


For Your Benefit

Newsletter of the Archdiocese Benefits Committee
of the Greek Orthodox Archdiocese of America

**SPECIAL
2024
CLERGY-LAITY
EDITION:
PENSION**

Securing Our Future

As Orthodox Christians we are called to trust in the Lord for all our needs both human and spiritual. We know, however, that we must do our share. For the spiritual “security” of our souls we must pray, fast, confess, and live a Christ-like life. For the physical “security” of our lives we must maintain a pension, life insurance, medical and disability program.

To address the temporal needs of our

clergy and lay employees, the Archdiocese Benefits Committee (“ABC”) was established. This Committee has the overall responsibility for overseeing and managing the Archdiocese Benefits Program for clergy and lay employees of the Archdiocese, and its participating institutions. Changes, improvements, additions to and deletions from the Benefits Program are the responsibility of this Committee. The

Archdiocese Benefits Office is the administrative arm of the ABC.

This special Clergy-Laity edition of the **For Your Benefit** newsletter focuses on the most frequently asked questions about the “The Pension Plan for Clergymen and Lay Employees of the Greek Orthodox Archdiocese of America.” Please take it home. Be informed. Be prepared. Today and tomorrow! Read on! ■





The Pension Plan



FREQUENTLY ASKED QUESTIONS

Q: Why do we need an Archdiocesan national Pension Plan?

A: Obviously, everyone would have difficulty affording the valuable benefits presently in the Program on their own. By using a partnership approach, though—with you and your Parish contributing—the Pension Plan can provide you and your spouse with meaningful retirement income. Your personal pension contributions are a very important part of your financial security in retirement because they drive your level of benefits. Additionally, Social Security, personal savings, home ownership, and contributions to optional plans such as a supplemental “403(b)” can also contribute to your financial security at retirement.

Q: How is our Pension Plan managed?

A: The Administration Committee of the ABC manages the operation and administration of the Pension Plan. The Investment Committee of the ABC reviews the investment performance of the Pension Fund against established objectives and strategies. Each committee is comprised of three elected clergy



representatives from the local Synodesmoi and three clergy members appointed by the Archbishop.

The Investment Committee meets quarterly throughout the year with our investment manager, Mercer Investments, LLC. Mercer also provides actuarial services. Investment advice is additionally provided by Morgan Stanley Private Wealth Management. Bond, Shoeneck & King Law Group has been retained as legal counsel.

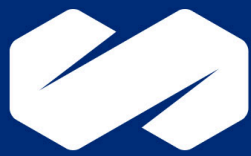
Mercer, the investment manager, is backed by an entire team of research analysts and independent investment managers. It works with the Investment Committee to oversee and manage the GOA Pension Plan assets that are collectively invested for the retirement benefits for all plan participants.

Q: What are the main features of the Pension Plan?

A: The Pension Plan is a “Defined Benefit Plan” that offers the following valuable features:

- ▶ **VESTING:** You’re fully vested after 5 full years of active participation.
- ▶ **CONTRIBUTION OPTIONS:** You contribute 3.5%, 5.0% or 6.5% of monthly pension earnings. Your benefit will grow by 1%, 1.5%, 2.0% of pension earnings...according to your option
- ▶ **DISTRIBUTION OPTIONS:** You can choose to receive your benefit in one of three ways.
- ▶ **SPOUSAL BENEFITS:** Your surviving spouse receives benefits automatically.
- ▶ **GROWTH TO AGE 70:** Your benefit continues to grow if you work and





Mercer

OUR TRUSTED FINANCIAL ADVISORS

Morgan Stanley

PRIVATE WEALTH MANAGEMENT

contribute...until age 70.

► **FLEXIBLE RETIREMENT DATE:** You can take early, normal or late retirement.

► **DISABILITY BENEFITS:** Your accrued benefit is paid if you become totally disabled before age 65.

Q: How is the Pension Plan funded?

A: All personal and employer contributions made under the Pension Plan are paid into a Fund that is managed by the funding agent, State Street, who has been appointed by the ABC. The funding agent is responsible for holding all Plan assets and paying Plan benefits as determined by the Administration Committee. The investment manager is responsible for investing plan assets. No Plan benefits are paid directly by the Archdiocese. **No part of the Fund may be used for any purpose other than for the exclusive benefit of Pension Plan participants.**

Q: Is this a "Qualified" Plan?

