Serving Those Who Serve

75 Years of Pensions and Benefits

by John C. Oster
Serving Those Who Serve: 75 Years of Pensions and Benefits - Church of the Nazarene

Foreword
The actions of the 1919 General Assembly are seen as the official beginnings of the work of Pensions and Benefits in the Church of the Nazarene. This means that this work, born of compassion for the church's ministers and their widows, is entering its 75th year of service.

In its May 1990 meeting, the Board of Pensions and Benefits USA took action encouraging the writing of this book. It relates the history of the work of pensions in the Church of the Nazarene from the perspective of the Pensions office. The Board expressed a desire that this gift book be released at the Recognition Banquet for retired ministers at the 1993 General Assembly in Indianapolis, IN, and that it be the "kickoff" for the 75th Anniversary celebration.

E. J. Fleming (1919-1940), M. Lunn (1940-1956), and Dean Wessels (1956-1993) have been the only directors of Pensions and Benefits Services. The early efforts were characterized by benevolence and the hope that a real pension plan could be established as churches could afford it.

Starting in 1955, the outlook grew promising as critical program elements came into place in relatively rapid succession. In 1955, ministers were allowed into Social Security and churches were encouraged to pay half or more of the cost of participation.

In 1963, the Nazarene Minister's Retirement Program, using the Tax-Sheltered Annuity Plan, began. The use of this optional contributory pension plan was encouraged as churches and pastors had funds to contribute.

In 1971, the "Basic" Pension Plan was inaugurated so that ministers could have at least some benefit based on years of service rather than only on the economic abilities of the local congregations they served. All years of service back to 1908 were recognized. The church accepted this debt with the hope that funds could be collected from participating districts and invested in interest-bearing reserves in order to meet the promises made. It was thought that in 20 to 25 years the plan would be "funded" and pastors would have had enough time to participate in the TSA so that reliance on the "Basic" Pension alone would be minimized. If realized, this goal could allow a new phase in pensions
to begin. The Commission to Study Church-Related Pension Plans (1989-93), which was created by the General Assembly in 1989, has been reviewing these very possibilities. It will report its findings to the USA Caucus of the 1993 General Assembly.

Today, pensions and benefits plans are under the administration of the Board of Pensions and Benefits USA. This Board has been operating faithfully to serve the needs of Nazarene ministers, church employees, and their families. For example, pension and benefit payouts for the quadrennium have exceeded $100 million. This represents over $25 million in "Basic" Pension benefits, over $16 million in TSA and IRA benefits, over $4 million in life and disability insurance benefits, and over $55 million in medical and dental benefits.

Coincidently with the celebration of the 75th Anniversary of pensions work, financial reports indicate that over $7.5 million dollars were paid out in "Basic" Pension benefits during 1992. Also, it is interesting to note that from 1971, when the current "Basic" Pension Plan began, through the first part of 1993, the accumulative amount of pensions paid to "Basic" Pension recipients passed the $75 million mark.

For these last two years of the quadrennium, it has been my privilege to have been the Responsible General Superintendent overseeing the work of Pensions and Benefits Services. As this quadrennium closes, many reports will be given and received. In a sense, this book represents one of those reports. However, it is a very special one since it is a 75-year report on the ministry of pensions and benefits on behalf of Nazarene ministers. It is with great pleasure that I commend this book to you. Enjoy!

Dr. John A. Knight
General Superintendent
Kansas City, MO
April 1993

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Cover art by Ray Craighead
Delegates arriving at Kansas City's Union Station on Wednesday, September 24, 1919, for the Fifth General Assembly of the Pentecostal Church of the Nazarene brought their railway "certificates" to General Secretary E. J. Fleming for validation. This entitled them to a one-third reduction in the return fare.¹ Rev. Fleming had just been appointed general secretary for the church following the death of Rev. Fred H. Mendell, but he was already familiar to the arriving Nazarenes because he had served as secretary for the Third General Assembly in Nashville in 1911 and the Fourth General Assembly in Kansas City in 1915. Prior to his appointment as general secretary, he pastored in Racine, WI; Stockton, IL; Chariton, IA; and Grand Rapids, MI. He had been ordained to the ministry in 1903 by the Apostolic Holiness Union but united with the Church of the Nazarene in 1909, one year after the national church's birth in Pilot Point, TX.²

The detail of validating railway tickets was just one of thousands of details that would occupy Fleming's energies over the next 20 years that he served as general secretary. His role in bringing legal and organizational form into a rapidly expanding religious movement proved extremely valuable in the years ahead. Another important characteristic of Fleming's remarkable ministry was his interest in caring for the needs of retired Nazarene ministers and their spouses. In one way or another, he expended his efforts in their behalf for most of his life.

As a pastor in Grand Rapids, MI, he was involved in the Minister's Mutual Aid Society which was started in January, 1916, by Rev. A. H. Kauffman. There were two mutual aid societies--one for ministers and one for laymen. Both were located on the Michigan District but appealed to a national constituency through advertisements in the *Herald of Holiness*.³ The approximately 900 members each paid one dollar every time one of their number passed away, and the funds were presented to the bereaved family to help defray funeral and attendant expenses. It was a primitive form of life insurance and represented a first attempt within the church to provide "system and organization" toward relief of distressed ministers and laymen.

The same issues of the *Herald* that promoted the mutual aid societies, also carried advertisements for annuity bonds issued by the General Foreign Missionary Board of the Pentecostal Church of the Nazarene. Intended as a means of raising funds for the missionary cause, these bonds also were
presented as safe investments which would bear interest to provide needed retirement income for ministers and laymen. When the holder of an annuity bond died, the principal of the investment became the property of the General Foreign Missionary Board.

These early attempts to assist retired ministers and widows soon were to be affected by changes made in the church’s structure by the delegates who came to Kansas City for the Fifth General Assembly.

**First Assembly Held Without Bresee**

This Fifth General Assembly was the first to meet following the death of founding General Superintendent Phineas F. Bresee in 1915. As a result, the general superintendents were very conscious that, for the first time, major decisions would have to be made without the benefit of Bresee's counsel. The senior general superintendent was Hiram F. Reynolds who had served with Dr. Bresee from the beginning. Joining him were John W. Goodwin and Roy T. Williams.

In announcing the assembly, the three leaders had urged delegates to arrive Wednesday evening for the "great religious meeting" at Kansas City First Church of the Nazarene at 24th and Troost, and to be in their seats and ready for business at 9 A.M. Thursday morning. "Be prepared," the general superintendents said in a notice published in the *Herald of Holiness* "to make the coming General Assembly a great success and a world-wide blessing." The world they hoped to bless was a world in uncomfortable peace. While the 500 delegates were assembling for the Friday evening service at Kansas City First Church, a few blocks away at Union Station, President Woodrow Wilson's blue-painted private rail coach was being refurbished for its high speed journey back to Washington, D.C. The President had suffered a stroke while speaking at Pueblo, CO, on behalf of the Treaty of Versailles. Late Friday afternoon, the President's personal physician reported only that the President was suffering from "nervous exhaustion" and that, while his condition was "not alarming," he would require a period of rest.

The Treaty of Versailles, which ended World War I, was supposed to provide a structure for enduring peace called the League of Nations. Before year's end however, the United States Senate rejected both the treaty and U.S. participation in the League.

Not only was the world scene uncharted, but the citizens of the United States were in a period of cultural transition. As the delegates worshiped on Sunday,
September 28, an angry crowd just 200 miles north in Omaha, NE, stormed the new high-rise courthouse demanding the release of a black prisoner. Rioting and setting fires, they forced their demands and promptly lynched the prisoner. The U.S. Army at Ft. Omaha was called in to help restore order. The Kansas City Times gave full coverage to the event.7

Just one month later, on October 28, the National Prohibition Act was passed by Congress outlawing the sale of beverages with alcoholic content above a certain level. This Act had been supported fully by the assembly delegates and was one of the few social shifts that met with their approval. Women's fashions—especially short dresses, low necklines, and high heels—were sternly condemned.8 Movies, dances, and painted faces also were denounced. While they often looked at their changing world with a disapproving eye, the gathering Nazarenes nevertheless kept intact their own emerging tradition of joyous Christian fellowship.

A Joyful Spirit Prevails
As the Assembly got underway, a joyful spirit prevailed. B. F. Haynes, founding editor of the Herald of Holiness, noted that "We have shown ourselves as delegates [to be] appreciative eaters, and First Church has furnished caterers fully equal to the occasion . . . We are just born to love, and we are sanctified to keep on loving and we just can't stop and don't want to stop." He continued, "The Assembly is a happy body. We have yet to see a frown or a cloud on a face or to hear a growl or a grumble from a member. The shouting is genuine, happy, free, and of the Spirit."9

Amid the obvious good feelings, Haynes was careful to "... thank [God] also for the absence of any symptom or tendency toward fanaticism or excesses of any kind, for the absence of the fault-finding or censorious, or super-sensitive spirit."10

The legislative sessions were characterized by serious debate, but there was good will in accepting the vote of the majority. Reporting on the Assembly in the Herald of Holiness, Haynes wrote, "Retrospecting, we may correctly say, that this session just passed, has been an epochal General Assembly. This is a fact, from every viewpoint we may review the Assembly."11

The Name Is Changed
One major change made by the delegates was to shorten the organization's name to "Church of the Nazarene," dropping the word "Pentecostal." This was
done partly for convenience, but mostly to separate the Church of the Nazarene from other groups who claimed the name "Pentecostal" and who practiced speaking in "tongues"—a practice that the Nazarenes eschewed. Haynes wanted everyone to be sure to know, however, that "as a Church we have always been and are still, and are determined always to be tremendously Pentecostal. It is our sole and joyful mission to spread the Pentecostal fire as far as be in our power, till Jesus comes."12

There were other changes voted by the Assembly that were of equally far-reaching impact. The various general boards which comprised the national governance of the denomination were asked to meet jointly in Kansas City, forming the Correlated Boards of the Church of the Nazarene. This represented a first attempt at drawing together the various departmental interests of the church which, up to that time, had been governed by more or less autonomous "general boards." Each of these boards had made their own financial appeals to the church. They proved unwilling to surrender this independence and, four years later, stronger action would be necessary.

