



ANNUITANT

# NEWS & VIEWS

OPERATING AT THE  
INTERSECTION OF  
FAITH AND FINANCE

An Update from the Pension Boards

Summer 2016

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## The Pension Boards

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## Message from the President/CEO

Recently, two staff colleagues and I had an opportunity to attend a gathering of church leaders hosted by the Lilly Endowment.

One of the presenters made an insightful observation: *"Strong ministries of service require strong ministries of support."*

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Strong ministries of support are essential to the Pension Boards' ongoing work on behalf of those who serve the Church. Support is part of all that we do, whether we are answering phones, helping a member with a benefits question, preparing a presentation, or working collaboratively with the wider Church.

Our Board of Trustees also plays an important role in the Pension Boards' ministries of support. Each Trustee brings a depth of talent in her or his area of expertise, coupled with a commitment to the United Church of Christ.

In this issue of *Annuitant News & Views*, I am pleased to introduce three of our Trustees: Ms. Jeanette Carpenter Schreiber, an attorney with 30 years' experience in health law and policy, the Rev. Leslie Schenk, Ph.D., an economist and pastor, and the Rev. Dr. Arthur L. ("Art") Cribbs, Jr., a pastor, journalist, and justice advocate.

Jeanette, who currently serves on the Trustees' Enterprise Risk Management, Audit, Benefits, and Budget Committees, is part of a leadership team building a new College of Medicine and health sciences center for the University of Central Florida (UCF). Her previous experience includes 25 years as a partner in the New England law firm, Wiggin & Dana, where she assisted health care organizations including Yale-New Haven Health System in addressing

emerging legal and ethical issues and building health care delivery systems.

Leslie, a member of the Pension Boards' Investment Committee and a Director of the United Church Board for Ministerial

Assistance, is Pastor of Plymouth Congregational United Church of Christ in Madison, Wisconsin. Previously, she served seven years in a yoked UCC congregation in Ladysmith and Conrath, Wisconsin. At Ladysmith, she also served a mission congregation of the Evangelical Lutheran Church in America.

Art, a member of PBucc's Audit, Budget, Enterprise Risk Management, and Benefits Committees, is the Executive Director of The Interfaith Movement for Human Integrity, a faith-based organization that advocates immigrant rights, quality education, and health care. He also serves as Pastor of Los Angeles Filipino United Church of Christ, and previously served as Pastor of UCC congregations in San Diego and San Marino, California, and as Executive Director of the UCC Office of Communication.

Please visit [www.pbucc.org](http://www.pbucc.org) to read the full text of recent interviews with these talented and committed Board members. I hope you will find their stories as compelling as I do.

Best regards,

Brian R. Bodager  
President/CEO



## Emerging Markets Come Alive in 2016

David A. Klassen, Chief Investment Officer

At the time of this writing, global stocks and bonds are up nicely year-to-date, despite a difficult start and a volatile period around the U.K. vote to leave the European Union (EU) in late June. The difference this year is that diversification certainly has helped, as Emerging Markets (EM) have outperformed both the U.S. market and other Developed Markets, meaning Europe and Japan.

### The big question: can this continue?

Historically, the beginning of the U.S. rate tightening cycle has often coincided with a peak in the U.S. dollar. For the first time since 2008, the U.S. Federal Reserve (Fed) raised its Fed Funds rate in December 2015. That seems to have marked the turning point of the U.S. dollar, which had been strengthening for the last several years. Emerging Markets

often benefit from a weakening dollar, although declining commodity prices might complicate the story from time to time. Nonetheless, Emerging Markets had underperformed the Developed Markets for over six years, resulting in an increasingly attractive relative valuation. Emerging Market equities currently trade at about a 25% discount to Developed Markets, which is below the long-term average. Our manager's research also shows that earnings revisions in Emerging Markets bottomed in March and April 2016, and have since turned positive for the past three months. Improving fundamentals and relatively cheaper valuations have attracted investors to this asset class again.

At the Pension Boards, we added to Emerging Market equities in April this year from an underweight position. As of

the end of July, we have about a 12% direct allocation to EM equities through three managers (William Blair, Mondrian, and Lazard) in our equity portfolios and 6.8% to EM fixed income in bond portfolios (Ashmore and Investec). We also have indirect EM equity exposure through our international equity managers (Dodge & Cox and Walter Scott) of more than 2%. Our members have thus benefited recently from the exposure to Emerging Markets in annuity funds.

