

La suma de nuestras partes

Informe anual 2023



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Mensaje de la directora ejecutiva y presidenta **Mary Kate Wold**



Estimados amigos:

En CPG estamos agradecidos por otro año de servicio a la Iglesia Episcopal y por la oportunidad de atender las necesidades de aquellos que sirven a ella. Esperamos que todo lo que ofrecemos exceda la suma de beneficios, productos y recursos, y que hayamos continuado brindando tranquilidad y condiciones para la estabilidad.

Este informe resume algunos de los impactos que tuvimos durante el último año mientras seguíamos dando apoyo a los integrantes del clero, ya sean diáconos o sacerdotes, y a los empleados laicos de la Iglesia en su llamado a difundir el evangelio.

Proporcionamos estabilidad financiera a través de beneficios para empleados y educación financiera para ayudar a los integrantes del clero y a los empleados laicos a conocer esos beneficios. Identificamos riesgos y ayudamos a restaurar edificios de la Iglesia que habían sido dañados por desastres naturales u otros incidentes. Además, publicamos nuevos recursos litúrgicos y de apoyo para el ministerio.

Todo esto ha fortalecido nuestros lazos con la Iglesia y nos ha ayudado a llevar tranquilidad en momentos sociales y económicos de incertidumbre. La situación económica está difícil para muchas personas, por lo que mantenemos nuestro compromiso de ofrecer el mayor nivel de apoyo posible de la manera más rentable.

Como empleador, remarcamos la transparencia y el compromiso con la salud organizacional ante nuestro equipo de CPG, porque sabemos que la diversidad, la equidad y la inclusión, la firme alineación en nuestra labor más importante y la ejecución a conciencia de nuestro plan estratégico dan como resultado un mayor nivel de servicio para aquellos que dependen de nosotros.

Cuando me invitan a hablar ante el público sobre la Iglesia, con frecuencia hago referencia a nuestro plan estratégico. Quiero que todos sepan cuán determinados estamos a hacer el trabajo debido con profesionalismo, compasión y constancia para seguir ganándonos la confianza de todas las personas a las que servimos.

En nuestro primer año completo de vuelta en las oficinas después de la pandemia de COVID-19, disfrutamos de la camaradería mutua y de regresar a la actividad normal con muchos de ustedes. Agradecemos poder volver a vernos en persona y tener nuevas herramientas en línea para estar más cerca de las partes interesadas. Esperamos seguir en contacto durante el próximo año.

Atentamente,


Mary Kate Wold



Mary Kate Wold habla con el Obispo presidente, Michael B. Curry, sobre el apoyo de CPG a la Iglesia en evolución durante su mandato.

Ver video aquí
youtu.be/MQuC-TyJSvg

15,455

Cantidad de personas que participaron en eventos y debates financieros patrocinados por CPG⁴

⁴ Del 1 de enero de 2022 al 31 de diciembre de 2022.



Mensaje de la Junta de Directores de Church Pension Fund

Estimados amigos:

La Junta de Directores de Church Pension Fund (Junta de Directores de CPF) tuvo un año productivo y de mucho trabajo. Analizamos los resultados de las pruebas de estrés de CPF y confirmamos que CPF se encuentra en una posición sólida pero cautelosa. Revisamos los riesgos empresariales y los planes de mitigación de CPG, los cuales demostraron que la organización está lista para lo que se avecina. Expresamos confianza en el desempeño de CPG en tres áreas críticas: gestión de la cartera de inversiones, disciplina económica y enfoque en el servicio al cliente.

También continuamos realizando tareas importantes, como la incorporación de siete nuevos directores, y el debate sobre cómo la diversidad, la equidad y la inclusión mejoran nuestros esfuerzos.

Muchos de nosotros tuvimos la oportunidad de hablar con integrantes del clero y líderes laicos de diversos organismos de la Iglesia sobre el trabajo de CPG. Estas conversaciones sirvieron para ratificar la labor de CPG y su compromiso para comprender y responder a las necesidades en constante cambio.

La ley exige que la Junta de CPF, como fiduciaria, actúe exclusivamente en beneficio de CPF y para garantizar que este administre los planes de beneficios con énfasis en los intereses financieros de los participantes del plan y sus beneficiarios. El equipo de CPG trabaja arduamente para asegurarse de conocer las necesidades del cliente y su forma de responder a ellas.

Es un honor formar parte de la junta directiva de una organización que realiza tamaña labor para la Iglesia que tanto queremos. Gracias por su confianza en nosotros. Esperamos seguir siendo merecedores de la misma.

10,111

Instituciones episcopales atendidas por CPG²

Atentamente,

Canónica Kathryn McCormick
Presidenta

Canónica Rosalie Simmonds Ballentine, abogada, DHL
Vicepresidenta

El Rvdmo. Brian N. Prior
Vicepresidente

Mary Kate Wold, abogada
Directora ejecutiva y presidenta de The Church Pension Fund

² Al 31 de marzo de 2023.

Nuevos directores elegidos en la 80.a Convención General



El Rvdm. David A. Álvarez, magíster en Divinidad, doctor en Psicología

Obispo de la Diócesis Episcopal de Puerto Rico (jubilado)
Carolina, Puerto Rico
Miembro de los Comités de Inversiones y Auditoría



El Rvdo. Brendan Barnicle, doctor en Ministerio

Rector de la Iglesia Episcopal de San Francisco de Asís
Wilsonville, Oregón
Miembro de los Comités de Finanzas e Inversiones, y de la Junta de Directores de Church Life Insurance Corporation



El Rvdm. Ian T. Douglas, Ph. D.

Obispo de la Iglesia Episcopal de Connecticut (jubilado)
Vineyard Haven, Massachusetts
Miembro de los Comités de Políticas de Beneficios e Inversiones



La Rvdo. Amy Haynie

Rectora de la Iglesia Episcopal de San Nicolás
Midland, Texas
Miembro de los Comités de Políticas de Beneficios y Auditoría



La reverendísima Cynthia Briggs Kittredge, doctora en Teología

Deán y presidenta/directora ejecutiva del Seminario del Suroeste
Austin, Texas
Miembro de los Comités de Finanzas y Auditoría



El Rvdo. Gawain F. de Leeuw, doctor en Ministerio, OA

Vicario y sacerdote a cargo de la Iglesia de la Santísima Trinidad en Inwood
Nueva York, Nueva York
Miembro de los Comités de Finanzas y Auditoría



John McCray-Goldsmith

Director ejecutivo de la cartera de inversiones de Wells Fargo
San Francisco, California
Miembro de los Comités de Inversiones y Auditoría



Análisis de los números

Inversiones

Church Pension Fund (CPF) trabaja con gerentes de activos externos para realizar inversiones que, en conjunto, estén diseñadas para generar retornos suficientes que permitan pagar beneficios y gastos relacionados en las próximas décadas. Los gerentes externos buscan oportunidades en una variedad de clases de activos, que incluyen capital público y privado, renta fija, bienes raíces, fondos de cobertura y estrategias especializadas.

Al 31 de marzo de 2023, el valor de la cartera de CPF era de 17,000 millones de USD, en comparación con los 18 400 millones de USD del año fiscal anterior. Los desafíos para los mercados financieros en los primeros tres trimestres fiscales de 2022 ejercen presión sobre la cartera. Sin embargo, consideramos que nuestra situación financiera es sólida.

Durante los últimos 10 años, CPF ha generado un rendimiento anualizado del 8,4%, superando nuestro objetivo de inversión del 7,1% y el índice de referencia del mercado del 6,0%. El objetivo de inversión se utiliza como punto de referencia del desempeño en períodos de 10 años o más. Para períodos más cortos, utilizamos los índices de referencia del mercado.

CPF ha podido ofrecer retornos sólidos a lo largo del tiempo porque tiene una cartera bien diversificada, una orientación a largo plazo y un equipo de profesionales de inversión dedicados a cumplir el propósito y la visión de CPF. El equipo tiene experiencia en diferentes entornos de mercado, y adopta un enfoque disciplinado y riguroso para invertir basado en principios probados en el tiempo.

Para generar las tasas de retorno requeridas, es necesario asumir cierto nivel de riesgo de mercado. El equipo de Inversiones ha trabajado estrechamente con la Junta de CPF para establecer pautas de inversión diseñadas con el fin de lograr el rendimiento esperado que se desea sin riesgos innecesarios para la cartera. Seguimos atentos al reconocimiento y la gestión de riesgos, y estamos preparados para mantener la solidez financiera de CPF a fin de cumplir con nuestras obligaciones en las próximas décadas.



El director de inversiones, Roger Saylor, da una actualización sobre el desempeño de Church Pension Fund y reflexiona sobre sus años de servicio antes de jubilarse.

Ver video aquí youtu.be/B9AkY1yaG-8

17 mil millones de USD

Activos en la cartera de inversión de Church Pension Fund²



Michael Hood fue nombrado Vicepresidente Ejecutivo, Director de Inversiones y Director General en julio del 2023 siguiendo la jubilación de Roger Saylor, quien desempeñó el cargo por nueve años. [Más información.](#)

² Al 31 de marzo de 2023.



Consideración de factores ambientales, sociales y de gobernanza

Christopher Rowe, director ejecutivo de Inversiones, explica cómo el análisis de inversiones a través de una perspectiva ambiental, social y de gobernanza (Environmental,

Social, and Governance, ESG) se alinea con nuestros valores y nuestras responsabilidades fiduciarias.

La pericia de CPF radica en seleccionar gerentes de inversiones y no en elegir las inversiones en cuestión. Al seleccionar gerentes, evaluamos el proceso de estos para tomar decisiones: qué información utilizan y cómo la analizan.

Creemos que las cuestiones de ESG pueden afectar sustancialmente la oportunidad y el riesgo de inversión.

También reconocemos que, dependiendo de la inversión, el impacto de las consideraciones de ESG puede variar.

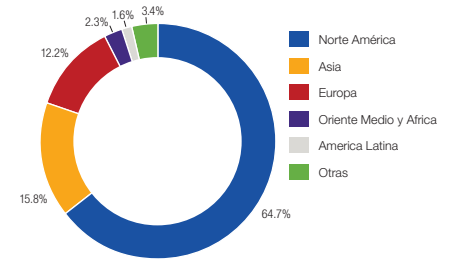
Existe una superposición entre las cuestiones de ESG que los inversionistas tienen en cuenta y muchos valores de la Iglesia. Muchos gerentes de las diversas carteras de CPF incorporan factores de ESG en su análisis e invierten billones de dólares en activos para CPF y otros clientes. Al centrarse en cuestiones de ESG, los gerentes llevan a un plano importante valores económicos que también son valores de la Iglesia. Debido a esta superposición, ha habido críticas sobre ESG que parten de la suposición inexacta de que todas las cuestiones de ESG “no son financieras”. Si bien algunas no son financieras, otras ciertamente lo son. Los inversionistas que ignoran las cuestiones de ESG, sean estrictamente financieras o no, pueden omitir factores que podrían ser importantes en sus decisiones de inversión.

Esperamos que los gerentes analicen de manera efectiva todos los criterios importantes de inversión, incluidos aquellos relacionados con ESG. Al contratar gerentes de inversión con un enfoque superior para evaluar todas las oportunidades y riesgos significativos, generamos rendimientos a largo plazo para los beneficiarios de CPF y defendemos los valores de la Iglesia.

Investment Overview

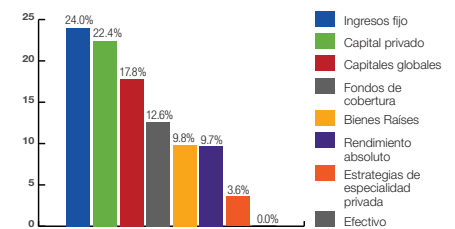
(as of 03/31/2023)

Asignación de activos regionales



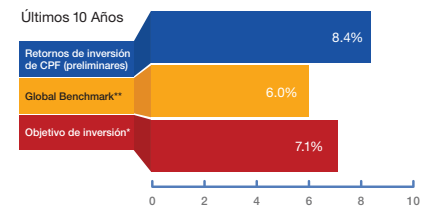
3.4%

Exposición a clases de activos



Rentabilidad anualizada de las inversiones

Rendimientos totales anualizados para el período que finaliza el 31 de marzo de 2023



* Objetivo de inversión es IPC-U +4,5%

** Índice de referencia es MSCI ACWI 67%/Barclays Agg 33%



CPG en acción

Actualización comercial: beneficios

Durante el último año, mejoramos una serie de beneficios de acuerdo con las resoluciones de la Convención General y nuestro compromiso continuo de ofrecer un alto nivel de beneficios de la manera más rentable posible. Ofrecimos mayores beneficios de maternidad para empleados laicos a los empleadores, aumentamos el beneficio de fertilidad de por vida en nuestros planes autoasegurados hasta un máximo combinado de 50,000 USD para servicios médicos y de farmacia e implementamos Hinge Health, un nuevo programa de fisioterapia en línea que ya presta servicios a cientos de miembros.

Nuestros Planes Grupales Medicare Advantage y de farmacia generaron el ahorro en los costos que esperábamos y ofrecieron a los miembros nuevos servicios de valor agregado. Por ejemplo, un 28% de los participantes de Planes Grupales Medicare Advantage se benefician de las visitas domiciliarias y se han entregado más de 4,000 comidas como parte del programa de apoyo posterior al alta hospitalaria.

Si bien nuestros esfuerzos continuos para contener los costos mantuvieron el aumento promedio de renovación de las tarifas de planes médicos por debajo del 4%, también seguimos teniendo conversaciones fructíferas con el grupo de trabajo del Plan de salud denominacional (Denominational Health Plan, DHP) que fue creado por la 80.ª Convención General. El grupo de trabajo estudia aspectos del DHP para determinar si existen formas de brindar una atención médica competitiva a tarifas más asequibles. El Informe anual del Plan de salud denominacional 2023 ofrece una mayor perspectiva de nuestros logros más recientes y nuestros planes en la búsqueda de más oportunidades.