Another change made by the 1919 General Assembly was that the Mutual Aid Societies were transferred from the Michigan District and were brought under the overview of a General Board of Mutual Aid. Appointed to the General Board of Mutual Aid were:

- A. H. Kauffman
- F. M. Messenger
- David Anderson
- Dr. C. E. West
- E. J. Fleming.13

The same men were named to the General Board of Ministerial Relief. Fleming became the chief communicator for both boards in addition to his being secretary for the Correlated Board. These actions 75 years ago began to focus the first denominational attention on the problems of aging and ailing ministers.

**The Correlated Boards Meet**

The Correlated Boards met for the first time on February 18, 1920, in Kansas City. At that meeting, the General Board of Mutual Benefit (previously called the General Board of Mutual Aid) submitted a report which was adopted by the larger body. The General Board of Mutual Benefit then was asked to prepare a plan for accident and sickness benefits that was to be similar to that of the Mutual Benefit Societies (formerly called the Mutual Aid Societies).14
Also reporting to the Correlated Board was the General Board of Ministerial Relief which had adopted legislation to include deaconesses in the list of those eligible for assistance from the General Ministerial Relief Fund provided the deaconess received proper recommendation from her District Board of Ministerial Relief.\(^\text{15}\)

These actions were not approved universally as was evident from a letter which appeared in the *Herald of Holiness* commenting that "It looks like the brethren were set upon relieving us of any dependence upon God except for the bare saving of our soul." The writer preferred that church organizations commit time and funds only to "get folks saved and sanctified and so ready for the coming of our blessed Lord."\(^\text{16}\)

**F. M. Messenger Replies**

F. M. Messenger of Chicago, president of the General Board of Mutual Benefit, responded to the charge of self-reliance which had been expressed in the letter. The General Board of Mutual Benefit, he pointed out, was not an entity of its own creation. It was brought into being by action of the General Assembly and assigned responsibility for the Minister's Mutual Benefit Society and the Layman's Mutual Benefit Society. These organizations already were operating within the church and, if they were to continue operating within the church, they should be controlled by the church. Although agreeing with the letter writer's assertion that only such boards as are necessary to enable us in the propagation of scriptural holiness and the raising up of a holy people should be encouraged or tolerated, Messenger questioned who, if not the General Assembly, should be able to determine the function and purpose of such boards. Messenger wrote,

"We wish that our church was made up of one hundred percent men of the faith of Elijah, that we could read in the *Herald of Holiness* of ravens feeding--through faith--Nazarene preachers whose membership were either too poor or too stingy to give them a comfortable support. But we are not seeing many miracles of that kind in these last days, therefore we ask, which is the better, to stand by with folded hands and say to the widows and orphans, "Be ye warmed and filled," while with dry eyes and sanctimonious looks [we] behold their unalleviated distress, or make our church responsible for some kind of corporate action whereby these distresses may be relieved?"\(^\text{17}\)
While the Mutual Benefit Societies depended upon their membership for funding, the Board of Ministerial Relief depended on funds collected from churches and active ministers. According to the plan adopted in 1919, each active minister and each deaconess was asked to send in $1 each year, and each church was asked to contribute 10 cents per member. The amount of money available for relief always depended on the amount which had been submitted by the churches.

**A Beginning Is Made**

F. M. Messenger was himself the publisher of a line of religious calendars and offered $500 toward printed material for distribution among the ministers. On October 8, 1921, Fleming wrote to Messenger recalling that promise and requesting $75 for the purchase of 100 copies of Dr. J. B. Hingeley's book, *The Retired Minister*. He intended to distribute this compendium of information on ministerial relief to Nazarene district superintendents and other leaders. Although Messenger originally had intended for his offer of $500 to be taken out in trade in his own printing plant, he graciously agreed to the purchase.\(^{18}\)

A year later, Fleming wrote to M. C. Mann of Hallsville, TX, that the number of persons helped since 1919 had been 21. Some of these were for temporal needs (emergency needs of the moment), but he said,

> "At present we have discontinued granting temporal assistance. We now have 7 men receiving from $13.75 to $25.00 per month, 3 women receiving from $10.00 to $12.50 per month, and three widows receiving from $5.00 to $15.00 per month. Three of the men are blind, one is in an old peoples' home, one is paralyzed. Two women are not far from death's door, one having four well-developed cancers, the other an uncerated [sic] kidney. One widow has four children to support. We have three applications on file but have not been able to make a grant on them till we see a fair hope of funds to cover the cases. Two are widows. There are other widows who would be eligible for assistance but we have not attempted to seek information until we have more income at our command.\(^{19}\)"

For Fleming, this theme would recur through all the years he was to serve as relief secretary. Always there were pathetic pleas for help; always he was constrained by lack of funds. Early on, the decision was made not to encumber the Board of Ministerial Relief with debt. Therefore, only such funds as were collected were available for distribution, and many worthy requests had to be denied on the grounds that there were no funds available. Fleming was aware
that denominations with longer histories had amassed reserve funds and had invested them in order to provide for future needs of retirees, but the young Church of the Nazarene had no history in which it could have collected such funds.

On April 7, 1922, Fleming began a long series of letters to George A. Huggins, a consulting actuary in Philadelphia, concerning the operation and funding of an adequate pension program for Nazarene ministers. This correspondence quickly established the need for reserve funds and discouraged relying exclusively on current offerings for pension and relief operations.20

In a major article in the September 20, 1922, issue of the Herald of Holiness, Fleming summarized Board's progress since 1919.

“On August 1 we were rendering assistance in 13 cases: Two were widows receiving $5.00 and $11.66 per month respectively and one widow with four children receiving $15.00 per month; three ministers are nearly or wholly blind, one is disabled with paralysis, one is in an old people's home; two women preachers are hopelessly sick, one severely crippled; two other men are receiving old age assistance. There are two applications on file from widows and one from a disabled man.

The assistance granted is based upon service rendered to the Church since 1907, at the rate of $30.00 per year of service ministers, and $20.00 per year of service (husband's) for widows. The remittances are made monthly.” 21

Fleming noted that the 1919 General Assembly did "one of its best works when it took action looking to the care and relief of the wornout ministers of the Church, as well as the care of the widows and orphans of ministers who died in the service of the Church." He further noted that this effort had proven "very inadequate to the necessities of the cases," and said that the Board of Ministerial Relief was therefore devoting "much time and effort to finding the best possible plan for the work of Ministerial Relief," with the intention that such a plan would be submitted to the Sixth General Assembly when it met in 1923.22

**Stress Levels Are High**
The United States in 1923 was a nation in distress rocking from one scandal to another in the administration of President Warren G. Harding. In July, he left
Washington for a nationwide speaking tour, but suffered a heart attack and died in San Francisco on August 2. Calvin Coolidge took the oath of office the following day at his father's home in Plymouth, VT. His father, a notary public, administered the oath. Coolidge's first message to Congress was the first presidential message to be broadcast by radio. It also was in 1923 that Nevada and Montana established laws for America's first old age pensions at the state level.

In the church, stress levels were high also. The church was growing rapidly as a national organization, and such growth brought inevitable problems. The earlier attempt to establish financial control over the general boards had proven ineffective. Then, just as delegates to the 1923 General Assembly were corning together in Kansas City, they heard murmurs about what came to be called the "North Dakota land deal" involving speculation with church funds.23 When the Assembly finally convened, its attention clearly was not on the problem of establishing an adequate pension program. Rather, the Assembly

"demolished with one blow the Boards of Home Missions, Foreign Missions, Publication, and Church Extension, and took away all discretionary authority over financial matters from other boards as well. These powers were then placed in the hands of six ministers and six laymen, elected at large, to serve under the chairmanship of the Board of General Superintendents in what was first called a General Council, soon renamed the General Board."24

The office of E. J. Fleming, general church secretary, became the clearing house for the entire operation. His administrative excellence smoothed the way for the reorganization at every step. He made certain that "communication was full and deliberation possible on every issue."25

The 1923 General Assembly was able to report that 33 persons had been assisted with relief payments ranging from $5 to $25 per month.

