

Floor Committee #19: Pension proposal

Subject: Proposed changes to WELS Pension Plan

Reference: *Book of Reports and Memorials*, pp. 168-170

Resolution No. 01

- WHEREAS 1) the WELS Retirement Benefit Strategy Committee (the “Committee”) was appointed by the Synodical Council in 2017 and has done extensive research on the best retirement benefit options for WELS called workers and ministries; and
- WHEREAS 2) the Committee recommends a change from the current WELS Pension Plan (the “Pension Plan”) to a defined contribution plan structure for workers’ retirement benefits; and
- WHEREAS 3) the Committee’s recommended changes have been reviewed and endorsed by the Conference of Presidents and the Synodical Council, and the Synodical Council is proposing these changes to the 2021 synod convention; and
- WHEREAS 4) the proposed defined contribution plan structure will provide meaningful contributions for workers’ retirement benefits; and
- WHEREAS 5) the proposed defined contribution plan structure was designed, based on actuarial assumptions, with the intention of providing each worker with a similar or greater retirement benefit than the current Pension Plan benefit; and
- WHEREAS 6) the costs for the proposed defined contribution plan structure will be more stable over time for calling bodies compared to the costs for the Pension Plan; and
- WHEREAS 7) it is desired and beneficial that our synod’s calling bodies and called workers continue to walk together by sponsoring and participating in a unified program for workers’ retirement benefits; therefore be it
- Resolved. a) that the Synodical Council shall be authorized to freeze new participation and benefit accruals under the current Pension Plan on December 31, 2021 (or later if the Synodical Council determines that a later effective date is advisable), meaning no additional pension benefits will accrue and no individuals will become new participants; but all pension benefits earned by eligible workers through December 31, 2021 (or later, if the Synodical Council chooses a later effective date) will be paid according to the terms of that plan; and be it further
- Resolved. b) that the Synodical Council shall be authorized to fully vest benefit accruals under the current Pension Plan on December 31, 2021 (or later if the Synodical Council determines that a later effective date is advisable); and be it further
- Resolved. c) that the Synodical Council shall be authorized to establish a new defined contribution plan structure effective January 1, 2022 (or later if the Synodical Council determines that a later effective date is advisable) that is substantially similar to the defined contribution plan structure that has been proposed to the 2021 synod convention under which the group of employees who were eligible to participate in the Pension Plan will be provided retirement contributions (the “New Defined Contribution Plan Structure”); and be it further
- Resolved. d) that the Synodical Council shall be authorized to include the New Defined Contribution Plan Structure as part of the WELS Shepherd Plan or as a new, separate tax-qualified defined contribution retirement plan, as determined by the Synodical Council in its discretion; and be it further

- Resolved, e) that effective January 1, 2022, the Synodical Council shall be authorized to require all WELS calling bodies to join the WELS Shepherd Plan (and, to the extent the Synodical Council determines it is advisable, the new, separate tax-qualified defined contribution retirement plan) and to be treated as a single employer in conjunction with other WELS entities for certain legal purposes, if the Synodical Council determines such treatment is advisable for the administration of the New Defined Contribution Plan Structure; and be it further
- Resolved, f) that effective January 1, 2022, the Synodical Council shall be authorized to require all WELS calling bodies to attest and confirm that the WELS Shepherd Plan, the frozen WELS Pension Plan and, to the extent the Synodical Council determines it is advisable, the new, separate tax-qualified defined contribution retirement plan are the only employer-sponsored retirement plans currently available to workers (or a subset of such workers as determined by the Synodical Council) of such WELS calling body if the Synodical Council determines such requirements are advisable for administrative or legal compliance purposes; and be it further
- Resolved, g) that effective January 1, 2022, all calling bodies (i) agree to assume responsibility for the costs of the New Defined Contribution Plan Structure, as revised or amended from time to time, (ii) hereby ratify their continuing obligation for the continued costs associated with the Pension Plan, and (iii) agree that such calling bodies shall be billed on a periodic (currently quarterly) basis with respect to such costs as determined by the Synodical Council (or its designees); and be it further
- Resolved, h) that once established, the Synodical Council shall have the authority to revise the New Defined Contribution Plan Structure and amend the related plans as it deems necessary or appropriate to support the ongoing work and mission of the synod; and be it further
- Resolved, i) that the Synodical Council is hereby authorized and empowered to take any actions it deems reasonably necessary and appropriate to implement these resolutions and shall be authorized and empowered to make such changes to the New Defined Contribution Plan Structure, and to amend the WELS Pension Plan and the WELS Shepherd Plan, as it deems reasonably necessary or appropriate to implement these resolutions; and be it finally
- Resolved, j) that the 2021 synod convention hereby approve the proposed retirement plan changes and recommend that the Synodical Council take the actions described above.

Pastor Adam Mueller, chairman
Pastor Caleb Davisson, secretary

ADOPTED