A medida que evoluciona el panorama de beneficios para empleados, mantenemos el compromiso de mantenernos a la par. La incorporación del autoservicio web ha sido bien recibida y planeamos agregar nuevas prestaciones en los próximos años. Si bien seguimos buscando formas de facilitar la administración de beneficios para los miembros, mantendremos la mirada puesta en contener los costos de la atención médica.



Frank Armstrong, director de operaciones, da actualizaciones sobre los negocios y las operaciones de CPG, incluido el grupo de trabajo del DHP.

Ver video aquí
youtu.be/yBUYqHYMzWE

432 millones de USD

Beneficios pagados a los integrantes del clero y empleados laicos este año fiscal^{1,5}

100%

Diócesis estadounidenses que participan en el Plan de salud denominacional²

90%

Participación de las iglesias episcopales de los EE. UU. aseguradas por Church Insurance Companies²

¹ Del 1 de abril de 2022 al 31 de marzo de 2023.

² Al 31 de marzo de 2023.

⁵ Incluye pensión y otros beneficios (por ej., complemento médico, seguro de vida) pagados para integrantes del clero, empleados laicos y dependientes de estos.



Enfoque en los empleados laicos

Estamos haciendo un esfuerzo deliberado para hacer un seguimiento de los patrones de compensación de los empleados laicos. Nuestro primer *Informe de empleo y compensación de laicos* ofrece una visión general de

las diferencias demográficas, geográficas y de compensación entre las personas inscritas en los planes de jubilación de The Church Pension Fund. También estamos trabajando para crear conciencia entre los empleados laicos sobre los numerosos beneficios, productos y servicios disponibles para ellos. (Vea el gráfico a continuación).

Actualización comercial: seguros de propiedad y accidentes

Ofrecer seguros de propiedad y accidentes que sean asequibles y proporcionen una cobertura adecuada a un amplio abanico de instituciones e iglesias episcopales es un delicado ejercicio de malabarismo para Church Insurance Companies. Ayudamos a los clientes a administrar el costo de la cobertura, educándolos sobre las medidas proactivas que pueden tomar para mantener sus propiedades en buenas condiciones, de modo que se reduzca la probabilidad de pérdida.

La cobertura de un seguro es solo una de las herramientas que las instituciones pueden usar para proteger sus edificios y a las personas. Trabajamos de manera conjunta con todos nuestros clientes para ayudarles a ver qué pueden hacer para reducir el impacto económico de una tormenta u otro incidente. Por ejemplo, proporcionamos listas de verificación antes de eventos climáticos importantes para ayudar a los clientes a tomar precauciones fácilmente. Nuestro enfoque práctico de asistencia y servicio probablemente sea la razón por la que, año tras año, retenemos cerca del 98% de nuestros clientes, lo cual excede sustancialmente el estándar de la industria. Cifras como esta nos dan la confianza de que nuestro enfoque funciona, por lo que planeamos continuarlo mientras exploramos mejores formas de comunicarnos y brindar servicio.

Los costos de los seguros de propiedad y accidentes están aumentando en toda la industria debido a eventos más frecuentes y graves relacionados con el clima. También estamos viendo aumentos pronunciados en los costos de construcción que podrían afectar las primas en el futuro. Las propiedades de la Iglesia y Church Insurance no son inmunes a estas tendencias. La mayoría de los clientes verán aumentos en las primas el próximo año. Pero también disfrutarán de un mayor nivel de servicio y asistencia.

Este año, Church Insurance inició el proceso de actualización de los sistemas de facturación, reclamos, datos y otros sistemas. Cuando esto finalice, los nuevos procesos permitirán una comunicación más fácil y rápida con los clientes, y ayudarán a nuestros agentes a recopilar información de los inmuebles en tiempo real antes y durante los recorridos por las propiedades que pertenecen a la Iglesia.

Benefits Support for Lay Employees



Beneficios

- Lay DC Plan
- Lay DB Plan
- Plan de ahorros para la jubilación (RSVP)



Seguro

- Discapacidad
- Vida



Eventos

- Talleres y seminarios web sobre jubilación
- Programas de educación sobre los beneficios
- Educación financiera y bienestar



Gestión de cuentas

- Autoservicio web
- Asistencia al cliente personalizada
- Herramientas para la jubilación



Aprendizaje electrónico

- Finanzas y jubilación
- Salud y bienestar
- Beneficios



Asesoramiento financiero

- Fidelity Investments
- Especialista en Educación Financiera



Atención médica

- Planes para empleados activos y para jubilados
- Planes médicos, de medicamentos recetados, oftalmológicos, dentales
- Beneficios adicionales para participantes

También aumentamos el énfasis en la educación para que todos los clientes y clientes potenciales comprendan la importancia de tener una cobertura, el costo de la misma y las concesiones que pueden hacer para tener una cobertura adecuada con tarifas y deducibles que puedan pagar. Las primas bajas no siempre son la solución, sobre todo cuando vienen con deducibles altos que pueden ser imposibles de pagar cuando ocurren desastres imprevistos.

El riesgo cibernético es otro tema que seguimos abordando a través de la educación del cliente y la cobertura de pólizas. Con donaciones y promesas de donación cada vez más digitales, es fundamental que las instituciones sepan cómo proteger la información de los donantes contra la violación de la privacidad y el robo de identidad.

Las personas y las propiedades de nuestra Iglesia desempeñan funciones importantes en las comunidades a las que sirven. Church Insurance existe para ayudar a la Iglesia a identificar, conocer y gestionar los riesgos para ambas partes. Esperamos seguir prestando servicio en los próximos años, ya que los riesgos actuales y emergentes requieren conocimiento experto, educación, colaboración y cobertura.



Preparados para hacer frente

“La Diócesis del suroeste de Florida tuvo 22 iglesias dañadas por el huracán Ian. Church Insurance se hizo presente de inmediato en el lugar llevando contratistas y pagando beneficios del seguro a estas congregaciones

para llevar tranquilidad. Church Insurance dedicó su atención a nuestros edificios para que pudiéramos atender a la gente.

“Estoy convencido de que sin Church Insurance y su rápida respuesta al huracán muchas de estas 22 iglesias estarían enfrentando el cierre. En cambio, continúan sirviendo a sus comunidades y esperan con ansias el día en que puedan volver a ofrecer servicios litúrgicos en sus hermosos santuarios”.

—Michael Booher, director financiero de la Diócesis del suroeste de Florida



El administrador diocesano de la Costa del Golfo Central de Florida, Dwight Babcock, habla sobre el apoyo de The Church Insurance Companies y cómo ha ayudado a su diócesis a lidiar con los efectos del cambio climático.

Ver video aquí:
youtu.be/tqj9ltQCvN8



Actualización comercial: publicaciones

Airié Stuart, vicepresidenta sénior y editora de Church Publishing Incorporated (CPI), habla sobre lo que la impulsa a transmitir los principios y valores de la Iglesia Episcopal al mayor público posible.

Quando me convertí en jefa de Church Publishing, vi la oportunidad de ampliar el alcance de una editorial cristiana progresista cuyo propósito es, en pocas palabras, hacer el bien en el mundo. Había dirigido una empresa editorial en varios mercados y sabía que CPI tenía un fuerte potencial para llegar a diferentes públicos con temas de importancia para la Iglesia Episcopal.

Desde que me incorporé en 2020, la nueva estrategia editorial centrada en contenidos específicos para el mercado ha ampliado nuestro alcance. El objetivo del equipo editorial es maximizar el liderazgo de pensamiento, apoyar el trabajo inspirador de los académicos, defender voces importantes y desarrollar creadores de contenido sobre una amplia variedad de temas que capten el interés de los lectores de la Iglesia Episcopal y otras personas. Los nuevos títulos están generando atención y críticas positivas en diferentes medios. Hemos podido ampliar la visibilidad de nuestro trabajo en todo el país y sembrar semillas en todo el mundo. Un seminario web reciente que organizamos sobre orientación práctica para comenzar el trabajo de reparación es un buen ejemplo de cómo un libro puede facilitar el diálogo y atender las necesidades de la Iglesia.

Estamos entusiasmados con el futuro de Church Publishing y el papel que puede desempeñar para dar apoyo a los integrantes del clero y a los empleados laicos de la Iglesia Episcopal en su llamado a difundir el evangelio, y para introducir a otros públicos en temas de interés académico, profesional y general, como la teología, la espiritualidad, la justicia social y el liderazgo.

En un esfuerzo por ampliar nuestro alcance y llegar a un público más extenso de lectores, creamos un nuevo mecanismo para ofrecer contenido a demanda a personas de todo el mundo, y establecimos nuevas relaciones con vendedores de libros y bibliotecas. Nuestro compromiso con ampliar el acceso incluye ofrecer obras traducidas y garantizar el mayor número de lectores posible. Las publicaciones recientes de las nuevas traducciones al español y al francés de El Libro de Oración Común, y una edición de selecciones bilingües disponible a nivel mundial, demuestran nuestro enfoque en este sentido. Esperamos generar un mayor impacto a nivel internacional.

Agradecemos enormemente los comentarios y el apoyo que recibimos de nuestra comunidad. Nos hemos comprometido a escuchar y aprender todos los días.

1,040

Products and titles offered by Church Publishing Incorporated²

² Al 31 de marzo de 2023.



El rincón del autor: Kwok Pui-lan

El Arzobispo de Canterbury ha reconocido a Kwok Pui-lan por sus contribuciones a la teología feminista y poscolonial asiática. La autora, que adoptó la fe anglicana en su Hong Kong natal mientras aún estaba bajo el dominio británico, centra su investigación en la herencia colonial de la Iglesia Anglicana y sus implicaciones en el siglo

XXI. Su próximo libro, *The Anglican Tradition from a Postcolonial Perspective* (de Seabury Books, impresión de Church Publishing), es el primer libro de una académica anglicana no occidental que trata sobre los desafíos que enfrenta la Comunión Anglicana.

“Creo que es importante entender dónde estamos, retrotrayendo la mirada hacia las lecciones que nos dejó la historia. Si no conocemos el pasado, no tendremos los conocimientos y la sabiduría para imaginar el futuro”, dice la profesora Kwok.

Kwok Pui-lan es profesora del Deán de Teología Sistemática en la Universidad Emory. Fue presidenta de la Academia Estadounidense de Religión y autora o editora de más de 20 libros en chino e inglés.

Junta de Directores de Church Pension Fund



Canóniga Kathryn McCormick^{1, 4, 5}
 Presidenta de la Junta de Directores
 de Church Pension Fund
 Canóniga para Administración y Finanzas de
 la Diócesis episcopal de Mississippi (jubilada)
 Jackson, Mississippi



El reverendísimo Samuel G. Candler^{2, 5, 7, 8}
 Deán de la Catedral de San Felipe
 Diócesis Episcopal de Atlanta
 Atlanta, Georgia



**Canóniga Rosalie Simmonds Ballentine,
 abogada, DHL^{1, 3, 5, 7, 8}**
 Vicepresidenta de la Junta de Directores
 de Church Pension Fund
 Abogada de la Oficina de Derecho de Rosalie Simmonds
 Ballentine, PC
 St. Thomas, Islas Vírgenes Estadounidenses



El Rvdmo. Clifton Daniel III^{3, 6}
 Deán de la Iglesia Catedral de San Juan el
 Divino (jubilado)
 Fort Lee, Nueva Jersey



El Rvdmo. Brian N. Prior^{1, 4, 5}
 Vicepresidente de la Junta de Directores
 de Church Pension Fund
 Obispo asistente de la Diócesis Episcopal de Alabama
 Obispo asistente de la Diócesis Episcopal de Olympia
 Spokane Valley, Washington



El Rvdmo. Ian T. Douglas, Ph. D.^{2, 4}
 Obispo de la Iglesia Episcopal de Connecticut (jubilado)
 Vineyard Haven, Massachusetts



**El Rvdmo. David A. Álvarez, magister en
 Divinidad, doctor en Psicología^{2, 3}**
 Obispo de la Diócesis Episcopal de Puerto Rico (jubilado)
 Carolina, Puerto Rico



Delbert C. Glover, Ph. D.^{1, 3, 6}
 Vicepresidente, DuPont (jubilado)
 Washington, D.C.



