



**Faithful.  
Innovative.  
Trustworthy.**

A Year of Faith,  
Financial Resilience,  
and Growth



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

**2022 Annual Report**

# 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.*

# 2022








## **Faithful. Innovative. Trustworthy.**

A YEAR OF FAITH, FINANCIAL RESILIENCE, AND GROWTH

### **THE PENSION BOARDS 2022 ANNUAL REPORT**

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# Faithful. Innovative. Trustworthy.

## A Year of Faith, Financial Resilience, and Growth

### Faith and financial resilience!

**O**ur nation faced numerous challenges over the past year: inflation, a war in Europe, Federal Reserve tightening, and a possible recession. All of which resulted in market volatility and depressed performance. Post-pandemic, employees faced the challenge of returning to the office, churches were challenged by reduced attendance and lower income; and fundraising efforts were stalled by a challenging philanthropic environment.

Notwithstanding the challenges and guided by our commitment to remain faithful, innovative, and trustworthy in our service to our members, remarkable accomplishments were achieved by the Pension Boards in 2022!

*We celebrated:*

- **The expansion of the Ministers' Financial Vitality Initiative;**
- **Pursued a credit union charter;**
- **Strengthened our diversity, equity, inclusion, and belonging efforts;**
- **Celebrated the 40th year of the Annuitant Visitors Program;**
- **Launched the 12th cohort of the Next Generation Leadership Initiative,**
- **Grew our partnerships with denominations in covenant with the UCC; and,**
- **Invested the assets we hold in trust for our members, mindful of the values of the UCC.**

**Faithful.** Our focus remains on sustainability in the management of the assets we hold, in trust, on your behalf, mindful of the values of faith and finance and the well-being of the planet, as outlined in our 2022 Sustainability Report. We remain committed to adhering to Environmental, Social, and Governance (ESG) criteria and in the careful selection of our investment managers, who are aligned with our organizational values and those of the United Church of Christ. Our strategies consis-

tently employ and maintain long-term approaches to our investments.

**Innovative.** We introduced new financial wellness opportunities to help our members navigate their financial futures. Values-based investing, as demonstrated by our 2022 Second Annual Climate Symposium, challenged participants to examine ESG opportunities, risks, and the links among climate and socioeconomic and racial justice. We progressed in our cultural transformation journey commitments to uphold and grow our diversity, equity, inclusion, and belonging efforts, broadening representation organization-wide, with a special focus on women in leadership and the training of future leaders—all actions captured in our 2022 Diversity in Our Workplace Interim Report.

**Trustworthy.** For more than a century, The Pension Boards Family of Companies has responded with action to the current and future challenges of the church. Boldly addressing financial justice for clergy, lay employees, and their families in creative ways, including pursuing a credit union charter; issuing loans to clergy seeking to eliminate student loan debt and lower their overall debt burden through Generations Financial Resources; expanding the Ministers' Financial Vitality Initiative to include pastors from Puerto Rico; and extending our partnerships in Puerto Rico to assist our members with Annuity Plan enrollment, benefits, and training.

We invite you to reflect upon the past year and learn how the Pension Boards has been, and ways will be, Faithful, Innovative, and Trustworthy on your behalf and on behalf of the United Church of Christ.



*Brian R. Bodager*

**Brian R. Bodager**

President/CEO



*The Rev. Dr. Rodney Franklin*

**The Rev. Dr. Rodney Franklin**

Chair, Board of Trustees



# An Invitation to Faithful Practice

**A** new board membership is often approached with some trepidation. How to add value in faith in a “do-good” investment environment, on whose outcomes so many faith members rely for their retirement? First and foremost, it truly helps to feel welcomed and supported by all staff and the board members. The quality of support, the wisdom in the room and the genuine desire to make a difference have provided the conditions to confront the global challenges ahead of PBUCC.

I would like to review my first years’ experience, through the lens of three distinct reflections: the imperative of financial resilience, the meaning of growth and finally, the invitation to faithful practice.

## What does the imperative of financial resilience mean?

A pension fund needs to ensure its members can enjoy protected principal and returns commensurate with the articulated level of risk. Risk, defined as the bandwidth of expected outcomes, has become more volatile. The emerging concurrence of tighter monetary policies in response to steep levels of inflation, widening geo-political tensions, flagrant distrust in democratically elected institutions, unaddressed social inequality, and climate injustice, over and above climate change and bio-diversity loss sets out a unique and formidable challenge. It demands expert investment stewardship to address the complexity and intricacies of these challenges to ensure adequate risk-adjusted returns. But it also demands vision and boldness to integrate new frameworks and strategies to allocate capital wisely and innovatively in a world, severely agnostic of its planetary and social boundaries.

Which pathway, devoid of the short-term investment horizon fallacy, will offer protection from stranded assets and see the harvest of robust returns emanating from circular economy-focused, human-centric, and planet-aligned investment decisions?

## What does growth mean in this context?

Next to the concurrent global challenges there is also the review of accepted economic theory. How do we meet demand from a larger global consumer base in an equitable and fair manner?



**Frank Van Gansbeke**  
PBUCC Board Member

How can market triggered levels of production and consumption be optimally financed while conserving natural resources, minimizing environmental damage, and fostering human contentment? How can we ensure, in a world turning away from global trade, driven by requirements to reduce greenhouse gasses and geo-political dependency, that more can share equitably in the overall fruits of the economy? Ahead of automation plans and AI developments, to boost the profit momentum, can the employee be re-connected with a deeper sense of purpose and belonging?

## How to act faithfully?

As the year progressed, I found more solace and comfort in the following words offered by

Psalm 119: 65 – 66:

Do good to your servant  
according to your word, Lord.  
Teach me knowledge and good judgment,  
for I trust your commands.

It will be a combination of spiritual wisdom, generational experience, servant leadership and transformative ingenuity which will procure the solutions needed to safeguard PBUCC’s financial resilience.

Lastly, a word a gratitude to the staff and fellow board members at PBUCC for their heartwarming support and making me feel like one of theirs.



## Diversity, Equity, Inclusion and Belonging

Last year, the Pension Boards published the [2022 Interim Diversity, Equity, Inclusion, and Belonging Report](#) highlighting our progress in advancing DEI goals set in the 2021 inaugural [Diversity in the Workplace](#) report.