We expect this trend of outperformance to continue, perhaps with interruptions, which always require us to be vigilant and adaptable in our investment stewardship on your behalf.



## Prophetic Voice...Prophetic Engagement

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

Sometimes the values represented by the prophetic witness of the church coincide with the values of secular organizations that are also mindful of creation, human dignity, and justice, albeit without the theological reflection. But while there is a difference – or perhaps just a less obvious presence – between a faith perspective and secular activist groups, there is an even wider gap in expertise in the execution of effective strategies for social justice. Faith-based groups sometimes lag behind in this area. This gap is especially apparent when it comes to direct dialogue strategies.

I recently had a conversation with a former legislator who had been met with an active protest of his activities by a particular group. I asked him if the group had attempted a dialogue or a specific “ask” of him prior to the protest. He said, “No, and I would

have been receptive to that if they had approached me first.” Sometimes, we skip the human contact and dialogue and proceed directly to other strategies – perhaps because we do not want to confront the issue directly for fear that the conversation and outcome may not be to our liking – when the most effective means of achieving change is to talk first. That’s the philosophy of the Pension Boards in promoting transformational change through engagement throughout our social justice work related to leveraging assets and sustainable investment.

Finding common ground with secular groups like the Forum for Sustainable Investment (USSIF), Ceres, and the Investor Network on Climate Risk, along

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with the faith-based Interfaith Center on Corporate Responsibility (ICCR), PBUCC joins in a \$3 trillion leverage to get dialogue going where it is needed most to promote our human rights and environmental priorities with companies,

legislators, and shareholders.

Recent topics at the USSIF annual meeting in Washington,

attended by PBUCC and United Church Funds, were: diversity and the presence of women in management and boards; community development investment; and climate change and social justice. The passion and devotion to issues like these is often equal among secular and faith-based activists in these coalitions and there is much to learn from our colleagues in the secular world.

## The Christmas Fund: Giving Thanks and Looking Forward

Rev. Krista L. Betz, Director, Ministerial Assistance | Rev. Dr. Jonathan B. Lee, Philanthropy Officer

After receiving assistance from the Christmas Fund for the Veterans of the Cross and the Emergency Fund, a retired minister from Arizona wrote to express his long familiarity with that circle of caring. “Prior to my retirement, I had always encouraged the congregations that I served to participate in the offering. Yet now, as a recipient of these kind gifts of caring in my retirement years, I find it heartwarming that our churches and church people care so much for pastors like myself, who, for various reasons, find themselves struggling to make ends meet. Little did I know back then that I would be a beneficiary of their kindness further down the road.”

In 2015, the United Church Board for Ministerial Assistance (UCBMA) – and in turn hundreds of servants of the United Church of Christ like this pastor – were blessed to receive financial support from congregations and individuals totaling \$1,526,161. Thank you to every person and every church that gave to the Christmas Fund!

A special word of gratitude to the churches that led the way in congregational giving: the largest total gift, \$30,169, came from Naples UCC in Naples, Florida, followed by Central Union Church UCC in Honolulu, Hawai'i, which gave \$13,010. The greatest per capita giving came from Lahuiokalani Kaanapali Congregational UCC in Honokowai, Hawai'i, contributing \$200 per member, and from First Congregational UCC in



West Chicago, Illinois, which gave \$100 per member.

The Christmas Fund provides direct financial support to UCC clergy and lay church employees – both active and retired – who are facing financial difficulties. For some, it's a one-time emergency grant to cover unexpected medical bills or home repairs from a natural disaster, keeping them from going into debt; for others, it's supplemental income so vital when living on the financial edge after years of service to the church.

Each year, through the generosity of congregations, individuals, and generations of donors who included permanent gifts in their estate planning, the Christmas Fund has met real needs

and changed lives. Still, the number of retired and active clergy and lay church workers who need assistance continues to outpace our capacity to provide for all of them.

