



Comprehensive Lay Employee Study

Undertaken in Response to the 75th General Convention
Resolution A125

September 2008

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Introduction

This report summarizes the results of the actions taken by the Church Pension Group in response to the directives articulated in Resolution A125 of the 75th General Convention of the Episcopal Church. Resolution A125 of the 75th General Convention reads in part:

Resolved, the House of Bishops concurring, That the 75th General Convention of the Episcopal Church continue the Task Force to Study Employment Policies and Practices in the Episcopal Church during the coming triennium with the intention of offering a resolution to the 2009 General Convention that will address the issues of employment, striving to make the Episcopal Church a fair and just workplace, and be it further

Resolved, That the Convention authorize and request the Church Pension Group to conduct a survey of lay employees concentrating on employee demographics, the exercise of authority in the employment setting, and compensation and benefits. The Bishop or other ecclesiastical authority of each diocese shall be requested to supply relevant data for each employing unit in the diocese to the Church Pension Group. The findings of the survey and any recommendations for action, if appropriate, shall be reported to the 76th General Convention; and be it further

Resolved, That the Office of Ministry Development take the lead in determining the best way to conduct a feasibility study examining whether pension benefits for lay employees should be made compulsory and be administered by a single provider. The results of said study shall be reported, along with recommendations for action, if appropriate, to the 76th General Convention...

Particular emphasis will be placed in this report on the following:

- The results of the 2007 census of the lay employees of The Episcopal Church
- The results of the 2007 survey of the lay employees of The Episcopal Church conducted by The Gallup Organization
- A summary of the pension benefits provided by a selection of other major Christian denominations and other not-for-profit organizations
- An analysis of the various pension plans that are currently provided to lay employees of The Episcopal Church through sources other than the Church Pension Group
- A description of the benefits provided through the lay employee pension plans sponsored by the Church Pension Group

It is our hope that this report, coupled with reports from the Church's Task Force to Study Employment Policies and Practices and the A125 Feasibility Study Group will form the basis for a thorough discussion of the Church's employment practices with regard to its lay employees during the 76th General Convention of the Episcopal Church.

We welcome your feedback and questions. Contact Linda Puckett at (800) 223-6602 x6260; lpuckett@cp.org

The Christian Imperative for Social Justice

From its earliest beginnings, the Christian Church has propagated the values of charity and justice. The Church has long held to the doctrines of individual dignity, human rights and the sacredness of every human being while proclaiming that all humans are essentially equal. The Church has also taught that every commodity, including labor, has a certain just or fair price and that the laborer has a right to a decent living in accordance with the standards of the group to which he or she belongs.¹

For over thirty years The Episcopal Church has been discussing and agreeing that it should strive for fair and just compensation and benefits for lay employees. Still, the Church as a whole has yet to fully address the injustices endured by its lay employees in the form of substandard wages and benefits.²

“Will you strive for justice and peace among all people, and respect the dignity of every human being? I will, with God’s help.”

Perhaps it is time for the Church to remember the words of our baptismal covenant and require pensions for its lay employees, just as it does for its clergy employees — as a matter of justice and dignity and a step toward parity for all persons who serve the Church.

A Brief History of Lay Pension Benefits in The Episcopal Church

While the Church has enjoyed the benefits of the many committed lay employees for decades, the issue of employer-provided pension benefits for these employees took center stage in the early 1990s. Prior to this time, several General Conventions of the Episcopal Church, including the 65th General Convention (1976), the 66th General Convention (1979) and the 68th General Convention (1985), asked the Church Pension Group to study the issue of lay pensions and to determine if a mandatory pension plan for lay employees was feasible. Following these studies, both the 69th General Convention of the Episcopal Church (1988) and the 70th General Convention of the Episcopal Church (1991) passed resolutions that called upon all units of The Episcopal Church under ecclesiastical authority to provide pension benefits for their lay employees.

The resolution passed by the 69th General Convention encouraged the provision of pension benefits for all lay employees who work over 1,000 hours annually either through enrollment in The Episcopal Church Lay Employees’ Retirement Plan or an equivalent [defined benefit] plan by no later than January 1, 1990. This resolution also called upon the Church Pension Group to conduct a census of lay employees with the aid of the Bishop or other ecclesiastical authority in each diocese. Further, this resolution requested that the Church Pension Group report to the 70th General Convention the results of the census along with suggestions for implementing a mandatory pension plan for lay employees together with a proposal for an amendment to the canons that would authorize the implementation of the mandatory pension plan for lay employees.

¹ *On Moral Business: Classical and Contemporary Resources for Ethics in Economic Life*, pp. 298 ff.

² *Specific data supporting this assertion can be found in the sections entitled “The Current Cadre of Lay Employees of the Episcopal Church” and “An Analysis of the 2007 Survey of Lay Employees as Conducted by The Gallup Organization” included in this report.*

Resolution D165a of the 70th General Convention incorporated the phrase “shall provide all lay employees who work a minimum of 1,000 hours annually pension benefits through participation in The Episcopal Church Lay Employees’ Retirement Plan or an equivalent [defined benefit] plan.” Implementation was to occur not later than January 1, 1993. The resolution allowed an employer to opt for participation in a defined contribution plan. Minimum employer base contributions to a defined contribution plan were set at 5% with a dollar-for-dollar matching contribution of up to 4% of the employees’ compensation (the latter being dependent on the employee contributing an equivalent amount).

Rather than an amendment to the national canons of the Church, the resolution stated that “each diocese of this Church shall implement this resolution by Diocesan Canon or appropriate resolution.” Diocesan Administrators of the domestic dioceses were polled to determine if, indeed, a diocesan resolution had been passed or if the diocesan canons had been amended to include a resolution or canon requiring pension benefits for lay employees meeting the eligibility criteria established by Resolution D165a. The responses received indicate that a majority of the dioceses have not enacted such a resolution or amended their diocesan canons. Ohio is an example of a diocese that has.³

Notwithstanding the various General Convention resolutions, it became apparent through discussion with the Diocesan Administrators at the 1999 Diocesan Administrators’ Workshop that gaps remained in the implementation of the General Convention resolutions and, therefore, in the pension benefits provided the lay employees of the Church. In response, the administrators in attendance formed a Lay Benefits Task Force that set out to study the scope of benefits offered to lay employees working in congregations.

In conducting its study, the Task Force surveyed over 7,000 congregations. The survey yielded a response rate of slightly less than 50%. Concurrent with the Task Force’s survey, the Church Pension Group fielded a survey of its clients that included questions regarding lay employee demographics and income. The data from these two surveys was combined and published in a report to the 74th General Convention of the Episcopal Church (2003).

In its report to the 74th General Convention, the Church Pension Group noted that approximately two thirds (66%) of the congregations who responded to the surveys stated that they offer lay pension benefits. This contrasted markedly with the 13% of the congregations who indicated they offered lay pension benefits prior to the passage of the lay pension benefits resolution during the 69th General Convention (1988). This percentage also showed improvement over the 53% of congregations who offered lay pension benefits in 1993 (immediately after the targeted implementation date for Resolution D165a). Still, the overwhelming reason for not offering lay pension benefits as stated by responding congregations who did not offer such benefits was “budget constraints.”

In addition to reporting on the status of lay pension benefits, the report to the 74th General Convention of the Episcopal Church incorporated information regarding the existence of written personnel policies. The report noted that almost one-third of the congregations with an operating budget of over \$500,000 indicated that they did not have written personnel policies. Based on this, the report projected that an even greater percentage of smaller congregations did not have written personnel policies.

³ *The Diocese of Ohio enacted a Canon that includes the following: “Congregations that, on October 1 of each year, have not fully funded a lay pension plan as described herein shall have seat and voice, but no vote at any Convention of the Diocese until any delinquency has been cured. There is no power entrusted to the Convention or a committee thereof to waive this failure.”*

In response to this report, the 74th General Convention of the Episcopal Church adopted Resolution A006 requesting Executive Council to appoint a task group that would work in conjunction with the Church Pension Group to study employment policies and practices of the dioceses and congregations of the Church. This task group was asked to offer policy recommendations to the 75th General Convention of the Episcopal Church that would address issues of equity and justice for Church employees working in circumstances of both affluence and poverty.

In response to Resolution A006, Executive Council created the Task Force on Employment Policies and Practices in the Episcopal Church in October, 2004. In the course of its work, the Task Force examined the diocesan manuals for employment policies, benefits and procedures from 59 dioceses. (Manuals were requested from all of the domestic dioceses.⁴ Of the 74 dioceses that responded, 15 dioceses indicated they did not have a written manual covering employment practices.) At the Executive Council's meeting in October, 2005, the Task Force recommended to Executive Council that the work of the Task Force be continued through the next triennium (2007-09) with a focus on offering a resolution to the 76th General Convention of the Episcopal Church addressing employment policies and practices in an effort to make The Episcopal Church a fair and just workplace.

The Task Force also recommended the introduction of a resolution at the 75th General Convention directing the Church Pension Group to undertake a Church-wide survey of lay employees during the 2007–09 triennium. Further, the Task Force recommended the introduction of a resolution at the 75th General Convention calling for a feasibility study as to whether the Church should mandate pension coverage for its lay employees through a single administrator. These two proposed resolutions were combined into Resolution A125 of the 75th General Convention of the Episcopal Church. Resolution A125 was passed by a majority vote of the House of Deputies with the House of Bishops concurring. (The full text of Resolution A125 of the 75th General Convention is included as Attachment A to this report.)

The Current Cadre of Lay Employees of The Episcopal Church

The Census Process

Commencing in February 2007, and in response to the mandate of the 75th General Convention of the Episcopal Church as expressed in Resolution A125 that the Church Pension Group conduct a survey of lay employees concentrating on employee demographics, etc., the Church Pension Group launched a Church-wide census of lay employees serving the domestic dioceses, congregations, and institutions of The Episcopal Church. The census was the first step in the two-step “employer census followed by individual lay employee survey” process. The census was necessary since it was determined that neither the Church Pension Group nor the Episcopal Church Center had an up-to-date record of the names of all of the lay employees serving The Episcopal Church. (All lay employees were to be invited to participate in the survey.)

The following form was sent to every domestic diocese and congregation of The Episcopal Church.⁵

⁴ The term “domestic dioceses” as used in this report generally refers to the dioceses contained within the 50 United States and Washington, D.C.

⁵ While a questionnaire was sent to all Episcopal institutions known to the Church Pension Group (e.g., hospitals, retirement homes, and free-standing schools), the Church Pension Group did not receive a sufficient number of responses to draw statistically valid conclusions from them. Further, many of the responses received stated that it was the respondent's view that the institution was not under the ecclesiastical authority of The Episcopal Church. The Church Pension Group is continuing to follow-up with these institutions in an effort to receive sufficient responses to allow such conclusions to be drawn.

Where feasible, the form was pre-populated with the employer's name as well as the name(s), hire date, annual compensation, and gender of the lay employees. To provide a complete picture of the lay employee population, congregations and institutions were asked to reply to the census even if they did not have any lay employees.

The response to the census request exceeded all expectations. Approximately 95% of the dioceses and approximately 60% of the congregations responded. Through this census, data was collected on approximately 17,500 lay employees — by far the most extensive collection of Episcopal lay employee data since the Church's founding. This response rate, coupled with the demographics of the dioceses and congregations responding, allowed the Church Pension Group to project that the total population of lay employees serving domestic dioceses and congregations is approximately 28,800, with approximately 1,300 serving on domestic diocesan staffs and approximately 27,500 serving in domestic congregations.⁶

The Census Data

The data collected revealed much about the lay employees serving the domestic dioceses and congregations of The Episcopal Church. Approximately 72% of the lay employees are female with an average age of 49. The average age for all lay employees is 53. The majority of the lay employees (approximately 68%) are either married or partnered.

Not surprisingly, the majority of the lay employees are responsible for some form of congregational administration. Lay employees occupying secretarial, administrative assistant, or clerical positions account for 33% of the total lay employee work force. 18% of the lay employees are church musicians, 7% work in a parish preschool or parish school and 7% are Christian educators. Diocesan employees make up approximately 5% of the lay employee workforce. Social outreach employees, facilities workers and "other" account for the remainder. Compensation averaged \$50,300 for all lay employees working 40 hours or more per week, \$37,800 for those working 30 to 39 hours per week, and \$17,600 for those working 20 to 29 hours per week.

Compensation ranged from an average of \$61,000 for male employees of parish schools or preschools to an average of \$25,000 for female facilities workers.⁷

Average compensation for Episcopal Church male lay employees exceeded that of Episcopal Church female lay employees in all employment classifications except diocesan employees and church musicians. Episcopal Church male lay employees' compensation compared favorably with male lay employees' compensation in other denominations in all employment classifications except facilities, maintenance and building service employees. Female lay employees of The Episcopal Church did not fare as well. The average annual compensation for female lay employees dedicated to congregational administration in The Episcopal Church was approximately \$9,000 below their counterparts in other denominations. Likewise, the average annual compensation of female lay employees who are part of Episcopal Church facilities, maintenance, and building service staffs is approximately \$12,100 less than their counterparts in other denominations. While Episcopal Church female lay employees who are church musicians, preschool, daycare, and parish school workers and Christian educators fare better, these latter groups in total make up only 40% of the female lay employee population in The Episcopal Church.

⁶ Data was also obtained from the non-domestic dioceses. This data is analyzed in the section entitled "The Current Cadre of Lay Employees Serving in the non-domestic Dioceses" included in this report.

⁷ The compensation data for male employees of parish schools and preschools is impacted by the inclusion of headmasters and principals of large parish day schools, some of whom earn in excess of \$100,000 annually.