In addition to providing year-over-year updates in the areas of governance, social and racial justice, talent acquisition, pay equity, partnerships, and socially responsible investing, the 2022 Interim Report incorporates a new organizational commitment to cultivating a spirit of belonging as part of the Pension Boards' organizational cultural transformation project.

The Pension Boards remains focused on building programs that promote greater inclusion and belonging. We have set out to do that by creating new positions that will have deeper connections to those we serve, and with greater intentionality around inclusion. A truly inclusive workplace, in which all feel they belong, is an essential part of how we will continue to meet the diverse and changing needs of the wider church community.


The Pension Boards began its cultural transformation work in 2020. We have been guided in this effort by our core organizational values of Agility, Collaboration, Consistency, Compassion, and Justice.


Through our cultural transformation journey, we have learned that each colleague shares responsibility for building an organizational culture where we see, hear, and support each other. We have learned that representation at every level matters, and have been more intentional about our talent acquisition, professional development, and advancement strategies and processes to ensure equitable practices as we continue to foster a workplace that reflects and supports our greatest strength – our diverse, talented people.



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Over the past year, we have taken measurable steps forward, exploring the unique cultures of our colleagues while endeavoring to embed our core values across all levels of the organization. We are actively seeking opportunities to broaden representation and grow diversity organization-wide, with a special focus on women in leadership. We further advanced our commitment to leadership development in several ways:

 *In the aftermath of the killings in 2020 of Ahmaud Arbery, Breonna Taylor, and George Floyd, we began an ongoing series of Sacred Conversations to End Racism (SC2ER), a program designed to increase our learnings about diverse cultures and raise awareness of race-related issues. In 2022, we completed Part 3 of SC2ER, which focused on experiences of racism among the Asian American and Pacific Islander communities in the U.S.*

 *In 2022, six Pension Boards colleagues were selected to participate in the McKinsey & Company Connected Leaders Academy Program, an Executive Leadership and Management Accelerator experience for high-performing Black, Latinx, Asian staff leaders to develop and implement a new set of leadership skills to help advance their careers and professional growth.*

 *The Pension Boards Summer Internship Program has fueled our talent acquisition strategies with young leaders who bring fresh business perspectives and skills, and whose ideas are heard at the executive and board levels. Our fourth cohort of summer interns completed their work in August 2022, and the recruiting process for the 2023 program has already begun.*



 *We have expanded our partnerships with our members in Puerto Rico. With the help of a Regional Representative, the Evangélica Unida de Puerto Rico (IEUPR) is assisting with the enrollment of members into our Annuity Plan, not only for IEUPR, but also for Ryder Hospital and other entities with whom we are building relationships in Puerto Rico.*

We celebrate that our ongoing commitment to diversity, equity, and inclusion is indeed thriving.



## The Pension Boards Core Business

### Leveraging Technology to Enhance our Customer Care



In support of our strategic approach to innovation this past year, the Member Services Customer Care Team has built on its vision of integrating new technologies to better serve our faithful members. In addition, we embarked on training and staff development and successfully recruited two bilingual Customer Care representatives and added a Senior Manager of Customer Care to our staff this summer. Their diverse skills and our expanded Spanish-speaking roster will enable us to offer a call menu option to speak with representatives in Spanish when dialing our trusted toll-free number.

***“When needed, the Customer Care Associates also go the proverbial second mile in obtaining additional information and following up with me. They instill a strong sense of trust in the work of the Pension Boards, and I am grateful.”***

### Service Improvements in 2022

- Added the ability to complete the TSA form online
- Expanded FAQs on the PBUCC website for members and employers
- Migrated to a new phone system that added more value with features such as multi-queue access, speech analytics, and quality management. As a result, we reduced the time spent waiting to speak with a live representative. For example, the average wait time was 42 seconds during our peak open health benefits enrollment month in October.
- Rolled out a new survey tool, allowing us to expand our outreach to members collecting more information to improve our services and offerings. We have reached out to new annuitants, have conducted six focus groups, and surveyed members on our monthly Gateway newsletter in addition to our after-call surveys.





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**to talk to! Answered my questions in such a friendly manner."**

## Staffing Highlights

- Introduced our first Regional Account Manager (RAM), allowing us to connect better with Conferences and adding a personal touch with our employers. We will look to add additional RAM's in 2023.
- Through our new Benefits Consultant working in Puerto Rico, we have built strong relationships with Ryder Memorial Hospital and other local constituents while educating and supporting members about how PBUCC can help them. Coupled with compassionate efforts made to successfully expedite 96 hardship requests to our members in Puerto Rico shortly after Hurricane Maria, we continue to deliver on our values of Diversity, Equity, and Inclusion.

## Pension Counseling

Our Pension Counselors provide support and guidance to our members nearing retirement. Through individualized consultations, they prepare PBUCC members with personalized retirement income projections; discuss Annuity Plan options, including tax-deferred opportunities such as opening a Retirement Savings Account; provide basic housing allowance information for ministers

***"I thank you and I thank God for the Pension Boards of the UCC. You represent a clear, helpful and steady presence in my life, like few other career-long connections."***

transitioning from serving the church full-time to part-time or transitioning to another vocational setting; and connect our members with helpful financial planning resources. In

addition, our Pension Counselors deliver financial wellness presentations throughout the year, including comprehensive pre-retirement presentations. Starting in 2023, we are making connecting with our Pension Counselors easier! PBUCC will email our members a calendar invitation and a reminder email in advance of the conversation. Members can call the Pension Boards to set up an appointment.

addition, our Pension Counselors deliver financial wellness presentations throughout the year,

Customer Care	2022 Volume
<b>Incoming Phone Calls</b>	<b>17,498</b>
<b>Outbound Calls</b>	<b>8,224</b>
<b>Online Chats</b>	<b>2,715</b>
<b>Total Engagements</b>	<b>28,437</b>

## Ernst and Young

Ernst & Young (EY) financial planning services are available to all our members, including active, retired, inactive, and annuitized members. EY services are confidential, free, and unlimited, so our members can improve their financial wellness at their own pace. PBUCC members can speak with an EY financial planner Monday to Friday from 9:00 a.m. to 8:00 p.m. (ET). PBUCC members can also access EY's digital site and app anytime they wish to access financial planning calculators, articles, and videos on demand. In addition, EY presents monthly webinars for our members on various financial planning topics. Members can find more details on EY services on pbucc.org, by clicking on Financial Wellness.



