

## Covenant Subsidized Benefits Program (“CSB”) for Pastors Serving in Under-Resourced Settings

As part of our broader restructuring of the Covenant Pension Plan, one of our core commitments has been to work to better care for faithful Covenant pastors serving in under-resourced settings. We are pleased to provide a pilot Covenant Subsidized Benefits program. Details are outlined below.

CSB applications will be accepted each year, at any time before October 1, with approved participants then eligible to begin benefits January 1 of the following year.

### CSB OVERVIEW

The CSB program is intended to serve as a catalyst for pastoral financial well-being, specifically focused on pastors with low compensation levels who are serving in financially under-resourced Covenant settings. As such, application forms will require information and narrative from both the pastor and the local church. Applications will be reviewed by a committee, including representatives from the Board of Pensions, denominational Finance and Benefit teams, our Develop Leaders mission priority, and local conferences. Conference superintendent approval is required for each program participant.

To be eligible for the program, pastoral service must be characterized by the following (the committee and Board of Pensions reserve the right to amend the rules for special cases):

- Active call & service at a Covenant church
- A credential in good standing with Develop Leaders / Ordered Ministry
- Annual total compensation (including housing, parsonage, etc.) below local average
- A financially under-resourced congregational setting (local church finances will also be reviewed)
- Church planters receiving financial support from conference and denomination are not eligible for this program.

Each **approved** applicant will be enrolled in the CSB, which includes:

#### 1. A three-year scaled retirement contribution to the Guidestone 403b9 program

- In partnership with the local church, a three-year “scale-based” retirement contribution will fund 75% of the required year 1 church contribution; 50% in year 2; and 25% in year 3.

#### ***Here is a funding example:***

Approved participant compensation (Salary + Housing) = \$30,000

- Required mandatory funding = 12.5% or \$3,750 / year
- Over the three-year program period, approved applicants will receive:
  - Year 1: 75% of \$3,750 = \$2,812.50
  - Year 2: 50% of \$3,750 = \$1,875.00
  - Year 3: 25% of \$3,750 = \$937.50
- Total CSB contributions of \$5,625.00 in this example
  - Year 3: 25% of \$3,750 = \$937.50
- Note that the three-year funding schedule will be locked in based on year 1 compensation, with required annual review of any pastoral compensation changes.



- Retirement contribution calculations will be based on gross income including base salary, housing allowance and FICA paid to the pastor. For this program only, 12.5% calculations will equal a minimum of \$2,000 per annum or 12.5% of publicly published livable wage in the area of service, whichever is greater.

**Note that this CSB retirement contribution program will ONLY be offered in the GS 403b9 plan.**

Approved applicants must therefore enroll in GS (or switch to this plan if necessary) if they have not already done so.

- All CSB retirement funding contributions will be delivered in a single annual payment directly to GuideStone in December of each given program year.
- The program will be stewarded by the Board of Pensions and Benefits. As this is an initial pilot program, results will be assessed, and future program rules may be adjusted. Note: Each approved applicant is “approved” for the current local setting only. A new setting would require a new application, and under the initial pilot program, each applicant is only eligible for three total years of retirement funding, regardless of setting.
- Access to no-cost financial coaching through Ordered Ministry’s Jumpstart program.

**2. A fully subsidized group of benefits available only to approved pastors with full time calls (no employee/employer cost), including:**

- Group term life insurance policy of \$100,000 (reduced if over age 65)
- Long-term disability insurance
- Medical Bill Saver program
- Access to virtual, high quality primary care physicians via Transcarent
- Travel response and assistance
- Health insurance benefits are not included. If health insurance benefits are requested, premiums will be billed to the church.

*While this is a pilot program, our intent is to retain this portion of the CSB program long-term. This goal will remain subject to annual review, assessment, and adequate funding.*

We are deeply grateful to the Lilly Endowment for their participation in the initial funding of this program, alongside major donors and the denomination. We invite churches, conferences, and individual donors to join us in making these catalyst benefits available (and sustainable) for those sisters and brothers who so faithfully serve in more challenging economic settings.

## Covenant Subsidized Benefits Application

Please complete the following application by October 1, 2024 to be considered for approval to receive subsidized benefits for the following year including:

- 403b9 contributions\*
- Life insurance\*\*
- Long-term disability insurance\*\*
- Telemedicine access (Transcarent)\*\*
- Employee assistance program (EAP)\*\*
- Travel assistance program\*\*

\*Conversion to 403b9 GuideStone plan required for participation. Contributions are provided at 75% of mandatory contribution in year one, 50% of mandatory contribution in year two and 25% of mandatory contribution in year three. Additional minimums apply if salary is below policy limitations. Employer is expected to contribute the remaining percentages.

\*\*Only available for pastors serving over 30 hours per week, according to their letter of call.

Requirements for eligibility:

- Active ministerial credential in good standing
- Annual total compensation (including housing, parsonage) below local average
- Local church/ministry budget reflecting under-resourced setting (please attach most recent budget)
- Not currently receiving church planter appropriations from denomination and/or conference.

Full name: \_\_\_\_\_

Full address: \_\_\_\_\_

Phone #: \_\_\_\_\_ Email: \_\_\_\_\_

Current annual salary (base salary + housing allowance): \$ \_\_\_\_\_

Check one:  Full time (30+ hours/week)  Part time

I am interested in no-cost financial coaching. Please send me information.

Church/Ministry employer: \_\_\_\_\_

Employer address: \_\_\_\_\_

Employer "total income" for most recent year: \$ \_\_\_\_\_ (current budget attached)

Narrative of ministry context and church/ministry's financial condition (feel free to attach additional pages):

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I understand that, with the submission and/or approval of this application for the Covenant Subsidized Benefits program:

1. I believe I am eligible for the program as outlined above.
2. If I have an active Covenant Pension Plan account, it will be frozen when the CSB program begins and all future contributions to my retirement will need to be sent to my 403b9 account at GuideStone. This change is mandatory for the Covenant Subsidized Benefits program and is irrevocable. Submitting this application provides my approval to make this change to my account.
3. Additional information may be required from me to enroll in certain benefits listed above. I will only be enrolled in these benefits if I return required documentation.
4. My conference superintendent will be involved in the approval process.
5. Benefits associated with the program will begin on January 1 of the following year (unless otherwise agreed upon).
6. Subsidized benefits are only available while I serve at the employer listed above and will continue at the same rate regardless of compensation changes.
7. I will notify the Evangelical Covenant Church benefits department of changes to my employment, ministerial credential or salary.

Printed name: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_