

News & Views

A Quarterly Update from the Pension Boards

Fall 2008

Renewing Our Commitment for Today – and Tomorrow



Michael A. Downs

On January 1, 2009, all sponsors of 403(b) retirement plans – including churches and church-related organizations – will be required to comply with stringent new Internal Revenue Service (IRS) rules that change 403(b) plans from an employee-driven option to an employer's obligation. These new regulations assign to employers the burdens of:

- providing a plan document covering all employee 403(b) plans;
- monitoring the transfer of accumulations among multiple plans; and
- determining if an employee has made multiple plan contributions that exceed the complex limits allowed by IRS regulations.

In anticipation of these regulatory changes, some commercial plan vendors have discontinued their 403(b) product offerings, while others have increased their administrative fees. If your employee benefits are invested in the Annuity Fund–UCC, you're ready! New plan documents are being prepared and administrative systems are being revised to meet all the new rules – and at no additional cost to your ministry or your employers!

Frozen credit markets have kept volatility very high in global financial markets. The Federal Reserve, Treasury Department and Congress have enacted a series of government actions to bring much-needed stability to the financial system. The Pension Boards' strategy during these turbulent times has been to preserve liquidity and to maintain our long-term strategy

that stresses diversification and quality investments.

Pension Boards' Bond and Equity Funds had no exposure to Lehman Brothers at the time of their bankruptcy, and our Bond Fund has never invested in subprime mortgages. Given the quality of our investments, we are confident that the Funds are positioned well in the anticipated market recovery.

(Please see the articles on page 2, and visit the Pension Boards' web site, www.pbucc.org, for more information.)

As these troubling times have deepened, requests for assistance from our Ministerial Assistance Fund have increased three-fold. My thanks to those who contributed to our Christmas in July appeal. As you now prayerfully consider your contribution to this year's Christmas Fund Offering, please be mindful of those serving the Church who are experiencing increased financial difficulty.

We are happy to report that average health plan rate increases for participants in the UCC (Non-Medicare) Health

Benefits Plan are 5.2% for 2009; for Medicare Supplement Plan participants, the increase is 3.4%. For seven years, these rates have been approximately half the national health trend rates, resulting in an aggregate savings to our churches and church employers of \$15 million annually! Reasons for these savings include our participation in multi-denominational coalitions, use of generics and preferred provider networks and increasing participation in our wellness and disease management programs.

(Please see the information on upcoming myhealthIQ Wellness Exams on page 5.)

Since 1912, through two World Wars and the Great Depression, we have never missed an annuity payment. We renew our commitment to be with you today and tomorrow.

Faithfully,

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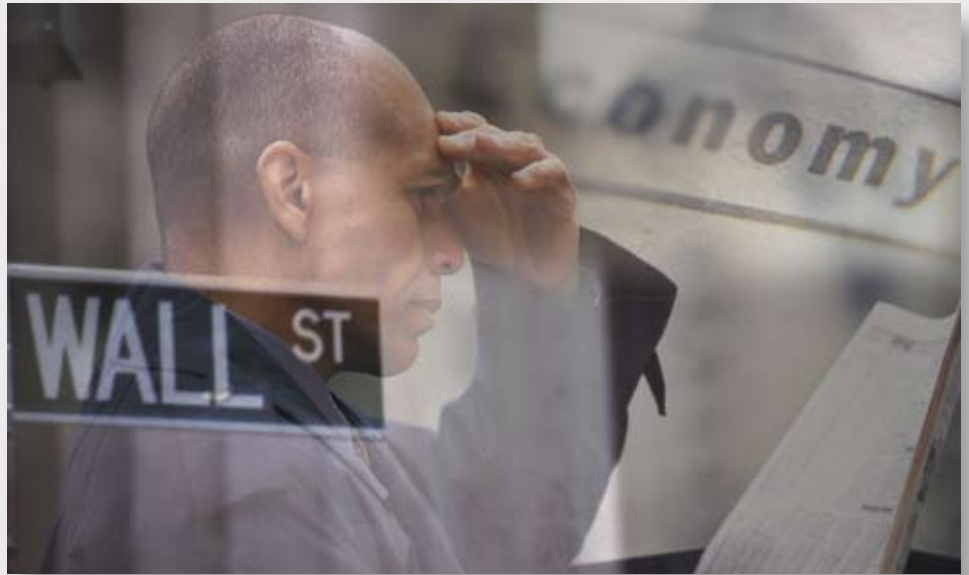


A Time For Thanks
Enjoy the Shades of Autumn

Patience to Weather the Storm

Fear and panic have gripped investors over the past several weeks as global equity indices such as the Standard & Poor's (S&P) 500 Index and the MSCI EAFE Index* have gyrated wildly to the downside. Year-to-date through the end of September, these indices have fallen on a price basis by 20.6% and 31.1%, respectively.

