

**MEMORANDUM DEFINING THE RELATIONSHIP BETWEEN
THE BOARD OF PENSIONS AND THE GENERAL ASSEMBLY COUNCIL**

Section 1. *Purpose and Scope of Agreement*

The ministry of the Board of Pensions of the Presbyterian Church (U.S.A.) (“the Board of Pensions”) to the ministers and lay employees of the Presbyterian Church (U.S.A.) relates in significant ways to the ministry of the General Assembly Council, its divisions, corporate and administrative services, and other work units. Accordingly, a close cooperative working relationship between the Board of Pensions and the General Assembly Council is required for the effective performance of the church’s ministries and for the cultivation and promotion of the spiritual welfare of the church.

The Board of Pensions, as the legally responsible corporate body established under a civil charter for the purpose of administering the pension and benefits program for the Presbyterian Church (U.S.A.), is required by law to administer these programs for the sole and exclusive benefit of its participants and members. The relationship between the Board of Pensions and General Assembly Council of the Presbyterian Church (U.S.A.) is set forth to provide the necessary and desirable cooperation between these bodies, while respecting and reflecting the special needs of the Board of Pensions, as it carries out a ministry to the Presbyterian Church (U.S.A.) within an ecclesiastical structure.

Section 2. *Origin of the Board of Pensions*

Since 1717, the Presbyterian Church (U.S.A.), through its predecessor bodies, has provided for the relief and benefits of its ministers and employees. This ministry has been carried out by the Board of Pensions and its predecessor bodies. The Articles of Agreement of the “Plan for Reunion Between the Presbyterian Church in the United States and the United Presbyterian Church in the United States of America” provides that unified plans and programs

. . . shall be administered by a legally responsible corporate body established under a civil charter and having no responsibilities other than to administer these plans and programs and to assume the responsibilities of the former Board of Annuities and Relief of the Presbyterian Church in the United States and the former Board of Pensions of the United Presbyterian Church in the United States of America. The members of... this corporate body shall be elected by the General Assembly of the reunited Church. (*Book of Order*, Article 11.3)

The summary of structures in the *Book of Order* provides that there shall be a “Board responsible for pensions” in the General Assembly (G-9.0902). That structure is the Board of Pensions of the Presbyterian Church (U.S.A.).

Section 3. *Nature and Purpose of the Board of Pensions*

The Board of Pensions is a not-for-profit corporation, organized and existing under the laws of the Commonwealth of Pennsylvania. The purposes for which the board exists are exclusively charitable and are to

(a) acquire, receive, and hold by gift, legacy, devise, purchase and otherwise, money, securities, income and property, real and personal, in whatever form, in any state, territory or country, for and about the general objects and purposes of pensions, benefits and relief for ministers, missionaries and nonordained employees of the Presbyterian Church (U.S.A.) as well as to grant, bargain, sell and otherwise dispose of personal properties and real estate when necessary, required or expedient;

(b) pay pension and other benefits to those entitled to receive the same in accordance with rules adopted by the corporation and approved by the General Assembly of the Presbyterian Church (U.S.A.);

(c) make grants to such eligible ministers, missionaries, and nonordained employees for the Presbyterian Church (U.S.A.) and/or its predecessors, and their surviving spouses and dependents, as may be entitled in accordance with rules adopted by the corporation;

(d) own and operate such homes as have been or may be established for the care of such eligible ministers and missionaries of the Presbyterian Church (U.S.A.) and/or its predecessors, and their surviving spouses and dependents, and other such persons as may be entitled in accordance with rules adopted by the corporation; and

(e) engage in and conduct such business and as may be authorized by the General Assembly of the Presbyterian Church (U.S.A.) and which is permitted under the Pennsylvania Nonprofit Corporate Law (Articles of Incorporation, Article Second).

**Memorandum Defining the Relationship Between
the Board of Pensions and the General Assembly Council**

The assets of the Pension Fund are, by law, to be administered for the “sole and exclusive benefit of the members of the Plan.”