**Ministerial Relief Left in Limbo**

In 1924, the General Board asked for a budget of $7,500 for ministerial relief. This equaled three percent of the General Budget and represented 15 cents for each of the 50,000 Nazarenes. The governing policies for ministerial relief, however, were left in limbo. In early 1924, Fleming was to write to a questioner,
“I do confess that we are somewhat doubtful just how to proceed in view of the attitude of the General Assembly. However, I think you will agree that the attitude taken by the General Assembly in its closing moments, when there were present but a hand full of delegates, was not a good criterion by which to judge what undoubtedly would have been done had the entire delegation been present.”26

Lacking clear direction from the General Assembly regarding "the whole Mutual Benefit proposition," the new General Board authorized a committee to make an "exhaustive investigation" and to report back.27

In 1925, grants for relief were based on the following schedule: $25 per year for each year of active service up to 12 years; an additional $5 per year for each year of active service from 13 to 20 years. Relief was payable monthly, unless otherwise stated in the application, provided funds were available. Although the situation was under study, there remained too many needs and too little money. Still, in a letter to a district superintendent explaining the denial of requested assistance for one of the district’s ministers, Fleming was able to add a cheery closing, "We trust that the air is getting clearer up your way, and the sun is shining brighter, and the stars are twinkling with more glory, and the road is getting smoother, and you are seeing some gracious results from the labors which you are undertaking in His precious name."28

In a more somber vein, Fleming wrote to an applicant in 1925, "I cannot tell you how deeply this work presses upon my heart, but I am utterly unable to respond to the urgent appeals that reach me except as finances are provided by the General Church."29

In 1928, the Ministers' Contributory Reserve Pension Plan was authorized by the General Assembly. It was to begin as soon as at least 500 ministers notified the Department of Ministerial Relief in writing that they intended to pay contributions of 2.5 percent of salary and that their church intended to pay contributions of 10 percent of salary. Relief annuities were granted at the rate of $15 annually per year of service, but not to exceed $300 annually in any case, provided funds were available. In 1930, the General Board lowered the requisite membership to 300. But the Minister's Contributory Reserve Pension Plan never began because the Great Depression ruined the economy, and neither the ministers nor the churches were able to make the necessary contributions.
The decade of the 1920's found the Church of the Nazarene, like the nation itself, struggling to find itself in the midst of cultural diversity, technological change, and uncertain resources. In this mix, the church also was trying to find the organizational structure that would best suit its mission as a holiness denomination.
Chapter 2 - Dedicated Duo and Providential Partnership

Bookkeeper Wanted

A bookkeeper is wanted at the Publishing House. Although our bookkeeping is light at present, it will grow into a fine position for a competent man. He should thoroughly understand double entry bookkeeping. We prefer one who has had charge of a set of books and has proven his ability and efficiency. A man who understands and is in sympathy with the mission and work of the Pentecostal Church of the Nazarene and who is consecrated to the Lord’s work can have a permanent position if he is fitted for it. In writing, please state age and experience and salary expected.

In the early summer of 1907, E. J. Fleming was called to the pastorate of the Racine, WI, Independent Holiness Church on College Avenue, where he enjoyed the regular attendance of the Lunn family. The Lunn family consisted of the father, two sons, and a daughter. The mother had died some years before. The older son, then about 21 years of age, was named Mervel.

One Sunday, Pastor Fleming asked Mervel Lunn to meet with him later that week at the church. At that meeting, the two spent a few minutes talking about current happenings. Then the pastor asked young Lunn about his spiritual welfare. Years later Lunn recalled, "the fact that a busy pastor would spend one evening and walk quite a distance to talk about my salvation made an indelible impression. From that hour I knew that he was a good and godly man." Mervel Lunn not only accepted the Lord as his saviour under the leadership of Pastor Fleming, but also began a life-long friendship with him. Their relationship was to have a profound influence on the emerging Church of the Nazarene.

At the time of his conversion in 1907, Lunn had been working for the J. I. Case Threshing Machine Company for three years and was well-liked in the company. In short order, he was transferred to a branch office in Amarillo, TX; and then to Dallas, TX; Kansas City, MO; Winnipeg, MB; and Denver, CO.

In 1912, he had occasion to be in Kansas City, MO as a representative of the J. I. Case Company. One evening he set out walking, looking for a holiness church in which to worship during his stay. He turned south on Troost Avenue at 15th Street and, at about 21st and Troost, he saw a sign that read "Nazarene Publishing House." A Sunday bulletin was posted announcing the services of the Church of the Nazarene. He attended the services and met Rev. C. J. Kinne,
manager of the newly established Nazarene Publishing House. Before he left Kansas City, Lunn was a subscriber to the *Herald of Holiness*.²

When the J. I. Case Company transferred M. Lunn to their offices in Denver, he promptly looked up Denver First Church of Nazarene. He became a member there, teaching a Sunday School class and becoming church secretary. In May, 1913, however, he read in the *Herald of Holiness* that the Nazarene Publishing House needed a bookkeeper.³ He contacted Rev. Kinne who urged him to come to Kansas City. In the midst of struggling with the decision, Lunn received the news that the J. I. Case Company was transferring him to Kansas City immediately. Feeling divine providence and God's guidance, the issue was settled. Until he completed his obligation to J. I. Case, he worked for them during the daytime and worked on the Nazarene Publishing House books in the evening.⁴

**M. Lunn Becomes NPH Manager**

The following years were difficult ones for the Nazarene Publishing House. Despite inadequate capitalization, the young publishing company extended its services across an emerging national denomination.

By 1921, this had resulted in indebtedness of $103,000. Determined action was necessary to keep it from going under. The general superintendents asked M. Lunn to become manager of the publishing house. He spent a night in prayer, knowing that some people were looking for an individual to blame for the apparent financial failure of the Nazarene Publishing House.

Finally, Lunn committed himself to what he believed to be the Lord's will. "I told the Lord that if He wanted me to be the goat in this situation . . . I was willing to be that . . . for Him! But I just suspected that God had a real interest in getting His printed Word out, so I decided to invest my life in something bigger than myself!"⁵

That investment prospered. In just 18 months, the new manager was able to report at the General Assembly of 1923 that the entire indebtedness of the Nazarene Publishing House had been paid in full.

M. Lunn was to bring stability to other areas of the church as well. From 1926 to 1945, he served as general treasurer of the Church of the Nazarene and was executive secretary of the Department of Ministerial Benevolence from 1940 to 1956. Both jobs were accomplished in addition to his full-time responsibilities as Publishing House manager. Although he carried many responsibilities, there was
no doubt about where his heart was. In 1936, upon reelection as manager of the Nazarene Publishing House, he said, "I'd rather do that than anything else under the sun." In contrast, upon reelection as general treasurer the same year, he said, "I still insist you folks have made a mistake in electing your General Treasurer. When I am placed in this situation all I can promise is that I will be true and faithful to the trust you have imposed upon me."7

God's Servants
For nearly 20 years, E. J. Fleming and M. Lunn served together at Nazarene Headquarters. They were twin forces for orderliness and proper procedure in a denomination growing like Topsy. Both were convinced that they were advancing the cause of holiness as much as any preacher in the field. During the difficult years of the Great Depression, 35 percent of Publishing House profits were dedicated to the cause of ministerial relief. Lunn and Fleming were a dedicated lifesaving duo, not only for the church but also for hundreds of old and needy Nazarene ministers who had no other resource. They kept alive and on track the dream of an adequately funded retirement plan for ministers that would be a more adequate compensation for the years of sacrificial service that they had given the church. It was a dream that often was dim during their years of service, but their determination kept it alive.

Both Fleming and Lunn worked long hours, driven by the need to accomplish maximum results for the church with a minimum expenditure of the money that had been contributed sacrificially by Nazarenes across the country for the cause of advancing holiness. Along with this heavy commitment of time and energy to their professional calling, both men found time to serve their community and their church. For one noteworthy example, Fleming was the founding president of the Kansas City Rescue Mission. This ministry to the homeless of the city continues its service to this day.8

Dr. Albert Harper, executive editor for the Department of Church Schools from 1945 to 1974, recalls a conversation with M. Lunn about golf. Lunn told him,

"I bought a set of golf clubs some years ago and used them for a while. But it was just at the time when my boys were growing up. I decided I could better spend my time with them and the other boys of the church. So I sold my golf clubs, accepted a position as scoutmaster for the church troop, and spent my spare time out of doors with the boys."9
Harper adds, "Mr. Lunn never perfected his golf game, but there are men today who attribute their salvation to the time and interest that he invested in them when they were boys."\(^{10}\)

Mr. and Mrs. M. Lunn presided over a family of seven children and, usually, one or more permanent house guests. One son, M. A. (Bud) Lunn, succeeded him as manager of the Nazarene Publishing House. Another, Vernon, served for many years on the Board of Pensions and Benefits USA. They extended their father's dedication to these areas of ministry far beyond his own lifetime.

Three of the Lunn children served in the armed forces during World War II. A letter written to Vernon Lunn upon his enlistment aptly describes not only M. Lunn's dream for his family, but also the pattern he set for them.

"Mother just phoned that she received a letter from you telling of your new location. You, undoubtedly, will have many tasks and assignments that will be disagreeable and sometimes hazardous. There is but one thing to do: Make the most of it. Be a soldier in every sense of the word. Face your task courageously. Put all that you have into this business of soldiering. Being a soldier means more than drilling, marching, and fighting. It means holding or standing by certain standards of conduct that you were taught at home and also in church and Sunday School.

There will be a tendency on the part of many, once they are in the army, away from the influences of home, family, and reputation, to cut loose and forget the precepts that they were taught as youth.

In the army, as well as in civilian life, you are given the choice of maintaining or lowering your standards. At any cost . . . make no compromise with sin and evil. If you will let them know how you stand, it will make it easier for you. Likewise, they will respect you.

