



ANNUITANT

# NEWS & VIEWS

OPERATING AT THE  
INTERSECTION OF  
FAITH AND FINANCE

An Update from the Pension Boards

Fall/Winter 2018

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[http://bit.ly/PB\\_2010](http://bit.ly/PB_2010)



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## The Pension Boards

United Church of Christ, Inc.

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## Message from the President/CEO



From the earliest days of our church, members of congregations recognized that pastors and their families often lived on slim incomes.

It was not uncommon for clergy to receive wood, cider, and other staples to augment their compensation. In time, local and regional ministerial aid societies were formed to address pastors' financial needs.

Among our Church's predecessor bodies, ministerial relief activities can be traced to the mid-19th century. The Evangelical and Reformed Church established its relief ministries in the 1850s. The Congregational Board of Ministerial Relief – what would later become the United Church Board for Ministerial Assistance (UCBMA) – came into being in the 1880s.

Since 1906, what we know today as the Christmas Fund for the Veterans of the Cross and the Emergency Fund has provided financial resources for UCBMA to ensure that those who serve our church have what they need to live with dignity, and help for when times are especially tough.

Over the years, the caring ministries of UCBMA have grown to meet the changing challenges of those called to serve the UCC. In addition to direct assistance, today UCBMA provides programs that sustain church leaders in every stage of ministry. You can find information about the range

of UCBMA programs in the **Ministerial Assistance** section of the Pension Boards website ([www.pbucc.org](http://www.pbucc.org)).

As the programs of UCBMA have expanded, so, too, has the need for funding to maintain them. Gifts to the Christmas Fund make up a significant portion of our annual assistance budget, but we are also mindful of long-term sustainability. Jonathan Lee's article on planned giving (p. 3) offers one way for you to be supportive, and our *Generations of Service: Faith and Finance in Action* \$20 million capital campaign is our comprehensive effort to ensure that all the assistance and leadership programs of UCBMA will be there for generations of servant leaders.

I encourage you to generously support the Christmas fund this year – and to learn more about the *Generations of Service* campaign as a means of contributing to the future wholeness and sufficiency of so many who so faithfully serve our United Church of Christ. Learn more about *Generations of Service* at [http://bit.ly/PB\\_GOS](http://bit.ly/PB_GOS).

The Trustees and staff of the Pension Boards join me in wishing you and your loved ones a joyous and blessed Christmas and a healthy and hope-filled New Year.

Best regards,

Brian R. Bodager  
President/CEO



## Global Equity Diversification Proving Its Worth

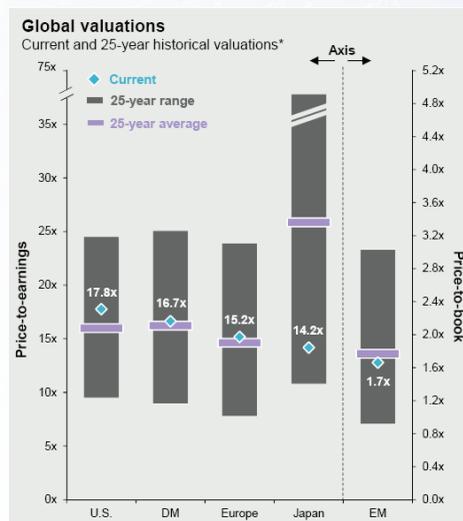
David A. Klassen, Chief Investment Officer

Last April, we made the case for global diversification as a prudent investment practice. At the time, U.S. equities had outpaced global markets over several years. In 2017 there has been a dramatic reversal, beneficial to Pension Boards' portfolios, as global equities have done better than U.S. stocks alone. As of October 31, 2017, U.S. markets had returned about 16% while developed international markets were up almost 22% and emerging markets had gained over 32%! Our April rationale was simple. Perfect timing is impossible, and our favorable view towards international markets had to do with the best opportunities for better potential returns. Will the outperformance of international stocks continue? We are staying with our emphasis on emerging markets (think Brazil, China, etc.) and developed international markets (Europe, Japan) because: 1) valuations compared to history are better than those of the U.S.; and 2) the earnings of companies in those countries are growing faster than U.S. companies.