The following table summarizes the above findings:

	Average Annual Compensation			
	Episcopal Employees ⁸		All Denominations ⁹	
	Male	Female	Male	Female
Diocesan Employees (all employment classifications)	\$40,000	\$42,000	Not Applicable	Not Applicable
Congregational Administration ¹⁰	\$48,000	\$32,000	\$48,400	\$41,000
Church Musicians	\$48,000	\$48,000	\$40,600	\$39,600
Facilities, Maintenance, and Building Service Employees	\$31,000	\$25,000	\$32,200	\$37,100
Preschool, Daycare, and Parish School	\$61,000	\$28,000	Not Available	Not Available
Christian Education	\$45,000	\$38,000	\$41,000	\$34,500
Social Outreach	\$43,000	\$40,000	Not Available	Not Available
Other	\$41,000	\$31,000	Not Available	Not Available

Pension Benefits Provided Lay Employees

While the census data revealed a high degree of compliance at the diocesan level with Resolution D165a of the 70th General Convention which required pension benefits for any lay employee:

- who is 21 years of age or older, and
- who works 1,000 or more hours annually, and
- who has been employed by his/her employer for at least one year,

the compliance with Resolution D165a is less satisfactory at the congregational level.

Approximately 93% of diocesan employees who work 20 or more hours per week and who have been employed for a minimum of one year have employer-provided pension benefits. In contrast, only 70% of lay employees who work 20 or more hours per week in a congregational setting and who have been employed for a minimum of one year have employer-provided pension benefits. **This means that approximately 30% of the lay employees working in congregational settings who meet the eligibility criteria of Resolution D165a do not receive the lay pension benefits contemplated by that resolution more than 15 years after its passage.**

Further, while the compliance rate with Resolution D165a increases based on the hours a lay employee works per week, even at the highest level, 40 hours or more per week, **approximately 18% of the lay employees who have been employed by a congregation for a minimum of one year are not provided lay pension benefits.**

⁸ Employee compensation data was summarized from the Census of Lay Employees by employee classification. Data shown is for those lay employees working 1,000 or more hours annually.

⁹ Source: The 2008 Compensation Handbook for Church Staff, Christianity Today International, 2008. Full time status is defined by the respondents to the Church Compensation Handbook survey and is not based upon any specified number of hours.

¹⁰ Includes the compensation of the Parish Administrator or Business Manager. These employment classifications were not separately shown on the census form. Based on The Gallup Organization's survey of lay employees, we estimate that the average compensation for male lay employees fulfilling these roles is approximately \$54,200. Average compensation for female lay employees fulfilling these roles is approximately \$41,900.

When we segment the population of lay employees employed by congregations who have pension benefits by their tenure and hours worked, we find that only 29% of the lay employees who have been employed for less than four years and who are working between 20 and 29 hours per week have lay pension benefits. While the percentage increases for longer-tenured lay employees who work between 20 and 29 hours per week, only 50% of the employees whose tenure exceeds 20 years are provided lay pension benefits.

Further segmenting the population based upon gender reveals that 77% of male lay employees who work 20 or more hours per week in congregational settings have lay pension benefits. At the same time, only 68% of female lay employees who work 20 or more hours per week in congregational settings have lay pension benefits. When combined with the fact that 72% of the lay employees are female, it illustrates a trend of under-providing pension benefits to the lay employees of The Episcopal Church.

Finally, the census data reveals that preschool, daycare, and parish school lay employees of the Church who work 20 or more hours per week and who have worked for the Church for more than one year are also underserved with regard to lay pension benefits. Again, only 58% of these lay employees are provided pension benefits.

An Analysis of the 2007 Survey of Lay Employees as Conducted by The Gallup Organization

After completing the census of all lay employees working for domestic dioceses and congregations of The Episcopal Church, the Church Pension Group engaged The Gallup Organization to survey these lay employees regarding the employment practices they experienced while working for the Church. All of the Church's lay employees were invited to participate in an online version of this survey. (The invitation was printed in both English and Spanish.) In an effort to ensure that every voice had an opportunity to be heard, any lay employee who did not have access to a computer could receive a printed copy of the survey by requesting one from The Gallup Organization.

In addition, a representative sample of 4,000 lay employees was identified from the census. These individuals were sent a printed version of the survey, the goal being to ensure that sufficient responses were received to allow statistically valid conclusions to be drawn about the lay employee population. In total, approximately 20,000¹¹ invitations and printed surveys were distributed by The Gallup Organization and over 5,000 responses to the factual and attitudinal questions included in the survey were received.¹² (A copy of the survey is included as Attachment B to this report.)

Survey data revealed that, by and large, the lay employees of The Episcopal Church are well educated, with over 59% reporting that they held at least a bachelor's degree. Survey data also revealed that the overwhelming majority, 92%, are Caucasian; 5% are African-American and 3% are Hispanic or Latino.

Of the lay employees responding, 54% had worked for their employer for 5 years or longer. The lay employees were almost evenly split between those working 20 hours or more per week and those working fewer than 20 hours per week. The majority (78%) reported that they were happy with the hours they worked, with the remainder (22%) about evenly divided between wanting to work more or fewer hours.

¹¹ With the goal of an all inclusive survey in mind, 2,500 lay employee names were added to the list of the 17,500 lay employees identified through the census process. These names were drawn from the various data sources maintained by the Church Pension Group.

¹² As previously noted, the Church Pension Group projected that the total population of lay employees serving The Episcopal Church domestic dioceses and congregations is approximately 28,800. This projection was based on the employees identified through the census process coupled with the demographics of the dioceses and congregations that responded to the census request.

Employee Satisfaction

An analysis of the attitudinal questions included in the survey allowed The Gallup Organization to discern how the lay employees who responded feel about being an employee of The Episcopal Church.

When respondents were asked if they felt their supervisor or someone at work seemed to care about them as a person, 88% responded positively, while 45% stated they felt their opinion seemed to count. When asked why they chose to work for The Episcopal Church, 43% of the respondents reported that mission and purpose were extremely important in making their employment decision. Another 34% stated that being part of The Episcopal Church was extremely important. 47% of the respondents reported that they had been given an opportunity to work and grow in the previous twelve months.

Of those lay employees responding to the survey, 32% strongly agreed and another 32% agreed with the statement, “The sense of satisfaction that I get from performing my job well is far more important to me than the financial benefits I receive.” 36% of the respondents reported that they were satisfied with their current compensation and 17% stated that they were extremely satisfied with their current compensation. Finally, 39% of the respondents who had prior employment reported that they had taken a pay cut of 25% or more when they began working for The Episcopal Church.

Notwithstanding all of these positive responses, the survey revealed that this positive attitude diminished as hours worked increased. That is, those lay employees who worked less than 30 hours per week were more positive about their role, the mission of the Church, and their compensation, than those who worked 30 hours or more. Likewise, those lay employees who worked less than 40 hours per week were more positive about their role, the mission of the Church, and their compensation, than those who worked 40 hours or more.

To further support this finding, The Gallup Organization developed a job satisfaction scale with rankings of one to five (with five being the highest) based on seven elements that they felt were essential to overall job satisfaction. The Gallup Organization reported that lay employees who worked less than 20 hours per week scored significantly higher on the job satisfaction scale than their counterparts who worked 20 hours or more per week. The former group of lay employees had an overall job satisfaction rating of 4.29 while the latter group of lay employees had an overall job satisfaction rating of 4.17.

Of the lay employees working 20 hours or more per week, Christian education employees reported the highest job satisfaction levels (4.23), followed closely by social outreach lay employees (4.21). The lowest ratings came from church secretaries and other clerical personnel, who reported a job satisfaction rating of 4.04.

Job Descriptions and Performance Appraisals

A majority of the respondents reported that they had a written job description (73%), but of those who did, only 27% stated that their job description was up-to-date. Further, approximately 43% of the respondents felt that their roles and responsibilities were unclear at least part of the time. Finally, only 38% reported that they had received a formal performance appraisal or annual review in the twelve months prior to responding to the survey.

“I was initially hired to be an office assistant, but found myself doing other duties besides office work. I do yard work, and janitorial work. Extra duties include cleaning restrooms/classrooms, the parish hall, kitchen, vacuuming the church/sacristy. It seems a lot for one person to do and get paid only \$10.73 per hour. Frankly, I feel over-worked and under-paid. I am one month pregnant and won't be able to perform those duties. I don't know how to bring up the subject to my superiors.”

Exempt vs. Non-Exempt Status of Lay Employees

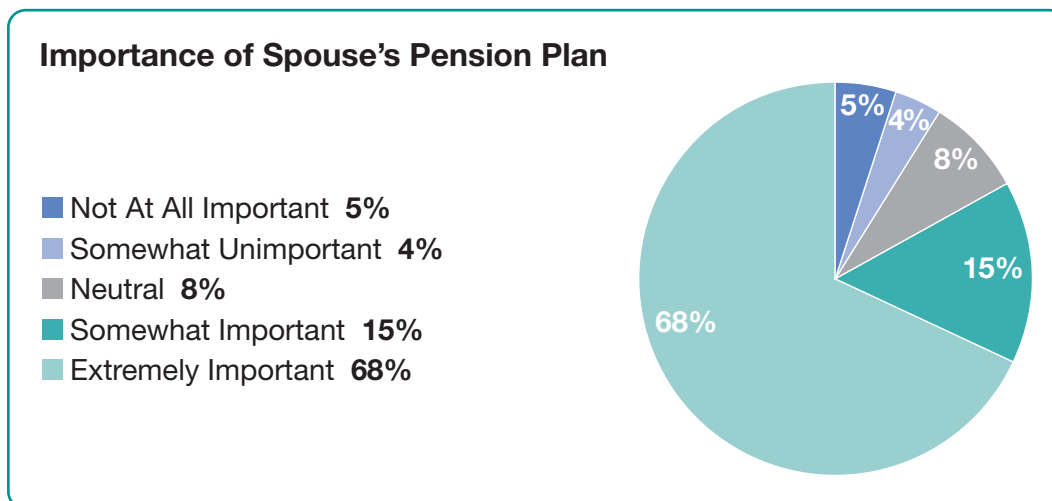
In accordance with the Fair Labor Standards Act, non-exempt employees must be paid for all hours worked including overtime. The nature of the job as it is performed determines the employee's exempt or non-exempt status. Among others, non-exempt positions typically include church secretaries, clerical workers, janitors and sextons. In addition to the Fair Labor Standards Act, many states have their own wage and hour laws, including overtime pay provisions that may apply to lay employees.

54% of the lay employees working in a secretarial or clerical position and 43% of the facilities/maintenance workers responded that they were an exempt employee and not entitled to overtime pay. An additional 21% of the lay employees working in a secretarial or clerical position and 24% of the facilities/maintenance workers indicated they were not sure if they were entitled to overtime pay. At the same time, 54% of the lay employees working in a secretarial or clerical position and 39% of the facilities/maintenance workers indicated they had worked more than their regular hours, but they did not receive overtime pay.

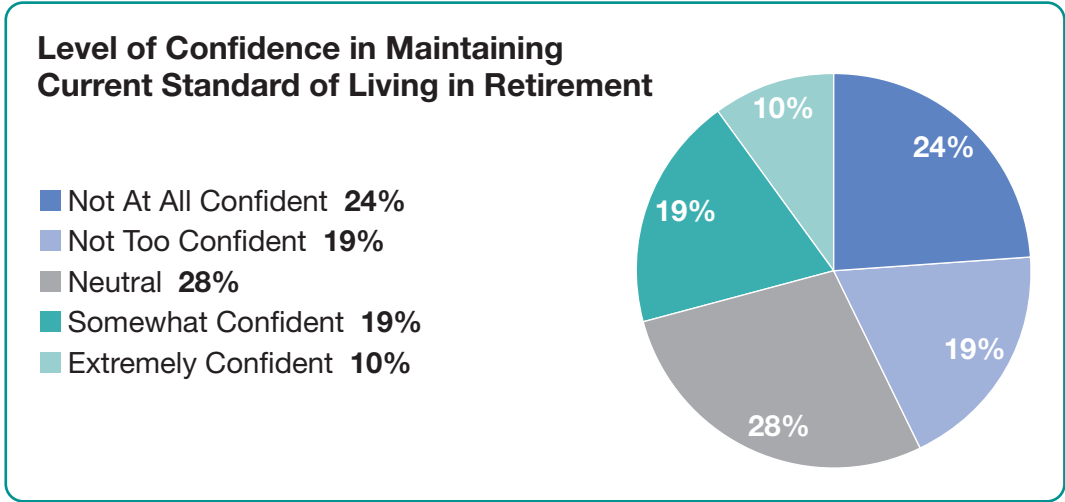
It should be noted that failure to comply with the Fair Labor Standards Act can subject an employer to liability for unpaid overtime and back wages.