***“Thank you for your courteous and prompt response at this time when there are***

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## **Generations University**

We have just reached the first anniversary in the work of the Generations University (GU) team—the Financial Wellness and Education arm of the Pension Boards! During this time, the GU team created its mission and vision statements to help drive our efforts in the future. Our vision for GU is to continually monitor and improve the knowledge of all PBUCC benefits and increase our members' financial well-being. Among the successes of the past 12 months are the creation of a revised Pre-Retirement Seminar and Resource Guide; focused presentations to Annuitant Visitors, Members in Discernment, and participants in the Next Generation Leadership Initiative (NGLI); over 40 weekly internal "In-the-Know" sessions to better educate PBUCC staff about PBUCC benefits and the broader UCC-related entities; development of five training videos to assist members in better understanding Pension Boards investments and benefit plans; and fostering relationships with the UCC's Council for Health and Human Service Ministries (CHHSM).

***"The PB respondent was exceptionally helpful, friendly and patient. I accomplished my individual payment online with her help throughout the whole process, my first time making this particular payment. And I was glad that it could be completed so efficiently."***

## **Health Benefits**

In 2022, Health Plan Operations was brought under the oversight of the Executive Vice President for Benefit Plans and Services to better align the Health Team with member-facing staff. The Pension Boards remained focused on strengthening the physical and mental well-being of our active and retired clergy and lay employees. Non-Medicare and Medicare Advantage Plan members continued to have access to a wide range of healthy lifestyle programs focused on preventive care, with financial incentives available for participation in activities.

Plan enhancements that took effect in 2022 included:

- Dental Plan: Increase in annual maximum from \$2,000 to \$2,400
- Vision Plan: Increase in frame allowance from \$150 to \$170
- Long Term Disability: Increase from 60% to 66.7% of salary basis

Virtual appointments provide increased access to medical care and continued to be included in all medical benefit plan offerings with an affordable copay. Virtual care was provided by a nationwide network of board-certified specialists and covered visits for behavioral health, dermatology, and minor illnesses.

Membership in the Church Benefits Association's medical and pharmacy coalitions allowed the Pension Boards to partner with other denominational benefit plans to garner savings through our collective purchasing power. These partnerships assist with keeping premiums and copay costs as low as possible while still providing best-in-class benefits.



# worthy.

so many things to take care of."

Audits of the UCC Medical and Pharmacy benefit plans were successfully completed in 2022. All health plans remained compliant with applicable federal laws and guidelines, specifically the provisions of the CARES Act. All Non-Medicare plan participants received an updated Notice of Privacy Practices in 2022. Benefit plan documents were amended and restated to ensure that official documents reflect how the plans are administered.

**"Thank you for your service. Please take good care of all those persons employed or contracted by the Pension Boards UCC."**

The Health Team coordinated and participated in the annual gathering for Members in Discernment, Next Generation Leadership Initiative, Annuitant Visitors, and Conference Annual meetings. Wellness events that took place included two on-site biometric screening events and a flu shot clinic.



## Some of the Improvements we will be working on in 2023

- Quarterly webinars from the PBUCC Investment Team
- New weekly training topics to help better educate our staff on PBUCC benefits/ services/and the broader UCC community
- Ability to schedule calls directly on our website or through the help of our Customer Care team with our pension counselors and health care team
- New online Invoice portal with many enhancements and a better experience
- A website redesign to help our members and employers more easily navigate, including helpful tools and links.
- \* The Pension Boards Core Business is comprised of the Correspondence, Customer Care, Benefit Payment, Generations University, and Health Benefit Teams.



## An Expression of Gratitude

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**F**rom my earliest days as a local church pastor in a town of 250 people all the way through my tenure as the General Minister and President, I have been served well by the work and the offerings of the Pension Boards. Now in my thirty-fifth year of ministry, I can say without equivocation that the security provided to me and my family by their array of services is something for which I am profoundly grateful.

I can add that now having served as a Trustee with the Pension Board for the last eight years, and because of that having had the opportunity to meet the people who work so hard to provide services I rely on, I find myself duly impressed with all that they make happen for me and for others who serve in ministry in the United Church of Christ.

When my daughter spent a month in a coma recovering from a horrific accident when she was only 11; when my sciatic nerve sent me to the bed for two weeks; when one Christmas morning my wife was taken by ambulance to one hospital, only to be removed to a second hospital that could perform the life-saving surgery she needed, I never once had to worry about whether or not we would be taken care of or how we would cover the cost of medical expenses on a pastor's salary.

And now coming closer and closer to my retirement years, I look at what my churches, my Conferences, and my denomination have done in partnership with the Pension Boards to secure my income through my later stages of life.

Every day of my ministry, whether I thought to give thanks for them and all the services they provide, the Pension Boards was there providing me and my family all that we needed.

As I approach the end of my tenure as the General Minister and President, I just want to thank them for all that they do every day for me and others who chose a life of service to the Gospel. Because of them, we are all well cared for. With deep gratitude, thank you to Brian Bodager and all at the Pension Boards offices who make this possible.



**The Rev. Dr. John C. Dorhauer**  
General Minister and President  
United Church of Christ

# Faithful. Innovati



## Faith and Finance Ministries

*“Show me your faith apart from works, and I by my works will show you faith.” James 2:1*

**Faithful. Innovative. Trustworthy. For Faith & Finance Ministries, these are more than words; they are God’s call to action.**

Each and every year presents us with new challenges and opportunities. Consequently, each and every year we are called anew to act as co-creators with God for the sake of mercy and justice.

Faith & Finance Ministries, which includes the United Church Board for Ministerial Assistance, traces its roots back to the 17th century, when “charitable societies” assisted the widows and orphans of clergy who died while in service. Over the centuries we have listened to God’s always fresh, challenging, and hopeful prophetic word and adjusted our ministry accordingly.