A: Yes, the Plan is qualified under the Internal Revenue Code. This means that the Plan meets the requirements of the Code so that the contributions made to

the Plan to fund your benefits (other than your own) are not taxable to you until you receive Plan Benefits.

Q: Who is eligible to participate in the Pension Plan?

A: Members of the clergy of the Greek Orthodox Archdiocese who are ordained and assigned (exclusive of clergy with lay professions). Lay employees of the Archdiocese, a Metropolis, Hellenic College Holy Cross School of Theology, Leadership 100 and Philoptochos are also eligible.

Q: When do you become eligible to participate?

A: Members of the clergy are eligible to participate immediately upon ordination and assignment. Eligible lay employees are eligible to participate immediately upon commencement of full-time employment.

Eligible clergy or eligible lay employees who fail to participate in the plan will be subject to a reduced accrual rate as of January 1, 2016. They must enroll into the plan immediately upon commencement

of employment. If they have been employed for 24 consecutive months and have not enrolled prior to the 24 consecutive months they will be subject to a reduced accrual rate for the remainder of their participation in the Plan.

The accrued benefit will be reduced from two percent (2%) to one and one half percent, (1-½%) and one and one half percent (1-½%) to one and one quarter percent (1-¼%) respectively for those who fail to participate on time.

Q: How do you enroll in the Pension plan?

A: Enrollment instructions are included in your Archdiocese Benefits Program orientation package available from the Archdiocese Benefits Office. Participation is activated upon receipt of your first personal pension contribution payment. It is important that new ordainees enroll immediately to gain the protection and benefits of the program as soon as possible.

Q: Who contributes to the Pension plan?

A: There are two kinds of contribution to the Pension Plan:

► **EMPLOYEE:** You contribute the appropriate percentage of your pension earnings from service to a Parish, the Archdiocese, or other employing entity to help fund your pension. If you are parish-based clergy, monthly contributions will automatically be withdrawn electronically from your choice of bank account or credit/debit card. If you are on Staff, contributions will be withheld from your salary check. (Note: "Pension earnings" are defined as salary—including housing allowance and 403(b) contributions, if any—and any reimbursed Social Security (FICA) and self-employment tax (SECA)).

► **EMPLOYER:** Your Parish, the Arch-



For **Your** Benefit
Inform. Equip. Protect.
Special Pension Issue

diocese, or other employing entity makes a monthly benefits contribution in such amount as shall be determined from time to time by the Archdiocese Benefits Committee to fund the pension, life insurance, disability and other benefits provided under the Pension Program. Note: These payments support the overall Pension and are not directly related to amount of benefit you will personally receive. That is a function of your employee contributions.

Q: How is my Pension benefit determined?

A: Your pension is based on a formula that calculates a percentage of your pension earnings over your entire career of covered service, reflecting periodic changes in the benefits formulas—as well as occasional cost-of-living increases—since the Plan was established in 1973. That percentage ranges from 1.25% to 2.0% depending on your years in service and your level of personal contributions.

Pension earnings for this purpose are the amount on which your personal pension contribution is based, subject to the remuneration maximum reflected in each year's Clergy Remuneration Scale. From this formula, your accrued pension benefit is developed annually and shown on your personalized benefit statement, along with an accounting of your contributions to the Plan and a projected pension benefit that assumes continuous service and contributions until age 65.

For clergy, "service" means the period of assignment. For lay employees, it means the period of employment.

Q: What is the minimum Pension benefit?

A: When you retire at age 65 with at least five full years of pension credits you will

be entitled to a minimum pension benefit of \$500 a month—provided there was no lapse of your personal pension contributions of six months or more. As of January 1, 2017 the minimum pension benefit of \$500 a month has been eliminated for those participants who enter the plan on or after that date.

Q: When do my Pension benefits vest?

A: Once you have five full years of pension credits are "vested" and you are assured of being paid a benefit when you retire. If you are vested and stop working before reaching age 55—the earliest you can retire—you will be entitled to your vested benefit payable at age 65 or, if you elect, a reduced benefit at or after age 55.

Q: When can I retire?