There is a Friend who will never forsake you. Keep the faith and trust God. Don't fail to read the Bible. In it you will find the words of eternal life, comfort in sorrow, succor in the hour of temptation, help in situations that will test your manhood, companionship in the lone watches and hours of
the night, and last, but not least, the guide to your journey through life. May the Lord watch over you and keep you until that day . . . and may He speed the day when we can have a family reunion. We are praying for you and the others. God bless you, we love you.-- Dad" 11

Fleming and Lunn were two of God's servants. They were providential partners in the work of the church. And, as a dedicated duo, they will be linked forever with the beginnings of ministerial relief in the Church of the Nazarene.
Chapter 3 - Zion's Lions

There is no worthier title under heaven than that of "Nazarene minister." While humble in origin, the title represents a powerful, dedicated, singular service to God through the Church of the Nazarene. None bear the title quite so well as the growing body of retired Nazarene ministers.

Since 1987, the Board of General Superintendents, through the Board of Pensions and Benefits USA, has made available to the families of deceased ministers a bronze medallion of the emblem of the Church of the Nazarene with the words "Minister--Church of the Nazarene." These medallions are received with a touching sense of holy pride and gratitude. The daughter of a deceased Nazarene minister wrote that her father's grave was near a major intersection in the cemetery. She rejoiced that, even after her father had gone to be with the Lord Jesus whom he had loved and served on earth, the bronze medallion on his gravestone would provide a continuing witness proclaiming to all, "Holiness unto the Lord."

It is this quality of fidelity to the calling that has made the issue of ministerial relief and pension so important in the Church of the Nazarene. In nature, the lion is called the "King of the Beasts." Throughout its life, at whatever age, it displays the dignity and bearing that reminds everyone of a king. Likewise, a Nazarene minister is always a Nazarene minister. He no longer may be serving a particular parish as pastor, but he still is serving God, and God is interested in his welfare.

A Unique Responsibility

E. J. Fleming, a minister, and Mervel Lunn, a layman, were given the responsibility of directing "Ministerial Relief" in the Church of the Nazarene for the first 37 years of the work. Both recognized that the church was the custodian of a unique responsibility to those ministers who were called by God to service through the Church of the Nazarene.

In ordaining men and women to the official and more public work of ministry, the church was giving formal recognition to the call of God upon the life of that particular minister. This call, and the office to which they were ordained, was for 24 hours a day, seven days a week. The relationship did not cease for holidays, vacations, or even retirement. It was for life, and so long as the ordained minister maintained his or her "observance" of that call, the church maintained a responsibility for the temporal care of that minister.
This did not mean, of course, that the minister did not need to take time off from official ministerial duties for physical, mental, and spiritual renewal. These times of renewal were necessary for effective life and service. But the minister did not cease to be a Nazarene minister during those "times off." He was not free to pursue a secular career or to make extra cash to lay away for the future. The ordained minister remained a servant of the church even in moments of recreation or ease.

This lifetime commitment is explicit for ministers in the Church of the Nazarene. Paragraph 405.2 of the Manual states, "The church expects that one called to this official ministry should be a steward of the Word and give full energy for a lifetime to its proclamation." ¹

Recognizing that a person under such a call could not provide for his or her own temporal security while giving "full energy" to meeting the temporal and eternal needs of others, the local church was assigned the responsibility of caring for the minister. Specifically, Manual paragraph 143.3 directs the church trustees to "give special attention under the direction of the church board to raising money for the support of the church and of the pastor, that he may be free from secular care and anxiety and may give himself wholly to the work of the ministry."²

Fleming wrote, "If [the minister] devotes his entire life and service to the work of his office as elder, until the infirmities of old age shall disqualify him for further active service, his right to an old age support is inherent and scripturally and economically proven."³

To establish the responsibility to "help" the minister in need was one thing, but Fleming found it harder to inspire the church to provide the necessary funds for an adequate pension. He observed,

“. . . too often the old minister has been listed as an object of benevolence and a charity bestowed upon him because of his poverty and need. The plan of God gave him an office—the eldership—and provided him a lifelong service and laid upon the Church an obligation for his lifelong support. Therefore, his old age support should not take the form of a benevolence or charity—a recognition of poverty and need—but the form of a pension—a recognition of service faithfully performed.”⁴
The church, Fleming believed, should "lay by in store" while the minister serves, to provide for his old age. "[The church] should use every honorable method for increasing its pension funds."5

**Little Thought To Retirement**

While the need was obvious to some, the ministers themselves gave little thought to this responsibility of the church. Their eyes were fixed on other goals. Undoubtedly, P. F. Bresee was speaking for the majority of ministers then active when he said, "We went in poverty, to give ourselves--and what God might give us--determined to forego provision for the future and old age, in order to see the salvation of God while we were yet here."6 As Fleming also observed,

> “The call to be a minister is usually accepted in the colorful anticipation of youth. Here the activity of preparation, the smoke and noise of battle, and the glory of conquest--for every God-called man expects only to conquer--cause him to overlook the facts of that ultimate condition to which he must eventually come, namely, the disability of old age. Usually he does not give serious attention to the what and wherefore of old age disability until he has passed life's meridian.”7

Typically, the destitute minister would not be the one to initiate any claim for charity from his denomination. This usually was undertaken by a friend who observed the minister's sad situation and brought it to the attention of a district superintendent or to the Board of Ministerial Relief. By then, the situation often was critical, and immediate funds often were unavailable. Even when aid was granted, the recipients often accepted it only for a few months and then informed the Board that they were "better" and could make it on their own for a while.

There is a remarkable continuity of spirit between the retired ministers of the early days and those of the present. The following letters, written more than 50 years apart, one to E. J. Fleming, director of ministerial relief, and the others to Dean Wessels, director of the Board of Pensions and Benefits USA, illustrate that common spirit.

> “God only knows how much of a Godsend your check of $15 was to me. We have not been able to meet all our bills and just that morning before the check came, the rent collector
stood at our door, and I had not a cent for him. He urged us to get it right away, but God had it on the way already. Bless His dear name! I surely thank you Bro. Fleming for your great interest and kindness to me. God is helping me, but my zeal is greater than my strength and I can't accomplish what I want to for the kingdom.--June 8, 1936.

I truly thank you for providing the Basic Pension to the retired ministers' families. I have been a widow for 13 years; my husband pastored for 23 years. It seems like each month as my Social Security runs out, the pension check comes just in time to pay the bills that come due the last of the month. I so appreciate getting the check and don't know what I would do without it.--November 1, 1989.

Thank you so much. We love our church as we have been in it since 1926. Although many changes have come in the church we still love it. We took our first church in 1935. We received no salary, but the Lord supplied our needs and they were the happiest times of our lives because we were doing what the Lord wanted us to do. I must stop. Just wanted you to know how much we have appreciated you and our church.--March 1990.

In retirement, the typical Nazarene minister continues a life of service. Most retirees are in demand for pulpit supply and other temporary assignments. Many will preach an occasional revival, perhaps for a home mission church. Several more will conduct services in nursing homes and hospitals. Others direct the senior adult ministries in their local churches. Some continue to exercise their musical talents well past "retirement."

Although such service now is mostly on a voluntary basis, retired ministers continue to serve because the spirit of ministry has never left them. Salary was never a major motivation for them to serve the Master. A more adequate retirement income now permits an extension of their ministry long after they have ceased to pay their current bills through such ministry. The retirees and the church both benefit from their continued life of ministry.

Retired ministers are Zion's lions--their nature not stilled by the years, their zeal unabated even as their strength becomes less than it was. They continue in
the spirit of the Lord who first called them to be His servants on earth and who continues to be the Lord of their retirement just as He was the Lord of their emerging years.

**Goal: An Adequately Funded Retirement**

As the decade of the 1920's neared its end, the goal of an adequately funded retirement plan for Nazarene ministers became increasingly central to the thinking of church leaders, but financing such an endeavor always was a roadblock. Nevertheless, with each General Assembly, a new study committee reported and a new plan was approved. The Ministerial Retirement plan that finally emerged is recognized today as a great improvement over the old "benevolence" days, but the road of progress was long and hard.

We now turn to those difficult years in American history--the Great Depression and World War II. They bent the American psyche in unexpected ways. They impacted, in ways unimagined by early church leaders, how Nazarenes were to care for their retired ministers.
Chapter 4 - Tested by Trauma

The broad pen of a historian may cover centuries in a sentence and eras in a subordinate phrase. However, the actual course of life events is a second-by-second, task-by-task, lived-out experience. As the world turned from the 1800's to the 1900's, it also turned from a farming to an industrial society and did so with little regard for the welfare of its inhabitants.

Those hurt the worst were the elderly. They moved from the top of the economic pyramid to the bottom almost, as it were, overnight. When the value placed on land ownership and production experience was supplanted by the value of a monthly paycheck, the worth of the person became identified closely with that paycheck. But that worth dropped suddenly and drastically the minute the paycheck stopped. Those without a paycheck became expendable, forgotten, and poor.

Those who were more capable managers of their money did find a way, with great discipline, to save some money for their own retirement years, but even they suffered when long-term inflation eroded the value of what they had saved. When security became dependent on a fragile paycheck, insecurity was only one payday away. When the last paycheck arrived, many found that poverty was not far behind.