**El Rvdo. Brendan Barnicle, doctor en
 Ministerio^{2, 6, 7}**
 Rector de la Iglesia Episcopal de San Francisco de Asís
 Wilsonville, Oregón



La Rvdo. Amy Haynie^{3, 4}
 Rectora de la Iglesia Episcopal de San Nicolás
 Midland, Texas



**La Rvdma. Diane M. Jardine Bruce, doctora
 en Ministerio, DD^{1, 4, 5}**
 Obispo Provisional de la Diócesis Episcopal
 del Oeste de Misuri
 Kansas City, Misuri



El Rvdmo. Julio Holguín^{4, 6}
 Obispo de la Diócesis Episcopal
 de la República Dominicana (jubilado)
 Santo Domingo, República Dominicana



La reverendísima Cynthia Briggs Kittredge, doctora en Teología^{3, 6}

Deán y presidenta/directora ejecutiva del Seminario del Suroeste
Austin, Texas



El Rvdmo. Gregory H. Rickel^{2, 4}

Obispo asistente de la Diócesis del sudeste de Florida
VIII Obispo de Olympia (renunció)
Fort Lauderdale, Florida



Ryan K. Kusumoto^{1, 5, 6}

Presidente y director ejecutivo de Parents And Children Together
Honolulu, Hawái



El Rvdo. Austin K. Rios^{2, 6}

Rector de la Iglesia Episcopal de San Pablo dentro los Muros
Convocatoria de Iglesias Episcopales en Europa
Roma, Italia



El Rvdo. Gawain F. de Leeuw, doctor en Ministerio, OA^{3, 6}

Vicario y sacerdote a cargo de la Iglesia de la Santísima Trinidad en Inwood
Nueva York, Nueva York



Canóniga Anne M. Vickers^{2, 6}

Canóniga de Finanzas y Administración de la Diócesis Episcopal del sudoeste de Florida (jubilada)
Tampa, Florida



John McCray-Goldsmith^{2, 3}

Director ejecutivo de la cartera de inversiones de Wells Fargo
San Francisco, California



La Honorable Linda E. Watt^{3, 4}

Embajadora de EE. UU. (jubilada)
Directora de Operaciones, Sociedad Misionera Nacional y Extranjera (Domestic and Foreign Missionary Society, DFMS)
Weaverville, Carolina del Norte



Sandra Ferguson McPhee, abogada^{1, 4, 5}

Abogada de las oficinas de abogados de Sandra Ferguson McPhee
Kennebunk, Maine



La reverendísima Sandye A. Wilson^{2, 4}

Deán de la Iglesia Catedral de Todos los Santos
Diócesis Episcopal de las Islas Vírgenes
St. Thomas, Islas Vírgenes Estadounidenses



Yvonne O'Neal^{3, 6}

Defensora de la justicia social
Consultora financiera (jubilada)
Nueva York, Nueva York



Mary Katherine Wold, abogada^{1, 2, 4, 6, 7}

Directora ejecutiva y presidenta de The Church Pension Fund
Nueva York, Nueva York



Salomon S. Owayda^{1, 2, 3}

Socio fundador de Mozaic Capital Advisors
Boston, Massachusetts

1 Miembro del Comité Ejecutivo

2 Miembro del Comité de Inversiones

3 Miembro del Comité de Auditoría

4 Miembro del Comité de Política de Beneficios

5 Miembro del Comité de Compensación, Diversidad y Valores Laborales

6 Miembro del Comité de Finanzas

7 Miembro de la Junta Directiva de Church Life Insurance Corporation

8 Miembro de la Junta Directiva, y del Comité de Supervisión de Auditoría y Oficial Mayor de Church Life Insurance Corporation



Funcionarios y asesores principales de Church Pension Group

El equipo de liderazgo ejecutivo de CPG trabaja en colaboración con la Junta Directiva de CPF para determinar la dirección estratégica de la organización, que impulsa los esfuerzos de todos los oficiales y sus unidades.

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 C. Curtis Ritter
 Ann Robinson
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 Brian Jandrucko
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 Sean Chatterton
 Anthony Cota
 Gerald Delk
 Eduardo A. Feliciano
 Robert Flannery
 Camille Fredrickson
 John Gallo

* Incluye a funcionarios de The Church Pension Fund y funcionarios de compañías afiliadas, que incluyen a The Church Insurance Agency Corporation, The Church Insurance Company of Vermont, Church Life Insurance Corporation, Church Pension Group Services Corporation y Church Publishing Incorporated, entre el 1 de abril de 2022 y el 31 de marzo de 2023.

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Stephen Tihor
Janet Todd
Tressa Violetto
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Alan F. Blanchard, *presidente emérito*
David R. Pitts, *presidente emérito*

Asesores principales

Custodio

The Northern Trust Company

Auditores independientes

Ernst & Young LLP
Johnson Lambert LLP

Actuario de pensión

Buck Global, LLC

Actuario del plan de salud

Aon



Informe anual del 2023

Datos Rápidos

Aquellos a quienes servimos

13,928

Participantes del clero activos (5607) y jubilados (8321) en planes de beneficios definidos³

2,849

Participantes laicos activos (936) y jubilados (1913) en un plan de beneficios definidos²

2,088

Participantes del clero activos en planes de contribución definida⁶

12,631

Participantes laicos activos en planes de contribución definida⁶

23,412

Participantes laicos activos (18 828) y jubilados (4584) con beneficios de CPG⁶

10,111

Instituciones episcopales atendidas por CPG²

Fortaleza financiera

17,000 millones de USD

Activos de cartera de inversión de Church Pension Fund²

Soporte rápido

432 millones de USD

Beneficios pagados a los integrantes del clero y empleados laicos^{1,5}

216 millones de USD

Reclamos médicos pagados por The Episcopal Church Medical Trust en planes autoasegurados⁴

1,289

Exenciones de aportación de pensión otorgadas por la pandemia²

15,455

Cantidad de personas que participaron en eventos y debates financieros patrocinados por CPG⁴

4,855

Visitas a jubilados de Capellanes para los jubilados⁴

Nuestras líneas de negocios

100%

Diócesis nacionales que participan en el Plan de salud denominacional

90%

Participación de las iglesias episcopales de los EE. UU. aseguradas por The Church Insurance Companies²

1,040

Productos y títulos ofrecidos por Church Publishing Incorporated²

¹ Del 1 de abril de 2022 al 31 de marzo de 2023.

² Al 31 de marzo de 2023.

³ Según se informa en el Informe de valoración actuarial con fecha 31 de marzo de 2023. El recuento de participantes en el informe es al 31 de diciembre de 2022.

⁴ Del 1 de enero de 2022 al 31 de diciembre de 2022.

⁵ Incluye pensión y otros beneficios (por ej., complemento médico, seguro de vida) pagados para integrantes del clero, empleados laicos y dependientes de estos.

⁶ Al 31 de diciembre de 2022.



Informe anual del Plan de Salud Denominacional del 2022

Desde su creación, el *Plan de Salud Denominacional (Denominational Health Plan, DHP)* ha ofrecido una valiosa cobertura de atención médica a los miembros. El *Fideicomiso Médico de la Iglesia Episcopal (Fideicomiso Médico)*, que administra el DHP, cumplió con sus responsabilidades de administrar los costos generales de atención médica, trabajar con la Iglesia Episcopal para lograr la paridad en los costos compartidos entre el clero y los empleados laicos, y reducir la disparidad de las primas de atención médica entre las diócesis. Si bien el DHP continúa cumpliendo con sus objetivos, el Fideicomiso Médico reconoce que la atención de la salud puede generar cargas financieras y permanece enfocada en abordar los costos.

El Fideicomiso Médico continúa proporcionando acceso amplio y beneficios de alta calidad y servicio consistente, al tiempo que se equilibran la atención compasiva y la administración financiera para la Iglesia.

Antecedentes

La Convención General de la Iglesia Episcopal aprobó la Resolución A177 en 2009, seguida de la Resolución B026 en 2012, que solicitan que el Fideicomiso Médico administre un plan de atención a la salud nacional y proporcione un informe de estado anual. Estas resoluciones

- Establecieron el DHP para todas las diócesis, parroquias, misiones y otras organizaciones u organismos eclesiásticos nacionales sujetos a la autoridad de esta iglesia, cubriendo a los integrantes del clero y empleados laicos que tienen programado trabajar un mínimo de 1,500 horas anuales.
- Exigieron que las diócesis aseguren la paridad de los costos compartidos para integrantes del clero y empleados laicos.
- Solicitaron que el Fideicomiso Médico continuara reduciendo la disparidad de las primas de atención a la salud entre las diócesis.

Además, la Resolución 2018-C023 solicitó que el Fideicomiso Médico se esfuerce por poner a disposición al menos dos compañías nacionales de seguros médicos en cada diócesis.

Un grupo de trabajo asesorará a la Iglesia sobre el Plan de Salud Denominacional

La 80.ª Convención General de la Iglesia Episcopal aprobó la Resolución D034, que exige que un Grupo de Trabajo asesore a la Iglesia sobre el Plan de salud denominacional (Grupo de trabajo del DHP) revise la estructura y las ofertas del DHP e informe a la 81.ª Convención General con una lista de opciones para reducir los costos de atención médica en toda la Iglesia, con una explicación completa del razonamiento, los costos y los beneficios de cada opción.

Church Pension Group (CPG) apoyó la creación de este Grupo de trabajo, que incluye a la presidenta de la Junta Directiva de CPF, Kathryn McCormick, y al director de operaciones de CPG, Frank Armstrong, entre sus miembros. CPG se complace en colaborar con la Iglesia a medida que analiza, estudia y discierne los problemas y las oportunidades que se deben considerar para proporcionar atención médica al clero y a los empleados laicos.

Valor del DHP

El DHP proporciona características que generalmente no se ofrecen en los planes corporativos de EE. UU. o mercados de atención a la salud estatales:

- *Elección significativa:* el DHP permite a las diócesis una mayor flexibilidad para elegir opciones de la matriz ofrecida por el Fideicomiso Médico. Esto incluye una mezcla de planes platino, oro y plata; y una elección entre dos diseños de planes de farmacia.
- *Beneficios integrales:* además de los beneficios médicos y de farmacia integrales, el DHP incluye un Plan de asistencia al empleado (Employee Assistance Plan, EAP), junto con planes de visión, audífonos, asistencia médica para viajes, defensa de la salud y planes dentales opcionales.
- *Redes amplias e integrales:* el DHP continúa ofreciendo planes con redes nacionales amplias e integrales (Anthem y Cigna), más un plan regional (Kaiser). Otros empleadores estadounidenses, y ciertamente los intercambios estatales, ofrecen redes de proveedores más pequeñas y una gestión de la utilización más estricta. Si bien estos planes tienen un costo de prima más bajo, existe una compensación significativa en la elección, el acceso y los beneficios de los participantes.

Respuesta y perspectiva de la COVID-19

Los efectos de la COVID-19 continuaron teniendo un impacto importante en la atención a la salud de los EE. UU. y el DHP. En el 2022, el Fideicomiso Médico pagó 4.4 millones de USD en reclamaciones por COVID-19.¹

Si bien la nación salió de la pandemia en el 2022, el Fideicomiso Médico continuó asumiendo costos significativos relacionados con las reclamaciones por COVID-19, incluidas las pruebas continuas, las vacunas y el tratamiento agudo y crónico de la "COVID prolongada".

¹ No incluye reclamaciones por COVID-19 pagadas por entidades gubernamentales o de salud pública.

Control de los costos de atención médica

El Fideicomiso Médico reconoce que la atención médica puede crear cargas financieras, y sigue comprometido a proporcionar las contribuciones más bajas posibles mientras mantiene una cobertura competitiva para sus miembros.

Los aumentos de costos para la Iglesia continúan estando en el extremo inferior de las tendencias nacionales anuales. El Fideicomiso Médico logró un aumento anual promedio del 4.4% para el 2023, en comparación con una tendencia nacional estimada del 5.6% al 8%.² Esto es especialmente notable porque los costos de las reclamaciones del DHP han sido históricamente un 20% más altos que el empleador promedio de los EE. UU. Estos costos de reclamación más altos son impulsados por tres factores principales:

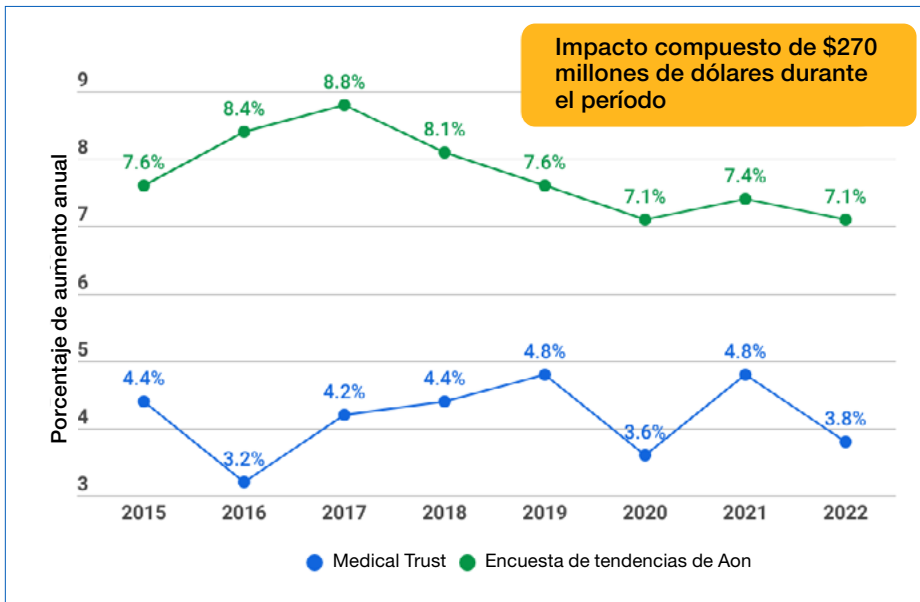
- **Población mayor:** la edad promedio de los participantes cubiertos por el DHP es de 52 años en comparación con 42 años en toda la población estadounidense. Los miembros mayores tienen más probabilidades de utilizar servicios de atención a la salud, incluido el tratamiento de afecciones crónicas, lo que conduce a costos de reclamaciones más altos.
- **Planes más generosos:** a medida que los empleadores de EE. UU. generalmente cambian a una cobertura con costos en efectivo más altos para los miembros, el 94% de los miembros del DHP están inscritos en nuestros planes más generosos, que tienen el costo compartido en efectivo más bajo para los miembros.
- **Mayor costo de medicamentos recetados especializados:** el porcentaje de medicamentos recetados especializados de los costos del plan de farmacia para el DHP es del 64.5% en comparación con el 59.4% para los pares de la Asociación de Beneficios de la Iglesia.

A pesar de los mayores costos de reclamaciones, los esfuerzos del Fideicomiso Médico para administrar los costos generales y mitigar los aumentos anuales han mantenido los aumentos de costos del DHP en el extremo inferior de las tendencias nacionales.



Desde el inicio del DHP, los aumentos de costos promedio anuales han oscilado entre el 4% y el 6%, en comparación con el 7% y el 9% para otros grandes empleadores durante el mismo período. El siguiente cuadro muestra esta comparación desde el 2015, lo que da como resultado un impacto compuesto de \$270 millones de dólares.