A: There are a number of options for declaring retirement and receiving your Pension distributions:

► **EARLY (AGE 55):** You may take early retirement any time after you are vested and at least age 55. Your pension benefit will be based on the benefit you earned up to your early retirement date and will be reduced by: 6-2/3% for each year up to five that your retirement precedes age 65, and 3-1/3% for each year that your retirement precedes age 60. Partial years will be reduced proportionately.

► **NORMAL (AGE 65):** Your normal

retirement date is the first of the month on or after your 65th birthday, provided you have actively participated for at least 5 full years.

► **DEFERRED (AGE 70):** If you continue your service after reaching age 65, your personal contributions to the Pension Plan should continue for as long as you work until you reach age 70. At age 70, pension distributions will start even if you continue to work full-time, provided you are vested. As a result, your pension benefit will continue to grow during the years you work between ages 65 and 70.

Q: What if I become disabled and cannot continue working?

A: If you are totally and permanently disabled as determined by the Archdiocese Long Term Disability Plan, you are eligible for a disability pension benefit also. An amount equal to your accrued pension benefit will begin to be paid when long term disability benefits begin, after a six month waiting period. In addition, your monthly personal pension contribution will be deemed to have continued to be paid. This will result in an increase in your pension benefits payable at your age 65.

If you recover from your disability before reaching age 65 and do not return to work, you will then be entitled to an early retirement or a deferred vested benefit (as described below).



Q: How are Pension distributions paid?

A: There are differing distribution options depending on your marital status:

► **UNMARRIED PARTICIPANTS:** If you are unmarried when your benefits start, your pension will be paid to you as a “Single Life Annuity Benefit.” This provides a monthly income to you for your lifetime, but payments stop at your death. (Note: If you have a dependent parent or child, you will be eligible to designate 100% or 50% Joint and Survivor Benefits with the eligible dependent as designated survivor).

► **MARRIED PARTICIPANTS:** If you are married when benefits start, you and your spouse have a choice of the following formulas:

► 100% Joint and Survivor Benefit. If you precede your spouse in death they will receive 100% of your benefit payment for the rest of their life.

► 50% Joint and Survivor Benefit. If you precede your spouse in death they will receive 50% of your benefit payment for the rest of their life.

► Single Life Annuity (0% Joint and Survivor Benefit). If you precede your spouse in death your benefit payment will cease. Note: to select this option you must have your spouse's written, notarized consent.

Note: Married participants with a dependent parent or child are also eligible to designate 100% or 50% Joint and Survivor Benefits with the eligible dependent as designated survivor as long as you have your spouse's written, notarized consent).

Pension distributions payment example

Let's assume your annual pension benefit, based on your contributions and years of credited service, is \$15,000 and that you and your spouse are both age 65. Now let's compare the forms of payment you may choose.

► **Single Life Annuity:** You will receive \$15,000 a year for life; no benefit paid to

your spouse after you die.

► **50% Joint & Survivor:** You will receive \$13,650 a year for life; your spouse will receive half (50%=\$6,825) for life after you die.

► **100% Joint & Survivor:** You will receive \$12,450 a year for life; your spouse will receive the same benefit for life after you die.

Note: Under the 100% or 50% Joint and Survivor Benefit, the amount of your monthly benefit while you are alive will be lower than that of the Single Life Annuity Benefit because the benefit will be paid over the lifetimes of two persons rather than one. However, the total value of your pension and that of your surviving spouse or dependent will always be equal to the Single Life Annuity Benefit because its value is actuarially calculated to provide benefits equal in value regardless of the form of payment you select.



Q: How are my Pension contributions and distributions taxed?

A: Your personal pension contributions are after-tax, meaning they do not reduce your taxable income like a traditional IRA.

IMPORTANT: Pension distributions for clergy are classified by the Pension Fund as 100% clergy housing allowance, meaning they are exempt from federal income tax (to the extent that they used to pay for parsonage-related expenses). This is a tremendous tax-saving benefit that lasts the life of the clergy even after retirement has begun.

Please consult with your tax advisor to determine how to properly report your pension distributions.

Q: What happens if I fail to make Pension contributions?