One by one, the countries of the newly industrialized world began to grapple with this new social problem. Early evidences of a fragmentary social welfare system can be seen in Prussia in the 1850's. Germany passed The Old Age and Invalidity Insurance Law in 1889. Denmark and New Zealand had non-contributory pensions programs in place around the turn of the twentieth century and Austria instituted a system prior to 1910. England decided on a pension program rather than an insurance program for the aged.¹

The United States was slower in making a similar response. The vast expanse of available farmland in the west cushioned family hardship by providing for them almost unlimited financial opportunity. A fiercely individualistic, frontier attitude made many Americans antagonistic toward "the dole" and "welfare." They truly were afraid that, if the "government" took over responsibility for their old age, they would lose the incentive to hard work and thrift--highly valued qualities that defined "the American way."

Rather than turn responsibility for their welfare over to the government, many Americans preferred to address the situation through voluntary associations. For
example, Nazarene ministers and laymen banded together in Mutual Benefit Societies to provide financial aid to bereaved families. But while Americans looked to voluntary associations to provide solutions, they were not "volunteering" adequate funds to make the solutions work well.

**Plight of Impoverished Ministers**

Nazarene ministers were among those whose last years on earth were threatened with poverty and worry. Many times the small churches they had pastored had been unwilling or unable to pay adequate salaries. The minister's sense of answering God's call did not allow him or her to refuse to serve, even when such service proved a hardship. Generally, the only "benefit" that they received, in addition to any salary and some garden produce, was the use of a parsonage during the years of active pastoral assignment. Normally, they lost that "benefit" at the same time they lost their income.

Nazarene leaders, aware of these facts, made many plans to address the issue. Unfortunately, their plans made little progress because of inadequate funding from the churches and because of the distrust of funding from any other source.

**The Great Depression**

Running generally from the mid-1920's through much of the 1930's, nothing impacted the way Americans lived or thought about living so much as the Great Depression. On Thursday, October 24, 1929, called "Black Thursday," the New York Stock Market collapsed. Thousands of investors, most of whom had been operating on borrowed money, were wiped out. The repercussions spread quickly across the nation and the world.

Ironically, the years from 1923 to 1933 were years of significant growth for the Church of the Nazarene. In the United States, Canada, and the British Isles, aggregate Nazarene church membership increased by almost 10 percent. However, the Church of the Nazarene certainly felt the financial impact. Annual per capita giving by Nazarenes had peaked at $50.66 in 1926 but, despite increasing membership, fell to $23.55 for 1933.²

In 1931, the maximum yearly relief benefit for ministers had to be reduced from $300 to $240 per year. When the General Assembly met in 1932, funds still were insufficient to meet relief needs. With 67 persons on the roll, plans were underway to lower the benefits again. Ministerial relief was cut an additional 10
percent, and during one month, 50 percent. It was during this time that the Nazarene Publishing House began forwarding 35 percent of its net income to the Department of Ministerial Relief until normal funding could become more adequate.

In 1932, Franklin D. Roosevelt was elected President of the United States. Although he had ambitious plans to get the country's economy moving again, he met with only nominal, initial success. Meanwhile, the Church of the Nazarene faced another financial crisis. The days of March 1933 were crucial ones.

“The Fidelity National Bank of Kansas City, in which general funds had been deposited, closed March 3 and went into bankruptcy receivership. The church's small ($8,593) but vitally important working fund was frozen. A mere 5 percent was made available within a week. General Superintendent [R. T.] Williams had foreseen the trouble coming, and on the eve of the national bank closing, Publishing House Manager M. Lunn had drawn out a substantial amount of publishing house money in cash which he was able to share with headquarters.” 3

Social Security
The United States government finally enacted Social Security legislation in 1935, but ministers were not allowed to participate until 1954. That they were excluded was quite all right with many in the church during the early years. In 1939, General Superintendent J. B. Chapman expressed a widely held view when he wrote in "The Question Box" column of the Herald of Holiness,

"Servants of the church are not included in the "Social Security" plans of the government, but we should be glad they are not. If they were we would have the beginning of union between the church and the state, which in reality would be the beginning of the end of free Christianity in this country. We must plan our own relief and pension matters for our ministers, and we must take care of them in the church that we may go on, as in the past, serving God with the protection, but without the interference of the state. The price for participation in the "Social Security" program
is greater than we as a church and as ministers can afford to pay. The government is right in leaving out the servants of the church.”

**Nazarene Minister's Benevolent Fund (NMBF)**

By the General Assembly of 1936, no pension plan existed and relief efforts were being supported by gifts, annuities, and profits from the Nazarene Publishing House.

However, after the worst of the Great Depression was past, and prior to the 1940 General Assembly, a commission was at work to consider a plan for pension relief for retired ministers. The commission members who had been appointed were R. T. Williams, L. A. Reed, T. W. Willingham, and M. Lunn. Although T. W. Willingham was absent, the men met with E. J. Fleming on April 11, 1939, to consider what their report should be.

Rev. Fleming opened the meeting by reporting that the Committee on Ways and Means of the U.S. House of Representatives had decided not to extend Social Security coverage to ministers. R. T. Williams asked Fleming if he had any recommendations to make in the light of Washington's decision.

There followed a wide-ranging discussion of the options available to the church for providing care for the retired ministers. Dr. Williams was careful to insist that no plan should create an obligation for the church to provide a specific amount. He preferred that funds should be raised and then divided as far as they went to meet the needs that were identified. Others suggested that, without some specific promise of return, the ministers would not want to send their money, but would opt instead for some other insurance plan. L. A. Reed said, "Personally, if I couldn't see anything secure, I would rather take my money and deposit it elsewhere." Williams replied, "That's what you are going to do anyway. Any minister who can afford to is going to play with this on the side, but he is going to make his own plan for the future . . . We are only thinking out loud. I have come to no definite conclusions yet." Further discussions followed.  

The report that they eventually presented to the 1940 General Assembly did not propose a pension fund but rather a benevolent fund to be supported by contributions from local churches. The Nazarene Minister's Benevolent Fund (NMBF) was adopted. This Fund was to be created by General Budget
allotments, appropriations from the annual net earned surplus of the Nazarene Publishing House, and from gifts and contributions from local churches equal to 1 percent of their total giving. However, church funds raised for buildings, improvements, and indebtedness on the church building and the parsonage were exempted from the 1 percent calculation.

The plan became effective on January 1, 1941. In less than two years, 1,359 churches were participating, raising almost $30,000. Checks were being issued to 75 ministers and 83 widows. In addition, temporary relief was given to 26 individuals.

**World War II**
Just as the nation stood on the verge of possible economic recovery, the United States became embroiled in international conflict. On December 7, 1941, the Japanese bombed Pearl Harbor and the U.S. was thrust, suddenly and irrevocably, into full involvement in World War II.

The course of history for the rest of the 20th century was being set. The conflict was a "world war" in the geographical sense and also in the sense that it involved the total mobilization, not just of the military forces, but of the entire population. There was little division on the home front; all efforts were bent toward victory in Europe, and then victory in Japan. The only acceptable outcome was the "unconditional surrender" of America's enemies.

When surrender came, the U.S. and its allies were faced with the massive job of rebuilding a world torn apart by war. Before that rebuilding could begin, however, the world found itself divided again. In a speech at Westminster College in Fulton, MO, British Prime Minister Winston Churchill observed that an "iron curtain," was descending across and dividing Europe. A "cold war" between the democracies and communism replaced the "hot" World War II. The so-called "Cold War" lasted into the 1990's.

Against these swirling currents of history, the Church of the Nazarene was establishing itself as a holiness denomination of world-wide dimension. Additional progress toward establishing an adequate retirement income for Nazarene ministers was made during this time and the major components of today's program took shape in the post-World War II years.
In 1948, Harry S. Truman was elected president of the United States in a surprising upset over New York Governor Thomas E. Dewey. The Soviet Union initiated a land and water blockade of Berlin to protest a proposed West German state, and U.S. Secretary of Defense James T. Forrestal announced for the first time that the U.S. was engaged in an "earth satellite vehicle program."

In the midst of these events, the 1948 General Assembly, meeting in St. Louis, elected a commission to study and recommend a pension plan for Nazarene ministers. It was called the Commission on Ministerial Benevolence Revision. T. W Willingham was named the chairman. Other members included M. Lunn, John Stockton, and S. T. Ludwig. The same year, the Department of Ministerial Relief was renamed the Department of Ministerial Benevolence.

During the next quadrennium, a seminary student named Dean Wessels was working as assistant to John Stockton, the General Treasurer. Wessels was asked to oversee a survey of pastors that the pension commission would use in making their recommendations. The large amount of data collected was processed with the McBee Keysort System—a simple punched-card system. The equipment (punch, needle, and cards) cost only about $10, yet it was one of the forerunners of today's sophisticated computer systems.

Although the General Church was trying to develop a plan, it was the Nazarene colleges that were leading the way in true pension programs. As early as 1948, the colleges started implementing "defined contribution" plans for their employees. Of course, complicating the General Church's attempts were the facts that the ministers of Nazarene churches represented many hundreds of "employers," were at locations scattered across the nation, and had many differing "payroll policies." Nevertheless, the Commission took its assignment seriously and by 1950, it recommended to the General Board the hiring of a competent actuary, the hiring of an executive secretary, and the asking of the local churches to raise Nazarene Minister's Benevolent Fund (NMBF) giving to 2 percent. The recommendations were adopted and T. W. Willingham was elected as the executive secretary to implement the new pension plan when approved by the General Assembly.