Section 4. *Relationship of the Board of Pensions and the General Assembly*

The Board of Pensions is an agency of the General Assembly accountable to the General Assembly. Pursuant to the *Book of Order*, as interpreted by the General Assembly, the Board of Pensions is not an agency supervised or subject to the oversight of the General Assembly Council. The Board of Pensions is included as a General Assembly-related corporate body in the *Organization for Mission, Presbyterian Church (U.S.A.) (1994)* by action of the General Assembly, to promote a close cooperative relationship between the board, on the one hand, and the General Assembly Council, its Ministries Divisions, Mission Support Services, and other work units, on the other.

The management and control of the Board of Pensions are vested in its board of directors. The corporation has no members. All directors of the Board of Pensions shall be nominated by the Nominating Committee of the General Assembly and elected by the General Assembly of the Presbyterian Church (U.S.A.) (Board of Pensions, Articles of Incorporation.

The provisions of the Articles of Incorporation and Bylaws of the Board of Pensions relating to the purposes for which the corporation shall exist (Article 2), the nomination and election of the board of directors of the Board of Pensions (Article 6; Bylaws, Section 1.1), and the General Assembly’s right of confirmation of the board’s election of its president (Bylaws, Section 2.1) cannot be altered, repealed, or amended without prior approval of the General Assembly of the Presbyterian Church (U.S.A.) (Articles 2 and 9).

The Board of Pensions will report annually to the General Assembly any other changes to the articles or bylaws of the corporation adopted by the Board of Pensions in the previous year.

Section 5. *Relationship of the Board of Pensions and the General Assembly Council*

A. *Linkage Patterns*

The chairperson of the Board of Pensions, or designee, shall be a corresponding member of the General Assembly Council. The chairperson of the General Assembly Council, or designee, shall be a corresponding member of the Board of Pensions. All travel costs relating to these representations will be borne by the representative’s own agency.

At the elected level, the General Assembly Council shall propose to the General Assembly Nominating Committee one of its members to be elected to the Board of Pensions. This person shall also represent the General Assembly Council in regard to churchwide personnel and compensation policies. At the staff level, the Board of Pensions president shall sit with the General Assembly Council with privilege of the floor but without vote.

In support of linkage throughout the church, the president of the Board of Pensions shall participate in the Expanded Staff Leadership Team and the Churchwide Administrative Coordinating Cabinet, or its equivalent. The president, or an appropriate representative designated by the Board of Pensions, shall participate in the budget development process and other appropriate committees and groups.

B. *Reports to the General Assembly*

The Board of Pensions shall provide a complete copy of its report to the General Assembly to the General Assembly Council or its executive committee in as timely a fashion as is possible in order for the council or executive committee to submit comments on the report to the same General Assembly.

Section 6. *Compliance with Churchwide Personnel Policies*

The Board of Pensions shall be involved in the process by which churchwide personnel policies are developed and implemented. The Board of Pensions voluntarily agrees to comply with the personnel and compensation policies of the General Assembly, insofar as legally possible.

The Board of Pensions shall share its staff rationales with the General Assembly Council for information. If the board should find that compliance with one or more of the above policies would involve a breach of its legal and fiduciary responsibilities, the Board of Pensions shall inform the General Assembly Council of its inability to comply and consult with the General Assembly Council in search of a mutually acceptable resolution of the issue

**Memorandum Defining the Relationship Between
the Board of Pensions and the General Assembly Council**

that will recognize the Board of Pension's special needs and allow continued compliance by the board where possible.

Section 7. *Election of Board of Pensions' President*

The president of the Board of Pensions shall be elected in accordance with the bylaws of the corporation, which provide that the president of the Board of Pensions will be elected by its board of directors with confirmation by the General Assembly. The president-elect may assume the position of president with full authority of that office upon election by the Board of Pensions and before the next General Assembly at which confirmation will be sought. A decision to confirm indicates that the General Assembly believes the person selected is suitable for the position. If the General Assembly declines to confirm the president-elect, the position shall be declared vacant immediately with no further action required on the part of the assembly.

The search committee established for the selection of the board's president shall include one elected member designated by the General Assembly Council. The search committee will follow the Affirmative Action/Equal Employment Opportunity and other pertinent guidelines established by the General Assembly.

Section 8. *Purpose, Nature, and Effect of the Memorandum of Agreement*

This agreement is the definitive and complete description of the relationship between the Board of Pensions and the General Assembly Council. Provisions in the *Organization for Mission* referring to "General Assembly Related Corporations" do not pertain to the Board of Pensions unless specifically provided for therein.