Over the past year we have made numerous enhancements in our programs to keep them relevant to the ever-changing needs of church and society. These include:

- **Broadening the scope of our supplementation programs to reach more retired clergy and eligible lay employees and assist them at higher levels.**
- **“Refreshing” the Next Generation Leadership Initiative and the Annuitant Visitors Program to keep them cutting edge.**
- **Launching a pilot program aimed at insuring that clergy have a secure retirement through incentivized savings.**
- **Implementing a new position, Director of Church Relations & Operations, to keep us closely connected to all settings of the United Church of Christ.**
- **Expanding our commitment to corporate social responsibility through proxy voting, shareholder resolutions, direct corporate engagement, sustainable investments, and collaboration with ecumenical/interfaith partners.**

These are a few of the ways in which Faith & Finance Ministries acts in concert with other settings and ministries of the United Church of Christ to bring about A Just World for All.

Faithful. Innovative. Trustworthy. Faith & Finance Ministries hears and responds to God’s call to action.



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



# Faithful.

## Church Relations and Operations

In 2022, the Pension Boards' commitment to directly engage the wider community of the United Church of Christ continued robustly through the work of the Director, Church Relations and Operations. At all levels of the church, connections were established or maintained to deepen awareness of our benefits and services, receive feedback from our Members and Employers, and offer personalized responses to inquiries and particular circumstances.



Virtual and in-person presentations and workshops were made to Conferences, local congregations, Members in Discernment, students at UCC-related seminaries, Committees on Church and Ministry, retired clergy groups and others. The outreach has been well received and has generated new business for the organization and enhanced our reputation for agility and responsiveness.

Through mechanisms like focus groups and surveys, we gathered feedback from groups including non-participating clergy, current employers, interim ministers, and those newly enrolled in the Annuity Plan. We then used that information to create new promotional and educational resources and to streamline internal processes so that our everyday Member Service reflects the actual circumstances of those we aim to serve. Also in 2022, we resumed clergy wellness retreats in partnership with Conferences, now more urgently needed and appreciated by authorized ministers, and these will be more frequently offered in the coming year.

Church relations—with congregations, conferences, those preparing for ministry and partner organizations within the denomination—are a critical contributor to the sustainability and impact of the Pension Boards' mission on the diverse populations we exist to serve. The creation of a Director-level position to oversee and carry out this relationship-building has proven a visible and welcome witness of this commitment, one which promises to bear continued good fruit as that ministry continues to expand in the coming year.



## Philanthropy

The generosity of our donors has continued, even as the market experienced a downturn. A large majority of our donors are Pension Boards members, and they showed amazing thoughtfulness in their care for their friends and colleagues in need.

In 2022, materials to promote the annual Christmas Fund for the Veterans of the Cross and the Emergency Fund special mission offering in December were once again posted entirely on the Pension Boards website. Our theme, “Overwhelmed with joy!”



(Matthew 2:12) had a wonderful reception. It is with extreme gratitude we can report that in 2022, giving to the Christmas Fund totaled more than \$1.2 million (still counting). Thank you for the tremendous generosity!

In April, the Generations of Service: Faith and Finance in Action campaign came to a successful close with over \$7 million collected. We continue the campaign’s legacy through the partnerships that were launched during Generations of Service. Pension Boards’ Philanthropy has five active partnerships with UCC conferences as well as a Securing the Future partnership with the UCC’s national setting, to provide funding for the Ministers’ Financial Vitality Initiative.

## A Message from the United Church of Christ Associate General Minister of Global Engagement

### Hope for Tomorrow

The global community continues to respond to a myriad of challenges through 2022. The COVID-19 pandemic is still spreading with the numbers of those sick and dying fluctuating around the world. While most countries have lowered restrictions and mandates for entry, communities are still addressing the global health crisis, with many struggling to attend to the health care needs for treating, preventing, and dealing with the long-term effects experienced by those who survived contracting the virus.

In addition to the COVID-19 virus and the adverse effects experienced from its emergence in 2020, the attention of the world shifted to Europe as war began in Ukraine. The Russian invasion of Ukraine is having ripple effects on the world. The war has impacted the global refugee crisis significantly and is a factor in the food shortages and escalating prices of food.

The office of the United Nations High Commissioner for Refugees (UNHCR) has identified that there are over 103 million forcibly displaced people globally. This number continues to grow and begs the attention of the world in address the myriad of issues – including war – which are causing people to leave their home. In addition to war, climate change, drought, famine, civil unrest, and natural disasters are also pushing people from their homes.

Wider Church Ministries continues to work with partners through Global H.O.P.E. and Global Ministries to address these and many other needs around the world. No one community, no one organization, or any one person has the resources to attend to all that we are seeing. Our collective witness is amplified through the resources contributed by members of the UCC and by staff who are present on behalf of the UCC ensuring that the impact of the resources received are making a difference in the world. 2022 was filled with challenges and with those challenges hope emerged from the collaborative efforts of people around the world united together to seek a just world for all in response to the pain and suffering in the world.



#### The Rev. Karen Georgia Thompson

Associate General Minister of Global Engagement and Co-Executive of Global Ministries, the common overseas ministry of the UCC and the Christian Church (Disciples of Christ).



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-  **The Board of Trustees and Directors approves a capital contribution sufficient to launch and support the credit union through its initial developmental years, as PBUCC advances in its work with the NCUA to secure a credit union charter.**
-  **Sixty clergy join the 2022 MFVI program in partnership with UCC conferences.**
-  **\$500K in relief funds is provided through conference partnerships for clergy impacted by the pandemic.**
-  **The 2022 Diversity in Our Workplace Interim Report, a diversity, equity, inclusion, and belonging (DEI&B) report, is published.**
-  **PBUCC hires 10 summer interns, its largest intern cohort to-date, to lead with vision and creativity, and advance the work of the organization.**
-  **A Customer Service Training and Engagement Program for both members and internal staff is implemented.**
-  **The Annuitant Visitor Program celebrates its 40th Anniversary.**
-  **Next Generation Leadership Initiative welcomes its 12th cohort.**
-  **PBUCC publishes the 2022 Sustainability Report.**
-  **PBUCC issues \$300K in loans to clergy seeking to lower their debt burden through Generations Financial Resources.**
-  **PBUCC expands its suite of services available through the Generations Family of Companies.**