Retirement Readiness

The survey data revealed that, for married respondents, their spouse's pension plan plays a significant role in their retirement planning. As illustrated by the following graph, about 83% of respondents agreed that their spouse's pension plan was either somewhat or extremely important:

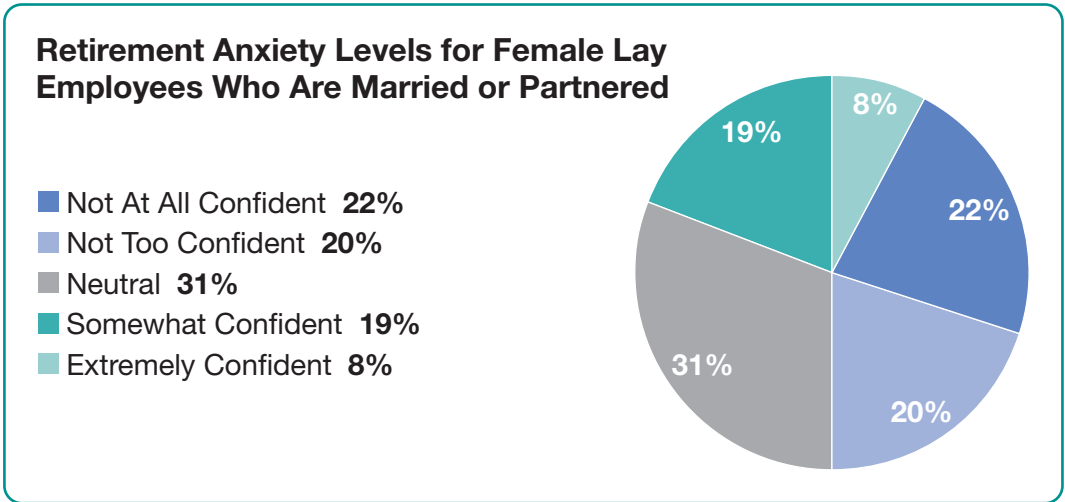


When asked how confident they are of being able to maintain their current standard of living in retirement, 43% of the respondents either felt not too or not at all confident about being able to do so.

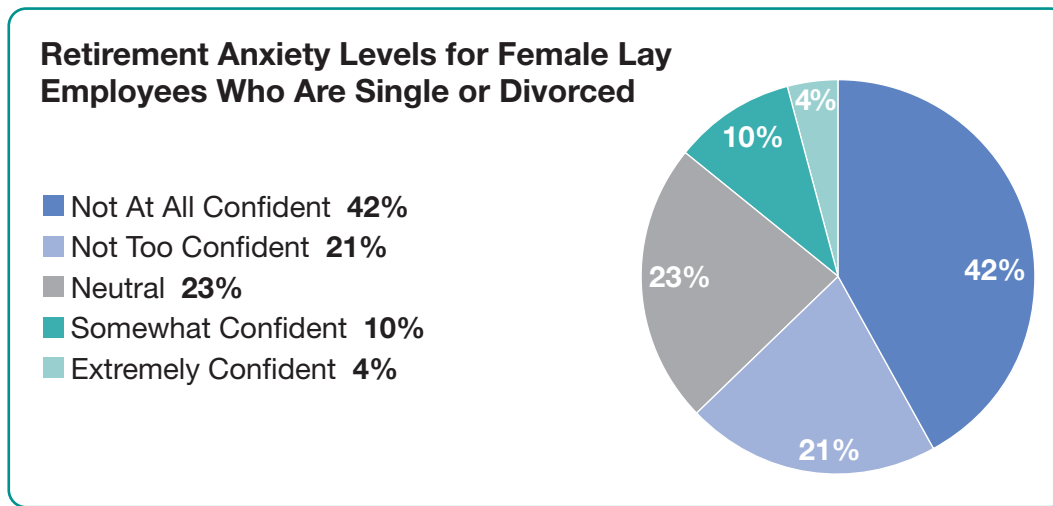


As previously stated, approximately 72% of all lay employees are female and of these, approximately 69% are either married or partnered. Notwithstanding the importance placed on their spouse’s or partner’s pension plan, 42% of the married or partnered female lay employees are not confident that they will be able to maintain their current standard of living in retirement. And among single and divorced female lay employees, a startling 63% do not believe they will be able to maintain their current standard of living in retirement.

The following graph illustrates retirement anxiety levels for female lay employees that are either married or partnered. (The following two graphs depict the response to the question, “How confident are you that you will be able to maintain your current standard of living in retirement?”)



And the following graph illustrates retirement anxiety levels among female lay employees who are either single or divorced.



When we add to the above information the facts that women spend, on average, 11.5 years away from work while caring for children or elderly parents and the majority of married women will outlive their husbands¹³ which may result in a reduction in household income,¹⁴ the plight of the female lay employee who has a limited or no employer-provided pension benefit becomes exacerbated. This, coupled with the facts that the average annual compensation of the clerical lay employees of The Episcopal Church is substandard when compared to the average annual compensation of clerical lay employees in other Christian denominations and that 93% of these lay employees are female, leads one to conclude that the majority of our female lay employee population is indeed rightfully concerned about their ability to maintain their current standard of living in retirement.

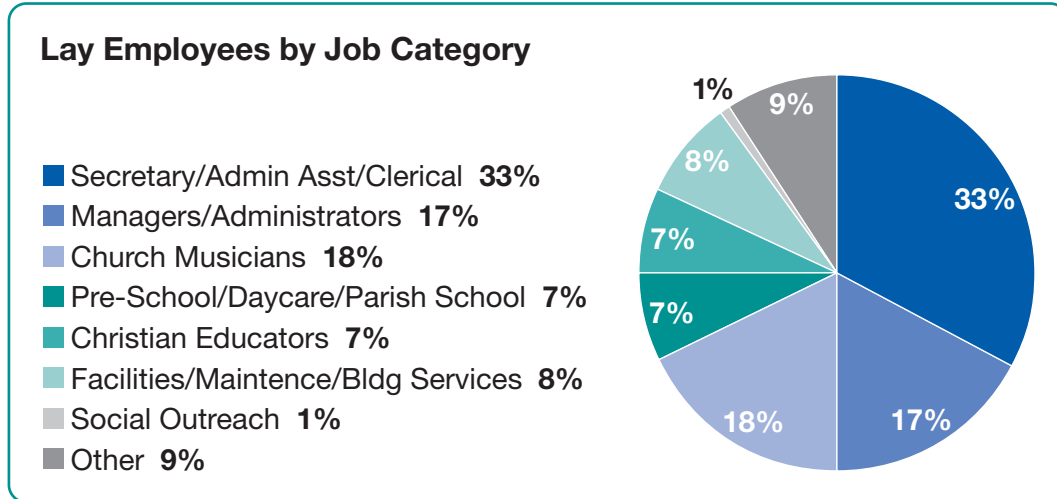
¹³ According to the U.S. Census Bureau, there are four times as many women age 65 and older who are widowed than there are men. Further, less than 2% of these women will re-marry after age 65.

¹⁴ Many defined benefit pension plans (and all ERISA compliant defined benefit pension plans) allow a participant to provide a benefit for a surviving spouse by reducing the participant's retirement benefit. The most common form of the surviving spouse's benefit is termed a 50% joint and survivor (50% J&S) benefit. Under the terms of a 50% J&S benefit, the surviving spouse will commence receiving 50% of the participant's benefit at the time of the participant's death. Social Security benefits may likewise be reduced at the time one's spouse dies. Of course, these reductions may be offset through personal savings or benefits provided by a defined contribution plan.

Lay Employees' Profiles¹⁵

In addition to these overall images of the lay employees of The Episcopal Church, the survey provided significant information regarding the employees who self-identified as belonging to one of the employment classifications shown on page 7.

The dispersion of the responding lay employees among these employment classifications is depicted by the following graph:



Descriptive profiles of the responding employees in the various employment classifications, together with graphs displaying the hours worked and the tenure for each classification, follow.

¹⁵Compensation data included in the Lay Employee Profiles is drawn from the 2007 Lay Employees' Census. Census compensation data is considered to be more accurate than survey compensation data given the number of lay employees included in the census and the wide dispersion of the census data. All other information in the Lay Employee Profiles is drawn from The Gallup Organization's Lay Employees Survey.

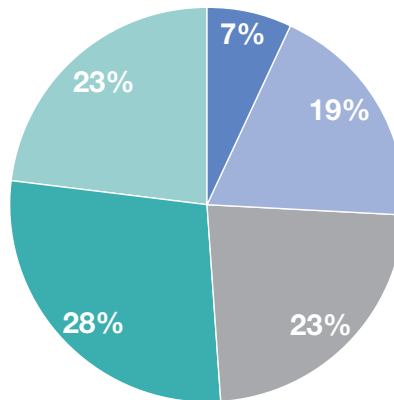
Profile of Administrative Assistants, Secretarial, and Clerical Employees

Administrative assistants, church secretaries, and other clerical employees account for 33% of the lay employee workforce. The vast majority (93%) are female with a median age of 54 (11 years away from the normal retirement age of 65). The average administrative assistant, church secretary, or other clerical employee is reasonably long-serving, with approximately half having worked for their employer for five years or more. 74% work 20 or more hours per week. Compensation averages approximately \$43,300 for administrative assistants, church secretaries, or other clerical employees who work 30 or more hours per week and \$16,900 for those who work between 20 and 29 hours per week. Compensation for those working less than 20 hours per week averages \$8,900. Survey responses indicate that approximately 72% of these lay employees who work 20 or more hours per week have employer-provided pension benefits. Of this number, approximately 57% indicated that their Episcopal Church employer-provided lay pension plan will be their only source of retirement income other than Social Security and personal savings.

“I have worked for our church for 13 years and received benefits for both medical and pension from my husband’s job. My husband retired and then lost his pension when his firm went bankrupt. Now finances are far more important. I just received a raise to \$20,000. I personally pay for my medical coverage through the church every month. My take home pay covers the medical insurance and leaves approximately \$300 per month, some of which is needed for prescriptions. I receive no pension at all.”

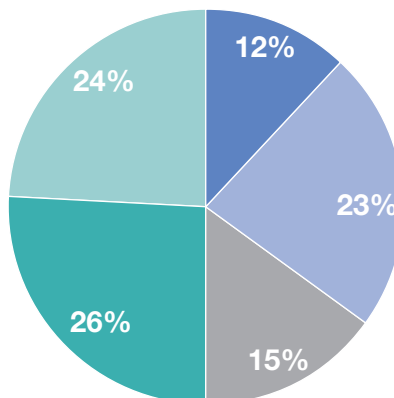
Hours Worked by Administrative Assistants, Secretarial, and Clerical Employees, in The Episcopal Church

- 1 – 9 Hours 7%
- 10 – 19 Hours 19%
- 20 – 29 Hours 23%
- 30 – 39 Hours 28%
- 40 Hours or More 23%



Tenure of Administrative Assistants, Secretarial, and Clerical Employees, in The Episcopal Church

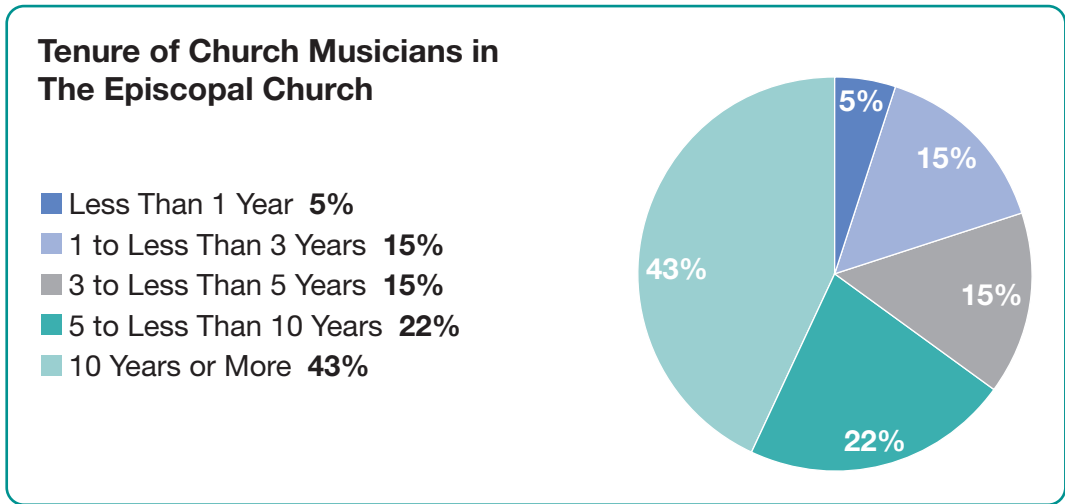
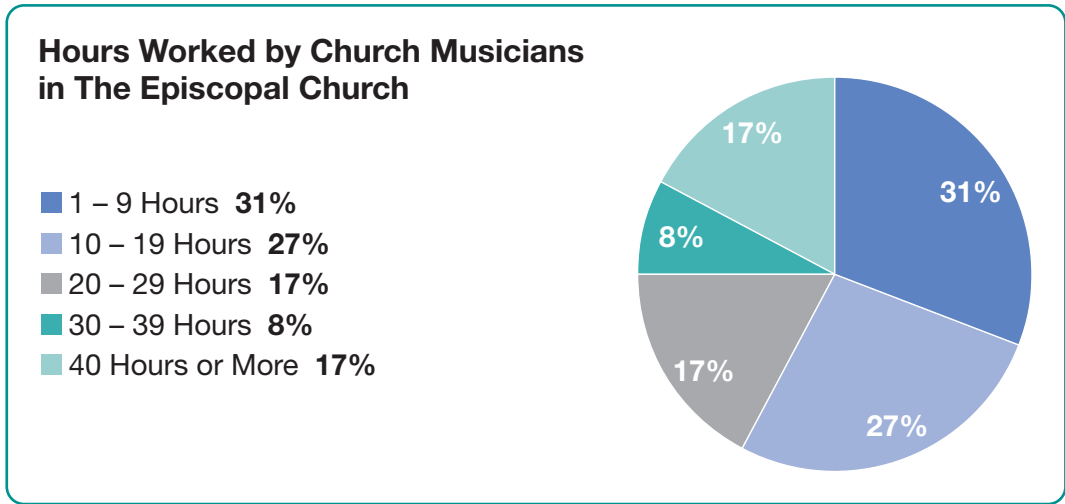
- Less Than 1 Year 12%
- 1 to Less Than 3 Years 23%
- 3 to Less Than 5 Years 15%
- 5 to Less Than 10 Years 26%
- 10 Years or More 24%



Profile of the Church Musician

This predominantly male group (57%) accounts for approximately 18% of all lay employees. The median age for all church musicians is 55 (10 years away from the normal retirement age). Unlike the clerical employees described above, the majority (59%) work fewer than 20 hours per week. They are on average the longest-serving of the lay employees, with approximately 65% reporting that they have worked for their current employer for 5 years or more. Indeed, many of these individuals have served the Church throughout their entire working career. Compensation averages approximately \$60,000 for church musicians who work 30 or more hours per week and \$26,000 for those who work between 20 and 29 hours per week. Compensation for those working less than 20 hours per week averages \$10,100. 71% of those working 20 or more hours per week report that they participate in an employer-provided pension plan and, as with the clerical lay employees, 56% indicate that their Episcopal Church employer-provided lay pension plan will be their only source of retirement income other than Social Security and personal savings.

