage for same- sex partners. Even if a “relief of conscience” provision is instituted for this purpose, it will not affect the medical coverage to same sex partners provided by the offerings of Presbyterian church people.

Thus, for many pastors and congregations, it would be a relief to no longer be coerced to belong to the PC(USA) Benefits Plan. A church could reserve an amount equal to the retirement plan contribution for its pastors in a self-administered plan and it could find comparable medical coverage. As groups emerge from within the current PC(USA), the possibility of creating an alternative group for medical coverage is one of the potential benefits that may be discovered.

For full details consult the Benefits Plan of the PC(USA) itself.

Rev. Tony is pastor of Palos Park Community Presbyterian Church, near Chicago. He has followed the PC(USA) Pension Plan closely and written a number of articles explaining details of its coverage, relying both on written information from the BOP and on interviews with BOP officials.