

1                                   **REPORT OF THE BOARD OF DIRECTORS OF**  
2                                   **PCA RETIREMENT & BENEFITS, INC.**  
3                                   **TO THE FORTY-EIGHTH GENERAL ASSEMBLY**  
4                                   **OF THE PRESBYTERIAN CHURCH IN AMERICA**

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6 We are pleased to present the 2019 Annual Report on behalf of the Board of Directors and  
7 Staff of PCA Retirement & Benefits.

8  
9 **President’s Report**

10 Change is in the air here at PCA Retirement & Benefits (RBI)! You may recall that RBI  
11 announced a transition process last year to find the next President. By God’s grace we believe  
12 he has answered our prayers by calling TE Ed Dunnington as RBI’s next President. Hopefully  
13 you’ve already heard our announcement and know that the six-month transition process is  
14 well underway.

15  
16 For this year’s President’s Report, we asked RE Jim Wert (RBI’s Board Chairman) to share a  
17 recent conversation he had with Gary Campbell and Ed Dunnington about this transition and  
18 RBI’s ministry to the PCA.

19  
20 **Jim:** Ed and Gary, thank you for meeting with me today to discuss the process of leadership  
21 transition going on at PCA Retirement & Benefits. As a member of the RBI President Search  
22 Committee, I feel a sense of ownership along with you two in this result. So, how is the  
23 transition going? What have you been focusing on?

24  
25 **Gary:** That’s a great question Jim. As you know, the board approved the search committee’s  
26 recommendation of Ed Dunnington as our next President at its November 2019 meeting.  
27 Immediately thereafter we convened a new committee of the Board called the President  
28 Transition Committee. This committee has the goal of fully preparing RBI’s President-Elect  
29 Ed Dunnington to assume the role of RBI President by July 1, 2020. The committee is  
30 working with RBI’s senior staff to guide Ed through a transition program which will include,  
31 *Coaching, Competency, Compatibility* and *Constituency*. We are making excellent progress  
32 and expect to complete this training before General Assembly.

33  
34 **Ed:** Jim, I agree with Gary. The transition is going really well. Gary and I are having a lot of  
35 fun working through this transition together. Gary’s graciousness and openhandedness has  
36 made it easy for me. He has actively sought to give leadership away. I have heard horror  
37 stories of transitions that have gone badly but I feel RBI’s transition has felt seamless. That is  
38 a testimony to Gary’s servant leadership and humility. There is still a lot for me to learn to  
39 become a highly effective leader at RBI, but I feel like the transition is setting me and RBI up  
40 for success. As Gary mentioned, there are four areas of focus which are giving structure and  
41 direction to our transition plan. I think the fact that I have been a part of the RBI staff for  
42 nearly five years already has given us a real advantage for a successful hand-off. That said,  
43 we still have a long way to go and welcome the prayers of the church for us during this season.  
44

1 **Jim:** That’s encouraging, guys. I’m glad to hear the transition is going well. I’d like to dig  
2 in a bit more on a question that’s close to my heart. It’s rooted in one of the top qualifications  
3 our Search Committee identified as we looked for RBI’s next president. It would be  
4 understandable should many in our denomination expect technical proficiency to be our top  
5 candidate priority. While our Search Committee certainly incorporated financial experience  
6 and skill into our thinking, we determined instead that our most important priority was  
7 preserving and growing RBI’s ministry culture as articulated in our Mission, Vision and Core  
8 Values. Let me ask you Ed, how can a ministry-driven culture thrive in an agency like RBI  
9 which does so many things we associate with running a strong and effective business? Do  
10 you have any front-end thoughts or plans on how you will grow RBI’s ministry culture under  
11 your leadership?  
12