When the 1952 General Assembly met in Kansas City, the Commission on Ministerial Benevolence Revision proposed a money purchase pension program. It recommended that each minister pay 5 percent of his salary into the program. This payment was to be matched by 5 percent paid by the local
congregation. No monthly benevolence provision was made for those ministers who were eligible to participate but who failed to do so. For those who did participate, $1,000 of life insurance coverage would be provided. The General Assembly approved the proposal and voted to establish the Contributory Reserve Pension Program for its ministers.

As the General Assembly met, the United States Congress was "considering" legislation which would include ministers in the Social Security program for the first time. This possibility was being monitored carefully by church leaders since such legislation could have a profound impact upon how the church structured retirement plans for its ministers.

Proceeding to implement the plan as voted, a Board of Pensions was incorporated in 1952 and members were elected by the General Board to work with T. W. Willingham in the administration of the new church pension plan for ministers.

In the fall of 1954, the U.S. Congress voted to extend Social Security coverage to ministers on an optional basis. Since the Social Security program offered greater benefits at a very greatly reduced cost, compared to the Nazarene plan, the Board of Pensions felt that it was unwise and virtually impossible to attempt to carry out the Nazarene plan. Since deadlines for the Social Security option precluded deferring action to the next General Assembly, the Board recommended to the Board of General Superintendents in January of 1955 that Social Security be supported in lieu of the church pension plan. Approval was granted and a massive campaign was launched at the general and district church levels to persuade all Nazarene ministers to participate voluntarily in Social Security.

The General Board authorized the Department of Ministerial Benevolence to underwrite a group life insurance plan for all ministers who gave evidence of their participation in the Social Security plan. In October 1955, the first Nazarene ministers were enrolled in the Basic Group Term Life Insurance Plan. The amount of coverage was $1,000 to age 65, reducible to $500 thereafter. The 1956 General Assembly received the Quadrennial Report of the Board of Pensions and adopted its recommendations, thus officially substituting the ministerial Social Security program for the church's pension program. Nazarene ministers were strongly encouraged to participate in Social Security since they would get better benefits for the dollars contributed. Furthermore, since ministers had to elect to participate in Social Security at the "self-employment" rate, the 1956 General Assembly took action encouraging the employing church
or church agency to contribute to its covered ministers the equivalent of at least one-half of their Social Security tax. The existing benevolence program was continued in order to meet the immediate needs of retired and retiring ministers.

The campaign to get ministers to sign up for Social Security was so successful that the Church of the Nazarene led all other denominations of its size or larger in the percentage of its ministers enrolled in Social Security.

**T. W. Willingham**

Over the years, many church leaders have been appointed to pension committees and commissions or elected to serve as members of legislative bodies such as the Board of Pensions and the Pensions Department of the General Board (see Appendixes A and B for membership lists). However, T. W. Willingham deserves special mention, since his contributions to pensions work were multi-faceted and spanned 35 years (1937-1972).

Theodore Weber (T. W.) Willingham, was born on January 20, 1893, in Sebree, KY, and served the church in a variety of capacities. From 1917 to 1922, he was pastor of Danville, IL, First Church. In 1922, at the age of 29, he began his association with Olivet Nazarene College (now Olivet Nazarene University). From 1922 to 1938 he served as its treasurer and concurrently held the office of college president from 1926 to 1938.

During 1937, he was elected as a member of the Department of Pensions and served as its recording secretary through 1940. He was a member of the commission studying pensions which reported to the 1940 General Assembly and which helped to establish the Nazarene Minister's Benevolent Fund (NMBF). From 1940 to 1945 he was district superintendent of the Missouri District and left that position to serve as executive director of the Nazarene Radio League at the General Church's headquarters in Kansas City. He held this position until 1965. During this time, he was appointed to serve as chairman of the Commission on Ministerial Benevolence Revision which was created by the 1948 General Assembly. It was following this Commission's report that the 1952 General Assembly voted the creation of a Board of Pensions to administer a money purchase pension plan. While holding his position with the Nazarene Radio League, he concurrently served as executive secretary of the Board of Pensions from the time of its incorporation in 1952 until 1960. Although continuing as chairman of the Board of Pensions until 1972, in 1960, he relinquished his responsibilities as its executive director to Dean Wessels. Wessels already had been elected executive secretary of the Department of Pensions.
Ministerial Benevolence replacing M. Lunn in 1956. Until his retirement in 1993, Dean Wessels carried both responsibilities.

Dean Wessels
Growing up in Dallas during the Great Depression taught Dean Wessels the value of a dollar and of hard work. As a child of eight years, his first job was selling magazines—a job he held until he met the twelve-year-old age qualification necessary to get a newspaper route. By the time he was 17, he was driving a distribution truck for the *Dallas Times Herald*. George Wessels, Dean's uncle, ran an accounting business in Tyler, TX. Hoping to follow in his uncle's footsteps, Dean enrolled in Southern Methodist University in Dallas to study accounting.

Although raised in a Southern Baptist home, young Dean was destined for change when he met his high school sweetheart Roxie Ann. She was the daughter of Rev. J. E. Moore, pastor of the Dallas First Church of the Nazarene. Certain he had found the love of his life, Dean followed Roxie to Bethany Nazarene College (now Southern Nazarene University) where they continued their studies: Dean in accounting and history, Roxie in English and history. However, he set his personal plans aside after his junior year in college to join the war effort. During World War II, he trained extensively to be a pilot in the Naval Air Corps, but the war ended before he received his assignment. It was also during that time that he began to realize his purpose in the will of God. Upon returning to civilian life, Dean and Roxie were married, and he completed his degree at Bethany, graduating in 1946. He worked for General Motors where his diligence was rewarded with an offer to participate in an elite management development program. To the amazement of his superiors, he declined the offer. Instead, he accepted God's call to preach. Soon thereafter, Dean and Roxie moved to Kansas City to pursue ministerial training at the newly opened Nazarene Theological Seminary.

During his seminary years, Wessels pastored Canaan Hill Church of the Nazarene in Lawson, MO, and also worked as the assistant to John Stockton, General Treasurer of the Church of the Nazarene. It was this latter association that led to his overseeing the survey results for the General Assembly pension commission of 1948-52. Upon his seminary graduation in 1951, he accepted the pastorate at Coffeyville Central in Kansas. It was while serving in Coffeyville that he and Roxie had their children, Vickie and Mark.

The next pastoral assignment was at Abilene, TX, First Church of the Nazarene. However, after only a few months in this assignment, leadership at the General
Church level asked that he return to Kansas City. Sensing God's hand at work, Wessels accepted the invitation and in November 1955, he began to assist M. Lunn, Executive Secretary of the Department of Pensions, in getting ministers into Social Security. Because of M. Lunn's heavy responsibilities with the Nazarene Publishing House, most of the benevolence work was turned over to Dean Wessels almost immediately.

Dean Wessels took on the challenge of building Pensions and Benefits while the program was still in its infancy. Within a few months, the General Superintendents requested that he attend every district in some kind of gathering once a quadrennium in order to present the work of the Department of Pensions to the ministers and churches. To do so meant a lot of traveling from coast to coast. Although funds were limited, the resourceful Wessels found that he could get free clergy passes for travel by train. Furthermore, for about 8 years, he "doubled" as a book salesman for the Nazarene Publishing House during the summer district assembly seasons. Always of a very competitive spirit, he challenged himself not to slight the responsibilities to which he had committed himself. For example, in all the years that he represented the publishing house, he never sold less than had been sold the year before, even though at one assembly he lost 10 pounds in one week and nearly worked himself to death.

Early on, General Church leadership recognized the character of this dedicated, hard-working man. The minutes of the June 1956 meeting of the Department of Ministerial Benevolence, signed by Harlan R. Heinmiller, chairman, and E. W. Snowbarger, secretary, record "Dean Wessels was nominated as executive secretary of the Department of Ministerial Benevolence with the understanding that the outgoing executive secretary of this department, M. Lunn, and T. W. Willingham, executive secretary of the Board of Pensions, serve as an advisory council." 4

Wessels' First Report
In January, 1957, Dean Wessels presented his first report to the General Superintendents and the General Board. In it he said, "It is with a deep sense of gratitude to God and to those who are responsible for raising the Nazarene Minister's Benevolent Fund that we come before you for the first time to make an official report." 5 The report indicated that on December 18, 1956, the Department was granting a monthly allowance to 506 individuals--325 elders and 181 widows. The elders had served an average of 25.3 years. The total years of service of the elders plus the deceased elders whose spouses were receiving monthly support was estimated to be 12,417 years.
In the report Wessels cautioned, as he was to warn again and again over the years, that while the Nazarene Minister's Benevolent Fund (NMBF) account balance “seems to be growing, it must be pointed out that an actuarial study of those presently on our rolls and at their present monthly benefit rates gives us an actuarial figure of nearly $4,000,000.00 liability. Also, we are now insuring our ministers for a total of more than $4,000,000.00. An adequate reserve must be set up to meet these potential obligations. In addition to this known potential liability of $4,000,000.00, anticipated additions to the benevolent roll, increases in insurance premiums, and increased monthly benefits to those now on the roll will increase this potential liability by several million dollars.”

In another comment which foreshadowed future reports, Wessels said, "We have been more than compensated for our efforts these few months when we have attended a district assembly or preachers" convention and had the privilege to visit personally with some of our recipients. Their genuine gratitude, their wonderful spirit, their mellow Christian characteristics, their devotion to the cause, their examples, all have left an indelible impression and enrichment upon my life."  