Since 2009, U.S. equity markets have led all global equities. During that time, all parts of the U.S. equity markets have gained well over 300%. Now, because of those gains, every part of the U.S. market is above their long-term average valuations as measured by price-to-earnings ("P/E," a well-known measure of valuation and is the share price divided by earnings). In other words, all the parts of the U.S. equity market are more "expensive" than their historical averages.

The chart from JP Morgan (at the top of the center column) shows valuation data on the U.S., developed markets and emerging markets. Developed international market's

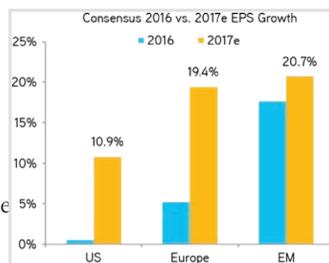
P/E is in-line with its historical long-term average. Emerging markets' valuation is still below its long-term average even with the very strong performance in 2017.



If "Price" is one side of P/E, the other side is the earnings of companies. If prices are increasing, why aren't emerging market stocks also getting expensive, and why are we still comfortable with the opportunities in emerging markets? Because earnings are growing at higher rates, on average, than U.S. companies.

The bar chart to the right (from KKR) shows the growth rate of EPS, earnings per share, in the U.S., Europe and emerging markets in 2016 and projected for 2017.

There's a clear difference between Europe and emerging markets compared to the U.S.



International developed and emerging markets are favored now because valuations are better compared to their historical averages, and because those companies are growing their earnings faster than U.S. companies. Going forward, we anticipate maintaining a healthy dose of international markets because, as illustrated in the chart below (from Goldman Sachs Asset Management), these performance trends tend to persist for multiple years once they start.



Could things go wrong? Absolutely. There are higher risks in emerging market countries, including the possibility that the U.S. dollar could reverse course and appreciate against these currencies, which would detract from international returns for U.S. investors, as it did in 2014 and 2015. Year-to-date, the Participating Annuity, Equity Benefit Annuity, and Balanced Benefit Annuity have been positioned to benefit from the better performance of international markets. To accentuate the point, the equities in these annuities have outstripped the S&P 500 and U.S. markets.

As always, we thank you for your confidence in us and will continue to work to position the annuity portfolios to benefit from global diversification, as appropriate.



## Affirming Our Faith-Based Values

Rev. Richard E. Walters, Director, Corporate Social Responsibility

In recent months, we have seen the prophetic witness of the United Church of Christ in response to incidents of hate, racism, and violence in our country. As an Affiliated Ministry of the UCC, it is also incumbent upon the Pension Boards to respond to the important issues of our time from the unique perspective of Faith and Finance. The Pension Boards' Faith and Finance policy

statement specifically calls for sensitivity in the way we structure our benefit plans and operations to better serve underrepresented persons, congregations, and communities.

PBUCC joins the UCC and its leaders in denouncing racism, violence, and other forms of prejudice long woven into the fabric of our society and institutions, and pledges to examine our own life and programs for improvement

and responsiveness, as well as to commit to specific plans of action. One such action is the promotion of diversity on the boards of publicly-traded corporations we invest in on behalf of our members. Through shareholder activism and proxy voting, alongside our faith- and values-based colleagues, the Pension Boards advocates for the voices of underrepresented groups to be heard in the corporate boardroom and in

(continued on page 3)



## Ministry of Visitation – Paying it Forward

Rev. Richard L. Floyd

In 2004, I left my position as pastor of the church I had served for 22 years, because I had sustained a traumatic brain injury in a bicycle accident.

After several years of disability, I received a call from John Wightman, an Annuitant Visitor. He invited me to lunch and listened to my story. At the end of the lunch he said, “Rick, you’ve been through a lot. I want you to know on behalf of a grateful church, we thank you for your years of service.” I was so moved I began to cry.

When I became an Annuitant Visitor I wanted to pay it forward — for the kindness I had received from John, and for how well I was supported by the Pension Boards during this challenging time.

### Ten-Year Support

I went on long-term disability through the Pension Boards and received Social Security Disability Insurance. I didn’t even know I had disability insurance. The Pension Boards paid

our health insurance for the 10 years I was on disability! Without that assistance, I don’t know how we would have made it. We remain grateful for the way the church took care of us during a most difficult time.