A look back in time, however, shows that plunging markets do recover and those investors who stay the course are rewarded. Consider the worst one-day plunge in history - October 19, 1987, known as Black Monday. The S&P 500 fell almost 58 points for a stunning one-day decrease of 20.5%. Two years later on October 19, 1989, however, the S&P 500 closed 54% higher than the close on Black Monday for a 24.3% average annual gain over this period.



More recently, when the tech bubble burst in March 2000, the S&P fell 49% over the following 24 months, making it the most severe bear market since the Depression. However, over the next five years, the S&P rose almost 102% for an average annual gain of 15%.

Only time will tell how deep and how long the current bear market will last. Indeed, plunging markets are hard on the nerves and test the fortitude of even the most seasoned investors. The temptation is great to exit the market for safer harbors and then reinvest at a later date. However, a more prudent strategy is to have patience and weather the current storm. A panicked investor often gets out after experiencing a large loss and then doesn't reinvest until prices are significantly higher. It is wise to remember that, in every single case of bear markets over the last 80 years or so, the markets recovered and produced positive returns over time. Since 1925, we have had one depression and 11 official recessions. Despite these periodic setbacks, stocks returned close to a 10% average annual return during this period. This time should be no different.

** MSCI EAFE (Morgan Stanley Capital International – Europe, Australasia and Far East) is an index of international stocks representing 21 developed markets: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, United Kingdom.*

Financial Markets Conversation

On Wednesday, October 1, more than 330 Annuity Fund members participated in an informal conversation hosted by Pension Boards President and CEO Mike Downs and senior PBUCG staff to address questions, concerns and comments about the impact of September's market turbulence – as evidenced by the sale of Merrill Lynch to Bank of America, Lehman Brothers' bankruptcy and government bailout of AIG – on members' financial security.

An audio recording of the conversation is available on the Pension Boards' web site at <http://www.pbucc.org/documents/962570.wav>. FAQs based on questions from the call may be found at https://www-secure.pbucc.org/interior_art.asp?id=A_Conversation_About_Financial_Markets.

Credit Crisis

The Interfaith Center on Corporate Responsibility, of which the Pension Boards is a founding member, represents a faith-based perspective when attempting to persuade corporations to behave ethically. One of ICCR's legacy working groups, Access to Capital, focused primarily on the impacts of financial institutions on families and individuals, particularly impoverished or at-risk families.

As such, this working group brought many shareholder resolutions to the annual proxies of the very corporations involved in the causes of today's credit crisis. Some of these resolutions were submitted more than seven years ago and suggested that a company adopt a policy of more disclosure of off-balance sheet liabilities. Other resolutions or corporate dialogues called for greater transparency on subprime lending, predatory lending, and the use of derivatives.

ICCR recently reported that "Invariably, in response to the issues raised, executives of financial institutions assured representatives of ICCR that policies, procedures and internal controls already in place were able to meet these challenges and that much of the requested information was already disclosed in the numerous filings the companies were required to submit to different regulatory agencies. Furthermore, the concern about disclosure and transparency in relationship to new investment tools was usually answered by claims of protecting 'proprietary information.'"

In light of a changing financial landscape, members of ICCR and the Pension Boards will adapt by engaging corporations around these and other issues to try to influence corporations to take a long-term look at the risks associated with their policies and practices. These risks should not only be viewed as the things that negatively affect the bottom line, but should strive for a sustainable future for all people.

Coming in 2009 – New Voluntary Long-Term Care Insurance Benefit

The Pension Boards is pleased to announce the availability of long-term care insurance to active and retired UCC employees and their family members. While no one ever expects to need long-term care, the risks and associated costs are simply too great to ignore. PBUCC has selected LTC Financial Partners, the nation's leading provider of this important coverage, to provide education on the need for long-term care and available options to address the risk.



For more information, visit LTC's dedicated web site for UCC employees at www.ltcpbucc.com or call a long-term care insurance specialist toll-free at **1.866.471.4072, ext. 2305**. To download a free copy of the booklet, **Dignity for Life: The Five Things You Need To Know Before Buying Long Term Care Insurance**, go to <http://ltpfusa.com/pbucc/files/Dignity%20For%20Life%20Book.pdf>.





What Sort of Flu Season Is Expected This Year?

Flu seasons are unpredictable in a number of ways. Although epidemics of flu happen every year, the beginning, severity and length of the epidemic depend on many factors, including the different types and strains of influenza viruses circulating and whether the viruses in the vaccine match flu viruses that are circulating.