13 **Ed:** Being at RBI for the past five years, I have experienced that culture firsthand. RBI is a  
14 professionally run ministry or a business that approaches everything from a ministry mindset.  
15 It is one of the things that made coming to RBI attractive to me. At the heart of RBI’s ministry  
16 culture is our commitment to building relationships with our pastors and church staff. That  
17 relational focus shapes RBI internally as well as externally. With a staff of over twenty  
18 employees, we are seeking to create a work culture that models the kind of interactions we  
19 hope to have with the broader church. We desire to partner with our churches and pastors in  
20 the work of ministry, not in transactional ways but through genuine trust-confidence  
21 relationships. Over the course of Gary’s 14-year tenure, he has done a wonderful job laying  
22 that foundation. As a result, I have the privilege to steward that, not through significant  
23 changes or corrections but, by building on the work RBI has already been doing. RBI is  
24 positioned to grow, but we need to make sure we have the processes and people in place to  
25 provide excellent services as we grow. One of the phrases I have been using around RBI is,  
26 “Clarify, unify, and simplify.” With so many growth opportunities before us, we at RBI need  
27 to clarify what our goals are over the next 18-24 months. Then we need to move toward greater  
28 collaboration among all the parts of our organization towards those goals. Once we have done  
29 that, we need to seek to simplify our processes for our churches and church related  
30 organizations. Thanks to Gary’s leadership, we have a lot of opportunities before us. It is an  
31 exciting time for RBI and the PCA.  
32

33 **Gary:** I would only add my strong ‘Amen’ to Ed’s response. To know that RBI will continue  
34 growing its ministry culture is only good news for the Presbyterian Church in America!  
35

36 **Jim:** That’s a really helpful window on the deeper heart behind RBI’s work. That raises a  
37 broader area we might address, one that considers questions that others may have been asking  
38 you, as well. What do you think churches and pastors in the PCA should know about RBI  
39 that is not well known right now? Any particular areas that you’d like to highlight, or even  
40 misperceptions that could use some clarifying? Can you give us your thoughts on where RBI  
41 might be headed in terms of ministry growth and advocacy for PCA TEs?  
42

43 **Ed:** Where to start? Here at RBI we say that our passion is rooted in our belief the gospel  
44 advances and the church thrives when pastors are financially, spiritually and emotionally  
45 healthy. That is what motivates us to talk with sessions and search committees about pastoral

1 call packages. It is what motivates us to encourage our church employees to participate in our  
2 group life insurance and disability products. It is what led us to create ServantCare counseling  
3 and Cherish counseling for pastor’s wives. It is what is leading us to be one of the first in our  
4 industry to figure out how to create affordable guaranteed lifetime income. We would love to  
5 be a one stop shop for everything from retirement savings and insurance products to resources  
6 like counseling and continuing education that lead to financial, spiritual, and emotional health  
7 among our church servants. I can’t think of any misconceptions about RBI that folks have in  
8 the church. Honestly, I don’t think most people even realize all that RBI can do for them and  
9 their church. My prayer is that there will be a day in the future that RBI is the first place people  
10 will turn with all their administration, HR, payroll, benefits questions. We are getting there  
11 with many of our churches, but we still have a long way to go. Under Gary’s leadership our  
12 retirement plan has grown from around \$300 million to around \$700 million and we have seen  
13 an increase of almost 40% in participation of those making use of the PCA Retirement Plan.  
14 We recognize that our small and mid-size churches have different needs than our large  
15 churches and we want to figure out how we can better serve both of these groups in ways that  
16 enable them to remain focused on the work of ministry. If we can take the lion share of  
17 administrative and HR duties off their plate, they will have more time and resources for the  
18 “gathering and perfecting of the saints.”

19

20 **Gary:** My response fits in the category of something not well known...but, should be  
21 highlighted about RBI during this time of transition.

22

23 When I think about future success for any organization, there are several words which come  
24 to my mind. They are Mission, Vision, Core Values, Strategic Plan, and Teamwork. Apart  
25 from the word ‘teamwork,’ an understanding of the other four words can be skillfully *created*  
26 for any ministry. However, none of them can be *realized* without a considerable commitment  
27 to *teamwork*. I’m very comfortable with this transition partly because RBI has a very talented  
28 senior management team and staff. But, I’m most encouraged by RBI’s senior management  
29 team that has worked very hard to model grace-centered *teamwork*. Ed will be leading a great  
30 team that is committed to our Mission and Vision, guided by our Core Values, and  
31 accomplishing our strategic plans which God is setting before us. This means that the success  
32 of the ministry isn’t riding on Ed’s shoulders alone. Ed and this team need your prayers and  
33 encouragement. I believe God will do great things through them in the PCA. Please join me  
34 in thankful praise to God for this great blessing.