**Church Pensions Conference**

Wessels' early training and aptitude for accounting were valuable in his direction of the church's long-term goal of an adequately funded retirement program for ministers. In addition, from the first year in his pensions assignment, he started attending the annual meetings of the Church Pensions Conference. (This conference is a body of about 50 different denominations and para-church groups who specialize in pensions and denominational health insurance plans. The denominations participating in the conference now serve over 400,000 ministers and lay church employees.) Wessels' active participation in the conference proved valuable not only in enabling the Church of the Nazarene to keep up to date on pension developments nationally, but also permitting a comparison of Nazarene programs with other denominationally-based church programs. Such interdenominational reporting, sharing of ideas, and cooperation allowed for continuous monitoring of the most successful efforts of church groups that were providing retirement benefits to ministers and their families. In 1979, Wessels served as president of the conference. From such a broad exposure, he was able to gain valuable insights into pension theory and
practice unique to church plans, adapting them to work within the structure and polity of the Church of the Nazarene.

Dean Wessels learned that pensions frequently is the most misunderstood department of a church.

“The church, whether it be at local, district, or general level, is a conduit for funds and not a place for the accumulation of large amounts of assets. Church people are motivated to give funds to meet an immediate need and expect those funds to be channeled as quickly and efficiently as possible to alleviate the need. Little motivation for giving can be generated simply to amass an accumulation of funds to meet some nonspecific future purpose. This fact is seen in that even the largest churches complete their financial years with large incomes, large expenses, and relatively few dollars in the checking account at the end of the year.

On the other hand, the fundamental task of developing a sound pension plan is the establishment of reserves during the working lives of the participants which with sound investments will provide the retirement funds promised. Substantial federal legislation requires that trust funds be established for the accumulation of these reserves that are committed and dedicated to the specific purpose of providing the promised benefit. Aside from the legal obligation, substantial stewardship issues are involved. The church's actual dollar outlay for the provision of a pension benefit can be substantially reduced by setting aside appropriate funds in reserve which with interest can provide the benefit. A plan for building these reserves is an absolute must to prevent the mortgaging of the church's financial future.”
Chapter 6 - Today's Program Takes Shape

From the earliest days, the Church of the Nazarene recognized an obligation to provide financial assistance to retired ministers. In the beginning, the church "did what it could" through a system of "benevolences" (charitable relief-type programs). During its first few decades, many attempts were made to establish an adequate pension plan. In 1928, the General Assembly voted a Ministers' Contributory Reserve Pension Plan, but the Great Depression prevented its starting. Lack of money for even the relief program caused benefits to be lowered several times during the Depression. It was at this time that the Nazarene Publishing House made provision for 35 percent of its net income to go to the Department of Ministerial Relief for the cause of retired ministers until normal funding could become more adequate.

The Commission report adopted by the 1940 General Assembly did not propose a pension fund. Rather, it called for a Nazarene Minister's Benevolent Fund to be supported by contributions from local churches. In 1948, the Nazarene colleges were able to establish contributory pension plans for their employees.

The 1952 General Assembly's adoption of yet another Commission report set up a money purchase pension program for ministers but it was never implemented because the United States government began allowing ministers to enroll in Social Security which provided better benefits at a lower contribution cost than the church plan. By action of the 1956 General Assembly, the church pension plan previously voted was officially laid aside, and all eligible ministers were urged to join Social Security. Each church was encouraged to reimburse at least one-half of the minister's Social Security cost. (Today, most churches reimburse all.)

While the inclusion of ministers in the Social Security program temporarily relieved the denomination of the pressure to establish a church pension program, Social Security alone did not provide an adequate retirement income for ministers. Yet prospects for meeting the need began to improve and committees and commissions continued to do research. In 1959, there was even a commission to study retirement and benefit plans for ministers of other world areas.

Optimism Continued to Grow

In his 1959 report to the General Board, Dean Wessels noted that the Department of Ministerial Benevolence was then 40 years old and that it was his "happy privilege to report that the future of our retired ministers and widows
looks brighter than at any time during the past forty years. Some of the dreams of Rev. E. J. Fleming, who served as executive secretary of the Department for twenty years and Dr. M. Lunn, who served for nearly seventeen years, are now a definite possibility.\(^1\)

By 1961, the General Church was able to establish optional "defined benefit" pension plans for its employees working in Kansas City. And by 1963, an optional "defined contribution" pension plan was offered to pastors--the Nazarene Tax-Sheltered Annuity Plan.

**The Nazarene Tax-Sheltered Annuity Plan**

Over the years, it had been a struggle to keep hope alive, yet hope had remained that a pension plan could be developed to enhance Social Security benefits and the church benevolences for Nazarene ministers. When the Nazarene Tax-Sheltered Annuity Plan was introduced in 1963, that hope became a reality. This was the long-awaited contributory pension plan that allowed churches and ministers a tax-advantaged way to save money toward a retirement income. Churches were encouraged to contribute funds to their pastor's retirement account on a tax-free basis.

This optional plan was structured under Section 403(b) of the Internal Revenue Code. Therefore, funds as they were contributed and interest as it accumulated were not subject to federal income taxes or Social Security taxes. (Today, because the plan qualifies, by IRS definitions, as an official church retirement plan, ministers also have the unique advantage of having their retirement withdrawals designated as a "tax-free" housing allowance to the extent allowed by law.)

In his 1969 report, Dean Wessels noted "This high-value, tax-sheltered retirement plan is beginning to 'catch on.' During the first four years, 91 took advantage of its provisions. In the last twelve months 43 additional contracts were initiated. Approximately a quarter of a million dollars is now invested toward the retirement of these Christian servants."\(^2\)

During 1982, the Nazarene IRA Plan was added to complement the TSA Plan. They both grew (see Appendix F for details). In 1991, annual contributions to the Nazarene TSA and IRA Plans exceeded $6.8 million.

Today, these plans provide a significant source of retirement income. During 1992, the TSA and IRA plans distributed over $4.3 million in benefits to participants. The aggregate cash value of the existing accounts at year end was
approaching $100 million. Since 1963, over 7,000 accounts have been opened and it is estimated that nearly $60 million in interest has accrued to these accounts.

The "Basic" Pension Plan
Following 1963, even though the Social Security program and the Nazarene TSA Plan were in place, there were still pastors who were not in a position to benefit from them. About 1968, inflation began eating away at the real dollar value of what Social Security retirees received. Also, there were many ministers who did not have enough time before retirement to accumulate sufficient funds in a TSA account to ensure their retirement security. Therefore, the 1968 General Assembly, recognizing the need for a more adequate retirement income for ministers under changing economic conditions, authorized the creation of a Commission on Ministerial Pensions and Retirement. It was to bring its recommendations to the General Board.

After meeting four times, the Commission presented its report to the 1970 General Board. They recommended starting a new pension plan as soon as possible, but made no provision for crediting years of service prior to the new plan's inception or for widows. Although new pension plans were started this way in industry, Dean Wessels and other church leaders knew that the approach would not work in the church. Many problems would arise if the new plan did not provide for past years of service and for benefits to widows. The General Board received the Commission's report without adopting its recommendations. Instead, they appointed a committee to study the report and bring recommendations for action to the 1971 General Board.

The committee to study the report of the Commission on Ministerial Pensions and Retirement met four times and brought its report to the General Board in January 1971. Their report recommended a "defined benefit" plan called the "Basic" Pension Plan. Monthly retirement benefits were to be determined by the years of active service in the Church of the Nazarene since 1908 even though this would create an immediate unfunded liability. Assuming adoption by the General Board and the concurring vote of each of the district assemblies to participate by raising their pension apportionment for this purpose, the plan proposed to begin paying benefits to retirees in April of 1971. The plan was adopted and the first benefit checks were mailed on schedule.

In the first nine months, almost 500 people were enrolled in the "Basic" Pension Plan. This, combined with the still operational benevolence roll, meant that over 1,000 people were receiving monthly checks. While the pension list was
growing, U.S. districts and their local churches were making this success possible by paying their increased apportionments for the Pensions and Benevolence Fund. By June 1972, plans already were being made to raise the benefit formula from the initial $2.00 to $2.50 per month per credited service year. This was to be the first of a series of raises made possible by district and local church financial support.

The start of the "Basic" Pension Plan, based on years of service and funded through contributions to the Pensions and Benefits Fund, as it is called today, put one more important piece in place for the Nazarene Minister's Retirement Income Plan. It provided a "basic safety net" benefit--a minimum level of retirement income to all Nazarene ministers on participating districts--based upon years of service rather than economic means. Since the Church of the Nazarene had such a large percentage of small churches, this plan was vital.

The teamwork of all the churches participating in the Pensions and Benefits Fund was a key element in its success. Funding a pension plan has always proven to be an ongoing challenge because such plans depend upon building up substantial reserves in order to guarantee that the pensions promised would always be paid. It was hoped that full funding of the liability for crediting years of service back to 1908 would be accomplished in about 20 years. Paying into the reserve to "fund" the plan is comparable to paying off a large mortgage for all those past years of service liability. However, significant progress has been made to date.