The Centers for Disease Control and Prevention (CDC) recommend a yearly flu vaccine as the first and most important step in protecting against this serious disease. While there are many different flu viruses, the flu vaccine is designed to protect against the three main flu strains that research indicates will cause the most illness during the flu season. The vaccine can protect you from getting sick from these three viruses or it can make your illness milder if you get a different flu virus.

Flu activity typically does not reach its peak in the U.S. until January or February. Getting the flu vaccine soon after it becomes available each year is always a good idea, and the protection you get from vaccination will last throughout the flu season.

For more information contact the CDC at **1.800.232.4636**, or at **cdcinfo@cdc.gov**.

The UCC Medical Benefits Plan covers administration of the influenza vaccine to:

- Children between the ages of 6 months and 5 years
- All high-risk children
- High-risk individuals between the ages of 19 and 49
- All individuals beginning at age 50

If you have questions about the influenza vaccine, contact your primary care provider for guidance.

Do You Know Your Heart Health ABCs?

Here is a handy mnemonic for helping to maintain a healthy heart:

A is for moderating **Alcohol** use

Excessive alcohol consumption increases not only the risk of heart attack, but also high blood pressure and stroke.

B is for controlling **Blood pressure**

Exercising, reducing the fat and salt in one's diet, and not smoking all contribute to lowering blood pressure. But even if you observe all these regimens, you should have your blood pressure checked regularly. (The Centers for Disease Control define normal pressure as less than 120 for systolic and 80 for diastolic, but consult your health care practitioner for a personalized opinion.)

C is for lowering **Cholesterol**

Adults should have a lipoprotein profile done at least every five years, according to the National Cholesterol Education Program. What should your target numbers be? CDC says optimal numbers are:

- < 100 mg/dL Low Density Lipoprotein (LDL)
- ≥ 40 mg/dL High Density Lipoprotein (HDL)
- < 150 mg/dL Triglycerides

And we're going to add one more letter, **D** for monitoring and controlling **Diabetes**.

Consult your health care provider and don't forget those ABCs (and the D, too).



(Adapted from the Centers for Disease Control and Prevention, www.cdc.gov)

Member Education Conference Calls

The Pension Boards' Member Education Conference Call Series offers members an opportunity to learn more about benefits plans and have their questions answered by knowledgeable Pension Boards staff. Conference calls are scheduled for the **second Wednesday of every month** and begin at **Noon (Eastern)**.

Join us for the following discussions by calling the toll-free conference call number at **1.888.635.9299** and entering **Access Code: 905128**. (TTY dial-in: **1.800.855.2881**)

November 12, 2008

Optional and Dependent Life Insurance

Learn about the additional Life Insurance benefits that participants in the Life Insurance and Disability Income (LIDI) Plan can purchase on their lives and the lives of their dependents.

Wednesday, December 10, 2008

Flexible Spending Account (FSA) Plan Improvements

Learn how churches can enroll their employees in the FSA Plan and how participants in the Plan can, effective 1/1/09, save even more money by paying for health co-payments and deductibles on a tax-free basis.

If you are unable to participate, a recording of each conference is available for **1 month** following the call at **1.800.475.6701**, **Access Code: 905128**

Please note that after 1 month the telephone recording is updated to the most recent conference call. Recordings of all past calls are available on the Member Education section of the Pension Boards' web site at **www.pbucc.org**.

2008 Regional Retirement Seminar Schedule



Retirement seminars are held annually in each of the six geographic regions of the United Church of Christ for individuals age 58 and older and their spouses/partners. Invitations and registration information will be mailed to qualifying members in each of the regions in advance of each event.

Wednesday, November 19, 2008

Great Lakes Region
Radisson Hotel
651 Huron Road
Cleveland, OH 44115

Friday, December 5, 2008

Southern Region
Rosen Centre Hotel
9840 International Drive
Orlando, FL 32819

*For additional information, please contact Sharon Thomas, Member Education Services Coordinator, at **1.800.642.6543, ext. 2712** or by e-mail at **stthomas@pbucc.org**.*

myhealthIQ

A New Approach to Wellness

Your health and wellness are very important. The UCC Medical Benefits Plan is pleased to offer all UCC (Non-Medicare) Health Plan participants an opportunity to take a brief, free and confidential online **myhealthIQ Health Risk Assessment (HRA)**, and a **Wellness Exam** at a convenient location.

Here is a partial listing of dates and locations of upcoming **myhealthIQ Wellness Exams**. Please watch for mailings from the UCC Health Plan announcing additional dates and locations.

- **November 1** – Massachusetts Conference Annual Meeting (Worcester, Massachusetts)
- **December 4** – United Church of Christ Church House (Cleveland, Ohio)

If you experience any difficulties logging into the **myhealthIQ** web site to complete your online **HRA**, please call the **myhealthIQ** customer care team at **1.866.449.9705**. If you would like to schedule a **Wellness Exam**, please e-mail Camale Allen, Wellness Administrator at **callen@pbucc.org**, or call her toll-free at **1.800.642.6543, ext. 2872**.

