

Augsburg Fortress Pension Plan Termination

WHEREAS, ““Social statements establish policy for the Evangelical Lutheran Church in America’s (ELCA) work in the areas of advocacy and corporate social responsibility, enabling, limiting, and directing these activities.’ (Policies and Procedures of the Evangelical Lutheran Church in America for Addressing Social Concerns, p.13). Social policy resolutions serve the same function”; and

WHEREAS, in 1999 the ELCA adopted a social statement entitled, “Economic Life: Sufficient Sustainable Livelihood for All,” which states, “God is at work in economic life. Economic life is intended to be a means through which God’s purposes for humankind and creation are to be served. When this does not occur, as a church we cannot remain silent because of who and whose we are”; and

WHEREAS, that statement further says, “We commit ourselves as a church to:... provide adequate pension and health benefits, safe and healthy work conditions, sufficient periods of rest, vacation, and sabbatical, and family-friendly work schedules”; and

WHEREAS, Augsburg Fortress Publishers [legally incorporated as “The Publishing House of the Evangelical Lutheran Church in America”], a unit of this church, has terminated its defined-benefit pension plan thereby eliminating the lifetime annuity payments promised through the plan; and

WHEREAS, The Augsburg Fortress Publishers’ action places 175 retired persons in diminished financial positions and an additional 325 past and present employees, at risk of spending their end-of-life years in poverty; therefore be it

RESOLVED, that the Minneapolis Area Synod meeting in assembly requests the ELCA Church Council to urge the Augsburg Fortress Board of Directors to seek means of funding the pension accounts of those retirees and past and present employees who were promised annuity benefits through the recently terminated defined-benefit pension plan.

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Adopted by: Northwest Conference in assembly on February 21, 2010
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1 Background information on Augsburg Fortress Pension Plan Termination

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3 The annuity for those people who retired before 1995 was to have been fully funded. Following
4 this action the annuity payments were cut by 40% to 50%.

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6 Those people who retired after 1995 will receive their last pension payment on March 1, 2010,
7 and will receive a lump sum equal to three times the present annual payment.

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9 Those people who worked at Augsburg Fortress for 5, 10, 20, 30 years or more and have not
10 retired will receive a lump sum payment equal to about three times their promised annual
11 payment had the plan continued.
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