# Highlights

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**PBUCC partners with the IEUPR (Iglesia Evangélica Unida de Puerto Rico) and hires a Regional Representative as part of the Pension Boards' new Shared Resources model, which creates cross-functional collaborations and delivers measurable results.**

**PBUCC expands partnerships in Puerto Rico to assist our members with Annuity Plan enrollment, benefits, training, and more.**

**PBUCC continues Sacred Conversations to End Racism, a program that creates a platform for employees to engage one another with respect and address racism. In 2022, its focus was on learning about Asian-descended communities.**

**PBUCC is selected to participate in McKinsey's Connected Leaders Academy, which is committed to advancing racial equity by investing in future leaders. Six high-performing staff members are selected to participate in global diverse cohorts.**

**PBUCC hosts its second Climate Symposium, which included panel discussions that examined ESG opportunities and risks and the links among climate, socioeconomic, and racial justice.**

**PBUCC offers its members a series of comprehensive, animated, educational videos on its benefits plans and services.**

**PBUCC partners with the New York Conference to kick-off the Today...Tomorrow... Together campaign to support ministers of color, raise awareness around clergy mental health, and cultivate community cohorts for UCC ministers, while providing financial assistance to active and retired ministers in need.**

**The implementation of a cloud-based NetSuite system moves to its next program phase to manage business finances, operations, and member relations more easily.**



# United Church Board for Ministerial Assistance



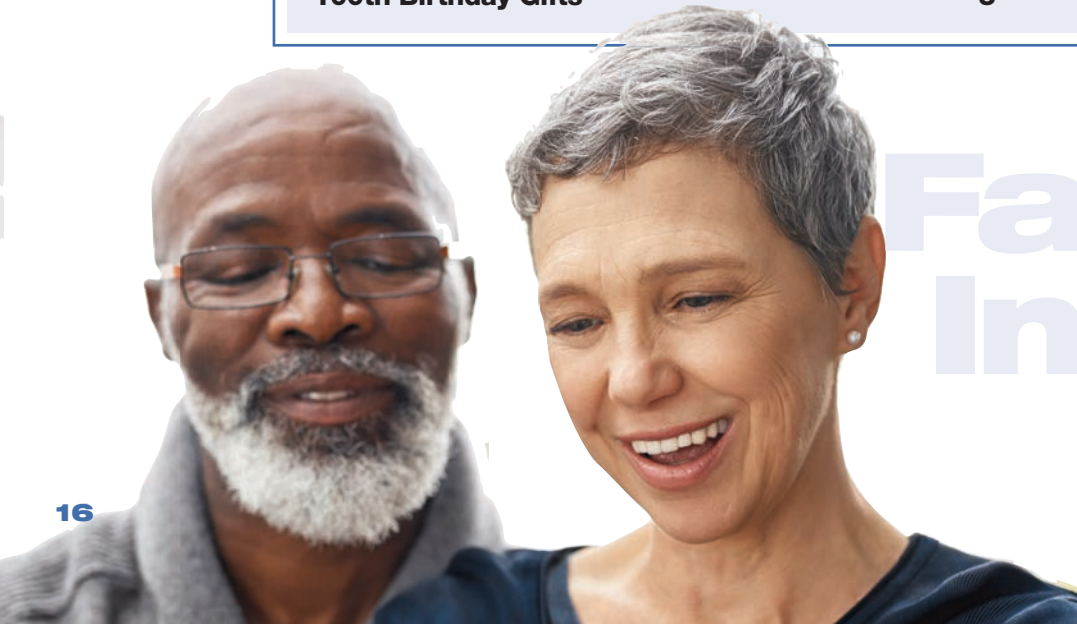
Since 1885, the mission of the United Board for Ministerial Assistance (UCBMA), the philanthropic arm of the Pension Boards, has been to assist United Church of Christ authorized ministers and lay workers with direct financial support and to extend this support to their surviving spouses and partners, to honor their service to the church and their ministerial legacy.

The past two years have been especially challenging for our organization, our Church, and humanity. Now, more than ever,

UCBMA is committed to continuing its support as we seek creative ways to expand our traditional programs beyond financial assistance. Our vision for the future is to become a strategic partner in the ministries of our members and of the Church at large.

**UCBMA ministries are made possible through the generosity of individuals and congregations to the Christmas Fund for the Veterans of the Cross and to Our Church's Wider Mission.**

In 2022 Grants Approved Totaled \$2,122,909		
As of December 31, 2022		
GRANT PROGRAM	# OF GRANTEES	AMOUNT
<b>Pension Supplementation</b>	<b>218</b>	<b>\$1,042,726</b>
<b>Health Supplementation</b>	<b>86</b>	<b>\$181,389</b>
<b>Emergency Grants</b>	<b>55</b>	<b>\$138,022</b>
<b>Christmas "Thank You" Gifts</b>	<b>479</b>	<b>\$278,500</b>
<b>Ministerial Assistance Grants</b>	<b>77</b>	<b>\$371,257</b>
<b>New Church Start Grants</b>	<b>15</b>	<b>100,000</b>
<b>Ministerial Assistance Special Grants</b>	<b>5</b>	<b>\$10,515</b>
<b>100th Birthday Gifts</b>	<b>5</b>	<b>\$500</b>



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## Leadership Initiatives



### Leadership Initiatives

In 2022, the **Annuitant Visitor Program (AVP)** celebrated its 40th anniversary. This unique and dynamic program connects and cares for over 6,000 retirees in the United Church of Christ. No other denomination attempts to visit all its retired clergy and we've been doing it for 40 years! The Annuitant Visitor Program began as an experiment in the Ohio, Florida, Massachusetts, and Southern California-Nevada Conferences in 1982. By 1986, the program had expanded to include most Conferences and today there are Annuitant Visitors in all 36 UCC Conferences.