35

36 **Jim:** I’ve got one last transition question. Ed, I understand that you’ve asked Gary to continue  
37 serving RBI on a part time basis as its Investment Specialist. Could you describe this new  
38 role and why RBI is taking this action? And for Gary, this may be a more gradual transition  
39 to retirement than you were originally thinking. How will you be approaching this new part-  
40 time role? Probably most important, is your wife Holly OK with this plan?!

41

42 **Ed:** I am thrilled that Gary has agreed to stay on as RBI’s Investment Specialist (IS). As some  
43 know, Gary is a Chartered Financial Analyst (CFA) and prior to coming to RBI in 2006 had  
44 worked for decades in the financial industry as a portfolio manager. That background gave  
45 him a vision for making the PCA 403b a world-class Defined Contribution Retirement plan.

1 Keeping Gary on staff as our IS enables him to remain involved in maintaining and improving  
2 upon our world-class 403b. Gary will continue to work with our twenty different fund  
3 managers, our investment consultant Callan & Associates, and the investment sub-committee  
4 of the board. As a part-time position, I do hope it helps Gary and Holly ease into retirement.  
5 By having Gary stay on staff, I have the opportunity to continue to learn from him and seek  
6 his counsel. I am grateful for Gary’s leadership and friendship so his willingness to stay on  
7 staff in this capacity is a tremendous blessing to me as well as the PCA.

8  
9 **Gary:** Ed, thanks for explaining the role I’ll be serving as RBI’s Investment Specialist. I  
10 would only add that while this is a part time job, it’s a very consequential role in the  
11 organization. I think we all know how important investment returns are to those who are  
12 saving for retirement. What some people may not know is a significant team is working  
13 behind the scenes every day to make sure we achieve the needed results. For instance, there  
14 are RBI’s accounting team and auditors, our Benefits Specialists and Financial Planners, the  
15 investment consulting firm and over 20 investment management firms, two custodial banks,  
16 the plan administrator, and the Investment Committee of the RBI Board of Directors. This is  
17 a big team of people doing work for PCA Retirement Plan participants every day!

18  
19 Finally, yes, Holly was a very important part of this decision. I wouldn’t do this unless she  
20 was on board. Holly is a fabulous artist and I think this new RBI role might keep me out of  
21 her hair while she is doing something she loves!

22  
23 **Market Update**

24 What a year! Few would have expected the investment results achieved in 2019 given the  
25 manner in which the financial markets swooned during the final quarter of 2018. Recall that  
26 the Fed increased the fed funds rate to 2.25%-2.50% in the quarter and investors voted on the  
27 decision with a massive thumbs-down. Losses in the quarter essentially erased all the gains  
28 achieved in the previous three quarters.

29  
30 Reacting to the market’s harsh losses, the Fed cut rates three times in 2019! For those who  
31 stuck to their long-term investment strategy, they were handsomely rewarded for their  
32 persistence. Equity markets were propelled to record highs, and miracle of miracles, fixed  
33 income investors earned nearly double-digit rates of returns.

34  
35 For the year, the S&P 500 rose 31.5%, the best calendar return since 2013. The Technology  
36 sector continued to lead the parade of returns. This sector has simply been an amazing  
37 investment when you consider that this S&P sector is up a cumulative 840% since the bottom  
38 of the recession in 2009. Non-U.S. stocks also performed very well (+21.5%) as measure by  
39 the MSCU ACWI.

40  
41 The U.S. economy continued to chug along by growing throughout the year at a 2.0% rate.  
42 The unemployment rate for the U.S. finished the year at a 50-year low of 3.5% and inflation  
43 remained relatively benign.

