

## MEMORANDUM OF UNDERSTANDING

The Presiding Bishop and the President of the House of Deputies, as the Chair and Vice-Chair of the Executive Council of The Episcopal Church (TEC), on behalf of Executive Council and the Chair of the Board of Trustees of The Church Pension Fund (CPF), on behalf of the CPF Board of Trustees adopt the following plan in order to further the respective missions of TEC and CPF as they each respond to the evolving needs of the Church.

### Purpose

The Executive Council and the CPF Board of Trustees will share information, insights, and ideas to help each organization plan for the future and address their respective policy concerns posed by changing demographics, changing expectations of and for clergy and current and retired lay employees within TEC, and changing understandings of the church in society. The objective is to provide occasions and channels for regular two-way communication and consultation by CPF and TEC leaders on major issues of mutual concern between meetings of the General Convention. This plan is a continuation of multiple helpful discussions between representatives of the Executive Council and the CPF Board about these issues.

### Terms

1. TEC's Executive Council and CPF's Board of Trustees shall each select a group of between five and seven of their members, as well as their legal counsel, as may be appropriate, to conduct a series of consultations for the period between the 80th General Convention scheduled for July 2022 in Baltimore and the 81st General Convention scheduled for July 2024 in Louisville. Each organization shall appoint the members of its group no later than the end of that organization's first meeting following the 80th General Convention.
2. Each of these groups shall choose one of their members to serve as its convener. The two conveners shall coordinate the time, place, and arrangements for their mutual consultation sessions.
3. There shall be at least four such consultation sessions between the 80th General Convention and the 81st General Convention, either in person or virtually, as the conveners of these groups may jointly determine.
4. The parties will discuss the following topics, and any others that are agreed by the conveners, during these consultation sessions:
  - a. Current and projected demographics of clergy and lay employees, including those who are working for nominal or no compensation, estimated effects on pension and health plan costs in upcoming years, and the impact of TEC compensation policies and practices;
  - b. Clergy and lay compensation and retirement benefits, and opportunities for and obstacles to greater parity;
  - c. Information concerning Church Insurance Companies, including areas of tension with insured parties;
  - d. Information concerning other CPF products;
  - e. Emerging risk factors such as climate change and pandemic disease and their forecast effects on underwriting, and ways for TEC to reduce or mitigate such risks;

- f. CPF investment performance, general and administrative costs, outsourced functions, and other metrics as compared to similar sized insurers, particularly denominational insurers;
    - g. TEC and diocesan financial information relevant to assessing affordability of CPG products and services;
    - h. Feasibility, costs, and obstacles to provision of paid family leave HR policies and/or insurance coverage for clergy and lay employees;
    - i. The effects of pension, health, disability and other benefit plan rules, rates, and practices on clergy and lay professional recruitment and deployment and on diocesan and congregational sustainability, ways to mitigate adverse effects, and estimated financial impacts of such mitigation measures using existing data sources from CPF and TEC; and
    - j. Feedback on CPF policies, practices, products, programs, and services and relevant TEC policies, practices, and strategic planning not covered above.
  5. The discussion topics for each session shall be set by the convenors thirty days prior to the scheduled meeting time to enable both groups adequately to prepare.
  6. At least once between the 80th and 81st General Conventions:
    - a. the Chair of CPF's Board of Trustees and the CPF CEO and President shall be afforded the opportunity to address Executive Council on issues of concern to the CPF Board of Trustees; and
    - b. The Chair and Vice-Chair of Executive Council shall be afforded the opportunity to address the CPF Board of Trustees.
  7. By the first Executive Council meeting scheduled for 2024, the parties shall determine if these consultations shall continue during the next triennium.
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Signature Blocks

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