² La comparación personalizada incluye empresas de los sectores de beneficencia y educación superior sin fines de lucro.



Menos costos administrativos. En el 2022, más del 93% de las contribuciones se destinaron al pago de reclamaciones, y la parte restante se destinó a costos administrativos fijos para los planes de salud (acceso a redes nacionales, procesamiento de reclamaciones, servicio a los miembros, etc.) y operaciones internas (responsabilidades administrativas y del patrocinador del plan, facturación y recaudación, centro de llamadas, etc.). El DHP permite a la Iglesia proporcionar atención a la salud a los integrantes del clero y empleados laicos de manera similar a los empleadores corporativos de los EE. UU. al eliminar ciertos costos típicamente asumidos por los empleadores (impuestos estatales sobre las primas, comisiones y margen de riesgo/ganancia).

Costos más bajos en comparación con los mercados individuales estatales. En el 2022, más del 93% de las contribuciones se destinaron al pago de reclamaciones, y la parte restante se destinó a costos administrativos fijos para los planes de salud (acceso a redes nacionales, procesamiento de reclamaciones, servicio a los miembros, etc.) y operaciones internas (responsabilidades administrativas y del patrocinador del plan, facturación y recaudación, centro de llamadas, etc.). El DHP permite a la Iglesia proporcionar atención a la salud a los integrantes del clero y empleados laicos de manera similar a los empleadores corporativos de los EE. UU. al eliminar ciertos costos típicamente asumidos por los empleadores (impuestos estatales sobre las primas, comisiones y margen de riesgo/ganancia).

Las economías de escala ayudan a contener los costos. El DHP agrupa el poder adquisitivo de los empleadores episcopales, lo que reduce las tasas generales de atención a la salud para los grupos participantes. En el 2022, el DHP se mantuvo firme en su capacidad de negociar para la Iglesia al mantener cerca de 13,000 miembros del clero y empleados laicos activos en sus planes de atención a la salud.

Las consultas con profesionales de CPG guían la administración de beneficios. Desde 2014, todas las diócesis nacionales participan en el DHP y reciben apoyo del Medical Trust para la planificación de beneficios anuales y estrategias para lograr la paridad en el financiamiento de beneficios de atención a la salud para el clero y los empleados laicos.

Múltiples iniciativas de ahorro de costos. Durante el transcurso del DHP, el Fideicomiso Médico, implementó varias medidas para mantener bajos aumentos anuales sin aumentar los costos en efectivo y/o reducir el acceso o la atención de los miembros, que incluyen:

- La participación continua en la coalición de compra de medicamentos recetados con otras denominaciones.
- Implementación del programa de asistencia para copagos del fabricante de SaveonSP.
- Implementación y promoción de los Planes de excepción para pequeños empleadores pagadores secundarios de Medicare.
- Exigir una gestión apropiada de la utilización para garantizar óptimos resultados y el uso de tratamientos basados en la evidencia.
- Asociarse con otra denominación en una solicitud de propuesta (request for proposal, RFP) para un proveedor del plan de asistencia al empleado (Employee Assistance Plan, EAP), lo que resultó en costos más bajos y un servicio mejorado.

Reducción de la disparidad de costos

La Resolución 2012-B026 reafirmó el Plan de salud denominacional y alentó al Fideicomiso Médico a explorar estrategias alternativas para lograr un intercambio más equitativo de los costos de atención médica en toda la Iglesia.

El DHP trabaja para minimizar las disparidades de costos entre las diócesis. Por ejemplo, sin el DHP, los factores geográficos y demográficos por sí solos darían lugar a una disparidad de costos mucho más amplia entre las diócesis, y muchas diócesis probablemente experimenten aumentos de hasta el 40% o más por encima de las tasas promedio actuales.

El análisis realizado por un consultor externo confirmó que el Fideicomiso Médico, dada la edad, el sexo, el tamaño de la familia, la geografía y el valor del plan, es un 3% más eficiente en comparación con el mercado. Si bien la Resolución B026 limita nuestra capacidad de ser tan competitivos en todas las diócesis y es posible que el Fideicomiso Médico no sea el plan menos costoso para cada diócesis, el DHP ha logrado la intención de la resolución al reducir las disparidades de costos entre las diócesis.

Como se representa en el siguiente gráfico, la disparidad en los costos de atención a la salud entre las diócesis de precio más alto y de precio más bajo se mantuvo relativamente estable para el 2022:

- Para los mismos planes, un 73% de las diócesis cae entre aproximadamente un 10% por encima o por debajo de las tasas promedio del Fideicomiso Médico (bajó un 1% desde el 2021). El Fideicomiso Médico se esfuerza por mantener a la mayoría de las diócesis dentro de este rango.
- Las tasas pagadas por el 27% de las diócesis cayeron un 10% o más por debajo de la tasa promedio del Fideicomiso Médico para los mismos planes (hasta por 1%). Esto está impulsado principalmente por la necesidad de seguir siendo competitivo con las primas del mercado local en esas diócesis, así como la demografía de los miembros, el costo geográfico de la atención a la salud y el historial de reclamaciones.

Reducir la disparidad de costos: distribución actual*

Diferencia con respecto a la tasa promedio	Distribución actual
-31%+	0
-21% to -30%	6
-11% to -20%	22
-10 to +10%	74
11% to 20%	0
21% to 30%	0
31% +	0
Total	102

* Las cifras excluyen la Diócesis de Hawái ya que el plan está totalmente asegurado según lo exige la ley estatal.

Fondo de asistencia médica para diócesis extranjeras

En el 2022, The Church Pension Fund otorgó un total de 83.200 dólares del Fondo de Asistencia Médica para pagar gastos de atención a la salud no cubiertos por un seguro público o privado para participantes elegibles en diócesis extranjeras. Estos subsidios brindan mayor seguridad financiera para proteger la salud de quienes los reciben.

Cambios y mejoras en los beneficios

Cambios en los costos compartidos de medicamentos recetados

En los últimos tres años, el análisis muestra que el costo compartido del miembro de Fideicomiso Médico para medicamentos no especializados ha disminuido en un 15% debido a copagos fijos. Para tener en cuenta estos costos adicionales para el plan, a partir del 1 de enero de 2023, las opciones de medicamentos recetados estándar se basan en coseguros (frente a los basados en copagos) con montos máximos para proteger a los miembros de costos excesivos y mínimos para impulsar los ahorros del plan. La opción Premium Rx continúa basándose en los copagos; sin embargo, los montos de copago para los medicamentos no genéricos aumentaron. Además, todos los diseños de planes de medicamentos recetados agregaron un nuevo nivel de costo compartido para medicamentos especializados.

Cambios en la forma en que se cubren los medicamentos especializados

Con los planes de beneficios típicos, algunos medicamentos especializados están cubiertos por el canal médico del plan, mientras que otros están cubiertos por el canal de farmacia. Esto genera confusión sobre cómo acceder a los medicamentos especializados y plantea desafíos de contención de costos. Con nuestros planes médicos de Anthem y Cigna, ahora ciertos medicamentos especializados están excluidos del beneficio médico y, en su lugar, están cubiertos exclusivamente dentro del beneficio de farmacia de Express Scripts. Esta "administración de canales médicos" da como resultado criterios de cobertura clínica más consistentes, una mejor administración de los servicios de atención médica y ahorros de costos.

Nuevos servicios para la salud musculoesquelética (vigentes a partir de octubre de 2022)

Uno de los principales costos de reclamaciones del Fideicomiso Médico es el tratamiento de afecciones musculoesqueléticas. El Fideicomiso Médico agregó los siguientes servicios nuevos para los miembros de Anthem y Cigna a fin de ayudar a reducir costos y aumentar la calidad de la atención:

- Hinge Healtheste: programa proporciona soluciones digitales convenientes para el dolor o las lesiones musculoesqueléticas sin costos compartidos del miembro. Los miembros tienen acceso a un equipo de atención personal, que incluye fisioterapeutas y asesores de salud, sesiones virtuales de fisioterapia y tecnología portátil que brinda comentarios en vivo y adapta las recomendaciones de ejercicio al plan de atención individualizado del miembro.
- Segunda opinión de expertos: Hinge Health proporciona una revisión médica experta para cirugías de espalda, rodilla o cadera. Una segunda opinión para tratamientos médicos importantes y cirugías costosas puede conducir a mejores resultados para los pacientes y ayudar a controlar los costos.

Mejoras adicionales del plan

Las siguientes mejoras en los beneficios entraron en vigencia el 1.º de enero de 2023:

- El máximo de beneficios de por vida para los beneficios de fertilidad es un monto combinado de 50,000 dólares para servicios médicos y medicamentos recetados (anteriormente un máximo de beneficios de por vida de 10,000 dólares para servicios médicos y 10,000 dólares para medicamentos recetados). Esto proporciona una mayor opción a los miembros sobre cómo utilizan su beneficio.
- El beneficio para audífonos aumentó a un máximo de 3,000 dólares cada tres años. Además, ya no hay un máximo por oído (anteriormente 1,500 dólares por oído).
- La asignación anual para marcos y lentes de contacto aumentó a 200 dólares (anteriormente 150).
- Los planes del Fideicomiso Médico ahora cubren las vacunas de viaje para viajes personales.

El camino a seguir

Además de sus esfuerzos continuos para mejorar los beneficios mientras contiene los costos, el Fideicomiso Médico está explorando oportunidades que podrían mejorar los beneficios para los miembros y/o administrar aún más los costos, lo que incluye:

Navegador de atención a la salud

Las malas decisiones de atención a la salud pueden generar costos más altos y ser perjudiciales para la salud y el bienestar de los miembros. Un orientador sirve como un único punto de contacto para los miembros y los ayuda a superar las barreras, interactuar de manera más efectiva con los proveedores y experimentar mejores resultados de salud. Como parte de esta iniciativa, el Fideicomiso Médico está examinando los *determinantes sociales de la salud* para identificar formas en las que podemos ayudar a los miembros a lograr resultados positivos.

Nos embarcamos en un proceso de RFP en el 2023 y planeamos lanzar el Navegador de atención a la salud en el 2025.

RFP de beneficios de farmacia

Como parte de la coalición de compras de la *Asociación de Beneficios de la Iglesia*, una organización dedicada a las mejores prácticas en juntas denominacionales y planes de beneficios, el Fideicomiso Médico participa en una RFP para servicios de gestión de beneficios de farmacia. El objetivo es obtener ofertas financieras competitivas y evaluar a los proveedores que proporcionarán un servicio de alta calidad al Fideicomiso Médico y a sus miembros.

Resumen

La perspectiva para el DHP sigue siendo positiva. El DHP continúa proporcionando valiosos beneficios con una amplia gama de redes nacionales a un costo que es difícil de igualar para el nivel de beneficios que reciben nuestros miembros.

Continuamos monitoreando el entorno de la atención médica, las tendencias actuales, la inflación y los problemas de la cadena de suministro que pueden tener un impacto en los costos. Nuestro enfoque permanece en proporcionar beneficios de salud integrales y rentables, mejorar la participación de los miembros y los resultados de salud, y cumplir las leyes vigentes y las mejores prácticas comerciales.

Un vistazo al Plan de Salud Confesional



Atención médica asequible

- El Fideicomiso Médico ayuda a garantizar que las contribuciones sean suficientes para financiar reclamaciones de salud.
- El Fideicomiso Médico observa de cerca las tendencias de la industria para controlar los costos.
- Los planes del Fideicomiso Médico evitan comisiones.
- Más del 90 % de cada dólar de primas se utiliza para pagar reclamaciones de atención médica.
- Los empleadores episcopales son aliviados de muchas cargas administrativas.



Cobertura integral

- Médico, salud conductual, farmacia, visión, dental, audición
- Paquetes personalizados, planes transferibles, amplio acceso a proveedores de atención médica
- Gama de opciones de precios (planes platino, oro, plata)
- Variedad de niveles de tarifas (individual, familiar, etc.)



Sólida cobertura de costos

- La edad promedio en el DHP es de 52* años frente al promedio nacional de 42.
- A pesar de las características demográficas, los costos son más bajos de lo esperado.
- Aumentos en la tasa promedio del Fideicomiso Médico: rango de un solo dígito.
- Aumentos por debajo del mercado en medio de mejoras en los beneficios.
- Reducción continua de la disparidad de costos de atención médica entre las diócesis precio más alto y más bajo.