The 150 Annuitant Visitors across the country serve as ambassadors of the Pension Boards and check-in regarding benefit plans, offer gratitude for years of service, and provide collegial support. There are six Regional Deans who are critical to the success of the program. They recruit and support the visitors as well as provide administrative duties that keep the system functioning. The annual Annuitant Visitor Seminar was held in Cleveland, Ohio, and provided support, training, and a sense of belonging for participants.



The **Next Generation Leadership Initiative (NGLI)** energizes and empowers younger UCC local church pastors to co-create vibrant congregations that change lives, engage their communities and further God's mission in the world. In 2022, we welcomed our 13th cohort as they began the program and congratulated the third cohort as they completed their ten years of participation. Four of the five NGLI events held in 2022 were held in-person as it became safer to travel and gather in person. There will always be a need and value for on-line experiences, but for NGLI, the value of gathering in-person is priceless. The January Core session needed to be online because of pandemic realities, but we were able to offer the orientation for the new cohort and capstone event for the graduating cohort as well as two field trips in-person. Each experience was an opportunity to learn something new, share something meaningful, and know that their ministry matters. One pastor offered this feedback: "NGLI is a gift. A feast of wisdom, honesty, and joy. Faith-restoring. Will result in tangible revitalizing of my work both immediately and for decades."

The **UCC Leadership Guild** first met in 2021 and it continues to evolve and grow. This group of about 25 leaders "engages in deep thinking and prayerful discernment around leadership strategies, frameworks, and practical applications" in professional settings and personal roles. The group has an open invitation to any staff at the Association, Conference, Regional or National level that has leadership development as part or all their portfolios. We will meet online quarterly in 2023 and continue to wrestle with the big questions of leadership in the church at this Kairos time.



## 2022: A Change in Regime

### Volatile Global Markets Ended the Year Negative

#### Investment Review



**G**lobal markets were negative across the board, with a challenging year for both stocks and bonds. We started the year with concerns about rising inflation and Russia's invasion of Ukraine and ended the year with concerns of an impending recession.

Large U.S. companies (S&P 500) decreased -18.11% in 2022. The Russell 2000® Index, which measures the performance of small-cap U.S. companies, decreased by -20.44% in 2022.

International equity market returns varied by country, with significant impact from the Russia-Ukraine war and volatility in China. However, the international developed markets, as represented by the MSCI EAFE index, only decreased by -14.45% in 2022. Emerging markets (MSCI EM) ended the year down -20.09%.

Regarding the fixed income markets, bonds as represented by the Barclays Capital U.S. Government/Credit Index, were down -13.58% in 2022. As a sign of volatility, the yield on the 10-year U.S. Treasury note went from 1.63% at the beginning of the year and to 3.88% at the end of the year.

Manager contributions were mixed with value strategies doing well, but with negative performance from international and emerging markets growth strategies, mainly because interest rates affect valuations more in the latter.

As for the Participating and Basic Annuities, the funded status (assets compared to the future projected payments to annuitants over their lifetimes) remained steady. This was particularly notable given market declines and speaks well of the tools and approach we employ to manage these two programs on your behalf. Given that each of the Fund's funded status was stable, there were no decreases made to either plan for 2023.

# Innovative.



# Faithful.

## Market Outlook

**M**arkets are expected to continue to be volatile in 2023 due to continued inflation concerns, geopolitical risks, recession fears, and earnings vulnerability.

The valuation gap between the U.S. market and both international developed markets and emerging markets remains wide. As a result, we expect to monitor our asset allocation and strategically continue to allocate to international markets, as appropriate, for longer term benefit.



With higher interest rates and bond yields in the U.S. and abroad, we see significant opportunities 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.

We remain focused on employing our Faith and Finance lens to responsible investing and hold the managers we hire on your behalf accountable for incorporating environmental, social, and governance factors into their analysis. As a reminder, we re-launched our newly named Sustainable Balanced Fund in 2021. This Fund includes high performing managers focused on climate change and sustainability. In 2022, we continued this effort by adding a climate-focused private market investment focused on improving the environmental impact in hard to abate economic sectors like steel and cement. Above all, we continue to be good stewards of investments for your retirement assets in this increasingly complex world.

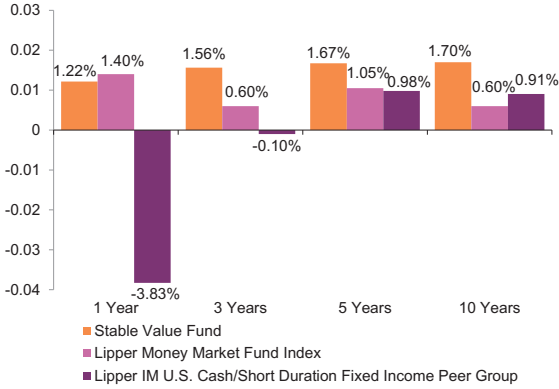
# Trustworthy



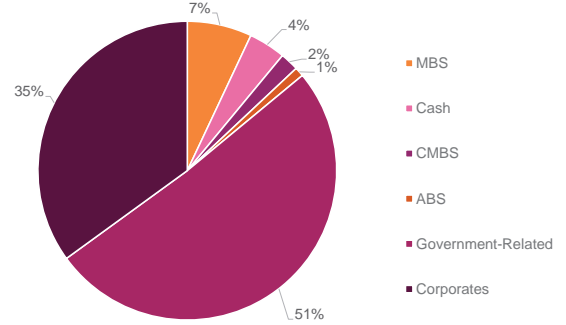
# Investments

## Accumulation Fund Performance

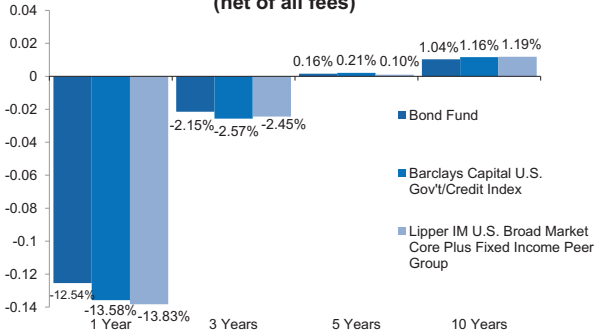
**Stable Value Fund Performance as of 12/31/2022 (net of all fees)**