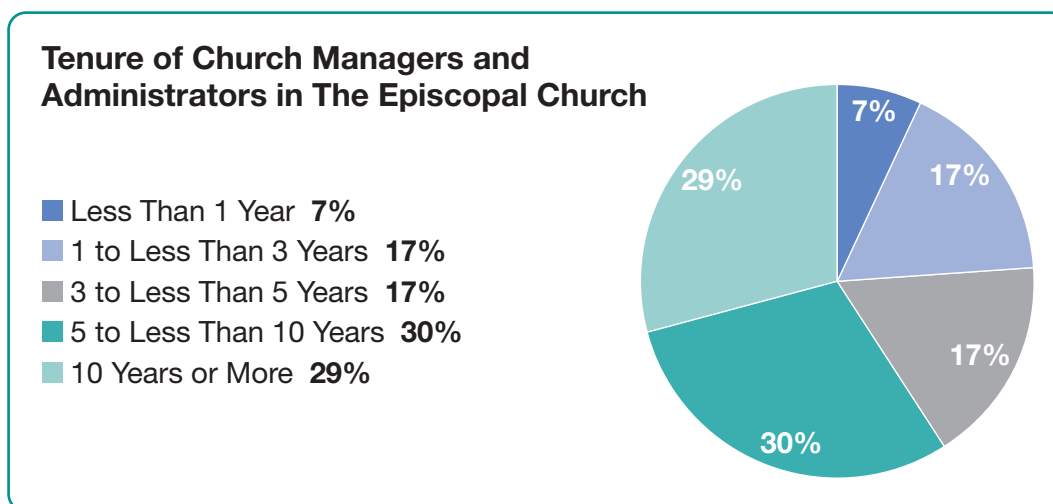
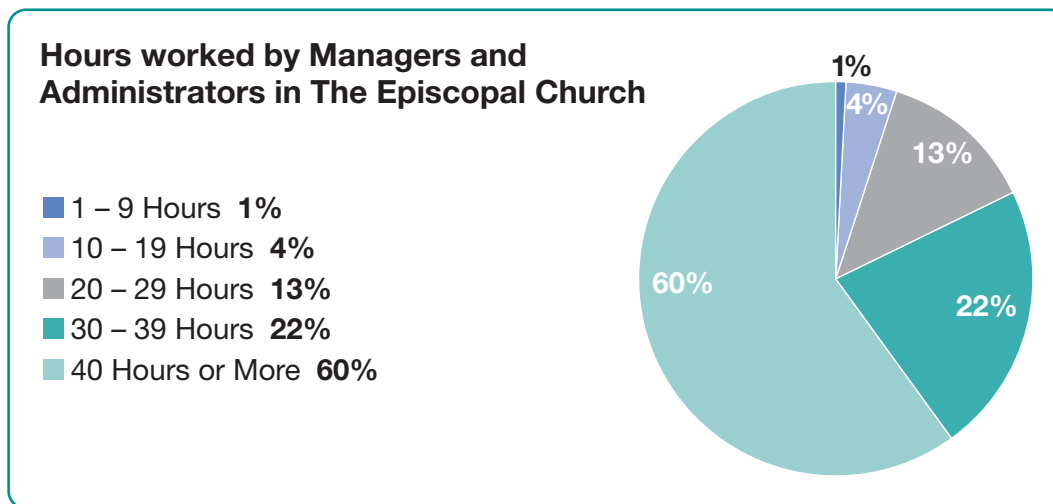
“It would be a great incentive to continue serving as a church musician if there were benefits, especially retirement benefits. Having served in this capacity for 40 years with a Masters in Sacred Music, there have been no benefits.”



Profile of the Manager/Administrator

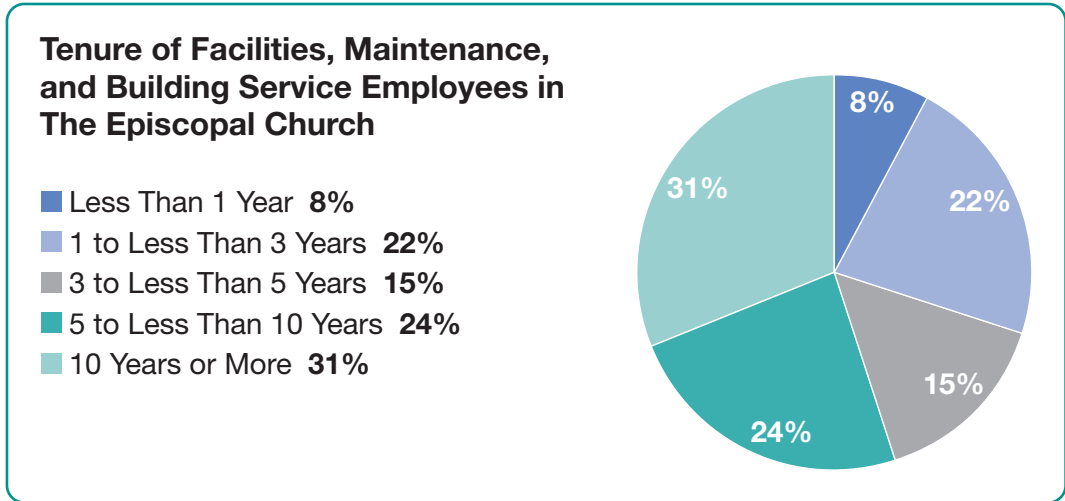
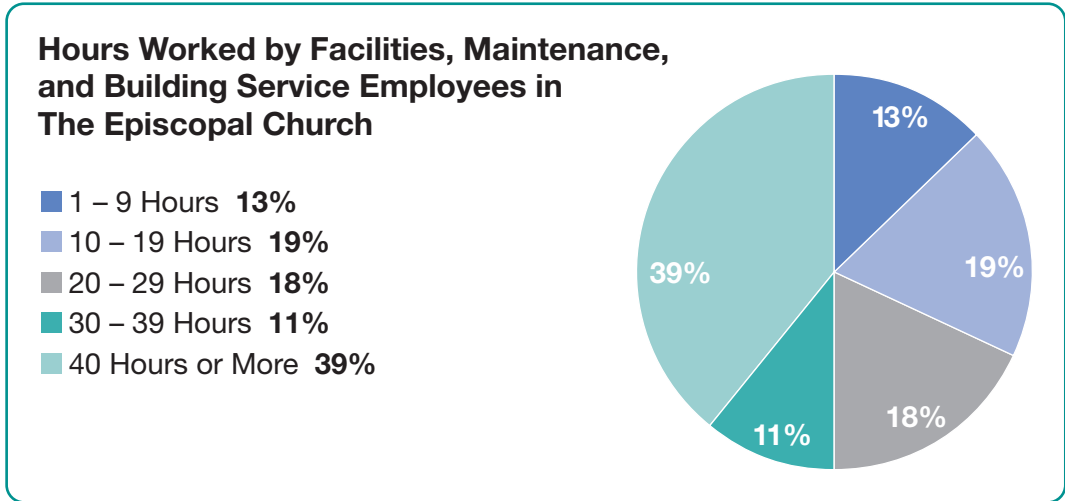
This group, which includes the Parish Administrator and the Business Manager, accounts for approximately 17% of all lay employees. As with the Church's clerical employees, this group is predominately female (75%) with a median age of 53 (12 years away from the normal retirement age). 95% of the managers/administrators report that they work 20 or more hours per week. As with the church musicians profiled above, they, too, are long-serving, with approximately 59% reporting that they have worked for their current employer for 5 years or more. Compensation averages approximately \$48,500 for managers/administrators who work 30 or more hours per week and \$22,300 for those who work between 20 and 29 hours per week. Compensation for those working less than 20 hours per week averages \$10,000. 72% of those working 20 or more hours per week report that they participate in an employer-provided pension plan. However, unlike the lay employees profiled above, less than half indicate that their Episcopal Church employer-provided lay pension plan will be their only source of retirement benefits.

"I love working for The Episcopal Church. I wish there were some sort of retirement plan offered by the Diocese. I feel well taken care of, I do have medical insurance, but the future is uncertain."



Profile of Facilities, Maintenance, and Building Service Employees

This predominantly male group (76%) accounts for approximately 8% of all lay employees. The median age for all facilities, maintenance, and building service employees is 54 (11 years away from the normal retirement age). Approximately 68% work more than 20 hours per week. They, too, are long-serving, with over 55% reporting that they have worked for their current employer for 5 years or more. Compensation averages approximately \$36,900 for facilities, maintenance, and building service employees who work 30 or more hours per week and \$12,300 for those who work between 20 and 29 hours per week. Compensation for those working less than 20 hours per week averages \$8,000. 73% of those working 20 or more hours per week report that they participate in an employer-provided pension plan and as with the other lay employees of The Episcopal Church, the majority (66%) indicate that their Episcopal Church lay pension plan will be their only source of retirement income other than Social Security and personal savings.

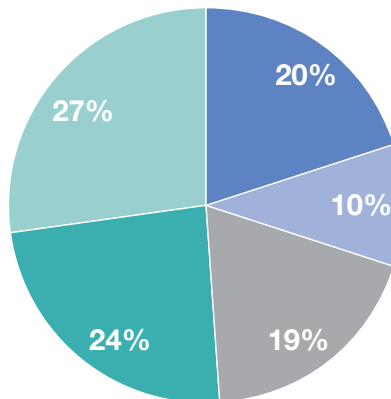


Profile of Preschool, Daycare, and Parish School Employees

This predominantly female group (97%) accounts for approximately 7% of all lay employees. The median age for all preschool, daycare, and parish school employees is 46 (19 years away from the normal retirement age). Approximately 70% work more than 20 hours per week. Like many of the other lay employees working for The Episcopal Church, preschool, daycare, and parish school employees are long-serving, with over 56% reporting that they have worked for their current employer for 5 years or more. Compensation averages approximately \$40,100 for preschool, daycare, and parish school employees who work 30 or more hours per week and \$13,200 for those who work between 20 and 29 hours per week. Compensation for those working less than 20 hours per week averages \$8,100. 58% of those working 20 or more hours per week report that they participate in an employer-provided pension plan, and the vast majority (72%) indicates that their Episcopal Church employer-provided lay pension plan will be their only source of retirement income other than Social Security and personal savings.

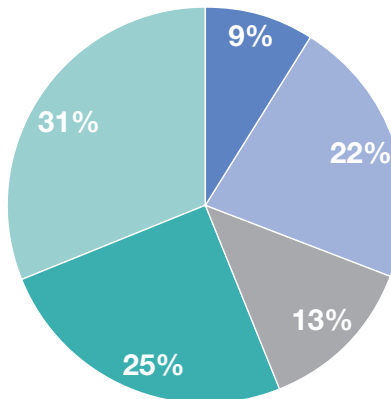
Hours Worked by Preschool, Daycare, and Parish School Employees in The Episcopal Church

- 1 – 9 Hours 20%
- 10 – 19 Hours 10%
- 20 – 29 Hours 19%
- 30 – 39 Hours 24%
- 40 Hours or More 27%