*Al 31 de mayo de 2021

**THE CHURCH PENSION FUND, THE CHURCH
PENSION FUND CLERGY PENSION PLAN, THE
EPISCOPAL CHURCH LAY EMPLOYEES' RETIREMENT
PLAN AND THE STAFF RETIREMENT PLAN OF THE
CHURCH PENSION FUND AND AFFILIATES**

Combined Financial Statements
Years Ended March 31, 2023 and 2022
Report of Independent Auditors

Ernst & Young LLP



**THE CHURCH PENSION FUND, THE CHURCH PENSION FUND
CLERGY PENSION PLAN, THE EPISCOPAL CHURCH LAY
EMPLOYEES' RETIREMENT PLAN AND THE STAFF RETIREMENT
PLAN OF THE CHURCH PENSION FUND AND AFFILIATES**

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Report of Independent Auditors

Board of Trustees of
The Church Pension Fund

Opinion

We have audited the financial statements of The Church Pension Fund, The Church Pension Fund Clergy Pension Plan, The Episcopal Church Lay Employees' Retirement Plan and The Staff Retirement Plan of The Church Pension Fund and Affiliates, which comprise the combined statements of net assets available for benefits as of March 31, 2023 and 2022, and the related combined statements of changes in net assets available for benefits for the years then ended, and the related notes (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the net assets available for benefits of The Church Pension Fund, The Church Pension Fund Clergy Pension Plan, The Episcopal Church Lay Employees' Retirement Plan and The Staff Retirement Plan of The Church Pension Fund and Affiliates at March 31, 2023 and 2022, and the changes in its net assets available for benefits for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Church Pension Fund, The Church Pension Fund Clergy Pension Plan, The Episcopal Church Lay Employees' Retirement Plan and The Staff Retirement Plan of The Church Pension Fund and Affiliates and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Ernst + Young LLP

July 20, 2023

**THE CHURCH PENSION FUND, THE CHURCH PENSION FUND
CLERGY PENSION PLAN, THE EPISCOPAL CHURCH LAY
EMPLOYEES' RETIREMENT PLAN AND THE STAFF RETIREMENT
PLAN OF THE CHURCH PENSION FUND AND AFFILIATES**

**COMBINED STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
MARCH 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
ASSETS		
Investments, at fair value	\$ 16,533,799,498	\$ 18,009,509,832
Receivables and other assets:		
Receivable from brokers	32,925,628	101,080,704
Assessments receivable, less allowance for doubtful accounts (2023 – \$465,000; 2022 – \$537,000)	2,324,059	2,605,999
Accrued investment income and other assets	74,329,048	61,369,665
Cash and cash equivalents	747,000,696	729,363,573
TOTAL ASSETS	<u>\$ 17,390,378,929</u>	<u>\$ 18,903,929,773</u>
LIABILITIES		
International Clergy Pension Plan	\$ 180,409,297	\$ 205,445,911
Payable to brokers	32,508,290	106,812,448
Accrued expenses and other liabilities	175,933,058	222,723,756
Total liabilities	<u>388,850,645</u>	<u>534,982,115</u>
TOTAL NET ASSETS	<u>\$ 17,001,528,284</u>	<u>\$ 18,368,947,658</u>
COMPONENTS OF NET ASSETS		
Net assets with donor restrictions:		
Legacy and gift fund	\$ 47,211,762	\$ 49,647,417
Total net assets with donor restrictions	<u>47,211,762</u>	<u>49,647,417</u>
Net assets without donor restrictions:		
Legacy and gift fund	32,858,297	34,734,020
Total net assets without donor restrictions	<u>32,858,297</u>	<u>34,734,020</u>
Internally designated:		
Clergy Post-Retirement Medical Assistance Plan	1,040,842,731	968,208,654
Clergy Life Insurance Plan	269,790,865	312,802,668
Benefit Equalization Plan	58,579,848	75,660,412
Clergy Child Benefit Plan	12,088,400	12,065,162
Clergy Short-Term Disability Plan	4,280,039	4,599,549
Clergy Long-Term Disability Plan	94,742,471	102,761,462
Designated for assessment deficiency	625,865,116	1,190,444,653
Investment in affiliated companies	149,898,577	170,403,469
Available for benefits:		
Net assets available for benefits:		
The Clergy Plan	14,016,094,626	14,822,517,319
The Episcopal Church Lay Employees' Retirement Plan	269,462,049	265,794,998
Staff Retirement Plan of the Church Pension Fund and Affiliates	379,813,503	359,307,875
Total net assets available for benefits	<u>14,665,370,178</u>	<u>15,447,620,192</u>
Total internally designated	<u>16,921,458,225</u>	<u>18,284,566,221</u>
TOTAL NET ASSETS	<u>\$ 17,001,528,284</u>	<u>\$ 18,368,947,658</u>

See accompanying notes to the combined financial statements.

**THE CHURCH PENSION FUND, THE CHURCH PENSION FUND
CLERGY PENSION PLAN, THE EPISCOPAL CHURCH LAY
EMPLOYEES' RETIREMENT PLAN AND THE STAFF RETIREMENT
PLAN OF THE CHURCH PENSION FUND AND AFFILIATES**

**COMBINED STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR
BENEFITS
YEARS ENDED MARCH 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
ADDITIONS (REDUCTIONS) TO NET ASSETS		
Assessments	\$ 100,996,991	\$ 98,848,223
Interest	127,826,020	89,693,079
Dividends and other income	46,506,969	33,420,853
Net (depreciation) appreciation in fair value of investments	(1,060,008,098)	1,393,529,932
Total (reductions) additions to net assets	<u>(784,678,118)</u>	<u>1,615,492,087</u>
DEDUCTIONS FROM NET ASSETS		
Benefits and expenses:		
Pensions and other benefits	390,801,781	368,119,216
Medical supplement	30,737,341	39,224,567
Life insurance	18,987,181	18,419,444
Total benefits	<u>440,526,303</u>	<u>425,763,227</u>
Investment management and custodial fees	38,925,354	40,529,321
General and administrative	105,428,750	99,079,788
Total benefits and expenses	<u>584,880,407</u>	<u>565,372,336</u>
Other (additions) deductions:		
International Clergy Pension Plan	(22,408,964)	(302,134)
Other liabilities (assets)	20,270,206	(22,218,134)
Change in total net assets	<u>(1,367,419,767)</u>	<u>1,072,640,019</u>
OTHER CHANGES IN NET ASSETS		
Net assets with donor restrictions	2,435,656	(5,367,766)
Net assets without donor restrictions	1,875,723	(3,517,731)
Internally designated:		
Clergy Post-Retirement Medical Assistance Plan	(72,634,077)	(90,999,530)
Clergy Life Insurance Plan	43,011,803	31,115,502
Benefit Equalization Plan	17,080,564	(15,860,007)
Clergy Child Benefit Plan	(23,238)	(581,602)
Clergy Short-Term Disability Plan	319,510	274,979
Clergy Long-Term Disability Plan	8,018,991	(519,045)
Investment in affiliated companies	20,505,284	(12,020,785)
Assessment deficiency	564,579,537	17,264,203
Total changes in net assets available for benefits	<u>(782,250,014)</u>	<u>992,428,237</u>
Net assets available for benefits at beginning of year	15,447,620,192	14,455,191,955
NET ASSETS AVAILABLE FOR BENEFITS AT END OF YEAR	<u><u>\$ 14,665,370,178</u></u>	<u><u>\$ 15,447,620,192</u></u>

See accompanying notes to the combined financial statements.

THE CHURCH PENSION FUND, THE CHURCH PENSION FUND CLERGY PENSION PLAN, THE EPISCOPAL CHURCH LAY EMPLOYEES' RETIREMENT PLAN AND THE STAFF RETIREMENT PLAN OF THE CHURCH PENSION FUND AND AFFILIATES

NOTES TO COMBINED FINANCIAL STATEMENTS YEARS ENDED MARCH 31, 2023 AND 2022

1. ORGANIZATION

The Church Pension Fund (CPF) is a not-for-profit corporation chartered in 1914 by the Legislature of the State of New York. CPF is authorized by the Canons of The Episcopal Church to establish and administer the clergy pension system of The Episcopal Church, including pension, life and health benefits, as well as the lay employee pension system and the denominational health plan of The Episcopal Church. Since its founding, CPF has elected to be examined by the New York State Department of Financial Services.

CPF began its operations on March 1, 1917. Subsequently, affiliates of CPF were formed as its activities expanded. Major affiliates and their years of formation include: Church Publishing Incorporated, 1918; Church Life Insurance Corporation, 1922; The Church Insurance Company, 1929; The Church Insurance Agency Corporation, 1930; The Church Insurance Company of Vermont, 1999; Church Pension Group Services Corporation, 2002.

All operations of CPF and its affiliates, informally known as the Church Pension Group, are governed by CPF's Board of Trustees. Except for the Chief Executive Officer (CEO), all CPF Trustees serve without compensation and are elected by the General Convention of The Episcopal Church from a slate of nominees submitted by the Joint Standing Committee on Nominations of The Episcopal Church.

2. DESCRIPTION OF THE PLANS

CPF's assets are primarily used to fund a defined benefit plan and related benefits for eligible clergy of The Episcopal Church (the "Clergy Plan") and their beneficiaries. A portion of these assets are held in The Church Pension Fund Clergy Pension Plan, which is sponsored and administered by CPF. CPF is also the plan sponsor and administrator of The Episcopal Church Lay Employees' Retirement Plan (the "Lay Plan") and The Staff Retirement Plan of The Church Pension Fund and Affiliates (the "Staff Plan"). The Church Pension Fund Clergy Pension Plan, the Lay Plan and the Staff Plan are collectively referred to as the "Qualified Plans." The following is a brief description of the Clergy Plan, the Lay Plan and the Staff Plan for general information purposes only. Participants in these plans should refer to the plan documents of their respective plan for more complete information. In the event of a conflict between this brief description and the terms of the plan documents, the terms of the plan documents shall govern.

2. DESCRIPTION OF THE PLANS (CONTINUED)

The Church Pension Fund Clergy Pension Plan is a defined benefit plan providing retirement, death and disability benefits to eligible clergy of The Episcopal Church. The Lay Plan is a defined benefit plan providing retirement, death and disability benefits to eligible lay employees of participating employers of The Episcopal Church. The Staff Plan is a defined benefit plan providing retirement and death benefits to eligible employees of Church Pension Group Services Corporation. The respective assets of these defined benefit plans and other benefit plans maintained by CPF are pooled, solely for investment purposes, for the benefit of all participants. The Qualified Plans qualify as church plans under Section 414(e) of the Internal Revenue Code (the "Code"). As church plans, the Qualified Plans and other plans are exempt from Titles I and IV of the Employee Retirement Income Security Act of 1974 and, therefore, are not subject to Pension Benefit Guaranty Corporation requirements or guarantees. These plans have long been recognized as exempt from federal income taxes. CPF and its affiliates are also exempt from certain federal, state and local income taxes.

Management believes the Qualified Plans are being operated in compliance with their applicable requirements under Section 401(a) of the Code and, therefore, believes that the Qualified Plans, as amended, are qualified and the related trust is tax exempt under section 501(a) of the Code. The Qualified Plans and other plans may be terminated by CPF at any time. Upon termination of any of these plans, CPF has the obligation to distribute the plan assets in accordance with the terms of the applicable plan documents.

Accounting principles generally accepted in the United States (GAAP) require CPF and the Qualified Plans to evaluate uncertain tax positions taken by CPF and the Qualified Plans. The financial statement effects of a tax position are recognized when the position is more likely than not, based on the technical merits, to be sustained upon examination by the Internal Revenue Service. There were no uncertain tax positions taken by CPF or the Qualified Plans as of March 31, 2023 and 2022.

CPF maintains a master trust with an undivided ownership interest in the portion of CPF's assets allocable to (1) The Church Pension Fund Clergy Pension Plan benefits for vested participants and their dependents, (2) the Lay Plan benefits for participants and their dependents, and (3) the Staff Plan benefits for participants and their dependents. The master trust agreement names CPF as Trustee and The Northern Trust Company as Custodian.

The portion of the master trust attributable to The Church Pension Fund Clergy Pension Plan is funded, as necessary, to be at least equal to the actuarial liability of the benefits payable under that plan to vested participants (retired and not yet retired) and their dependents. The portion of the master trust (1) attributable to the Lay Plan is funded by assessments paid by participating employers, and (2) attributable to the Staff Plan is funded at the discretion of CPF.

2. DESCRIPTION OF THE PLANS (CONTINUED)

The assets in the master trust can only be used to pay the plan benefits described above and certain plan expenses. As of March 31, 2023 and 2022, the master trust assets included in the combined statements of net assets available for benefits, relating to the plan benefits described above, amounted to \$6.2 billion and \$6.0 billion, respectively.

3. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

The accompanying combined financial statements include the accounts of CPF and the Qualified Plans and have been prepared in accordance with GAAP. All inter-plan balances and balances with CPF have been eliminated in these combined financial statements.

The preparation of the combined financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the combined financial statements and accompanying notes. The fair value of investments and accumulated plan benefit obligations represent the most significant estimates and assumptions. Actual results could differ significantly from these estimates and assumptions.

A. Summary of Significant Accounting Principles

The following are the significant accounting policies followed by CPF and the Qualified Plans:

Investments

Investments are stated at fair value. Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the combined financial statements.

Fair values of financial instruments are determined using valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Fair values are generally measured using quoted prices in active markets for identical assets or other inputs, such as quoted prices for similar assets that are observable, either directly or indirectly. In those instances where observable inputs are not available, fair values are measured using unobservable inputs for the asset. Unobservable inputs reflect management's own assumptions about the assumptions that market participants would use in pricing the asset or liability and are developed based on the best information available in the circumstances. Fair value estimates derived from unobservable inputs are significantly affected by the assumptions used, including the discount rates and the estimated amounts and timing of future cash flows. The derived fair value estimates cannot be substantiated by comparison to independent markets and are not necessarily indicative of the amounts that would be realized in a current market exchange.

3. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets.

Level 2 – Inputs other than quoted prices in active markets for identical assets and liabilities that are observable either directly or indirectly for substantially the full term of the asset or liability. Level 2 inputs include (1) quoted prices for similar assets and liabilities in active markets, (2) quoted prices for identical or similar assets or liabilities in markets that are not active, (3) observable inputs other than quoted prices that are used in the valuation of the assets or liabilities (for example, interest rate and yield curve quotes at commonly quoted intervals), and (4) inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Significant unobservable inputs; for example, investments in limited partnerships, which cannot be withdrawn within 90 days from the balance sheet date.

Investments in limited partnerships are carried at fair value. The fair value of these investments is based upon CPF's share of the equity value of the partnership while giving consideration from a market participant's perspective to the features that are unique to CPF's partnership agreements. Because of the inherent uncertainty of the valuations of these investments, the estimated fair values may differ, perhaps materially, from the values that would have been used had a ready market for the investments existed.

The carrying value of CPF's investment in affiliated companies is determined using the equity method of accounting, which approximates fair value.

All investment transactions are recorded on a trade date basis. Realized capital gains and losses on the sales of investments are computed on the first-in, first-out basis. Unrealized capital gains and losses are recorded in the period in which they occurred. Interest income is recorded on an accrual basis. Dividend income is recorded on the ex-dividend date.