A: Once you have selected the automatic withdrawals from your bank account or payment with your credit or debit card your pension credit will be earned each month. If you choose not to participate in this payment program or withdraw from the program you will lose pension accrual and important benefits. If you lose pension credit for 6 or more months in a calendar year because of “late” contributions, you will not earn pension credit for the entire year and your personal pension contributions will be refunded.

If you are a lay employee and you terminate or interrupt your payroll deduction authorization for personal pension contributions so that you do not contribute for 6 months in any year, you will not earn pension credit for the entire year and any contributions made in that year will be refunded.

For both clergy and lay employees, you will also lose these valuable benefits: 1) the minimum \$500 monthly pension benefit; 2) the \$500 spouse income benefit, and 3) the minimum \$500 monthly survivor pension benefit. Once lost, these benefits cannot be restored.

Q: Where can I find an estimate of my future Pension distributions?

A: Each spring you will receive an annual personalized statement of the pension benefit you've earned over the years as it stands at the end of the statement year. You may also contact Mercer at 877-261-8694. Or for 24/7 updates you may receive an estimate of how much your pension benefit would be at different ages and dates using the Pension Estimator tool at thegoa.mypensioncenter.com. ■



For Your Benefit
Inform. Equip. Protect.
Special Pension Issue

Pension Directory

The Archdiocese Benefits Office

8 East 79th Street, New York, NY 10075-0106

Phone: 212-570-3535

Email: benefits@goarch.org

Benefits Office Staff

- **Anna Vrettos, Director**
avrettos@goarch.org
- **Vicky Yotides, Administrative Assistant**
vyotides@goarch.org
- **Peter Boulas, Accountant**
pboulas@goarch.org

The Archdiocese Benefits Committee

The Archdiocese Benefits Committee conducts full meetings twice a year plus interim meetings as needed to receive and act on reports from its standing committees. Each standing committee consists of clergy and lay-persons with particular interest and professional expertise in the areas the committee oversees.

2024-2026 Executive Committee: Fr. John Touloumes, ABC Chair (fjt@HolyTrinityPgh.org); Fr. Mark Pakes, ABC Vice-Chair and Investments Committee Chair; Fr. Constantine Simeonidis, Administration Committee Chair; Fr. Simon Thomas, Insurance Committee Chair; Fr. Nicholas Anctil, Benevolence Committee Chair.

ABC 2024-2026 Voting Members

Elected Metropolis and Lay Representatives: Fr. Nicholas Anctil (AD); Fr. Basil Arabatzis (BOS); Fr. Peter Delvizi (NJ); Fr. Jason Houck (CHI); Fr. Mark Pakes (DEN); Fr. Nebojsa Pantic (SAN); Fr. Constantine Simeonidis (ATL); Fr. Simon Thomas (DET); Fr. John Touloumes (PIT); Mrs. Marissa Costidis (Lay Rep.)

GOA Appointed Representatives

Fr. Soterios Baroody; Fr. James Greanias; Fr. Nikolas Karloutsos;

Ex-Officio Members representing Archdiocese Ministries: Archdiocesan Presbyters Council (APC) - Fr. Peter Orfanakos; Retired Clergy Association (RCA) - Fr. Michael Kontogiorgis; National Sisterhood of Presbyteres (NSP) - Not available at time of publication.

The Administration Committee

2024-2026 Chair: Fr. Constantine Simeonides (frc@htgocorlando.org)

The Administration Committee has the following responsibilities and authority, among others: Act on applications for Plan benefits; Determine eligibility, service, the amount of Plan benefits and other questions; Establish uniform and non-discriminatory rules for the administration of the Plan.

The Investment Committee

2024-2026 Chair: Fr. Mark Pakes (FrMark@holytrinitydallas.org)

The Investment Committee has the following responsibilities and authority, among others: Appoint and dismiss the funding agent; Establish investment objectives and strategies for the assets of the Fund; Establish investment guidelines, including diversification, for the Fund; Review the investment performance of the Fund.

Pension Fund Service Partners

GDC Financial Group, Inc., handles the collection of pension contributions as well as the Orthodox HealthPlan.

Phone: 203-367-4070 **Website:** orthodoxhealthplans.com

Mercer Investments, LLC, provides investment management and actuarial services.

Phone: 877-261-8694 Monday - Friday, 8:30 am - 5:30 pm ET. **Website:** thegoa.mypensioncenter.com