### Annuitant Visitors Play a Vital Role

Annuitant Visitors play a vital role as ambassadors for the Pension Boards. Through phone calls and personal home visits, we provide annuitants with the information they need to access the quality care they are looking for. And, on behalf of the whole church, Annuitant Visitors embody the message to UCC retirees that their service over the years is valued, and not forgotten.

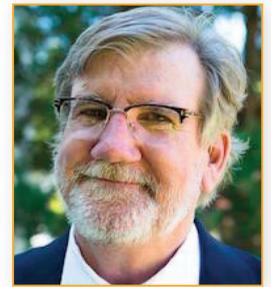
### “If it wasn’t for the Pension Boards...”

I recently visited a couple I have known for many years. The retired pastor had served small country churches throughout his career, and his wife partnered with him as an unpaid assistant. They told me more than once that

“If it wasn’t for the Pension Boards,” they don’t know what they would have done. Each year, when I give a pitch for the Christmas Fund at my local church, I always think of them and how the church has helped them after serving so many years.

I continue to pay it forward, enjoying personal time with colleagues for a visit. Some become very emotional when I thank them for their years of service to the church. It’s a beautiful gift to pay forward.

Rev. Richard L. Floyd is Pastor Emeritus of First Church of Christ (UCC) in Pittsfield, MA, and an Annuitant Visitor. Watch a video and read Rick’s full comments at [http://bit.ly/PB\\_AVP\\_RF](http://bit.ly/PB_AVP_RF).



## Legacy Partners in Ministry

Rev. Dr. Jonathan B. Lee, Philanthropy Officer

The United Church Board for Ministerial Assistance (UCBMA) is able to bring good news of support to those who serve our church because of the generosity of so many who give much-needed dollars for immediate use – such as those received in the Christmas Fund for Veterans of the Cross Offering. Another essential source of support comes through planned gifts, which include a charitable bequest in a will, a beneficiary designation from an insurance policy or IRA, or an agreement like a charitable gift annuity that benefits the donor in the present and the mission in the future.

Since 2000, 43 individuals and couples from across our United Church of Christ have arranged a planned gift to benefit UCBMA or the Pension Boards. For their thoughtful anticipation of future need and the generosity these gifts embody, we bless these donors as Legacy Partners in Ministry, and give thanks also for their willingness to be identified that others might be similarly inspired. On the Pension Boards website, under **Charitable Giving**, you will find the names and hometowns of these visionary donors.

The future well-being of those who will look to UCBMA for support in times of need and

for its programs that sustain those who lead our church depends on expanding this circle of Legacy Partners in Ministry. Planned gifts are adaptable to the many circumstances of donors, and I welcome the opportunity to explore them with you. Support of our current capital campaign, *Generations of Service: Faith and Finance in Action*, includes planned gifts, and for donors over 60 years of age, the full face value of planned gifts will be counted toward our goal – a golden opportunity to support the mission without sacrificing current assets.

Thanks be to God for our current Legacy Partners in Ministry, and for those soon to join them in that forward-looking generosity.

the workplace. This effective means of proxy access has resulted in dramatic changes in some companies and revised policies in many others.

Faith and Finance isn’t only about investments; it impacts all facets of our work. The Pension Boards recently launched the Ministers’ Financial Vitality Initiative (MFVI), a personal faith and finance program funded in part by a grant from the Lilly Endowment’s *National Initiative to Address Economic Challenges Facing Pastoral Leaders*. This program is especially designed for ministers

from historically underrepresented groups in the UCC, such as persons of color, LGBTQ persons, persons living with disabilities, and clergy under 30. The Rev. Darrell Goodwin, Pastor of Liberation United Church of Christ in Seattle and Everett United Church of Christ in Everett, Washington, has joined the Pension Boards as MFVI’s Program Director. (Visit [http://bit.ly/MFVI\\_INFO](http://bit.ly/MFVI_INFO) for information.)