Cash and Cash Equivalents

Cash and cash equivalents represent short-term highly liquid investments with original maturities of three months or less and are carried at cost which approximates fair value.

Basis of Accounting

The combined financial statements are prepared based on the accrual basis of accounting.

3. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

Net Assets

Net assets are classified as with or without donor restrictions or as internally designated for a specific purpose. All gifts, grants and bequests are considered to be without donor restrictions unless specifically subject to a donor-imposed restriction either for use during a specified time period or for a particular purpose. When a donor-imposed restriction is fulfilled or when a time restriction ends, net assets with donor restrictions are reclassified to net assets without donor restrictions. Internally designated assets represent net assets that are identified for a specific purpose.

Reclassification

Certain amounts reported in the prior year financial statements have been reclassified to conform to the current year's presentation. Under Note 7, *Net Assets*, an additional category was added for the "Change in the Discount Rate." Previously, this was included in the category "Changes in Other Assumptions." The assessment deficiency is described under Note 7, *Net Assets* as it is an internally designated net asset. Previously, this was included under Note 8, *Accumulated Plan Benefit Obligations*.

Recently Adopted Accounting Standards

In February 2016, the FASB issued ASU 2016-02, *Leases (ASC Topic 842)*, which requires lessees to recognize a right-of-use (ROU) asset and a lease liability for all leases with terms of more than 12 months. A ROU is a lessee's right to use the underlying asset for the lease term. CPF adopted ASC Topic 842 effective April 1, 2022. Among other requirements, lessees are required to identify leases as either operating or finance and to recognize the following for all leases (with the exception of short-term leases) as of the date of adoption: 1) a lease liability, which is the lessee's obligation to make lease payments arising from a lease, measured on a discounted basis; and 2) a ROU asset, which is an asset that represents the lessee's ROU, or control of the use of a specified asset for the lease term. On adoption, CPF elected to utilize the year of adoption modified retrospective approach and recorded a cumulative-effect adjustment to the opening balance of Net Assets Available for Benefits of \$0. CPF also elected to apply all practical expedients applicable to CPF in the updated guidance for transition for leases in effect at adoption, including using hindsight to determine the lease term of existing leases, the option to not reassess whether an existing contract is a lease or contains a lease and whether the lease is an operating or finance lease. As a result of such adoption, CPF recognized a ROU asset of \$0.7 million and a lease liability of \$0.7 million on April 1, 2022.

4. INVESTMENTS

The fair value of investments as of March 31, summarized by general investment type are as follows:

	2023	2022
	<i>(In Thousands)</i>	
Common and preferred stocks	\$ 798,828	\$ 988,222
U.S. treasury securities	755,086	553,672
Municipal securities	18,944	18,161
Corporate bonds	399,013	391,450
Foreign government securities	181	1,387
Limited partnership interests:		
Real estate	2,172,472	2,140,452
Private equity	3,781,383	4,489,373
Other alternative investments	3,013,231	3,275,510
Commingled funds	5,362,122	5,895,563
Affiliated companies, equity interest	232,539	255,720
Totals	<u>\$ 16,533,799</u>	<u>\$ 18,009,510</u>

As of March 31, 2023 and 2022, CPF was not exposed to any significant concentration of risk within its investment portfolio.

Common and preferred stocks consist primarily of direct investments in the common and preferred stocks of a wide range of unaffiliated companies, which include domestic and foreign corporations and holdings in large as well as midsize and small companies.

U.S. treasury securities consist primarily of securities issued or guaranteed by the U.S. government, or its designated agencies, including Small Business Administration (SBA) loans.

Municipal securities include direct investments in state and local governments.

Corporate bonds consist primarily of investment securities issued by a corporate entity at a stated interest rate payable on a particular future date, such as bonds, convertible bonds, and collateralized mortgage obligations.

Foreign government securities include government securities and debt securities.

Limited partnership interests include investments in real estate, private equity and other alternative investments.

Real estate limited partnerships primarily include investments across all major property types including commercial properties, such as office, retail, hotel and land, residential properties and real and other assets such as energy, timber and royalties.

4. INVESTMENTS (CONTINUED)

Private equity limited partnerships include strategies focused on venture capital and growth equity/buyout transactions across many industry sectors.

Other alternative investment limited partnerships primarily include investments in hedge funds and absolute return strategies, such as (1) long/short equity hedge funds, which invest primarily in long and short equity securities, (2) credit/distressed debt securities that are generally rated below investment grade with managers that invest in debt or debt-related securities or claims associated with companies, assets or sellers whose financial conditions are stressed, distressed, or in default, (3) multi-strategy hedge funds that pursue multiple strategies and capture market opportunities and (4) fixed income funds. The redemption frequency is semi-annually and/or annually, and the redemption notice period can be from 90 to 360 days.

Certain other alternative investments in limited partnerships are subject to withdrawal “gates” that restrict the ability of investors to withdraw from the investment. The general partners and/or investment managers of the limited partnerships also have rights to suspend withdrawal requests for various reasons, including, but not limited to, insufficient liquidity at the limited partnerships to satisfy withdrawal requests or to preserve the capital interests of the limited partners not withdrawing from the limited partnerships. As of March 31, 2023, there were no significant general partners or investment managers that have exercised these suspension rights.

Limited partnership investments generally span a minimum of ten years, during which committed capital is contributed and distributions are made when income is earned or investments are liquidated.

At March 31, 2023, CPF had open investment commitments to limited partnerships of \$2.4 billion which are expected to be funded during future years. In this regard, from April 1, 2023 through April 30, 2023, CPF invested an additional \$19.2 million in existing limited partnerships and made \$48.2 million in commitments to limited partnerships. Most limited partnership investments are illiquid; however, there is a secondary market in limited partnership interests. There may be penalties should CPF not fulfill its funding commitments; however, CPF seeks to maintain adequate liquidity to ensure that all unfunded commitments are met.

Commingled funds primarily include funds that invest in (1) long and short equity securities, (2) debt or debt-related securities, or (3) corporate bonds and other fixed income securities. The redemption frequency is daily, bi-monthly, monthly or quarterly, and the redemption notice period can be from 5 to 180 days; however, due to restrictions, the entire investment may not be redeemable within 180 days.

4. INVESTMENTS (CONTINUED)

Derivative Financial Investments

Futures contracts are used primarily to maintain CPF's asset allocation within ranges determined by the Investment Committee of CPF's Board of Trustees. Currency forward contracts are used to hedge foreign currency risk. Such futures and forward contracts trade on recognized exchanges and with recognized counterparties, respectively. Margin requirements are met by pledging cash and cash equivalents. The net amount of the open equity futures contracts aggregated approximately \$0.3 billion short and \$0.8 billion short and the net amount of open fixed income futures contracts aggregated approximately \$1.3 billion long at March 31, 2023 and 2022. Currency forward contracts aggregated approximately \$0.4 billion and \$0.5 billion at March 31, 2023 and 2022, respectively.

The amounts of these instruments are indications of the open transactions and do not represent the level of market, foreign exchange, or credit risk to the portfolio. Since some of the futures and forwards held are adjusting market risk elsewhere in the portfolio, the measurement of the risks associated with these instruments is meaningful only when all related and offsetting transactions are considered. Market risks to the portfolio are caused by changes in interest rates, foreign exchange rates, or in the value of equity markets.

With respect to credit risk, futures and forward contracts require daily cash settlement, thus limiting the cash receipt or payment to the change in fair value of the underlying instrument.

Accordingly, the amount of credit risk represents a one-day receivable. Futures settlements resulted in losses of \$27 million and \$100 million for the years ended March 31, 2023 and 2022, respectively, and currency forward settlements resulted in gains of \$15 million and losses of \$17 million for the years ended March 31, 2023 and 2022, respectively. These transactions are recorded in the accompanying combined financial statements as a component of net appreciation in fair value of investments.

Affiliated Companies

All of the affiliated companies are wholly owned and/or controlled by CPF. The financial results of The Church Insurance Company and Church Life Insurance Corporation are prepared on a statutory basis of accounting prescribed by the New York State Department of Financial Services. This statutory basis of accounting results in a fair value of these companies that is not materially different from the fair value that would be required under GAAP. The other affiliates are reported on a GAAP basis of accounting. The primary activities and financial status of each of the major affiliates are described in the sections below for the years ended December 31, 2022 and 2021, except for Church Pension Group Services Corporation, which is described for the years ended March 31, 2023 and 2022.

4. INVESTMENTS (CONTINUED)

Church Pension Group Services Corporation

Church Pension Group Services Corporation (CPGSC) provides certain services, primarily personnel, general and administrative processing and facilities related, to CPF and its affiliated companies on a cost-reimbursement basis. Church Pension Group 34th Street Realty, LLC is a wholly owned subsidiary of CPGSC that owns the condominium office space that is the headquarters of the Church Pension Group. As of March 31, 2023 and March 31, 2022, the fair value of the condominium office space was \$82.6 million and \$85.4 million, respectively. CPGSC also does business as The Episcopal Church Medical Trust and is the sponsor of the health plan options funded by The Episcopal Church Clergy and Employees' Benefit Trust. Mary Katherine Wold is the Chief Executive Officer and President and Francis P. Armstrong is Executive Vice President and Chief Operating Officer of CPGSC.

The Church Insurance Companies¹

The Church Insurance Companies have provided property and liability coverage for Episcopal Church institutions since 1929. Today, more than 90% of Episcopal Church dioceses and churches rely on The Church Insurance Companies for their commercial package insurance coverage. The Church Insurance Agency Corporation (the "Agency") provides insurance agency and risk-management services to The Episcopal Church. The Agency accesses a broad range of property, casualty and other insurance products tailored for the special needs of Episcopal Church institutions through its sister company, The Church Insurance Company of Vermont (CICVT) and through its product partners. CICVT is a single-parent captive insurance company incorporated in 1999 to allow Episcopal Church institutions to benefit from the coverage flexibility and potential cost advantages of this shared risk-financing approach. On August 23, 2012, Church Insurance Services LLC (CIS), a Delaware limited liability company and wholly owned subsidiary of CICVT, was formed to provide captive manager services. CIS is currently inactive. Mary Katherine Wold is the President and Francis P. Armstrong is Executive Vice President and Chief Operating Officer of each of The Church Insurance Companies.

¹ "The Church Insurance Companies" means, collectively, The Church Insurance Agency Corporation, The Church Insurance Company, and The Church Insurance Company of Vermont.

4. INVESTMENTS (CONTINUED)

Financial Summary

	December 31	
	2022	2021
	<i>(In Thousands)</i>	
Assets	\$ 245,322	\$ 250,234
Liabilities	172,493	160,971
Capital and surplus	72,829	89,263
Earned premiums	53,215	55,918
Net (loss) income	(6,430)	4,608

Church Life Insurance Corporation

Since 1922, Church Life Insurance Corporation (Church Life) has provided life insurance protection and retirement savings products to clergy and lay workers who serve The Episcopal Church and to their families. Church Life's insurance products historically included individual and group life insurance and individual and group annuity products. Group life and group annuity premiums comprise the majority of the premium revenue. Effective April 1, 2022, Forrest T. Jones ("FTJ") administers the individual life and individual annuity products on behalf of Church Life. Effective July 1, 2022, the group annuity contract between Church Life and CPF was terminated. All contract balances related to the group annuity were settled as of June 30, 2022. This resulted in a decrease to Church Life's assets and related liabilities by \$94.3 million. Mary Katherine Wold is the President and Francis P. Armstrong is Executive Vice President and Chief Operating Officer of Church Life.

Financial Summary

	December 31	
	2022	2021
	<i>(In Thousands)</i>	
Assets	\$ 209,405	\$ 309,408
Liabilities	141,334	231,557
Capital and surplus	68,071	77,851
Insurance in force	1,686,408	1,686,619
Earned premiums	30,924	36,438
Net (loss) income	(4,401)	7,377

4. INVESTMENTS (CONTINUED)

Church Publishing Incorporated

Church Publishing Incorporated (Church Publishing), established in 1918, is a multi-market publisher of church resources and official liturgical works for The Episcopal Church, trade books for general readers, and scholarly works. Subjects include leadership, social justice, inspiration, theology, financial wellness, Christian education, and others. Alongside the books program, Church Publishing provides a suite of electronic resources (RiteSong, RitePlanning, RiteFormation), lectionary inserts, and Christian calendars. Mary Katherine Wold is the President, and Francis P. Armstrong is Executive Vice President and Chief Operating Officer.