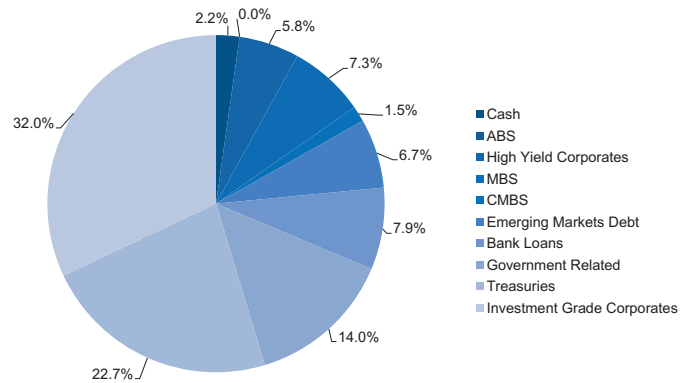
**Stable Value Fund Asset Allocation**



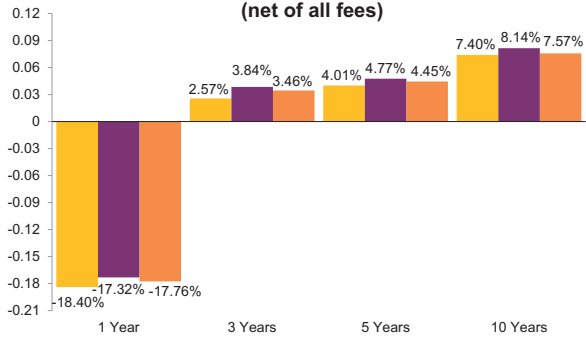
**Bond Fund Performance as of 12/31/2022 (net of all fees)**



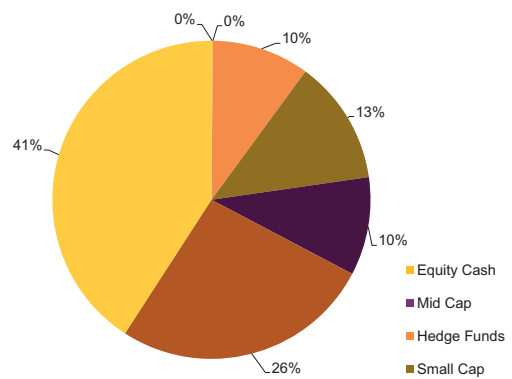
**Bond Fund Asset Allocation**



**Equity Fund Performance 12/31/2022 (net of all fees)**



**Equity Fund Asset Allocation as of 12/31/22**



\* The Equity Policy Benchmark reflects the asset class targets established by the Pension Boards' Investment Committee and is based on the following Index weightings effective January 1, 2018: MSCI ACWI IMI, net (92.5%) and HFRX Global Hedge Fund Index (7.5%). For historical weightings and composition of the Equity Policy Benchmark, please see Policy Benchmark Historical Allocation.



# Collaboration, Mutual Respect, and Cooperation

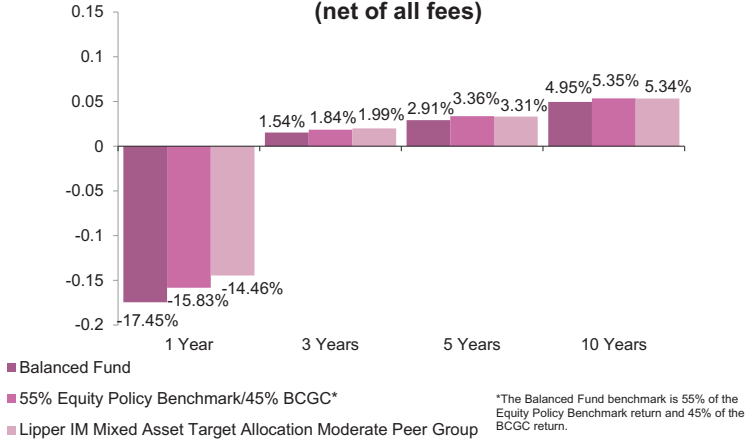
It's a blessing to have been chosen to join this group of Christ-centered Trustees in 2022. I am struck by our collective and sincere focus on operating at the intersection of faith and finance by providing valued services leading to greater financial security and wellness. We make decisions about investments, managing risk, and making sure the Pension Boards is financially sustainable over the long term.

As I reflect on my first year of service on the Board, the scripture from Romans 12:4-5 comes to mind: "Just as each of us has one body with many members, and these members do not all have the same function, so in Christ we who are many, form one body, and each member belongs to all the others." As Trustees, we are called to serve the Pension Boards and its members, using our gifts and talents to make a positive impact and help the organization thrive. Trustees are not separate and isolated, but rather we are connected and form one body. Each person has a unique role and purpose within the body and contributes their individual gifts and talents. All members are important and interdependent on one another. We emphasize the importance of collaboration, mutual respect, and cooperation in fulfilling our duties as Trustees. I currently serve on the Investment, Budget, Audit and Enterprise Risk Management Committees.

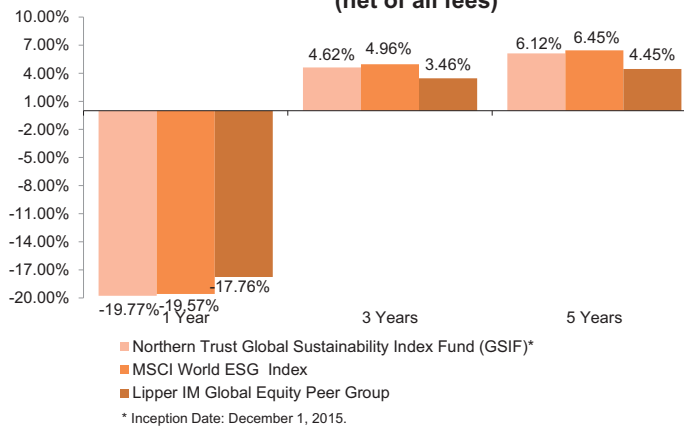


**Phil Salmon**  
PBUC Board Member

**Sustainable Balanced Fund Performance as of 12/31/2022 (net of all fees)**



**Northern Trust Global Sustainability Index Fund Performance 12/31/2022 (net of all fees)**




**Target Amortization Date (TAD) Funds Performance as of 12/31/22**

	1 Year	3 Years	5 Years	10 Years
TAD 2025	-10.31%	0.92%	2.29%	4.57%
TAD 2030	-14.65%	0.70%	2.42%	5.01%
TAD 2035	-16.03%	0.79%	2.62%	na
TAD 2040	-16.47%	1.01%	2.85%	na
TAD 2045	-16.81%	na	na	na
TAD 2050	-16.43%	na	na	na