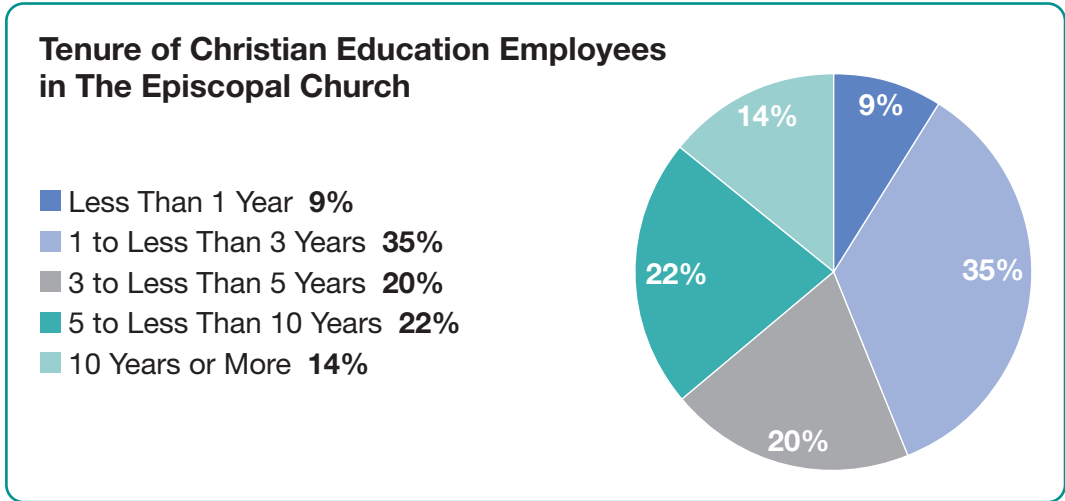
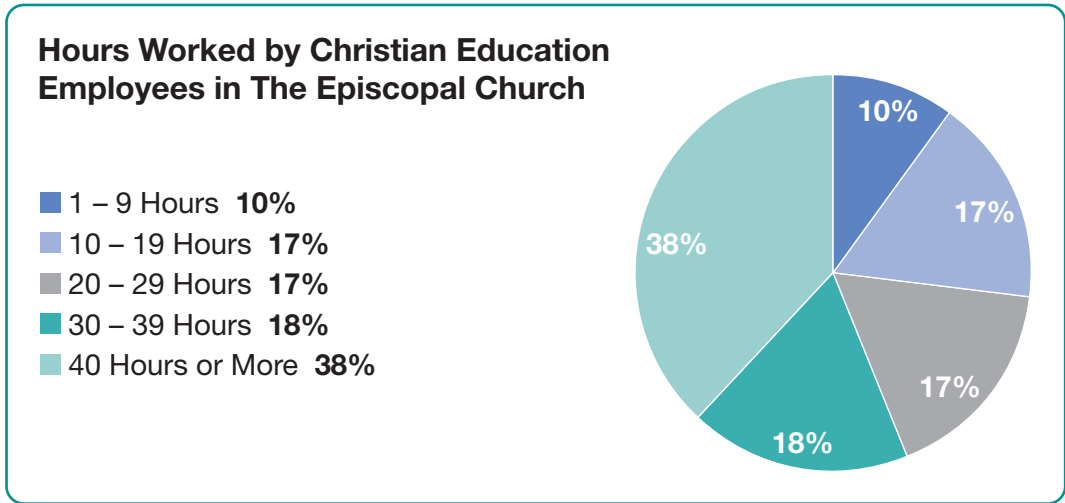
Tenure of Preschool, Daycare, and Parish School Employees in The Episcopal Church

- Less Than 1 Year 9%
- 1 to Less Than 3 Years 22%
- 3 to Less Than 5 Years 13%
- 5 to Less Than 10 Years 25%
- 10 Years or More 31%



Profile of Christian Education Employees

This predominantly female group (88%) accounts for approximately 7% of all lay employees. The median age for all Christian education employees is 45 (20 years away from the normal retirement age). Approximately 73% work more than 20 hours per week. Unlike lay employees in the other employment classifications, only 36% report that they have worked for their current employer for 5 years or more. Compensation averages approximately \$47,100 for Christian education employees who work 30 or more hours per week and \$20,300 for those who work between 20 and 29 hours per week. Compensation for those working less than 20 hours per week averages \$8,900. 76% of those working 20 or more hours per week report that they participate in an employer-provided pension plan. Again, the majority (58%) indicates that their Episcopal Church employer-provided lay pension plan will be their only source of retirement income other than Social Security and personal savings.

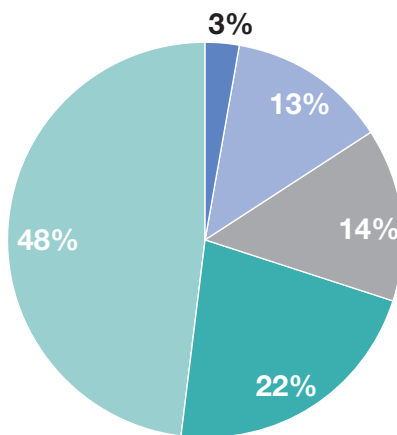


Profile of the Social Outreach Employees

This predominantly female group (74%) accounts for only 1% of all lay employees. The median age for all social outreach employees is 46 (19 years away from the normal retirement age). Approximately 84% work more than 20 hours per week. Only one in four (27)% of the social outreach employees report that they have worked for their current employer for 5 years or more. Compensation averages approximately \$50,100 for social outreach employees who work 30 or more hours per week and \$21,900 for those who work between 20 and 29 hours per week. Compensation for those working less than 20 hours per week averages \$10,400. Like their Christian education counterparts, approximately 76% of those working 20 or more hours per week report that they participate in an employer-provided pension plan. Approximately half (52%) of the social outreach employees indicate that their Episcopal Church employer-provided lay pension plan will be their only source of retirement income other than Social Security and personal savings.

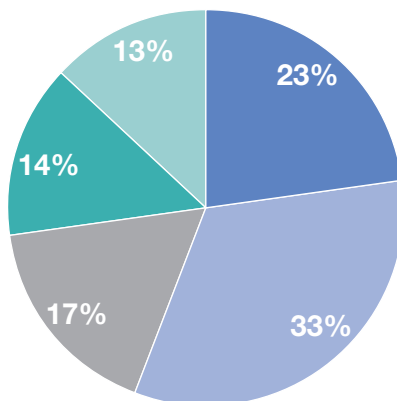
Hours Worked by the Social Outreach Employees in The Episcopal Church

- 1 – 9 Hours 3%
- 10 – 19 Hours 13%
- 20 – 29 Hours 14%
- 30 – 39 Hours 22%
- 40 Hours or More 48%



Tenure of the Social Outreach Employees in The Episcopal Church

- Less Than 1 Year 23%
- 1 to Less Than 3 Years 33%
- 3 to Less Than 5 Years 17%
- 5 to Less Than 10 Years 14%
- 10 Years or More 13%



The Current Cadre of Lay Employees Serving in the Non-domestic Dioceses

The following table presents a summary of the government-sponsored retirement plans in each of the non-domestic dioceses, along with census data for each diocese:

Diocese	Number of Lay Employees ¹⁶	2007 Per Capita Income ¹⁷	Government Sponsored Retirement Benefits
Colombia	6	\$8,900	The Colombian government sponsors a defined benefit social security plan. However, in lieu of participating in the government's plan, employees can elect to participate in an "individual account plan." All employees must participate in one or the other for a minimum of 1,150 weeks (approximately 22 years) to receive a benefit. Benefits range from 65% to 75% of final average earnings. The minimum annual benefit for 2008 is \$2,400 and the maximum is \$4,800. There is no automatic benefit for a retiree's non-working spouse; however, there is a benefit paid to a surviving spouse.
The Dominican Republic	3	\$10,200	The government of the Dominican Republic sponsors a mandatory individual account system that operates like a defined contribution plan. The current contribution rate is 7.88% for employers and 1.12% for employees. Employees must have participated for at least 25 years to be eligible for benefits. Benefits are annuitized based on the employee's account balance at retirement and are adjusted for inflation. The minimum benefit payable is 100% of the lowest legal minimum wage. There is no maximum benefit. There is no automatic benefit for a retiree's non-working spouse; however, there is a benefit paid to a surviving spouse.

(Table continues on next page)

¹⁶ Data presented is for those diocesan employees working 20 or more hours per week. Each of the reporting dioceses also has a small cadre of employees who are working less than 20 hours per week. With the exception of Puerto Rico and the U.S. Virgin Islands, the compensation for the lay employees working 20 or more hours per week generally ranges between \$2,000 and \$2,800 annually. It should be noted that in many of the countries comprising the non-domestic dioceses, a great number of individuals live at the subsistence level and earn less than the country's minimum wage. In the Dominican Republic, for example, 14% of the general population earns less than \$1.00 (U.S.) per day. Large numbers of indigenous people live in Venezuela, Colombia, Ecuador, and Honduras. The per capita income values reflecting average compensation are often significantly higher than the median compensation due to the fact that there are many extremely poor individuals living in these countries and a few very wealthy individuals.

¹⁷ Source: The International Monetary Fund, World Economic Outlook Database, October, 2007

Diocese	Number of Lay Employees	2007 Per Capita Income	Government Sponsored Retirement Benefits
Ecuador Central	7	\$5,900	The government of Ecuador sponsors a defined benefit old age pension plan. Employees must participate for a minimum of 10 years to receive a benefit. Benefits range from 50% to 100% of the employee's average earnings for the highest 5 years depending on the number of years the employee has participated in the plan. The minimum benefit is equal to the minimum wage and the maximum benefit is \$810 per month. There is no automatic benefit for a retiree's non-working spouse; however, there is a benefit paid to a surviving spouse of a non-retired employee.
Ecuador Litoral	4		
Haiti	4	\$1,900	The government of Haiti sponsors a defined benefit old age pension plan. Employees must participate for a minimum of 20 years to receive a benefit. The formulaic benefit is based on 1/3 of the employee's average earnings during the 10 years prior to retirement. However, the National Office of Old Age Insurance can arbitrarily amend the computed benefit. There is no minimum or maximum benefit. There is no automatic benefit for a retiree's non-working spouse; however, there is a benefit paid to a surviving spouse.
Honduras	6	\$3,400	The government of Honduras sponsors a defined benefit old age pension plan. Employees must participate for a minimum of 15 years to receive a benefit. The formulaic benefit is based on 40% of the employee's monthly earnings plus 1% for each 12 months of participation in excess of 60 months. The minimum benefit is 50% of earnings and the maximum benefit is 80% of earnings. There is no automatic benefit for a retiree's non-working spouse; however, there is a benefit paid to a surviving spouse of an employee if the spouse is age 65 or older.
Puerto Rico	10	\$26,400	The social security system in Puerto Rico is based on the United States' Social Security Act. The monthly old age social security pension is on average 2/3 of that payable on the U.S. mainland. Spouses of retirees who do not have a separate work record will receive 50% of the retiree's pension while the retiree is living. Surviving spouse benefits parallel those of surviving spouses in the U.S.
Taiwan	5	\$29,800	Taiwan's social security system is a defined benefit plan. However, benefits are paid in a lump sum at retirement. The payment amount is equal to one month's earnings for each of the first 15 years of participation plus two month's earnings for each succeeding year of participation up to a maximum of 45 month's earnings. The maximum monthly earnings for benefit purposes is \$1,400. There is no minimum. There is no automatic benefit for a retiree's non-working spouse; however, there is a benefit paid to a surviving spouse of a non-retired employee.

Diocese	Number of Lay Employees	2007 Per Capita Income	Government Sponsored Retirement Benefits
The United States Virgin Islands	2	\$31,000	The social security system in the U.S. Virgin Islands is based on the United States' Social Security Act. The monthly benefit is based on a formula that parallels the formula for the U.S. mainland. The maximum benefit is age dependent. In 2007, the maximum benefit was \$116 per month for an employee retiring at age 65 and 10 months. There is no minimum benefit. There is no automatic benefit for a retiree's non-working spouse; however, there is a benefit paid to a surviving spouse of a non-retired employee.
Venezuela	4	\$8,100	The government of Venezuela operates a defined benefit pension plan. Pension contributions must have been made for at least 15 years to receive a benefit. The benefit will equal a base of \$240 monthly plus 30% of the employee's average monthly earnings during the highest 5 of the last 10 years of employment. The 30% factor increases by 1% for each 50 weeks of contributions above 15 years. The maximum monthly benefit is \$1,200 and the minimum monthly benefit is 40% of earnings. There is no automatic benefit for a retiree's non-working spouse; however, there is a benefit paid to a widow age 45 or a widower age 60 or older. The benefit is equal to 40% of the retiree's benefit or 40% of the projected retirement benefit if the decedent was not yet retired. A widow under age 45 receives a lump sum payment equal to 2 years of the decedent's projected retirement benefit.

All of the lay employees represented by the census data shown above are part of a diocesan staff. Totals do not include "lay missionaries," who, while employed by the diocese, serve in congregations, and are often on ordination tracks. (While there are lay volunteers who provide significant services for the congregations in each diocese, they generally do not receive compensation for their work.) Some of the congregations in the non-domestic dioceses report having part-time lay employees who work less than 20 hours per week. These employees are not included in the above analysis. In addition to the lay employees who are part of the diocesan staff, several of the dioceses (Puerto Rico in particular) operate hospitals and "free-standing" schools who employ thousands of lay employees. For consistency, these employees are not included with those shown above since employees in hospitals, "free-standing" schools, and other institutions were not included in the data presented for the domestic dioceses of The Episcopal Church.

While it would be difficult, if not impossible, to structure a single defined contribution pension plan covering lay employees in the non-domestic dioceses owing to the diverse tax regulations and other local laws, pension benefits for these employees might be provided through one or a series of defined benefit pension plans. However, creating a single defined benefit pension plan covering all of the non-domestic dioceses may not be feasible due to local laws. Further any plan design must take into account the varying government-supplied pension plans in the non-domestic dioceses.

A Summary of Pension Benefits

Pension Benefits Provided Employees of Other Denominations and Other Not-for-Profit Organizations

While it is true that none of the other major Christian denominations have mandated pension benefits for their lay employees (and in this regard, The Episcopal Church has demonstrated leadership within the faith-based community in much the same way that it did when the Church Pension Fund was established in 1917 for Episcopal clergy), the Presbyterian Church (USA) and the Lutheran Church - Missouri Synod have come close.

The Benefit Plan of the Presbyterian Church (USA) allows an employing organization to enroll eligible employees in either the Traditional Program, the Traditional Program - Limited Participation, or the Affiliated Benefits Program of the plan. While an employing organization that elects to participate in one of these programs must enroll all of the eligible employees within a given employment classification, the employing organization is not required to enroll all of the employees in all employment classifications. Further, the employing organization could enroll all employees in one employment classification in one form of the program and all employees in a different employment classification in a different form of the program, or not at all.

The Traditional Program provides pension, survivor's pension, death, disability, and medical benefits. The Traditional Program - Limited Participation provides medical, death, and disability benefits during a participating employee's first three years of participation after which the coverage is expanded to include pension and survivor's pension benefits. Under the Affiliated Benefits Program, the employing organization can elect to provide either medical benefits or medical, death, and disability benefits.