Here's to a healthier you!

Have You Kept Your E-mail Address Updated With the Pension Boards?

If not, you may be missing out on important communications. Please take a moment to update your e-mail address by visiting the Pension Boards' web site (**www.pbucc.org**) and entering your new address in the "E-mail Update" field on the home page. Or, you may update your e-mail information by contacting a Member Services Representative at **1.800.642.6543, Option 6**.

Ministerial Assistance: Responding to the Changing Needs of Ministry

Since mid-2007, a newly formed Board of Directors for the United Church Board for Ministerial Assistance (UCBMA) has worked to develop a mission statement and strategic plan that will support the changing needs of ministry in the United Church of Christ in the 21st century.

The Board's mission statement

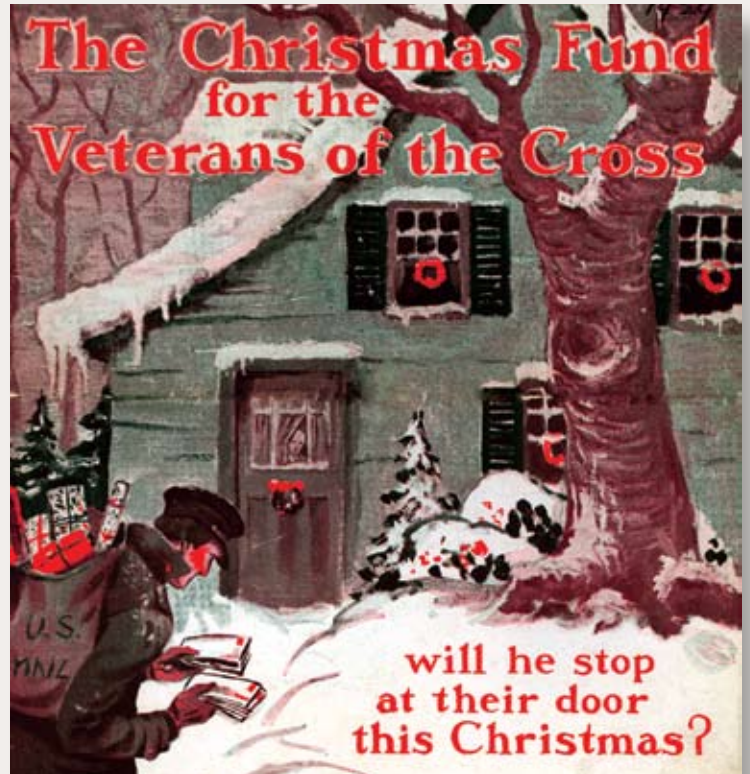
The United Church Board for Ministerial Assistance exists to support and fund initiatives that

- *foster spiritual and emotional maturity*
- *physical well-being*
- *financial responsibility and*
- *effective leadership*

among authorized ministers and lay employees of the United Church of Christ to ensure healthy leadership leading to healthy churches

is implemented through various programs for the benefit of those who serve the church:

- **Supplementation:** Qualifying clergy, lay employees, widowed spouses and partners who receive small annuities may receive supplementation to bring pension income up to a minimum level set annually by the General Synod. Qualified, low-income retired clergy and lay employees may also receive help paying for their UCC Medicare Supplement Health Plan contributions.
- **Grants to individuals for special needs and emergencies,** like natural disasters or illness.
- **Annuitant Visitor Program:** Annuitant Visitors personally visit retired clergy, missionaries and lay employees to thank them for their ministry, offer support and to help them with questions about their pension or health benefits.
- **Strategic collaboration with other settings of the church for the benefit of pastors:** In cooperation with the Local Church Ministries Evangelism Team, the UCBMA provides grants toward the cost of benefits for New Church Start Clergy. New UCC congregations may be eligible for grants in the form of credits, subject to the approval of the Evangelism Ministry Team of the Local Church Ministries Unit, that go toward the benefit accounts of clergy employees.
- **Incentives and education for pastors in the early years of parish ministry:** The UCBMA will launch an exciting program for advanced training of young pastors willing to make a 10-year commitment to serve in parish ministry within the UCC at General Synod 27.
- **Educational programs and other initiatives for clergy and lay employees in areas consistent with the mission statement of the UCBMA.**



Veterans of the Cross Offering Guide, 1929

For more details, please log in at www.pbucc.org, and then click on the **Ministerial Assistance** tab. Or contact the Rev. Dr. M. Douglas Borko, Director of Ministerial Assistance, toll-free at **1.800.642.6543, ext. 2716** or by e-mail at dborko@pbucc.org.