1 As we begin the year, fears of a COVID-19 pandemic are impacting financial market returns.  
2 It is far too soon to make any reasonable forecasts on the ultimate financial impact of this  
3 world event. While stock and bond prices will reflect the negative economic growth impact  
4 of the COVID-19 outbreak, we doubt it will result in damage to international banking  
5 infrastructures which would certainly raise risk levels substantially.

6  
7 **Summary of 2019 Operations**

8 Total PCA Retirement Plan assets under management increased by 21% from \$560,863,044  
9 to \$679,841,763. This increase can be attributed to contributions exceeding withdrawals and  
10 comparative market performance over the prior year. The PCA Retirement Plan continues to  
11 be the employee benefit plan with the largest amount of participation with over 7800  
12 retirement accounts at year-end 2019, an increase of almost 4%.

13  
14 Participation results for the various PCA insurance benefit plans offered by RBI remained  
15 strong with a growth of 3% in insurance plan participation, with increases in PCA Long Term  
16 Disability, PCA Life Insurance and PCA Dental. There was a slight decline in PCA Vision  
17 Plan participation.

18  
19 PCA Long Term Disability plans added the ability of employers offering LTD to add short-  
20 term disability protection. Although not available as an individual product, short-term  
21 protection covers the loss in income for the period of time between the loss and when long-  
22 term coverage begins. Offered through Unum, the PCA Long Term Disability Plan provides  
23 elements of top-tier group disability benefits, such as retirement income protection, cost of  
24 living adjustments and claims payment to Social Security normal retirement age.

25  
26 PCA Life Insurance plans experienced no plan design changes in 2019. Offered through  
27 MetLife, the PCA Life Insurance Plans, include such features as Will Preparation, Portability,  
28 Estate Services, Accelerated Benefit Offerings, and limited or no medical underwriting for  
29 new employees.

30  
31 There were no changes to the design of the PCA Vision Plan, but RBI decided to change the  
32 insurance carrier of the PCA Dental Plan to MetLife, effective January 1, 2020.

33  
34 RBI has recommended a Property and Liability insurance carrier for PCA organizations since  
35 2000. Since January 1, 2017 Brotherhood Mutual has been recommended to PCA churches,  
36 schools and ministries. Brotherhood Mutual specializes in providing insurance to Christian  
37 organizations and seeks to provide PCA organizations special group-affiliated pricing.  
38 Brotherhood Mutual also provides commercial auto, worker's compensation, mission travel  
39 insurance, legal assistance, and payroll processing.

40  
41 The 2019 Relief Offering and other donations to Ministerial Relief totaled \$1,019,193. During  
42 2019, twenty-one teaching elders, one wife of a teaching elder, and four widows were called  
43 home to Glory.

1 Throughout the year, there were fifty-six relief recipients who received relief funding; and,  
2 nineteen families received Survivor Assistance. Monthly, short-term, or emergency supplemental  
3 income assistance was provided to those retired pastors, disabled pastors, pastors without call,  
4 missionaries, active pastors facing emergencies, lay workers, their widows (by death or  
5 abandonment), and dependent children who qualified according to need under guidelines  
6 established by the Relief Committee of the RBI Board of Directors.

7  
8 Please assist us in the stewardship of our God-given resources and our ministry to “the least  
9 of these” by directing those in need to the Ministerial Relief section of our website for the  
10 applications for Ministerial Relief and Health Insurance Assistance (for pastors without call).

11  
12 We would appreciate your prayers that God would give us discernment and wisdom as we  
13 consider the needs of His servants in the U.S. and throughout the world, that He may be  
14 glorified in all things.

15  
16 More information about the PCA Retirement Plans, PCA Insurance Plans, Ministerial Relief  
17 and other services provided through RBI can be found on our website at [www.pcarbi.org](http://www.pcarbi.org).

### 18 19 **Regulatory Changes**

20 In October of 2019, the Internal Revenue Service announced retirement plan contribution  
21 limits for 2020. The list below references maximum contribution amounts for elective  
22 deferrals (employee contributions), defined contributions (employee and employer  
23 contributions), and catch-up contributions (employee contributions for participants who are  
24 50 and older).