The amount of each participant's pension and/or survivor's pension benefit is computed based on a formula that takes into account the number of "pension credits" a participant has earned. A pension credit is equal to 1¼% times the greater of:

- a. the participant's pension participation basis (the participant's "effective salary"), or
- b. the annual employment classification median (the annual church-wide median "effective salary" for a given employment classification)

In addition, if favorable investment performance and actuarial experience permit, the governing board of *The Benefit Plan of the Presbyterian Church (USA)* may elect to award "experience apportionments." When awarded, "experience apportionments" have the effect of increasing the pension credits of participants who have not yet retired and the pension benefits of those whose benefit payments have commenced. The board of *The Benefit Plan of the Presbyterian Church (USA)* has seen fit to award "experience apportionments" in 17 of the past 20 years that have ranged from a high of 11% to a low of 2%.

This defined benefit arrangement is funded through the payment of "dues" that are equivalent in nature to the assessments paid on behalf of participants in The Episcopal Church Lay Employees' Retirement Plan.

Participation in *The Concordia Retirement Plan* of the Lutheran Church - Missouri Synod is open to any Lutheran Church - Missouri Synod employer. An employer can choose to provide pension benefits through *The Concordia Retirement Plan*, through a secular plan, or not at all. However, if a Lutheran Church - Missouri Synod employer elects to participate in *The Concordia Retirement Plan*, then all employees working for that employer who are scheduled to work more than 20 hours per week for a minimum of five months each year must be enrolled regardless of ordination status or employment classification.

Pension benefits are computed using a defined benefit formula that takes into account a participant's "creditable service" (the total number of months and years for which "contributions" have been paid by the participating employer) and the participant's "final average monthly compensation" (the highest 60 consecutive months' compensation out of the last 240 months of employment prior to retirement). In addition, the formula employs the Social Security Integration Level — an amount used by the Social Security Administration to provide a higher benefit as a percentage of compensation for employees at lower levels of compensation.

In addition to the formulaic pension benefit provided by *The Concordia Retirement Plan*, each participant accrues credits in a cash balance account called the Supplemental Retirement Account. As the summary plan description states:

Despite what its name implies, no monies are actually stored up in [a participant's] name like a bank account...Instead, as a part of the defined benefit of *The Concordia Retirement Plan*, the Worker Benefit Plan keeps track of [the participant's] balance amount so that at retirement, that balance amount is converted into actual dollars.

Each participant's Supplemental Retirement Account accrues credits of two sorts: interest credits and compensation credits. At the end of each year, each Supplemental Retirement Account receives an interest credit equal to the account balance at the end of the prior year multiplied by the 5-year U.S. Treasury bond rate as of September of the prior year. Compensation credits are likewise computed at the end of each year by multiplying the participant's annual compensation by 1.5%.

At the time of retirement, the participant can elect either to convert the Supplemental Retirement Account to an annuity or to receive the balance in a lump sum. Interest credits will continue to accrue if a participant elects to defer receipt of the "balance" in his or her Supplemental Retirement Account, but no further compensation credits will be added to the account.

Like *The Benefit Plan of the Presbyterian Church (USA)*, *The Concordia Retirement Plan* provides survivor pension, death, and disability benefits to participants. However, the participant must be vested in *The Concordia Retirement Plan* (a minimum of 5 years "creditable service") for the named survivor to receive a survivor's pension benefit or any payment from the participant's Supplemental Retirement Account.

Neither the Southern Baptists nor the United Methodists have church-wide policies covering pension benefits for their lay employees. The Southern Baptists allow each congregation to determine whether or not pension (and other) benefits will be provided for its lay employees. Employees of the General Agencies of the United Methodist Church working 20 or more hours per week are eligible to participate in the Retirement Security Program for General Agencies. However, there is no mandate. Those participating will receive pension benefits through a combination of a formulaic defined benefit coupled with a defined contribution account that can either be paid in a lump sum or annuitized. As with the Southern Baptists, each congregation determines whether or not pension (and other) benefits will be provided for its lay employees.

The following table presents a comparison of the employer contribution rates for various denominationally-sponsored defined contribution and defined benefit plans.¹⁸

Plan Sponsor	Type of Plan (Defined Benefit or Defined Contribution)	Employer Contribution as a Percent of Pay
The Church of Christ	Defined Contribution	14.0%
The American Baptist Church	Defined Contribution	13.0%
The Presbyterian Church (USA)	Defined Benefit	11.0% ¹⁹
The Southern Baptist Convention	Defined Contribution	10.0%
The Evangelical Lutheran Church in America	Defined Contribution	10.0%
The Evangelical Covenant Church	Defined Contribution	5.0%
The Lutheran Church - Missouri Synod	Defined Benefit	4.5%
The United Methodist Church	Defined Contribution	4.0% ²⁰

¹⁸ Participation in these plans is optional. No mandated denomination-wide retirement plan exists for the lay employees of these denominations.

¹⁹ Participating employers in the Traditional Plan are required to contribute an additional 1% of compensation to cover the cost of providing the death and long term disability benefits that are coupled with that plan.

²⁰ The contribution amount shown is for the defined contribution account for each participant. In addition, each participant will receive pension benefits from the United Methodist Church's defined benefit plan. Funding for this plan comes through the United Methodist Church's several conferences. The amount is based on actuarially determined needs.

The following is a summary of the pension benefits provided employees of several broad-based mission-driven not-for-profit organizations.

Organization	Plan Type (Defined Benefit or Defined Contribution)	Employer Contribution	Defined Benefit Formula	Other Benefits Provided by the Pension Plan²¹
American Association of Retired Persons (AARP)	Both defined benefit and defined contribution	Dollar-for-dollar match of the first 3% of employee's compensation; 50% match of the next 3% of employee's compensation; employee contributions are limited to 50% of compensation (pre-tax) or 50% of compensation (after tax) with a maximum of 50% of compensation	1.4% of final average earnings per year of service	If a participant is deemed permanently and totally disabled by the Social Security Administration, a benefit equal to the participant's accrued benefit at the onset of disability will commence immediately. In the event a participant dies before retirement, a surviving spouse's benefit will be paid which is equal to the benefit the participant would have received if s/he had retired before death and elected a 50% joint and survivor benefit.
American Cancer Society	Defined benefit plan	N/A	2.0% of final average earnings per year of service minus 0.37% times the lesser of final average earnings or covered compensation per year of service	In the event a participant dies before retirement, a survivor's benefit will be paid which is equal to the benefit the participant would have received if s/he had retired before death and elected a 100% joint and survivor benefit with a 10-year certain provision.
American Diabetes Association	Both defined benefit and defined contribution	Dollar-for-dollar match of up to 1% of employee's compensation for each 3 years of eligible service to a maximum of 3% of compensation	A cash balance plan. The employer contributes 5.6% of compensation per year of service plus 5.4% of compensation in excess of the Social Security Wage Base per year of service	None noted

²¹ Other benefits include death and disability benefits provided through the organization's pension plan. Medical benefits are generally provided through a separate plan and are not included in this analysis.

Organization	Plan Type (Defined Benefit or Defined Contribution)	Employer Contribution	Defined Benefit Formula	Other Benefits Provided by the Pension Plan
American Heart Association	Defined contribution plan	6% of employee's compensation plus dollar-for-dollar match of up to 4% of employee's compensation	N/A	The account balance can be withdrawn in whole or in part if the participant becomes disabled or dies.
The Easter Seals Society	Defined benefit plan	N/A	1.7% of final average earnings up to \$15,000 per year of service plus 1.95% of final average earnings in excess of \$15,000 per year of service	In the event a participant dies before retirement, a surviving spouse's benefit will be paid which is equal to the benefit the participant would have received if s/he had retired before death and elected a 50% joint and survivor benefit.
The Knights of Columbus	Both defined benefit and defined contribution	Dollar-for-dollar match of up to 3% of employee's compensation; employee contributions are limited to 25% of compensation (pre-tax) plus 10% of compensation (after tax) for a maximum of 35% of compensation	1.5% of final average earnings up to \$4,800 per year of service plus 2.0% of final average earnings in excess of \$4,800 per year of service	In the event a participant dies before retirement, a surviving spouse's benefit will be paid which is equal to the benefit the participant would have received if s/he had retired before death and elected a 50% joint and survivor benefit.
The Young Men's Christian Association (YMCA) ²²	Defined contribution	Participating employers can choose to have 8%, 10% or 12% of the employee's annual salary contributed to the employee's account.	N/A	Participants do not make individual asset allocation decisions. The YMCA Retirement Fund does the investing and credits interest to the participants' accounts. Earnings may vary from year to year. Participants are guaranteed a minimum 3% annual return. ²³

²² The YMCA was selected as the 2008 Nonprofit Plan Sponsor of the Year by Plansponsor Magazine.

²³ Participants in the YMCA defined contribution plan received a 12% interest credit in both 2006 and 2007.

Pension Benefits Provided Episcopal Church Lay Employees Through Sources Other Than The Church Pension Group

Currently, employees in 80 of the 100 domestic dioceses participate in one of the Church Pension Fund-sponsored lay pension plans. Likewise, employees in approximately 500 of the 750 program- and resource-sized congregations participate in one of the Church Pension Fund-sponsored lay pension plans. In an effort to develop a complete picture of the pension plans that are being offered to the lay employees of The Episcopal Church, the Church Pension Group requested copies of the plan documents and/or summary plan descriptions from those dioceses and program- and resource-sized congregations that are not participating in a Church Pension Fund-sponsored lay pension plan.

A review of the documents submitted yields the following conclusions:

- Only two of the dioceses and none of the congregations who supplied a plan document or summary plan description offer a defined benefit plan.
- The funding contribution rates for the dioceses offering defined benefit plans are actuarially determined so that the benefits contemplated by the plans are fully funded, but not over-funded.
- All of the dioceses and a significant majority of the congregations reporting contribute an amount equal to or in excess of the 5% employer base contribution mandated by Resolution D165a to their employees' defined contribution accounts.
- Employer base contributions ranged from a high of 16% to a low of 4.5% of a participating employee's compensation.
- Employer matching contributions were generally a dollar-for-dollar match on up to 4% of the employee's compensation. However, those employers who contributed 9% or more in the form of a base contribution generally did not provide a matching contribution.
- The minimum age required for plan participation ranged from a low of 18 to a high of 25, with the majority of the dioceses and congregations reporting a minimum age for eligibility that is compliant with Resolution D165a (age 21).
- Length of service required for participation in the lay pension plans being offered by the reporting dioceses and congregations ranged from 3 years of employment to immediate participation. The most common length of service requirement coincided with the one year of employment requirement stipulated by Resolution D165a.
- Several of the defined contribution plans allow employees to begin contributing to their defined contribution accounts immediately, with employer base and matching contributions commencing after one year of service.
- The majority of the plans comply with the requirement of Resolution D165a that lay employees who work 1,000 or more hours annually be provided pension benefits.
- Employees are immediately vested in their employer base and matching contributions in the majority of the defined contribution plans.
- There was significant variation in the number of investment alternatives offered employees participating in a defined contribution plan. The number of offerings ranged from a single group annuity contract to all of the funds offered by the plan's record keeper (a mutual fund company).

Significant Features of The Episcopal Church Lay Employees' Retirement Plan

The Episcopal Church Lay Employees Retirement Plan (a defined benefit plan) was first established in 1980. The Church Pension Fund is the Plan Sponsor. The Plan currently serves 1,442 active lay employees working for 524 participating employers. Benefits are currently being paid to 1,182 retirees or their beneficiaries. The average monthly benefit is approximately \$323.

The Plan is funded through an employer-paid 9% assessment of a participating employee's gross compensation. Plan assets totaled \$126,776,498 as of December 31, 2007 while the present value of the vested accumulated benefits totaled \$76,997,503. The Plan's additional reserves on the same date were \$49,798,995.²⁴ The Plan assets are pooled for investment purposes with the assets of The Church Pension Fund Clergy Pension Plan. This pooling of assets for investment purposes allows for a broader diversification of investments than would otherwise be possible. Notwithstanding this, for accounting purposes, the Plan assets are held in a separate trust at the Northern Trust Company of Chicago.

In compliance with General Convention Resolution D165a, an employee working 1,000 hours or more per year may commence participation in the Plan after attaining age 21 and satisfying an employer-determined service requirement, not to exceed one year.

The benefits provided by and other significant features of the Plan are summarized in Attachment C.

Significant Features of The Episcopal Church Lay Employees' Defined Contribution Retirement Plan

The Episcopal Church Lay Employees Defined Contribution Retirement Plan was first established in 1991. The Church Pension Fund is the Plan Sponsor. The plan currently serves 5,475 active lay employees working for 1,968 participating employers.

The Plan is funded through an employer-paid base contribution that is equal to 5% of a participating employee's gross compensation. Employers will match employee contributions on a dollar-for-dollar basis provided the employee contribution does not exceed 4% of the employee's gross compensation. Both employer and employee contributions are subject to the limitations imposed by the Internal Revenue Code of 1986, as amended (the Code).

Plan assets totaled \$195,214,358 as of December 31, 2007.

In compliance with General Convention Resolution D165a, an employee working 1,000 hours or more per year may commence participation in the Plan after attaining age 21 and satisfying an employer-determined service requirement, not to exceed one year.

The benefits provided by and other significant features of the Plan are summarized in Attachment D.

Estimated Additional Cost to Provide Retirement Benefits to All Lay Employees

As previously stated, approximately 93% of diocesan lay employees who work 20 or more hours per week and who have been employed for over one year have employer-provided pension benefits, and approximately 70% of lay employees who work 20 or more hours per week in a congregational setting and who have been employed for over one year have employer-provided pension benefits. This begs the question, "What will it cost to provide pension benefits for the employees who meet the coverage criteria of General Convention Resolution D165a but who do not presently have these benefits?"