Financial Summary

	December 31	
	2022	2021
	<i>(In Thousands)</i>	
Assets	\$ 4,902	\$ 5,665
Liabilities	9,010	9,051
Capital	(4,108)	(3,386)
Revenue	3,557	3,835
Net loss	(818)	(962)
Capital contribution received from CPF	500	2,600

5. FAIR VALUE MEASUREMENTS

The following tables provide information about the financial assets measured at fair value by general type as of March 31, 2023 and 2022:

	Assets at Fair Value			
	Level 1	Level 2	Level 3	Total
	<i>(In Thousands)</i>			
March 31, 2023				
Common and preferred stock	\$ 798,828	\$ –	\$ –	\$ 798,828
U.S. treasury securities	–	714,676	40,410	755,086
Municipal securities	–	18,944	–	18,944
Corporate bonds	–	399,013	–	399,013
Foreign government securities	–	181	–	181
Limited partnership interests:				
Real estate	–	–	2,172,472	2,172,472
Private equity	–	–	3,781,383	3,781,383
Other alternative investments	–	–	3,013,231	3,013,231
Affiliated companies	–	–	232,539	232,539
	<u>\$ 798,828</u>	<u>\$ 1,132,814</u>	<u>\$ 9,240,035</u>	<u>11,171,677</u>

Investments measured at net
asset value

Commingled funds	<u>5,362,122</u>
Total assets at fair value	<u>\$ 16,533,799</u>

5. FAIR VALUE MEASUREMENTS (CONTINUED)

	Assets at Fair Value			Total
	Level 1	Level 2	Level 3	
	<i>(In Thousands)</i>			
March 31, 2022				
Common and preferred stock	\$ 988,222	\$ –	\$ –	\$ 988,222
U.S. treasury securities	–	494,581	59,091	553,672
Municipal securities	–	18,161	–	18,161
Corporate bonds	–	391,450	–	391,450
Foreign government securities	–	1,387	–	1,387
Limited partnership interests:				
Real estate	–	–	2,140,452	2,140,452
Private equity	–	–	4,489,373	4,489,373
Other alternative investments	–	–	3,275,510	3,275,510
Affiliated companies	–	–	255,720	255,720
	<u>\$ 988,222</u>	<u>\$ 905,579</u>	<u>\$ 10,220,146</u>	<u>12,113,947</u>
Investments measured at net asset value				5,895,563
Commingled funds				<u>\$ 18,009,510</u>

The following table summarizes all additions to Level 3 assets by general type for the years ended:

	Level 3	
	Purchases/Additions	
	March 31	
	2023	2022
	<i>(In Thousands)</i>	
Limited partnership interests:		
Real estate	\$ 309,058	\$ 368,383
Private equity	270,038	430,836
Other alternative investments	478,042	589,153
Affiliated companies, equity interest	500	1,000
Total	<u>\$ 1,057,638</u>	<u>\$ 1,389,372</u>

There were no transfers into Level 3 for the years ended March 31, 2023 and 2022. There were no transfers out of Level 3 for the years ended March 31, 2023 and 2022.

Limited Partnership interests in real estate, private equity and other alternative investments with a fair value of \$9.0 billion as of March 31, 2023, are primarily valued by using CPF's proportionate share of the limited partnership's equity value as derived from the financial statements provided by the investment managers. This requires a significant amount of judgment by management due to the absence of readily available quoted market prices and the long-term nature of the investments. There are no significant related unobservable inputs.

5. FAIR VALUE MEASUREMENTS (CONTINUED)

Affiliated companies with a fair value of \$233 million as of March 31, 2023, are valued by using the underlying financial statements of these companies. There are no significant related unobservable inputs.

6. INTERNATIONAL CLERGY PENSION PLAN

The International Clergy Pension Plan (ICPP) represents the liabilities associated with a group of non-qualified, multiple-employer retirement plans and other ancillary benefits that are administered by CPF on behalf of dioceses of The Episcopal Church that are located outside the 50 United States and certain Anglican churches located outside the 50 United States that were previously part of The Episcopal Church. Non-qualified plans are not subject to Section 401(a) of the Code, which, among other things, requires that the assets be held in a trust. Accordingly, the assets of all ICPP plans are held by CPF and are not part of the master trust (see Note 2).

Management utilizes a third-party specialist, Buck Global, LLC, an actuarial consulting firm, to assist with determining the actuarial liabilities of all plans included in the ICPP.

CPF also has administrative and investment agreements with The Episcopal Church of Liberia, Iglesia Anglicana de México, the Diocese of Puerto Rico (for the provision of retirement benefits for their lay employees only), and each of the five dioceses of the Iglesia Anglicana de la Region Central de America (IARCA). Each of these dioceses sponsors its own retirement plan.

The liabilities for these plans totaled \$180.4 million and \$205.4 million at March 31, 2023 and 2022, respectively.

7. NET ASSETS

The Legacy and Gift Fund stems from bequests and contributions received by CPF from individuals for the purpose of supporting the tax-exempt purposes of CPF, of which a portion may be subject to donor-imposed restrictions. The portion of the principal balance or interest subject to a donor-imposed restriction must be maintained and spent only in accordance with the wishes of the donors, but the remainder is available for use at the discretion of CPF, in accordance with its tax-exempt purposes.

7. NET ASSETS (CONTINUED)

	Beginning of Year	Contributions and Investment Gains (Losses)	Expenses Paid and Other	End of Year
<i>(In Thousands)</i>				
March 31, 2023				
Legacy and Gift Fund with donor restrictions	\$ 49,647	\$ (2,407)	\$ (28)	\$ 47,212
Legacy and Gift Fund without donor restrictions	34,734	(1,699)	(177)	32,858
Total	\$ 84,381	\$ (4,106)	\$ (205)	\$ 80,070
March 31, 2022				
Legacy and Gift Fund with donor restrictions	\$ 44,280	\$ 5,420	\$ (53)	\$ 49,647
Legacy and Gift Fund without donor restrictions	31,216	3,878	(360)	34,734
Total	\$ 75,496	\$ 9,298	\$ (413)	\$ 84,381

Internally Designated Net Assets

The Clergy Post-Retirement Medical Assistance Plan represents the estimated liability for a discretionary benefit that CPF has provided to eligible participants in the Clergy Plan and their eligible spouses to subsidize some or all of the cost to purchase medical and dental coverage. CPF has reserved the right, in its discretion, to change or discontinue this discretionary benefit.

Management engaged healthcare actuaries, Aon, to assist in estimating the liability for benefits under the Clergy Post-Retirement Medical Assistance Plan. The discount rate was 5.03% and 3.89% as of March 31, 2023 and 2022, respectively. The mortality table assumption is the same as utilized to calculate the accumulated benefit obligations for the Clergy Plan (see Note 8). Other significant assumptions included for this plan are the current and expected subsidy to provide for medical costs and the participation rate, which was 80% as of March 31, 2023 and 2022.

Effective January 1, 2022, medical and prescription drug coverage for most retired participants in the Clergy Plan is offered through a fully insured plan, UnitedHealthcare's Group Medicare Advantage Plan.

The Clergy Life Insurance Plan represents the estimated liability for future annual insurance premiums required to provide eligible participants in the Clergy Plan with life insurance during active service and when retired.

7. NET ASSETS (CONTINUED)

The Benefit Equalization Plan represents the estimated liability for the benefit provided to those participants in the Clergy Plan whose pension payments would be limited by certain sections of the Code to an amount below their entitlement under the present benefit formula. Subject to certain other provisions of the Code, the Benefit Equalization Plan provides for payment of the difference between the Code limitation and such participant's earned pension benefits.

The Clergy Child Benefit Plan represents the estimated liability for the benefits provided to eligible children of deceased clergy who earned a vested benefit under the Clergy Plan.

The Clergy Short-Term Disability Plan represents the estimated liability for the short-term disability benefit provided to eligible active clergy in the Clergy Plan.

The Clergy Long-Term Disability Plan represents the estimated liability for the long-term disability benefit provided to eligible clergy in the Clergy Plan who became disabled on or after January 1, 2018. Eligible clergy who became disabled prior to January 1, 2018, will continue to receive a disability retirement benefit under the Clergy Plan.

The amount designated for Clergy Plan Assessment Deficiency represents the actuarial present value of the estimated amount to be paid out in benefits in excess of the estimated amount to be received in assessments in connection with the Clergy Plan. The assumptions used to estimate the assessment deficiency are consistent with the assumptions used in the estimates of the actuarial present value of the accumulated plan benefit obligations.

No specific assets are designated to fund the Clergy Post-Retirement Medical Assistance Plan, the Clergy Life Insurance Plan, the Benefit Equalization Plan, the Clergy Child Benefit Plan, the Clergy Short-Term Disability Plan, the Clergy Long-Term Disability Plan payments or the Clergy Assessment Deficiency. These assets are internally designated for these purposes.

The significant assumptions utilized to estimate the liabilities include the discount rate and mortality table assumptions. The Clergy Life Insurance Plan, the Benefit Equalization Plan, the Clergy Child Benefit Plan, the Clergy Short-Term Disability Plan, the Clergy Long-Term Disability Plan and the Clergy Assessment Deficiency apply the same discount rate and mortality table assumptions as those utilized to calculate the accumulated benefit obligations for the Clergy Plan (see Note 8).

7. NET ASSETS (CONTINUED)

The following charts summarize the changes in the Net Assets described above for the years ended:

	Beginning of Year	Benefits Paid	Change in Discount Rate	Changes in Other Assumptions	Benefits Accumulated and Other	End of Year
<i>(In Thousands)</i>						
March 31, 2023						
Clergy Post-Retirement						
Medical Assistance Plan	\$ 968,209	\$ (30,737)	\$ (222,700)	\$ 229,100	\$ 96,971	\$ 1,040,843
Clergy Life Insurance Plan	312,803	(18,940)	(41,109)	(482)	17,519	269,791
Benefit Equalization Plan	75,660	(2,457)	(9,659)	(939)	(4,025)	58,580
Clergy Child Benefit Plan	12,065	(888)	–	–	911	12,088
Clergy Short-Term						
Disability Plan	4,600	(964)	–	–	644	4,280
Clergy Long-Term						
Disability Plan	102,761	(2,115)	(13,710)	1,144	6,662	94,742
Assessment Deficiency	1,190,445	–	(472,615)	(19,683)	(72,282)	625,865
Total	\$ 2,666,543	\$ (56,101)	\$ (759,793)	\$ 209,140	\$ 46,400	\$ 2,106,189

For the year ended March 31, 2023, the Clergy Post-Retirement Medical Assistance Plan increased by \$73 million as outlined in the table above. The \$229 million increase to the liability under Changes in Other Assumptions includes a \$233 million increase related to the increase in the expected subsidy (increase in medical costs), offset by insignificant changes in other assumptions.

	Beginning of Year	Benefits Paid	Change in Discount Rate	Changes in Other Assumptions	Benefits Accumulated and Other	End of Year
<i>(In Thousands)</i>						
March 31, 2022						
Clergy Post-Retirement						
Medical Assistance Plan	\$ 877,209	\$ (39,616)	\$ (120,200)	\$ 260,000	\$ (9,184)	\$ 968,209
Clergy Life Insurance Plan	343,918	(18,330)	(28,954)	(502)	16,671	312,803
Benefit Equalization Plan	59,800	–	(2,785)	–	18,645	75,660
Clergy Child Benefit Plan	11,484	(734)	–	–	1,315	12,065
Clergy Short-Term						
Disability Plan	4,875	(282)	–	–	7	4,600
Clergy Long-Term						
Disability Plan	102,242	(2,169)	(115)	–	2,803	102,761
Assessment Deficiency	1,207,709	–	(337,779)	242,621	77,894	1,190,445
Total	\$ 2,607,237	\$ (61,131)	\$ (489,833)	\$ 502,119	\$ 108,151	\$ 2,666,543

For the year ended March 31, 2022, the Clergy Post-Retirement Medical Assistance Plan increased by \$91 million as outlined in the table above. The \$260 million increase to the liability under Changes in Other Assumptions includes a \$267 million increase related to the increase in the expected subsidy (increase in medical costs), offset by insignificant changes in other assumptions.

7. NET ASSETS (CONTINUED)

For the years ended March 31, 2022, the Assessment Deficiency decreased by \$17 million as outlined in the table above. The \$243 million increase to the liability under Changes in Other Assumptions includes a \$233 million increase related to the impact of the change in the COLA assumption.

The amount designated for investment in affiliated companies represents the investment in affiliated companies, at fair value, excluding the condominium office space that is the headquarters of the Church Pension Group. This asset is not restricted from use by CPF and, as of March 2023 and 2022, had a fair value of \$82.6 million and \$85.4 million, respectively.

8. ACCUMULATED PLAN BENEFIT OBLIGATIONS

Buck Global, LLC, is an actuarial consulting firm that estimates the actuarial present value of the accumulated plan benefit obligations owed to participants in the Clergy Plan, the Lay Plan and the Staff Plan to reflect the time value of money (through discounts for interest) and the probability of payment (taking into account assumptions for death, disability, withdrawal or retirement) between the valuation date and the expected date of payment.

Accumulated plan benefit obligations are the estimated discounted present value of the future periodic payments, including lump-sum distributions that are attributable, under the plan provisions, to services rendered by the plan participants to the valuation date. Accumulated plan benefit obligations include benefits that are expected to be paid to: (a) retired or terminated participants or their beneficiaries, and (b) present participants or their beneficiaries based on assumptions for future compensation levels, rates of mortality and disability, and other factors. The effect of plan amendments on the accumulated plan benefit obligations is recognized during the years in which such amendments become effective. There were no significant plan amendments impacting the accumulated plan benefit obligations as of March 31, 2023 and 2022, other than the cost-of-living-adjustment (described further below).

- Discount rate:

The discount rate is compounded annually and developed considering annualized yields for long-term government and long-term high-quality corporate bonds that reflect the duration of the pension obligations using the cashflows of the plans.

For the years ended March 31, 2023 and 2022, the discount rate was calculated using a yield curve based on high quality fixed income securities and the cashflows of each of the defined benefit plans. Prior to March 31, 2022, the discount rate was calculated using a high-quality bond index yield, adjusted for the difference in the duration between the bond index yield and the combined cashflows of the plans.

8. ACCUMULATED PLAN BENEFIT OBLIGATIONS (CONTINUED)

The change in the discount rates and the related impact of the change in the discount rates on the accumulated benefit obligations as of March 31 are as follows:

Plan	Discount Rate as of March 31			Decrease to the Accumulated Benefit Obligations as of March 31	
	2023	2022	2021	2023	2022
Clergy Plan	5.02%	3.89%	3.25%	\$ (830,457)	\$ (514,811)
Lay Plan	4.96	3.82	3.25	(27,247)	(16,053)
Staff Plan	4.98	3.84	3.25	(35,778)	(21,000)

For the year ended March 31, 2022, the decrease to the accumulated benefit obligations for the Clergy Plan, Lay Plan, and Staff Plan (in the table above) includes \$305 million, \$11 million and \$14 million, respectively, for the change in the discount rate methodology.