## **Generations Investment Services, Inc.**

**Committed to Diversity, Equity, Inclusion, Belonging and Accessibility**



**G**enerations Investment Services (GENIS) is a controlled affiliate of the Pension Boards corporation which provides investment management services for the Pension Boards' endowment funds, health plan investments, the United Church Board for Ministerial Assistance, Inc. (UCBMA) endowments and UCC-related endowment funds.

GENIS offers the Pension Boards, UCBMA, UCC Conferences, ecumenical partners, foundations, churches, and other generic entities a unique opportunity to strategically sustain their investments for future generations, mission, and ministry. GENIS is committed to Diversity, Equity, Inclusion, Belonging and Accessibility when selecting portfolio managers. We believe that Belonging (holding portfolio managers responsible for advancing diversity, equity, and inclusion in their organizations) and Accessibility (providing equity opportunities for all members of their teams) are particularly important in the portfolio manager selection process.

“Generations Investment Services aligns the values of the church along with bringing social justice and change investment practices to the endowment assets held by the Pension Boards and UCBMA. We understand the challenges faced by endowments and nonprofits, and their desire to uphold their mission for future generations,” said Executive Vice President, Corporate Development & Growth, John E. Linzey.

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

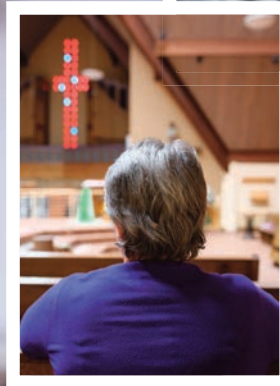
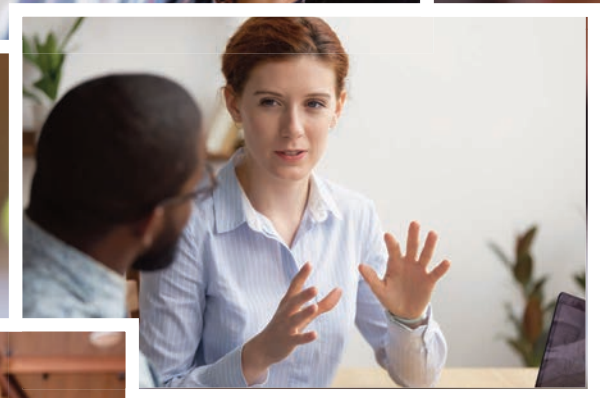
These investment options enable the Pension Boards and UCBMA endowments to achieve the objectives of long-term sustainable growth, positive social justice change, and environmental improvement. GENIS is privileged to offer these services and benefits to the Pension Boards, United Church Board for Ministerial Assistance and other endowment funds.





# ive. Trustworthy

**“Generations Investment Services aligns the values of the church along with bringing social justice and change investment practices to the endowment assets held by the Pension Boards and UCBMA. We understand the challenges faced by endowments and nonprofits, and their desire to uphold their mission for future generations.”**



# Generations Financial Resources

## Improving Financial Wellness for Participants in the Ministers' Financial Vitality Initiative

**G**enerations Financial Resources (GFR) is a specialty lending corporation and a controlled affiliate of the Pension Boards that utilizes a unique approach to address the crushing burden of clergy indebtedness. GFR combines the benefits of financial education through the Ministers' Financial Vitality Initiative (MFVI) program, with the centerpiece of low interest rate refinancing that will reduce the rates that UCC clergy are paying on their educational and other unsecured debts.

### Education

We leverage the educational component of the MFVI program to provide personal finance education to empower ministers 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 reducing their current interest rates to reduce the monthly servicing burden. 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.

GFR differs from mainstream lending corporations in the following ways:

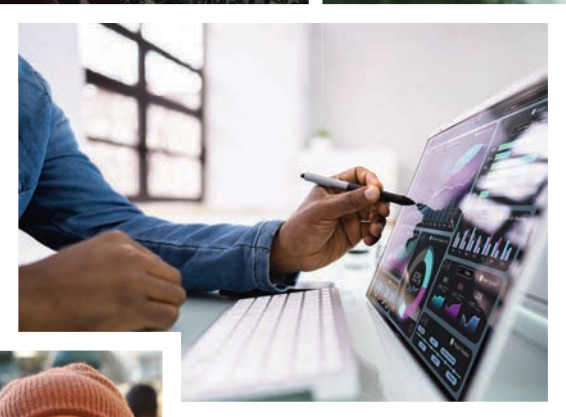
- **Pay it Forward:** As participants pay back their low interest loans, the principal repaid is made available for lending to future borrowers.
- **Values:** As a non-profit organization supported by the resources of the Pension Boards, GFR operates at the intersection of faith and finance by focusing on helping participants achieve greater financial security.
- **Understanding:** GFR's lending team engages with prospective participants to understand their unique financial needs. Each participant develops a tailored debt management plan before moving forward with loan application.

To be eligible to apply for a GFR loan, you must meet the following criteria:

- Ordained UCC minister
- Currently employed with a UCC church, Conference, Association, or other related entity
- Must not have any overdue payments on current loans. (Participants with overdue payments on current loans may inquire for information purposes only.)
- Must complete at least one year of MFVI (i.e., personal finance material and establishing a relationship with an Ernst & Young (EY) planner).

Participants have expressed gratitude and witnessed immediate improvements in their financial condition. GFR combines an understanding of a borrower's unique situation with best-in-class technology and efficient operations to deliver a quality user experience that is secure, conscientious, and cost-effective. GFR has achieved significant goals and is poised to develop into a true fintech resource for UCC clergy.





# 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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2022







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