

Lay Employee Pension System

In 2009, the 76th General Convention of the Episcopal Church passed [Resolution A138](#) and its associated Canon, establishing the Church-wide Lay Employee Pension System (LPS) and naming The [Church Pension Fund \(CPF\)](#) as administrator.

Under this resolution Episcopal employers subject to the authority of the Church are required to provide a pension to all lay employees scheduled to work a minimum of 1,000 hours annually. Implementation was to be completed by January 1, 2013.

In 2012, the 77th General Convention passed [Resolution C042](#)

- Affirming the requirements of Resolution A138 and
- Extending the period *for schools only* to achieve the full employer contribution and match rates for defined contribution plans until January 1, 2018 according to a specific year-by-year phase-in schedule. Resolution C042 defines schools as serving children of any age, thereby including pre-school, nursery and day care centers.

Clergy Pensions

Church employers are required by Canon law to pay [pension assessments](#) on behalf of clergy, based on their compensation. Both The Church Pension Fund and clergy rely on you for timely assessment payments and accurate information.

Assessments

- The current assessment rate is 18% of a cleric's total assessable compensation.
- Assessment payments keep clerics' participation in The Church Pension Fund active and up-to-date.
- The Church Pension Fund sends monthly bills.
- Assessments are billed in advance and payable when billed.
- [Late payments](#) may jeopardize benefits and may result in interest charges.

Assessments Must Be Paid For:

- Clergy expected to be regularly employed for five or more consecutive months by the same employer and compensated by employer.
 - Clergy will be treated as regularly employed if they meet one of the following requirements:
 - Have a letter of agreement (or other contract of employment) with the employer
 - Are duly called to the position by the bishop, vestry, or rector
 - The position has a formal title (for example, rector or priest-in-charge) indicating an ongoing substantial relationship with the employer;
 - The employer issues a Form W-2 (or equivalent)
 - Scheduled to work at least 20 hours per week

Assessments Are Optional For Clergy Who:

- **Are Expected to Work Less Than Five Consecutive Months:** If the clergy person would otherwise meet the criteria for mandatory participation except that they are expected to be employed for less than five consecutive months. The Clergy and employer may choose to participate in the Clergy Pension Plan if there is a letter of agreement (or other contract of employment) that provides for the payment of Assessments by the employer.
- **Are employed by a non-Episcopal organization, or any society, organization, or body associated with the Episcopal Church that has not elected to participate in the Clergy Pension Plan.** To qualify, the clergy must be exercising active ordained ministry in pastoral, educational, or social work that will advance the mission of the Episcopal Church and that will not violate the Constitution and Canons.
- **Military Service:** Clergy who: • Serve as full-time chaplains in the Armed Forces of the United States, the United States Department of Veterans Affairs, or the United States Federal Bureau of Prisons; or • Serve as Reserve and National Guard members who are called to active military duty and, as a consequence, must leave their employment in the Church in order to serve.