In the heat of Summer, your gift to the Christmas Fund will aid UCBMA in helping sisters and brothers who have served so faithfully and now need us to serve them. You can make a secure contribution online at [www.christmasfund.org](http://www.christmasfund.org), or by sending a check made out to “UCBMA” and earmarked “Christmas Fund” to the Pension Boards address in New York.

Praise and thanksgiving to all who have given, and to all who will!

## Prophetic Voice...Prophetic Engagement (cont'd. from p. 2)

What can we do as a Church to further our expertise? We can: 1) partner with others who share our values; 2) move beyond the walls of current strategies

to learn from other like-minded groups; 3) study and learn from the effective strategies of others; and, 4) bring more diversity and greater innovation to

strategies for doing social justice work in the Church. Want to know more? Please contact me at [rwalters@pbucc.org](mailto:rwalters@pbucc.org). Let's talk first and then act boldly together.





## HEALTH & WELLNESS

**Frank Loiacono, Director, Health Plan Operations**

### Zika Virus

The World Health Organization (WHO) has declared the Zika virus epidemic a public health emergency. Zika is a mosquito-borne virus that typically causes fever, rash, joint pain, and conjunctivitis (pink eye). Zika infections have also been documented through sexual transmission. The illness is usually mild, with symptoms lasting just a few days. Currently, there is no vaccine to prevent Zika, but you can protect yourself from mosquito bites, especially when you travel.

- Wear long pants and long-sleeved shirts.
- Use insect repellent with DEET (N,N diethylmetatoluamide). You can buy it in different strengths up to 100%. The American Academy of Pediatrics suggests that it is safe to use a repellent with 10% to 30% DEET on children older than two months.
- Spray clothing with DEET. Mosquitoes may bite through thin clothing.
- Sleep under mosquito netting if you are outdoors or overseas.
- Use an indoor insect fogger or spray. NOTE: When using insecticides, always follow label directions.
- Do not leave puddles or open containers of water near where you are staying. Mosquitoes breed in standing water.
- Avoid areas where there is an outbreak.



### 2017 Plan Enhancement: Opposite-Gender Domestic Partners

Effective January 1, 2017, the UCC Medical Plan will expand its eligibility guidelines to include health coverage for opposite-gender domestic partners. The Plan will continue to offer coverage for same-gender domestic partners.

### Your UCC Medicare Supplement Plan Health and Wellness Discounts

Access discounts on health- and wellness-related items and activities by visiting the Highmark Blue Cross Blue Shield website.

- Log in to your account at [www.highmarkbcbs.com](http://www.highmarkbcbs.com)
- Click on **Member Discounts**

View discounts on gym memberships, activity trackers, healthy cooking classes, alternative care services, and more. To contact a Highmark Member Services, please call **1.866.763.9471**.

### Shingles (Zoster) Vaccination

Shingles (Zoster) vaccinations are covered for participants age 60 or older when administered by a medical professional. These requirements meet the guidelines for effective preventive medicine as recognized by the National Institute of Allergy and Infectious Disease. The Plan covers administration of the vaccination received either at a pharmacy (via

Express Scripts) or at a physician's office (via Highmark).

### Foreign Medical Care

UCC Plan participants are covered for inpatient and outpatient medical services while traveling to foreign countries.\* If you need information on available local hospitals or physicians at your travel destination before your trip, call **1.800.810.2583** or access the information at [www.highmarkbcbs.com](http://www.highmarkbcbs.com) under **BlueCard Doctor and Hospital Finder**. If you require medical attention when traveling outside the U.S., call BlueCard Worldwide at **1.800.810.2583** or call collect at **1.804.673.1177**. A medical assistance coordinator, in conjunction with a nurse, will arrange hospitalization, if necessary, or make an appointment with a physician. In an emergency, you should go directly to the nearest hospital.

Please remember to bring your Highmark ID with you while traveling. Note that medical evacuation and repatriation of remains are not covered services.

*\* Please note this coverage ends on December 31, 2016. Information about optional coverage effective January 1, 2017 may be found at [www.pbucc.org](http://www.pbucc.org) under "Latest News."*

If you have any questions about your UCC Medicare Supplement Plan benefits, please contact a Pension Boards' Health Services Representative at **1.800.642.6543, ext. 2870**.