- Cost-of-living adjustment (COLA):

Plan	Cost-of-living-adjustment as of March 31		
	2023	2022	2021
Clergy Plan	3.00%	3.00%	2.50%
Lay Plan	—	—	—
Staff Plan	—	—	—

For the year ended March 31, 2023, there was no change to the COLA assumption. For the year ended March 31, 2022, the COLA assumption was increased from 2.5% to 3.0% due to current economic outlook, resulting in an increase of \$330 million in the accumulated benefit obligations of the Clergy Plan.

CPF Board of Trustees grants COLA at its discretion. The decision is made annually.

As of January 1, 2023, a 8.7% COLA was granted for retiree benefits compared to the 3.0% assumed COLA, resulting in an increase of \$269 million in the accumulated benefit obligations of the Clergy Plan as of March 31, 2023.

As of January 1, 2022, a 5.9% COLA was granted for retiree benefits compared to the 2.5% assumed COLA, resulting in an increase of \$155 million in the accumulated benefit obligations of the Clergy Plan as of March 31, 2022.

8. ACCUMULATED PLAN BENEFIT OBLIGATIONS (CONTINUED)

- Vesting for the years ended March 31, 2023 and 2022:
 - Clergy Plan: After five years of credited service or at age 65 or older while an active participant.
 - Lay Plan: After five years of credited service, at age 55 or older while an active participant, or the date the participant becomes eligible for disability retirement, whichever occurs first.
 - Staff Plan: After five years of credited service, or at age 65 or older while an active participant after completing 12 full calendar months of service as a regular full-time or regular part-time employee.
- Retirement for the years ended March 31, 2023 and 2022:
 - Clergy Plan: Normal, at age 65 and after; early, with no reduction at age 55 with 30 years of credited service; reduced benefits, at age 55 with at least 5 years credited service; compulsory, at age 72.
 - Lay Plan: Normal, at age 65 and after; early, with reduced benefits at age 55.
 - Staff Plan: Normal, at age 65 and after; early, with no reduction at age 55 if combined years and months of credited service and age equals or exceeds 85; otherwise, early with a reduced benefit at age 55 with at least 5 years of credited service.
- Mortality for the year ended March 31, 2023:
 - Clergy Plan: The Pri-2012 Employee White-Collar Mortality Table was used for participants, the Pri-2012 Retiree White-Collar Mortality Table was used for retirees, and the Pri-2012 Contingent Survivor Mortality Table was used for retirees' spouses and beneficiaries. Special mortality tables were used for disability retirements.
 - Lay Plan: The Pri-2012 Employee Total Mortality Table was used for participants, the Pri-2012 Retiree Total Mortality Table was used for retirees, the Pri-2012 Contingent Survivor Table was used for retirees' spouses and beneficiaries and the Pri-2012 Disable Retiree Mortality Table was used for disability retirements.
 - Staff Plan: The RP-2014 Employee White-Collar Mortality Table was used for participants and the RP-2014 Healthy Annuitant White-Collar Mortality Table was used for retirees, spouses and beneficiaries.

8. ACCUMULATED PLAN BENEFIT OBLIGATIONS (CONTINUED)

- Mortality for the year ended March 31, 2022:
 - Clergy Plan: RP-2014 Employee White-Collar Mortality Table was used for participants and the RP-2014 Healthy Annuitant White-Collar Mortality Table was used for retirees, spouses and beneficiaries. Special mortality tables were used for disability retirements.
 - Lay Plan: The RP-2014 Employee Total Mortality Table was used for participants and the RP-2014 Healthy Annuitant Total Mortality Table was used for retirees, spouses and beneficiaries.
 - Staff Plan: The RP-2014 Employee White-Collar Mortality Table was used for participants and the RP-2014 Healthy Annuitant White-Collar Mortality Table was used for retirees, spouses and beneficiaries.

For the year ended March 31, 2023, the impact of the change in mortality table decreased the accumulated plan benefit obligations for the Clergy Plan by \$122 million, and for the Lay Plan by \$1.3 million. There were no changes to the mortality table for the Staff Plan.

For the years ended March 31, 2023 and 2022, the improvement in mortality was projected on a fully generational basis using Scale MP-2021.

These actuarial assumptions are based on the presumption that the Clergy Plan, the Lay Plan and the Staff Plan will continue. If a plan were to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefit obligations.

The actuarial present value of the accumulated plan benefit obligations of the Clergy Plan, the Lay Plan and the Staff Plan are summarized as follows:

	<u>Clergy Plan</u>	<u>Lay Plan</u>	<u>Staff Plan</u>
	<i>(In Thousands)</i>		
March 31, 2023			
Vested benefits:			
Actuarial present value of accumulated plan benefit obligations for retired participants and their dependents	\$ 4,447,425	\$ 111,374	\$ 98,033
Actuarial present value of accumulated plan benefit obligations for participants not yet retired and their dependents	1,492,407	85,385	97,301
Nonvested benefits	105,060	1,844	11,822
Total	<u>\$ 6,044,892</u>	<u>\$ 198,603</u>	<u>\$ 207,156</u>

8. ACCUMULATED PLAN BENEFIT OBLIGATIONS (CONTINUED)

	<u>Clergy Plan</u>	<u>Lay Plan</u>	<u>Staff Plan</u>
	<i>(In Thousands)</i>		
March 31, 2022			
Vested benefits:			
Actuarial present value of accumulated plan benefit obligations for retired participants and their dependents	\$ 4,684,066	\$ 118,270	\$ 97,064
Actuarial present value of accumulated plan benefit obligations for participants not yet retired and their dependents	1,866,567	101,877	117,388
Nonvested benefits	132,383	2,399	14,302
Total	<u>\$ 6,683,016</u>	<u>\$ 222,546</u>	<u>\$ 228,754</u>

The net increase (decrease) in the actuarial present value of the accumulated plan benefit obligations of the Clergy Plan, the Lay Plan and the Staff Plan is summarized as follows for the years ended:

	<u>Clergy Plan</u>	<u>Lay Plan</u>	<u>Staff Plan</u>
	<i>(In Thousands)</i>		
March 31, 2023			
Actuarial present value of accumulated plan benefit obligations at beginning of year	\$ 6,683,016	\$ 222,546	\$ 228,754
(Decrease) increase during the year attributable to:			
Plan amendments	-	-	-
Actual benefit adjustment vs. expected*	269,299	-	-
Change in actuarial assumptions	(955,899)	(28,649)	(36,269)
Benefits accumulated	153,295	7,781	14,998
Increase for interest due to decrease in the discount period	253,075	8,286	8,614
Benefits paid	(357,894)	(11,361)	(8,941)
Net increase (decrease)	<u>(638,124)</u>	<u>(23,943)</u>	<u>(21,598)</u>
Actuarial present value of accumulated plan benefit obligations at end of year	<u>\$ 6,044,892</u>	<u>\$ 198,603</u>	<u>\$ 207,156</u>

* This represents the impact of the actual COLA granted vs. the COLA assumed for valuation purposes

8. ACCUMULATED PLAN BENEFIT OBLIGATIONS (CONTINUED)

	<u>Clergy Plan</u>	<u>Lay Plan</u>	<u>Staff Plan</u>
	<i>(In Thousands)</i>		
March 31, 2022			
Actuarial present value of accumulated plan benefit obligations at beginning of year	\$ 6,636,310	\$ 232,873	\$ 235,611
(Decrease) increase during the year attributable to:			
Plan amendments	—	—	—
Actual benefit adjustment vs. expected*	155,407	—	—
Change in actuarial assumptions	(164,649)	(15,446)	(21,004)
Benefits accumulated	182,455	8,768	14,937
Increase for interest due to decrease in the discount period	210,251	7,391	7,524
Benefits paid	(336,758)	(11,040)	(8,314)
Net increase (decrease)	<u>46,706</u>	<u>(10,327)</u>	<u>(6,857)</u>
Actuarial present value of accumulated plan benefit obligations at end of year	<u>\$ 6,683,016</u>	<u>\$ 222,546</u>	<u>\$ 228,754</u>

* This represents the impact of the actual COLA granted vs. the COLA assumed for valuation purposes

9. FUNDING

Participating employers pay assessments to CPF on behalf of the eligible participants in each respective plan. The assessments for the participants in the Clergy Plan are equal to 18% of the applicable participants' compensation as defined under The Church Pension Fund Clergy Pension Plan. The assessments for the participants in the Lay Plan are equal to 9% of the applicable participants' compensation as defined under the Lay Plan. The assessments for the participants in the Staff Plan are equal to 15% of the applicable participants' compensation as defined under the Staff Plan.

Assessments paid to CPF on behalf of the participants in the Clergy Plan, the Lay Plan and the Staff Plan were \$85.3 million, \$4.7 million and \$11 million, respectively, during the year ended March 31, 2023 and \$84.0 million, \$4.6 million and \$9.8 million, respectively, during the year ended March 31, 2022.

9. FUNDING (CONTINUED)

The funding positions of the Clergy Plan, the Lay Plan and the Staff Plan are summarized as follows:

	<u>Clergy Plan</u>	<u>Lay Plan</u>	<u>Staff Plan</u>
	<i>(In Thousands)</i>		
March 31, 2023			
Net assets available for pension benefits after amount designated for assessment deficiency	\$ 14,016,095	\$ 269,462	\$ 379,813
Actuarial present value of accumulated plan benefit obligations	6,044,892	198,603	207,156
Surplus	<u>\$ 7,971,203</u>	<u>\$ 70,859</u>	<u>\$ 172,657</u>
March 31, 2022			
Net assets available for pension benefits after amount designated for assessment deficiency	\$ 14,822,517	\$ 265,795	\$ 359,308
Actuarial present value of accumulated plan benefit obligations	6,683,016	222,546	228,754
Surplus	<u>\$ 8,139,501</u>	<u>\$ 43,249</u>	<u>\$ 130,554</u>

10. RELATED-PARTY TRANSACTIONS

During the years ended March 31, 2023 and 2022, CPF paid The Episcopal Church Clergy and Employees' Benefit Trust ("ECCEBT") contributions of \$30.7 million and \$39.2 million, respectively, towards the cost of medical coverage for eligible retired clergy and their eligible spouses. There were no amounts due to ECCEBT at March 31, 2023 and 2022, in connection with this coverage.

During the years ended March 31, 2023 and 2022, CPGSC provided certain services, primarily personnel, general and administrative expense processing and facilities related, to CPF on a cost-reimbursement basis and billed \$122.1 million and \$120.9 million, respectively, for such services.

10. RELATED-PARTY TRANSACTIONS (CONTINUED)

The executive compensation philosophy is established by the Compensation, Diversity and Workplace Values Committee of the Board of Trustees. The total remuneration of certain key officers of CPGSC is approved by the Compensation, Diversity and Workplace Values Committee of the Board of Trustees. In addition, the total remuneration paid to the Chief Executive Officer and President is approved by the Board of Trustees. As part of approving the total remuneration of key officers, the Compensation Diversity and Workplace Values Committee and the Board of Trustees review the remuneration targets for functionally comparable positions in other financial services organizations and not-for-profits with similar complexity, as well as individual and corporate performance. Supplemental retirement and life insurance benefits are provided to certain officers under the terms of individual agreements.

The cash compensation for the two officers of CPF receiving the highest total cash compensation for the year ended March 31, 2023, was as follows:

Mary Katherine Wold, Chief Executive Officer and President	\$ 2.0 million
Roger A. Sayler, Executive Vice President and Chief Investment Officer	2.1 million

CPF maintains a defined contribution plan for eligible employees of CPGSC, under which employees may contribute up to 100% of their salaries, subject to federal limitations. Employee contributions of up to 6% of salary are matched 75% by CPGSC. Total employer-matching contributions under this plan were \$2.3 million for both years ended March 31, 2023 and 2022.

CPGSC also provides healthcare, disability and life insurance benefits for eligible active and retired employees. CPGSC accrues the cost of providing these benefits during the active service period of the employee. For each of the years ended March 31, 2023 and 2022, CPF and its affiliates recorded expenses of \$1.5 million and \$1.4 million, respectively, for these benefits. This obligation is estimated at \$25.8 million as of March 31, 2023 and 2022. Management performs a valuation every three years as the impact of doing the valuation annually is immaterial. As of the latest valuation date of March 31, 2022, for measuring the expected post-retirement healthcare benefit obligation, average annual rates of increase in the per capita claims cost for 2022 were assumed to be 6.0%. The increases in medical costs are assumed to decrease annually to 4.75% in 2025 and remain at that level thereafter.

11. LINE OF CREDIT

CPF maintains unsecured loan agreements for both committed and uncommitted lines of credit with The Northern Trust Company. The total credit facility is \$350 million as of March 31, 2023, of which \$100.0 million is committed and \$250.0 million is uncommitted. Advances under these lines of credit may be repaid and redrawn, in accordance with the terms of the loan agreements, with all amounts outstanding due in full on or before December 25, 2023. Advance requests must first be made under the committed line of credit; once committed principal is fully drawn, the principal available under uncommitted line of credit can be drawn. The commitment fee is payable on the average daily amount of committed principal undrawn and is equal to fifteen one-hundredths of one percent (0.15 of 1%) of such amount per annum.

At March 31, 2023 and 2022, CPF did not have any amounts outstanding under the Unsecured Revolving Line of Credit and has yet to borrow any amounts and therefore no interest expense has been incurred for the years ended March 31, 2023 and 2022.

12. COMMITMENTS AND CONTINGENCIES

The Church Pension Fund invests in various securities as part of its ongoing operations. Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, changes in the values of investment securities may occur in the near term and such changes could materially affect the amounts reported in the combined financial statements. World events, including inflation, are increasingly affecting economic and global financial markets. There continues to be uncertainty surrounding the duration and the broader impact of these events on the global economy and the ultimate impact cannot be determined at this time.

13. SUBSEQUENT EVENTS

Management has performed an evaluation of subsequent events through July 20, 2023, which is the date the combined financial statements were available to be issued.

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