We can and need to do more. The Faith and Finance Advisory Group, comprised of stakeholders across the church and Pension

Boards staff, is exploring new avenues of action to address the needs and issues of underrepresented groups, as well as programs to implement Faith and Finance initiatives to bring about greater financial wellness, economic equality, and justice alongside our many partners and witnesses in the church. I look forward to hearing from you about how we can better serve our members, church and society when it comes to denouncing hate and building a just peace together.



**The Pension Boards**  
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## HEALTH & WELLNESS

Frank Loiacono, Director, Health Plan Operations



### Plan Highlights Booklet

You may access a copy of the booklet, Highlights of Your UCC Medicare Supplement Plan with Rx, which includes a schedule of benefits offered by the Plan, by visiting [www.pbucc.org](http://www.pbucc.org), clicking on **Medical Plans** and following the links to the Medicare Supplement Plan.

### Immunizations – Influenza and Shingles

Flu season is here. UCC Medicare Supplement Plan participants are covered for administration of the influenza vaccination as a preventive, no-cost benefit. For questions regarding the need for the vaccination on an individual basis, please contact your physician and/or primary care provider.

The shingles, or zoster, immunization, is also a preventive, no-cost benefit for Plan participants.

Both immunizations can be obtained at your physician's office or pharmacy by presenting your Medicare card and Express Scripts or Highmark BCBS card, to avoid any out-of-pocket payment.

### Change of Address, and More

Please remember to notify the Pension Boards whenever there is a change in your mailing address, email, or telephone number, so that we may update your account information with the Pension Boards and our vendor/partners. Address changes can be made online by signing into your Pension Boards account at [www.pbucc.org](http://www.pbucc.org)

If you have not yet created your sign in account on the Pension Boards' website, please visit [http://bit.ly/PB\\_SignIn](http://bit.ly/PB_SignIn) to get started.

Once you are signed in, click on **My Benefits**, then click **View My Pension and Other Benefits**, select **Take Action**, and click **Change My Personal Information**.

### Update on Ordering Diabetic Supplies

Plan participants who use diabetic supplies, (lancets, test strips, etc.), should be aware that Arriva Medical is no longer authorized by Medicare to fill prescription orders for diabetic supplies. Participants can view the list of authorized Medicare home delivery diabetic suppliers by visiting [www.Medicare.gov](http://www.Medicare.gov) and clicking on **Find Suppliers of Medical Equipment and Supplies**.

When obtaining supplies at a local pharmacy, please remember to present your Medicare and Express Scripts Rx cards.

### Health Tips for the Holidays

#### Cardiovascular Fitness

- Keep a variety of cardiovascular activity in your weekly plan to sustain your interest and challenge your body in different ways.
- Studies have shown that cardiovascular benefits can be seen with as little as 10 minutes per bout of activity. Accumulating 150 minutes per week of moderate activity is recommended to achieve a multitude of health benefits.

- A good gauge to measure the intensity of your activity is the "Talk Test." If you can talk to someone, but not sing, that's moderate intensity. If you can only say a few words without pausing for a breath, that's high intensity.

#### Antioxidants

- One of the best ways to increase antioxidants in your diet is by simply increasing your fruit and vegetable intake.
- High-dose supplements of antioxidants may be linked to health risks. Always talk to your doctor about the use of supplements.

For more healthy tips please sign in to your account at [www.highmarkbcbs.com](http://www.highmarkbcbs.com) and click on the **Wellness** tab.

### End-of-Year Claim Summary

Please remember to register, if you haven't already done so, on our vendor/partner websites to manage your account, access healthy lifestyle information, and obtain end-of-year claim summary information. Below is a list of the Plan's vendor/partners and contact information:

- Highmark (medical): [www.highmarkbcbs.com](http://www.highmarkbcbs.com); 866.763.9471
- Express Scripts (pharmacy): [www.express-scripts.com](http://www.express-scripts.com); 800.939.3781
- United Concordia (dental): [www.ucci.com](http://www.ucci.com); 866.851.7576
- VSP (vision): [www.vsp.com](http://www.vsp.com); 800.877.7195

For questions about any of your UCC Medicare Supplement Plan with Rx benefits, please contact a Health Services Representative at 1.800.642.6543, ext. 2870.