



# WINTER 2023 PENSION OFFICE NEWSLETTER

## Interview

*Archpriest Alexander Garklavs, Retired  
Former Chancellor of the OCA*

1) *As a former Chancellor of the OCA, the Pension Office at that time was in the chancery building. Did you have any daily interaction as Chancellor with the Pension Board (Office)? Did you face challenges from the rank and file of the Church at the time?*

For several years prior to my becoming Chancellor of the Orthodox Church in America, the Pension Office was in residence at the Syosset Chancery, utilizing some of the building's vacant quarters. During my years at the Chancery, I would have to say that the relationship between the OCA and the Pension Board was marked by a good-willed and collaborative spirit. The Pension Office operated independently of the Church Chancery, it had its own schedule, had a private office, and its own file rooms. It operated independently, but it was generally accepted by the Metropolitan, Holy Synod, and Chancery Staff, that it was part of the OCA, and as such it made sense for it to be within the Chancery building. The Metropolitan Council at that time also held that view. When, on occasion, the Chancery Staff had some kind of social gathering, members of the Pension Office were invited and often did participate. My own responsibilities as Chancellor were such that I did not interact with the Pension Office on a daily basis, but when the occasional interactions did occur they were always pleasant.

There were many challenges from the rank and file of the church, but not directly at the Pension Board per se. Because the Orthodox Church in America was then recovering from serious issues of financial malfeasance,

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***The Pension Plan Newsletter is a periodic publication to all OCA Pension Plan members and those mandated to participate by the All-American Council and the Holy Synod of Bishops. We hope to inform, answer questions, and most importantly, report on the Plan.***

## Current Pension Update

### Parish Employer Pension Contribution Increase

January 1, 2024 will see the increase in the parish contribution to the plan from 12% to 14% of total compensation (cash salary and housing fair market value or cash housing allowance). This will be reflected in the OCA Pension MARC system when calculating the monthly compensation (salary and housing) to the contribution amount due payable by February 20, 2024. The member self-contribution amount remains unchanged at 6%.

### BE SAFE

***All of our participants are reminded to check their bank accounts and verify that pension payments are being received monthly. From securityaffairs.com:***

“A direct deposit paycheck hack involves getting the necessary details from the victim through a phishing scheme. According to a statement from the FBI's Internet Crime Complaint Center (IC3), cybercriminals orchestrate the phishing attempt — which the FBI calls a “payroll diversion” — to get the details for a person's online payroll account.

Once successful, the hacker changes the account details for the direct deposit payments to an account they control. The FBI notes that the hacker's account often connects to a prepaid credit card instead of a traditional bank account. Moreover, the cybercriminal applies a rule so that the rightful direct deposit recipient does not get a notification about the account change.”

Full article: <https://securityaffairs.com/86079/cyber-crime/hacking-direct-deposit-paycheck.html>

### Holy Synod

Matushka Mary Buletza-Breton, Chairperson of the Board, Archpriest John Dresko, and Melanie Ringa attended the session of the Holy Synod meeting in November that dealt with the Pension Plan. A report was given on the status of the Plan, and discussion was

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had on confirming and verifying diocesan lists of clergy, both participating and non-participating. Discussion was also had on the best way to begin including parishes with non-participating or ineligible clergy in regular financial support of the Plan.

### **Episcopal Change**

His Eminence, Archbishop Daniel, welcomed His Grace, Bishop Gerasim of Fort Worth, as the new moderator appointed by His Beatitude, Metropolitan Tikhon. The Pension Board thanked His Eminence for his wisdom and guidance, and greeted His Grace with thanks and hopefulness that we will continue to move forward.

### **Investment Performance**

Our asset allocation includes a low volatility portion similar to cash in the amount of nineteen months of monthly cash requirements. This allows the portfolio to remain intact in periods of market decline by having sufficient cash available. The performance year-to-date (1/1/23-11/30/23) shows a return net of fees of 8.46%. Our benchmark is 7%.

Total Plan assets as of January 1, 2023 were \$22,000,948. Total Plan assets as of November 30, 2023 are \$23,073,745. In addition, the increase in remittances from parishes that went into effect in January have reduced the cash flow deficits substantially.

### **Actuarial Valuation**

Our actuarial team at Gabriel, Roeder, Smith & Company (GRS) continues work on the 2023 interim actuarial report. **They stress that the Plan continues to be underfunded due to a failure to enforce full participation as stated in the Pension Plan document and OCA Statute.**

GRS is completing an application the board can use as a modeling tool to see the effects caused by and tradeoffs from changing variables. A beta version was shown to the Pension Board. It should be up and running by the new year and will be an invaluable tool.

### **Participation**

There are currently 365 (36 participate in more than one employer) active participating and 35 inactive members for a total of 400 active/inactive participants. There are currently 240 monthly benefits recipients.

### **Administration**

**All members are reminded to PLEASE make sure your contact information (mailing address, phone**

**number, email address) is accurate and up-to-date. Any member can call or text the Pension Administrator Michael Stieglitz at 516-464-0415. He can run projections of benefits and teach use of the member portal.**

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people were critical of the Chancery and everything associated with it, including all the people who worked there. So, some perceived that the Pension Board was also complicit in malpractice, even though that was manifestly false.

*2) Your time as Chancellor began after a very difficult period in the life of the Church. Did you have to take any specific actions to safeguard the Plan as we came out of that time?*

Yes it was a difficult time and, as I indicated, the Pension Board unfortunately was at times the object of mistrust. However the fact of the matter was, and it was clear to me from the outset, that the assets and operations of the Pension Board were completely separate and independent of the actual “business” of the OCA. That is, the expenses of Church Administration, salaries of bishops and Chancery staff, expenses involving church departments and committees, and all external and internal church affairs, all of those things were never underwritten or paid for by the Pension Board. When it was necessary to speak on the matter, I always pointed out that the Pension Plan and Pension Office were autonomous units, although their administrative operations were conducted in the Chancery building.

*3) Now retired, can you share some of your perspective about the benefit and value of the Pension Plan? Does it differ from your expectations?*

The OCA Pension Plan came into being about the time that I was at the seminary. I remember well how most priests were very enthusiastic about it. Before the Plan became established, it was a commonly accepted fact that older priests could not afford to retire because they had meager assets and no provisions for post-retirement income. There were then some priests who were reluctant to participate and I am aware of several of those who came to regret their decisions. Overall, OCA clergy were grateful for and supported the Pension Plan. Personally, I felt that the Pension Plan was a good thing and I added personal contributions to it when it was possible to do so. During my active ministry, I felt a certain security knowing that in retirement the Pension Plan would be a source of comforting financial security. I am happy to acknowledge that it has indeed become so.