²⁴ While not guaranteed by the Plan, the Church Pension Fund Trustees have granted annual cost-of-living increases to all retired Plan participants currently in pay status. The additional reserves may be used to fund any future cost of living increases approved by the Trustees.

The following table displays the cost of providing pension benefits to the 30% of the lay employees working in congregational settings who do not have these benefits.²⁵ Costs are shown both per pledging unit in a congregation and as a percentage of the congregation's operating revenue:²⁶

Parish Size	Mean Annual Cost per Pledging Unit	Median Annual Cost per Pledging Unit	Mean Cost as a Percentage of Operating Revenue	Median Cost as a Percentage of Operating Revenue
Family	\$34.04	\$20.15	1.02%	0.69%
Pastoral	\$23.54	\$17.65	0.79%	0.62%
Transitional	\$18.80	\$15.00	0.66%	0.58%
Program	\$12.07	\$ 9.90	0.40%	0.31%
Resource	\$30.81	\$32.14	0.03%	0.02%
All Parishes	\$20.80	\$15.25	0.60%	0.47%

Based on the data displayed above, the total cost of providing pension benefits for the employees who meet the coverage criteria of General Convention Resolution D165a and do not presently have these benefits is, on average, less than 1% of the employer's operating revenue in all but the smallest congregations, and even in these cases (assuming there are lay employees working 20 or more hours per week), the cost is only slightly above 1% of the operating revenue. Further, the average annual cost across the Church to provide lay pensions for those lay employees who work 1,000 or more hours annually and do not have employer-provided lay pension benefits is approximately \$20.00 per pledging unit.

²⁵ The cost to provide lay pension benefits to the 7% of diocesan employees who do not currently have them is minimal.

²⁶ Cost estimates are based on the compensation reported via the 2007 Lay Employee Census for those lay employees who do not currently have pension benefits. Estimates assume a 9% employer contribution rate. Therefore, this conservative estimate assumes that every lay employee will contribute at least 4% to his or her retirement account if the employer participates in a defined contribution plan. Estimated costs were allocated to each congregation that reported having lay employees who work 1,000 or more hours per year and that does not provide lay pension benefits. Cost per pledging unit and cost as a percentage of operating revenue were based on Parochial Report data for these congregations. Mean and median costs were then computed for congregations in each of the above categories.

Conclusions

The following conclusions can be drawn from the information contained in this report:

- The Episcopal Church has a highly motivated group of lay employees with a strong sense of mission and service to the Church.
- There is a high level of anxiety about the future, particularly among those who rely most on the Church for retirement income. These include single, divorced, and widowed women, a group that, in the wider population, is most likely to experience poverty in old age.
- This anxiety about the future negatively affects the lay employees' sense of satisfaction with and engagement in their work.
- Lay employees value the Church as a work environment that provides a sense of flexibility and that has people in it who care about them personally.
- In terms of the formal structures of employment, such as the correct assignment of employees into exempt and non-exempt from overtime compensation classifications, the creation or updating of job descriptions, and annual performance evaluations, the record of the Church as a whole is poor.
- These weak formal employment practices of the Church gradually erode the sense of mission and joy that lay employees receive from their work.
- Lay employee pension benefits are already provided to the employees in 80% of the domestic dioceses and to 67% of the employees working for the largest domestic congregations through one provider — the Church Pension Group.
- A review of the plan documents and the summary plan descriptions that were submitted by the dioceses and parishes who are not participating in a Church Pension Group lay pension plan did not reveal any significant features that are not already part of the Church Pension Group's lay pension plans.
- The lay pension plans sponsored by other providers by and large comply with the provisions of Resolution D165a of the 70th General Convention.
- Mandating lay employee pension benefits through the passage of a canon will allow The Episcopal Church to assume a leadership role among the other major Christian denominations in the United States.
- The estimated average annual cost to provide lay pension benefits for those lay employees who currently do not have these benefits ranges from \$34.00 to \$12.00 per pledging unit, depending on the size of the congregation. The average annual cost across the Church is approximately \$20.00 per pledging unit.
- The average annual cost to provide lay pension benefits for those lay employees who currently do not have these benefits is less than 1.0% of the Church's operating revenue.
- Further study is needed on the unique contexts of non-domestic dioceses owing to the diverse tax regulations and local laws.

Resolution A125 of the 75th General Convention of the Episcopal Church

Resolved, the House of Bishops concurring, That the 75th General Convention of the Episcopal Church continue the Task Force to Study Employment Policies and Practices in the Episcopal Church during the coming triennium with the intention of offering a resolution to the 2009 General Convention that will address the issues of employment, striving to make the Episcopal Church a fair and just workplace, and be it further

Resolved, That the Convention authorize and request the Church Pension Group to conduct a survey of lay employees concentrating on employee demographics, the exercise of authority in the employment setting, and compensation and benefits. The Bishop or other ecclesiastical authority of each diocese shall be requested to supply relevant data for each employing unit in the diocese to the Church Pension Group. The findings of the survey and any recommendations for action, if appropriate, shall be reported to the 76th General Convention; and be it further

Resolved, That the Office of Ministry Development take the lead in determining the best way to conduct a feasibility study examining whether pension benefits for lay employees should be made compulsory and be administered by a single provider. The results of said study shall be reported, along with recommendations for action, if appropriate, to the 76th General Convention; and be it further

Resolved, That the attached statement of Workplace Values be commended to the Church as a worthy statement reflecting our values for work and worker in the Church; and be it further

Resolved, That the General Convention request the Joint Standing Committee on Program, Budget and Finance to consider a budget allocation of \$15,000 for the implementation of this resolution.

THE GALLUP ORGANIZATION

LAY EMPLOYEE SURVEY

The Church Pension Group

Welcome to the Lay Employee Survey, an important data-gathering tool in the unprecedented research study into lay employees authorized by Resolution A125 of the 75th General Convention.

This survey asks questions about your experiences as a lay employee working in The Episcopal Church, including family status, household income, overall financial situation, working conditions, and more. Your answers will increase the knowledge and understanding of Episcopal lay employees. Data gathered from this survey will support the work of the Task Force on Employment Policies and Practices in the Episcopal Church, as well as support The Episcopal Church's Office for Ministry Development in its leadership role regarding the feasibility study on lay employee pension benefits described in Resolution A125.

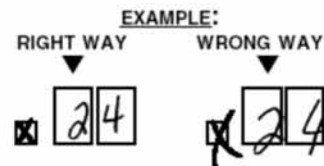
The survey is being administered by The Gallup Organization, who will collect and transmit the data to the Church Pension Group. Please be assured that both The Gallup Organization and the Church Pension Group will maintain the confidentiality of your individual responses.

Your decision to participate in this research, and any individual answers that you provide during this survey, will not be shared with your employer. All questions are optional.

If you need assistance completing this survey, please contact Gallup Client Support by sending an e-mail to surveyhelp@gallup.com or by calling 1-800-788-9987 from 8:00 a.m. to 8:00 p.m. Eastern Time, Monday through Thursday, or 8:00 a.m. to 6:00 p.m. Eastern Time, on Fridays.

Survey Instructions

- Use only a blue or black ink pen that does not blot the paper
- Make solid marks inside the response boxes
- Do not make other marks on the survey



- S2. Are you currently a lay employee of the Episcopal Church or one of its affiliated organizations?
- Yes
- No ***Thank you for your participation. Please stop here and return this survey in the enclosed postage-paid envelope.***
- S3. At this point in time, is this organization your only employer, or do you also work one or more additional jobs for pay outside of the church?
- This is my only job
- I work another job for pay outside of the church
- Don't know/Does Not Apply
1. How long have you been employed by this organization?
- Less than 1 year
- 1 to less than 3 years
- 3 to less than 5 years
- 5 to less than 10 years
- 10 years or more
- Don't Know/Does Not Apply
2. Which of the following best describes the work that you currently do for this organization?
- Secretarial/Clerical/Administrative Assistant
- Facilities/Maintenance/Building Services
- Manager/Administrator
- Christian Education
- Preschool/Daycare/Parish School
- Church Music
- Social Outreach
- Other
- Don't Know/Does Not Apply
3. Is this a Full-Time or Part-Time position?
- Full-Time
- Part-Time
- Don't Know/Does Not Apply
- 3a. How many hours do you typically work at this job each week?
- 1-9 hrs/wk
- 10-19 hrs/wk
- 20-29 hrs/wk
- 30-39 hrs/wk
- 40 or more hrs/wk
- Don't Know/Does Not Apply
- 3b. Do you have a written job description?
- Yes → ***Continue***
- No → ***Skip to Q3d***
- Don't Know/Does Not Apply → ***Skip to Q3d***

- 3c. Is your job description up-to-date?
- Yes
- No
- Don't Know/Does Not Apply
- 3d. Are there clear expectations about your role and responsibilities in the organization?
- Yes, my job expectations and responsibilities are clear.
- My job expectations and responsibilities are clear most of the time.
- I am often uncertain as to the expectations and responsibilities that come with this job.
- No, my job expectations and responsibilities are not clear.
- Don't Know/Does Not Apply
4. Are you entitled to be paid overtime if you work beyond your regular hours?
- Yes. I am a non-exempt employee, and I am entitled to overtime pay.
- No. I am an exempt employee, and I am not entitled to overtime pay.
- I am not sure if I am entitled to overtime pay.
- 4a. If you have worked more than your regular hours, did you receive overtime pay?
- Yes. I have worked more than my regular hours, and I did receive overtime pay.
- No. I have worked more than my regular hours, but I did not receive overtime pay.
- I have not worked more than my regular hours.
5. Since you began working for this organization, have your compensated hours increased, decreased, or remained the same?
- Increased
- Decreased
- Remained the same → ***Skip to Q7***
6. **If your hours have changed**, who suggested the change in your hours?
- I did.
- My employer did.
- It was mutually agreed upon.
- Don't Know
7. Given the opportunity, would you prefer to be employed for more hours or fewer hours, or are you happy with the hours that you currently work?
- More hours
- Fewer hours
- Happy with the hours I currently work
- Don't Know

		Not at all flexible ▼			Extremely flexible ▼	Don't Know/ Does Not Apply ▼
8.	How much flexibility does this job give you in terms of time and work schedules so that you can meet other commitments, such as family or personal obligations?.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

		Not at all important ▼			Extremely important ▼	Don't Know/ Does Not Apply ▼
9.	How important is it that your job has time flexibility so that you can fulfill other commitments?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Think back now to the factors that first influenced your decision to work for this organization.

		Not at all important ▼			Extremely important ▼	Don't Know/ Does Not Apply ▼
10.	How important was the mission and purpose of this organization in your decision	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11.	How important was it that this organization was a part of the Episcopal Church.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please rate your level of agreement with each of the following statements as it applies to your work with this organization.

		Strongly disagree ▼			Strongly agree ▼	Don't Know/ Does Not Apply ▼
12A.	My supervisor, or someone at work, seems to care about me as a person	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12B.	This last year, I have had opportunities at work to learn and grow	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12C.	At work, I have the opportunity to do what I do best every day	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12D.	There is someone at work who encourages my development	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12E.	The mission or purpose of my organization makes me feel my job is important ..	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12F.	I know what is expected of me at work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12G.	At work, my opinions seem to count	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12H.	The sense of satisfaction that I get from performing my job well is far more important to me than the financial benefits I receive.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12I.	This is the perfect job for someone like me.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12J.	My job allows me to use my strengths every day	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

13. Have you received a performance evaluation or annual review in the last 12 months?

- Yes
- No
- Don't Know/Does Not Apply/Employed less than 1 year

		Not at all satisfied ▼			Extremely satisfied ▼	Don't Know/ Refused ▼
14.	How satisfied are you with your current level of compensation from this job?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

15. What is your annual salary from this organization?

- Less than \$10,000
- \$10,000 -- \$14,999
- \$15,000 -- \$19,999
- \$20,000 -- \$24,999
- \$25,000 -- \$29,999
- \$30,000 -- \$34,999
- \$35,000 -- \$44,999
- \$45,000 -- \$59,999
- \$60,000 -- \$79,999
- \$80,000 -- \$99,999
- \$100,000 or more
- Don't Know/Refused

16. Do you participate in a retirement plan offered by this organization?

- Yes → *Continue*
- No → *Skip to Q22*
- Don't Know/Does Not Apply → *Skip to Q22*

16a. How long did you work at this organization before you started participating in the retirement plan?

- Less than 1 year
- 1 to less than 3 years
- 3 to less than 5 years
- 5 to less than 10 years
- 10 years or more
- Don't Know/Does Not Apply

16b. Does your employer make contributions to this retirement plan on your behalf?

- Yes → *Skip to Q17*
- No → *Continue*
- Don't Know/Does Not Apply → *Skip to Q22*

16c. What is the main reason that your employer does not contribute to a retirement plan on your behalf?

- Employer's choice – the employer believes that the organization cannot afford it → *Skip to Q22*
- Employer's choice – some other reason → *Skip to Q22*
- My choice – I would prefer my employer use that money to increase my compensation → *Skip to Q22*
- My choice – some other reason → *Skip to Q22*
- Don't Know/Refused → *Skip to Q22*

17. What type of retirement plan does your employer contribute to on your behalf?

- 401(k) or 403(b) Plan – Defined contribution plan
- Defined Benefit plan
- Simplified Employee Pension Plan (SEP Plan)
- Simple IRA
- Don't Know/Refused

18. What percentage of your annual compensation does your employer contribute to a retirement plan that does not require you to match those employer contributions?