- 25 • 402(g) Elective Deferral Maximum: \$19,500
- 26 • 415(c) Defined Contribution Maximum: \$57,000
- 27 • 414(v) Catch-up (Age 50 or older) Contribution Limit: \$6,500

28  
29 The Setting Every Community Up for Retirement Enhancement Act of 2019 (SECURE Act)  
30 became law on Dec. 20, 2019. Impacting many areas, the SECURE Act:

- 31 • Fosters part-time workers’ participation in an employer retirement plan.
- 32 • Pushes back the age at which retirement plan participants need to take required  
33 minimum distributions (RMDs), from 70½ to 72.
- 34 • Mandates that most non-spouses inheriting IRAs take distributions that end up  
35 emptying the account in 10 years.
- 36 • Provides protections for defined contribution plans offering annuities.
- 37 • And much more.

### 38 39 **Staff**

40 The RBI staff is thankful to the Lord for His faithfulness and everlasting love to His Church  
41 this past year and eagerly awaits the opportunities and challenges in store for our future. We  
42 believe that God will continue to bless our ministry to others as we remain faithful to Him.  
43 We welcome the prayers and partnership of participants and churches this year and into the  
44 future. It is our privilege to serve those who minister in the Presbyterian Church in America.

PCA Retirement & Benefits – Report to 48<sup>th</sup> General Assembly

1

Donald S. Aldin, Financial Planning Advisor  
David L. Anderegg Jr., Financial Planning  
Advisor  
Gary D. Campbell, President  
Heather S. Chambliss, Office Manager  
Myra J. Davis, Benefits Specialist  
Edward W. Dunnington, President-Elect  
Peggy N. Henry, Ministry Partner Services  
Assistant  
Ingrid Krein, Benefits Representative  
Chester R. Lilly III, Chief Operating Officer  
Jonathan B. Medlock, Relief Director

Mark S. Melendez, Ministry Partner Services  
Manager  
Bonita K. Nowak, Benefits Supervisor  
Vickie M. Poole, Relief Assistant  
Teresa Reese, Controller  
Sandra N. Robertson, Benefits Representative  
Katelyn H. Rogers, Ministry Partner Services  
Assistant  
Stephanie S. Simpson, Staff Accountant  
Emily E. White, Administrative Assistant  
Christine M. Zurbach, Director of Philanthropic  
Giving

2

3

**Recommendations**

- 4 1. That the General Assembly approve the minutes of the Board of Directors meetings dated  
5 August 9, 2019, November 8, 2019, and March 13, 2020;  
6 2. That the General Assembly receive the 2019 Audited Financials as reviewed by Capin  
7 Crouse LLP;  
8 3. That the General Assembly approve the use of Capin Crouse LLP to conduct the 2020  
9 Audit;  
10 4. That the General Assembly approve the 2021 Operating Budget with the understanding  
11 that it is a spending plan and will be adjusted as necessary by the Board of Directors to  
12 accommodate changing conditions during that fiscal year;  
13 5. That the General Assembly approve the 2021 Trustee Fee Agreements for the 403(b)  
14 Retirement Plan Trust, the Health and Welfare Benefit Trust, and the Ministerial Relief  
15 Trust;  
16 6. That the General Assembly exhort PCA Presbyteries, churches and related ministries to  
17 review and utilize the 2020 PCA Call Package Guidelines in creating compensation  
18 packages for Teaching Elders;  
19 7. That the General Assembly urge member churches to participate in an annual offering to  
20 Ministerial Relief or to budget regular benevolence giving to support relief activities  
21 through the Ministerial Relief Fund;  
22 8. That the General Assembly join with the board and staff of RBI to express our thanks to  
23 Gary Campbell for his faithful and fruitful service as President of RBI and pray the Lord's  
24 richest blessings on him and Holly in this next season of ministry.

25

26

It is our privilege to serve those who minister in the Presbyterian Church in America.

27

28

Respectfully Submitted,

29

RE Jim Wert

30

Chairman, Board of Directors

RE Gary D. Campbell, CFA  
President