



THE BOARD OF PENSIONS
OF
THE UNITED CHURCH OF CANADA

Values

of

A Church Pension Fund System

1. *To the Congregation.*
2. *To the Church at Large.*
3. *To the Minister.*

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1833-1919

63 years a minister of the
Methodist Church. 21 years
in Canada. 24 years in Japan.
18 years superannuated.



Church Pension Values

It is inconceivable that Church Pension Funds should operate so universally as they do if they had not been proven wise and valuable by ministers, congregations and denominational bodies. The writer is unacquainted with any considerable religious group which does not make such a provision for its ministers, missionaries and the widows and child orphans of such. In the United States and Canada twenty-four of the larger Protestant bodies representing 25,000,000 members reported in 1936 paying annual benefits of \$9,966,108 to 37,159 beneficiaries. Industry, finance, commerce, in fact all large employers of labour have found pension systems both in the interests of employer and employee. Thirty-nine nations now have adopted systems of Old Age Pensions, some on a contributory basis and some on an entirely free basis. Such plans recognize the necessity of pensions to the pensioner, the community and the nation. In countries which operate Pension plans on a contributory basis certain classes of labour are not taxed for nor permitted to share in the benefits. Amongst these are the employees of charitable, philanthropic and religious bodies. It seems necessary, therefore, that the Christian Churches should continue to provide for their own servants. Only as the value of doing so is apparent to those who support and participate in such plans can they be expected to continue successfully. We desire, therefore, to call attention to some of these values.

1. Values to the Congregation

1. The Pension plan is not a charity fund for ministers and their families, but a part of a well-known universal contract which every congregation in the Church makes for its ministers (1) to provide a living, (2) in co-operation with the minister to provide a retiring allowance. The ministers them-

selves each year contribute for this purpose \$150,000 or more. The plan is co-operative not only as between the minister and his congregation, but as between all the congregations of the Church, and enables congregations to meet the obligation for this purpose which is theirs.

2. It makes possible a more efficient service by a pastor to his people because it provides the minister with a sense of security and lessening of anxiety concerning the provision necessary for disability, old age and the protection of his dependants.

3. It reduces the probability of frequent change because it makes for patience in the face of difficulties hard to be borne.

4. It facilitates change when change is necessary. A congregation does not need to feel that it is turning an aged pastor out into the cold world when there is a Church Pension system.

5. It makes pastoral supply possible in cases where adequate salaries cannot be paid. With the exception of a few post-war years ministerial salaries have always been and still are very inadequate. In the year 1935 the average salary of the ministers of The United Church, including all the most largely paid, was only \$1,635; 188 of these received amounts running from \$500 to \$1,000; 628 received \$1,200 or less—most of them less—and the majority of these had to maintain automobiles for pastoral work. Considering seven years of preparation, the cost of carrying on the career with all its unusual expense and only one conclusion can be reached, namely, that the salaries on the whole are inadequate.

6. It lessens the disadvantage of a congregation, unable to pay a full retiring allowance to an aged pastor, in competition with congregations financially stronger which could afford to pay a full retiring allowance without co-operation with others.

7. It makes possible financial leadership and larger contributions on the part of a minister in congregational enterprises and connexional support.

8. It tends to preserve confidence in pastoral leadership which might be sacrificed, if pastors were under necessity in order to provide for their old age, etc., to spend part of their time in secular employment.

9. It is a fitting recognition of the minister's right to share in part in the material assets which his labour has helped to produce. His parishioners by their toil on land or mart or profession are able to increase their assets and can bequeath or transfer them to others. This is not so with the minister who, when he moves, leaves behind him all that his own toil has contributed to local material benefit.

2. Values to the Church at Large

1. The Church has grown on both home and foreign mission fields very often at the expense of underpaid ministers who, without the prospect of a retiring allowance, could scarcely have been expected to continue their labours. The years which have elapsed since 1929 abundantly illustrate this since on both home and foreign mission fields very large reductions have been made in the standard of salaries whilst living expenses remain much as previously.

2. It has greatly lessened the turnover of ministerial personnel. Religious bodies without such a provision would naturally lose many of their ministers to other bodies making such provision or to secular occupations paying larger salaries, some with and some without pension.

3. Many departments of the Church have profited and still profit by the use of retired ministers and missionaries whose services are obtainable for a fraction of their earlier salaries because they are in receipt of their retiring allowance. Probably there are a hundred retired ministers so engaged.

4. Had there been no Church fund making provision of this nature the various departments of the Church would have been under necessity of

bearing the full expense of caring for the worn-out servants in old age as well as meeting their salaries. This would have seriously increased the cost of operating our departments.

5. As in the case of congregations, it has enabled the Church at large to fulfil the solemn contracts which it has made with its ministers and with its missionaries.

6. It is type of debt every employer owes to an employee. A lifetime of service deserves a lifetime of support paid either in salaries large enough to make it possible for the employee to lay by for old age or by the payment of enough for a living now and co-operation in the provision for a pension.

3. Values to the Minister

1. It is for many the only way of recovering some portion of the deficits that have occurred in connection with the payment of their small salaries.

2. It is for a large proportion of ministers their only guarantee of provision for old age or support for dependants if death removes the head of the house. Few congregations are in a position to provide for a retiring allowance in any other way than through a co-operative connexional scheme and such provision is seldom made except for one who has spent the greater part of his ministerial career with one congregation, nor is it always made in such cases.

3. It provides the minister with protection at much less cost than could be obtained from commercial insurance organizations. Income from investments, Book Room profits, congregations and the minister himself all help to that end.

4. The financial security thus provided for old age, it is well known, lengthens the life and contributes to one's comfort and happiness in his occupation.

5. It also, by its freedom from worry, makes for more efficient service.

6. It tends to longer pastorates for it naturally allays restlessness and dissatisfaction.

7. When a change of charge is desirable it is facilitated by the fact that one's future retiring allowance is not endangered by a removal.

8. It enables larger use of current income for family education and leadership in support of local Christian and philanthropic enterprises.

9. It fosters the fraternal spirit amongst ministers because of their common interest in and dependence on a plan in which they contribute according to salary, but in which all alike receive according to service.

10. It is better than larger salaries without pension. Extreme generosity to help in philanthropic enterprises cannot rob of future benefits. Some ministers' families are not artists in saving and would have no provision for the future if not thus provided. The most careful investors who can save sometimes lose all. Pension provision guarantees that funds for old age or disability will be available when the time of need comes.

11. Participants in pension plans naturally do not need to seek as high salaried posts as they would otherwise.

12. The exclusive devotion to one's ministerial duties thus made possible makes for good will between pastor and people.



This leaflet is available in quantities for distribution upon application to the Secretary of the Board of Pensions, 516 Wesley Buildings, Toronto.



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