%

- None/0%
- Don't Know

19. If your employer matches your contributions, what percentage of your contributions do they match?

%

- None/0%
- Don't Know

20. Are you vested in your plan?

- Yes → *Skip to Q21b*
- No → *Continue*
- Don't Know/Does Not Apply → *Skip to Q22*

21a. If you are not yet vested, how long do you have to wait before you are vested in your plan?

- Less than 1 year → *Skip to Q22*
- 1 to less than 3 years → *Skip to Q22*
- 3 to less than 5 years → *Skip to Q22*
- 5 to less than 10 years → *Skip to Q22*
- 10 years or more → *Skip to Q22*
- Don't Know/Does Not Apply → *Skip to Q22*

21b. If you are already vested, how long did you have to wait before you were vested in your plan?

- Less than 1 year
- 1 to less than 3 years
- 3 to less than 5 years
- 5 to less than 10 years
- 10 years or more
- Don't Know/Does Not Apply

22. Prior to the job you currently hold with this organization, were you employed in a paid position outside of the church?

- Yes → *Continue*
- No → *Skip to Q27*
- Don't Know/Does Not Apply → *Skip to Q27*

23. What was your occupation before you began your current job?

- Secretarial/Clerical/Administrative Assistant
- Transportation/Delivery Goods Worker
- Facilities/Maintenance/Building Services
- Teacher
- Nurse
- Manager/Administrator
- Factory Worker
- Construction Laborer
- Retail/Restaurant/Service
- Military/Police/Firefighter
- Other Professional
- Other
- Don't Know/Refused

24. Overall, how satisfied were you with your previous job?

- 1 - Not at all satisfied
- 2
- 3
- 4
- 5 - Extremely satisfied
- Don't Know

25. Estimating your current and past earnings on an hourly basis, was your compensation at your previous employer higher, lower, or about the same as it is at your current organization?

- Higher – More than 25% higher
- Higher – Less than 25% higher
- About the Same
- Lower – Less than 25% lower
- Lower – More than 25% lower
- Don't Know/Refused

Which of the following benefits were paid for you by your previous employer, either wholly or in part?

	Yes ▼	No ▼	Don't Know/ Does Not Apply ▼
26A. Medical coverage.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
26B. Dental coverage.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
26C. Employer contributions to a retirement plan.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
26D. Life insurance.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Now, a few questions about your retirement planning.

27. How confident are you of being able to maintain your current standard of living when you retire?

- 1 - Not at all confident
- 2
- 3
- 4
- 5 - Extremely confident
- Don't Know/Refused

28. Do you have a retirement savings plan or a promised pension from an employer other than this organization?

- Yes
- No
- Don't Know/Does Not Apply

How important will each of the following be in terms of maintaining your standard of living when you retire?

	Not at all important ▼	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Extremely important ▼	Don't Know/ Refused ▼
29A. Retirement income from an employer-sponsored retirement plan.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
29B. Savings, investments, and other liquid assets.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
29C. Equity that you have in a home.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
29D. A spouse's or partner's retirement income.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
29E. An expected inheritance.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	Not at all prepared ▼	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Extremely well prepared ▼	Don't Know/ Refused ▼
30. Taking all things into consideration, how well do you feel you have prepared for your retirement?.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Finally, just a few questions about you. Your answers will be used for categorical purposes only.

- D1. What is your marital status?
- Single, never married → *Skip to QD3*
 - Partnered/Domestic Partnership/Civil Union → *Continue*
 - In first marriage → *Continue*
 - Remarried after divorce → *Continue*
 - Remarried after being widowed → *Continue*
 - Divorced/Separated → *Skip to QD3*
 - Widowed → *Skip to QD3*
 - Other → *Skip to QD3*
 - Refused → *Skip to QD3*
- D2. If you have a spouse or partner, what is your spouse's or partner's occupation?
- Secretarial/Clerical/Administrative Assistant
 - Transportation/Delivery Goods Worker
 - Facilities/Maintenance/Building Services
 - Teacher
 - Nurse
 - Manager/Administrator
 - Factory Worker
 - Construction Laborer
 - Retail/Restaurant/Service
 - Military/Police/Firefighter
 - Other Professional
 - Other
 - Don't Know/Refused
- D3. What is your total household income?
- Less than \$20,000
 - \$20,000 -- \$34,999
 - \$35,000 -- \$49,999
 - \$50,000 -- \$69,999
 - \$70,000 -- \$99,999
 - \$100,000 -- \$149,999
 - \$150,000 or more
 - Don't Know/Refused
- D4. What is your housing arrangement?
- Own my primary residence
 - Rent my primary residence
 - Live in a residence owned or rented by a family member
 - Other
 - Don't Know/Refused
- D5. What is your religious preference?
- Christianity → *Continue*
 - Judaism → *Skip to D5b*
 - Islam → *Skip to D5b*
 - Buddhism → *Skip to D5b*
 - Hinduism → *Skip to D5b*
 - Native American Religion → *Skip to D5b*
 - Agnostic → *Skip to D5b*
 - Atheist → *Skip to D5b*
 - Nonreligious/Secular → *Skip to D5b*
 - Other → *Skip to D5b*
 - Don't Know/Refused → *Skip to D5b*
- D5a. If you are a member of a Christian religion, to which denomination of Christianity do you belong?
- Episcopal/Anglican
 - Baptist
 - Methodist/Wesleyan
 - Lutheran
 - Presbyterian
 - Pentecostal/Charismatic
 - Catholic
 - Latter-Day Saints/Mormon
 - Churches of Christ
 - Assemblies of God
 - Congregational/United Church of Christ
 - Jehovah's Witnesses
 - Eastern Orthodox
 - Other
 - Don't Know/Refused
- D5b. Typically, how often do you attend religious services?
- More than once a week
 - Once a week
 - Once a month
 - Major religious holidays
 - Never
 - Don't Know/Refused
- D6. Are you a member of the congregation for which you work?
- I do not work at a congregation.
 - Yes, I work at this congregation and I am also a member here.
 - No, I am not a member of my employing congregation.
 - Don't Know/Refused

The following questions are being asked in order to discern whether benefits within the Episcopal Church are fairly distributed. As with all questions in this survey, your responses are optional.

D6a. Gender

- Male
- Female
- Refused

D6b. In what year were you born?

1	9		
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- Refused

D7. Are you Hispanic/Latino?

- Yes
- No
- Refused

D8. What is your race? Please mark all that apply.

- White/Caucasian
- Black/African American
- Asian
- Native American/American Indian (North and South America), Inuit/Alaskan Native
- Hawaiian/Pacific Islander
- Other
- Refused

D9. What is the highest level of education you have completed?

- Less than high school
- High school graduate/High school diploma/GED
- Some college
- Associates degree/Occupational or Vocational degree
- Bachelor's degree (BA, AB, BS)
- Master's degree (MA, MS, MENG, MED, MSW, MBA)
- Professional school degree (MD, DDS, DVM, JD)
- Doctorate degree (PhD, EDD)
- Other
- Refused

Please use the enclosed postage-paid envelope and mail your completed survey to:

The Gallup Organization

P.O. Box 2660

Omaha, NE 68172-9733

Thank you for participating! Your opinion counts!

The Benefits Provided by and Other Significant Features of The Episcopal Church Lay Employees' Retirement Plan

Plan Type	Defined Benefit
Retirement Benefit Formula	1.5% times Final Average Earnings ¹ times Credited Service
Forms of payment	Various forms ranging from a 50% joint and survivor option to a 100% joint and survivor option; a participant's benefit will be actuarially adjusted based on the form of payment chosen.
Optional forms of payment	Five-, ten- and fifteen-year continuous options are available.
Vesting	100% vested once the participant has completed 5 years of service or the date the participant attains age 55.
Normal retirement date	The first day of the month coinciding with or next following the participant's 65th birthday.
Early retirement options	<p>Age 60 – 65: the participant's benefits are reduced by 0.2% for each month prior to age 65 benefits are commenced. The maximum reduction for a participant who retires on the first day of the month following his/her 60th birthday is 12%.</p> <p>Age 55 – 65: in addition to the 12% reduction (which accounts for the period between the participant's 60th and 65th birthday), the participant's benefits are actuarially reduced for the period between the benefit commencement date and the participant's 60th birthday.</p>
Death benefits	<p>If an active plan participant who is under age 72 dies prior to retirement, the participant's beneficiary will receive a death benefit equal to two times the participant's assessable compensation to a maximum of \$50,000.</p> <p>If a married participant dies on or after his/her 55th birthday, the participant's spouse will receive a 50% joint and survivor benefit for the remainder of the spouse's natural life. The benefit will be computed based on the participant's age at the date of his/her death and the benefit formula then in place.</p>

¹ Final Average Earnings is defined as the average of the compensation for the highest paid seven out of eight consecutive years immediately prior to the year in which the participant retires.

The Benefits Provided by and Other Significant Features of The Episcopal Church Lay Employees' Retirement Plan (continued)

Plan Type	Defined Benefit
Disability benefit	<p>A disability benefit will be commenced for any active participant who is rendered permanently and totally disabled. The benefit will be computed using the formula for the normal retirement benefit; however, for purposes of this computation, the Credited Service will be the greater of 10 years or the participant's actual Credited Service in the Plan.</p> <p>The disability benefit will continue until the earlier of the first day of the month following the participant's 65th birthday (at which time, the participant will commence receiving a normal retirement benefit) or the cessation of the condition that rendered the participant disabled.</p>
Cost of living adjustments	<p>While not guaranteed by the Plan Document, it has been the practice of the Board of Trustees of the Church Pension Fund to grant an annual cost of living adjustment for all participants in pay status. The cost of living adjustment is generally based upon the cost of living adjustment granted by the Social Security Administration. The Trustees can elect another basis if they desire or can choose to forego a cost of living adjustment in its entirety.</p>

The Benefits Provided by and Other Significant Features of The Episcopal Church Lay Employees' Defined Contribution Retirement Plan

Plan Type	Defined Contribution
Employer Contributions	A base contribution equal to a minimum of 5% of the employee's compensation plus a dollar-for-dollar match of up to 4% of the employee's compensation are required; the latter is contingent on the employee making an equivalent contribution.
Employee Contributions	Pre-tax contributions ranging from 1% to 100% of the employee's compensation are allowed. Employee after tax contributions are also allowed under the Plan. The amount of the employee's pretax contribution and the amount of the annual additional (the sum of the employee's pretax contribution, after tax contribution and the employer's contribution) are subject to the limits imposed by the Internal Revenue Code.
Vesting	Employee contributions are always 100% vested. The employer has the option to choose among three alternative vesting schedules, as follows: <ul style="list-style-type: none"> • Immediate vesting; • 100% vesting at the completion of 5 years of service; • 20% after the completion of 3 years of service, 40% after the completion of 4 years of service, 60% after the completion of 5 years of service, 80% after the completion of 6 years of service, 100% vesting after the completion of 7 years of service.
Investment options	A participant can invest his/her vested contributions in one or more of the following investment options: <ul style="list-style-type: none"> • The Fidelity Money Market Trust Money Market Retirement Portfolio • The BlackRock Total Return Portfolio II (Institutional Class) • The Church Pension Fund Stable Value Option • The Fidelity Disciplined Equity Fund • The Fidelity Dividend Growth Fund • The Domini Social Equity Fund • The Neuberger-Berman Genesis Fund • The American Funds EuroPacific Growth Fund • The Fidelity Freedom Funds (a group of targeted-date funds) All non-vested employer contributions are invested in an age-appropriate Fidelity Freedom Fund.

The Benefits Provided by and Other Significant Features of The Episcopal Church Lay Employees Defined Contribution Retirement Plan (continued)

Plan Type	Defined Contribution
Normal retirement date	The first day of the month coinciding with or next following the participant's 65th birthday. Retired participants ¹ age 55 or older can commence making withdrawals from their accounts without incurring the 10% IRS tax penalty.
Other withdrawal options	<p>In-service withdrawals are allowed under the Plan once a participant attains age 59½. (A participant who is 59½ or older may withdraw all or a portion of his/her account balance without incurring a tax penalty.)²</p> <p>Hardship withdrawals are limited to the participant's Rollover, Transfer and Employee Contribution Account. A hardship withdrawal can only be taken if the hardship cannot be satisfied from other resources reasonably available to the participant.</p>
Participant loans	<p>A participant may borrow up to 50% of his/her account balance. Two loans may be outstanding at any one point in time. The total loan balance may not exceed \$50,000. Unless the loan proceeds are to be used for the purchase of a principal residence³, the loan must be repaid within 5 years.</p> <p>The interest rate is established at the time the loan is originated based on the then current New York Bank prime rate. The interest rate then remains fixed over the life of the loan. Early repayment is allowed with no penalty.</p>
Death benefits	In the event of a participant's death, the participant will be deemed 100% vested regardless of the vesting schedule elected by the participant's employer. The participant's account balance will be paid in its entirety to the participant's designated beneficiary without penalty.
Disability benefits	In the event a participant becomes totally and permanently disabled, the participant will be deemed 100% vested regardless of the vesting schedule elected by the participant's employer. The participant's account balance can be paid to the participant in part or in its entirety without penalty. The participant can also elect to receive a series of payments of a pre-determined amount.

¹ As defined by the Internal Revenue Code of 1986 as amended.

² The Church Pension Fund Stable Value Investment Option carries a 5% surrender charge if withdrawals or transfers in any calendar year that are not the result of a "distributable event" (e.g., retirement, disability or death of the participant) exceed 20% of the participant's January 1, annuity balance.

³ Loans for the purchase of a principal residence can be amortized over a maximum of 15 years.



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