Since 1971, when it went into effect, more than 30 improvements have been made in the "Basic" Pension Plan making it more beneficial and inclusive (see Appendix D for a listing). For example, persons previously on the Benevolence Roll began receiving a regular pension in 1974; the "Basic" Pension Plan policy was codified into a Plan Document in 1980 providing for a 100 percent non-forfeitable pension to all vested participants; service years required for vesting were lowered from 20 to 10; lay church employees, having recognized district credentials and district roles, and who were earning their full livelihood by such ministry, became eligible for coverage; a 100% survivor's option was added; retirement at age 62 became possible; maximum benefits increased steadily; and in the mid-1980's, when the investment climate was particularly favorable, "thirteenth" and even "fourteenth month" bonus checks were issued.
"Basic" Pension Benefit Increases
1971-1992

<table>
<thead>
<tr>
<th>Time Period</th>
<th>Base Formula</th>
</tr>
</thead>
<tbody>
<tr>
<td>April 1971 to October 1972</td>
<td>$2.00</td>
</tr>
<tr>
<td>October 1972 to April 1974</td>
<td>$2.50</td>
</tr>
<tr>
<td>April 1974 to October 1975</td>
<td>$3.00</td>
</tr>
<tr>
<td>October 1975 to April 1977</td>
<td>$3.50</td>
</tr>
<tr>
<td>April 1977 to October 1978</td>
<td>$4.00</td>
</tr>
<tr>
<td>October 1978 to April 1980</td>
<td>$4.50</td>
</tr>
<tr>
<td>April 1980 through December 1982</td>
<td>$5.00</td>
</tr>
<tr>
<td>1983 through 1984</td>
<td>$5.00                             plus &quot;13th month&quot; check</td>
</tr>
<tr>
<td>1985 through 1988</td>
<td>$5.00                             plus &quot;13th month&quot; check plus &quot;14th month&quot; check</td>
</tr>
<tr>
<td>January 1989 to April 1989</td>
<td>$5.00</td>
</tr>
<tr>
<td>April 1989 through December 1991</td>
<td>$6.00</td>
</tr>
<tr>
<td>1992</td>
<td>$6.00                             plus &quot;13th month&quot; check</td>
</tr>
</tbody>
</table>

During 1992, nearly 3,900 retirees and widowed spouses were served by the "Basic" Pension Plan and total benefit payments exceeded $7.5 million for the year. During the 1989-92 quadrennium, over $25 million in benefits were paid to "Basic" Pension Plan recipients. Since 1971, and through the first part of 1993, the accumulative amount of pensions paid to "Basic" Pension recipients passed the $75 million mark.

Servants of the Church
Following the 1971 inauguration of the "Basic" Pension Plan, the church did not fold its hands to rest. The concern for the well-being of the servants of the church continued and so did "studies" and "actions" in hopes of making further progress.

In 1971, a retirement plan for missionaries of the General Board was established. It was a "defined benefit" plan similar to the "Basic" Pension Plan.
By vote of the General Board in 1972, the Department of Ministerial Benevolence became the Department of Pensions and Benevolence and, in 1980, it was renamed Pensions and Benefits Services. These changes acknowledged the shift away from benevolence toward pensions, and also recognized the importance of other employee-benefit type programs. In 1985, it was renamed again to Pensions and Benefits Services USA. The Board of Pensions also changed its name to the Board of Pensions and Benefits USA. In addition to its work in the United States, the Pensions office, under the new work of Pensions and Benefits--International, began to provide consulting services to pension and benefits plans in other countries and world areas of the International Church of the Nazarene. These three changes in 1985 reflected the growing awareness of the internationalization of the church.

The early years of the 1980's were characterized by many studies done by several different groups while the General Church tried to work its way through the restructure of the General Board Departments and General Church offices.

In January 1981, a pension review meeting was held with outside professional consultants and that February, the Finance Department of the General Board asked that a study be made of the four U.S. pension plans being administered at the General Church level. These plans included the General Superintendents and Directors Pension Plan, the Employee Pension Plan, the Missionary Pension Plan, and the "Basic" Pension Plan. It was hoped that some or all of the plans could be merged, or at least that their administration could be combined into one area of responsibility. In December of that same year, the Finance Committee established a committee to study the issue of pensions, particularly the administration of the Missionary Pension Plan.

The Board of Pensions reported in 1982 on a Consultation of Pensions held that January. Included was a report titled "Pension Study Report: Pre-Feasibility Study Information." This information related to the integration and structure of the pension plans administered by the Church of the Nazarene.

In 1983, a special Subcommittee on Pension Policy and Integration was asked to study the need for a new pension plan based on the "defined contribution" concept. This had the potential of replacing the "Basic" Pension Plan which was based on the "defined benefit" concept.

In conjunction with the Evangelism Conferences in 1984, this subgroup held Pension Policy Symposiums with selected district superintendents and pastors in order to gain perspective on the pension needs of ministers. In these
grassroots meetings, strong expressions came from the pastors and district leaders that, in whatever pension plan was designed, some means of protection or a "floor" plan like the "Basic" Pension Plan must be provided for pastors of small churches.

The same year, the General Board Executive Committee requested that the Board of General Superintendents appoint a committee to study all of the church's pension plans with the purpose of proposing one unified and uniform pension plan. Initially, it was hoped that the report could be submitted in February, 1986.

In 1987, General Board action merged the General Superintendent's and Director's Pension Plan with the Employee Pension Plan. The Board of Pensions was assigned the Trustee function for the new General Church Pension Plan. The plan covered employees of Headquarters, Nazarene Publishing House, Nazarene Theological Seminary, and the Nazarene Bible College. The Board of Pensions also was given the trustee function for the World Mission Pension Plan. At the same time, the Board of Pensions asked the Board of General Superintendents to appoint a Pension Study Commission (1987-88) to study the future of the "Basic" Pension Plan and the other pension and benefit plans available to Nazarene ministers and church employees in the United States. This commission was appointed and began its review.

Meanwhile, the General Board established a separate Commission under Pensions and Benefits--International to look at the matter of pensions on regular districts in other countries and world areas. In 1991, the International Contributory Retirement Plan was developed and implemented. To date, three regions have signed the documents to allow their national pastors and church workers to participate in this "defined contribution" pension plan.

**Four Essential Sources**

The Pension Study Commission of 1987-88 conducted research, surveyed church leadership, and held 8 pre-PALCON meetings. It prepared its specific recommendations in consultation with the Board of General Superintendents. Most of these recommendations were adopted and implemented by April 1989.

Among the adopted recommendations of the Pension Study Commission of 1987-88 were the following:

"That the "Basic" Pension Plan be immediately amended to meet the requirements of a pre-ERISA qualified church plan (IRC Section 401(a)) to avoid serious tax consequences due to recent tax law changes. This
action will require the establishment of a trust for the pension assets.”

That after reviewing numerous options, as well as input from both district superintendents and general superintendents . . ., the commission recommends that the most viable option is to continue the "Basic" Pension Plan on its course toward full funding and that the Board of Pensions and Benefits USA consider increases in benefits commensurate with the additional funding received.

That in light of the continuation of the "Basic" Pension Plan beyond its original 20-year goal, as established in 1971, the Board of Pensions and Benefits USA move to prudently increase benefits even though this will increase current unfunded liabilities. Further, the Board should consider a restructuring of the benefit formula to give greater recognition to longer tenures of service.

That the Board of Pensions and Benefits USA should have a membership based on U.S. regional representation with one representative from each U.S. region plus one member at large.

That the Board of Pensions and Benefits USA implement changes in its philosophy, literature, and advertising to return to the concept that the TSA plan is "The Nazarene Retirement Plan" and that the "Basic" Pension Plan is a minimum pension or safety net plan.”

Another direct result of the Pension Study Commission's work was the graphic explanation of the "four essential sources" for the Nazarene Minister's Retirement Income Plan. The Commission felt that, in order to be
adequate, the Nazarene Minister's Retirement Income Plan must have four essential sources. The government's plan of Social Security remained foundational for U.S. Nazarene ministers. The denomination's "Basic" Pension Plan was needed as a base or "floor" on which to build. The third essential was the Nazarene TSA Plan which every local church should use to help its minister build an adequate retirement income. Ministers themselves should try to provide the fourth through personal savings and investments.

It also was believed that laypersons in the local church were essential to the success of this integrated plan. The pages of the *Herald of Holiness* were used to suggest four actions that a layperson could take.

1. First and foremost, you can make sure that an adequate salary is provided for your minister. A salary should be large enough so the minister has some discretionary funds to invest in his or her own retirement security. Since future retirement income is primarily today's compensation deferred for future needs, an adequate current salary is vitally important.

2. You can encourage your local church to continue to pay an allowance to your minister for Social Security taxes. Although an employee of your local church, your pastor is required to pay Social Security at the self-employment rate, according to current tax laws. Virtually all Nazarene churches do assist with this tax liability.

3. You can help make the Nazarene Minister's Retirement Income Plan work by advocating that your local church make regular payments to your minister's Nazarene Tax-Sheltered Annuity account.

4. You are the key to making sure that your local church participates fully in the Pensions and Benefits Fund. This fund is building reserves for future retirement payments based on past and present years of service.

Today's program to meet the retirement needs of Nazarene ministers is a product of many years of development. As an integrated program of four retirement income sources, the pieces fit. If a minister and his local church only utilize one or two of the Four Essential Sources, most likely retirement income will be inadequate. However, if three or four can be coordinated, most likely the minister will be pleasantly surprised at the adequacy of retirement income. The teamwork of ministers, local church boards, lay church leaders, U.S. districts, and the Pensions office has and will continue to make the difference.
Chapter 7 - "Honoring the Trust Serving Those Who Serve"

Most members of the Pension roll began their ministry with no thought of receiving a church pension. They worked faithfully and gave sacrificially. Their trust was in the future of a church that proclaimed Christian holiness, and in the God they knew to meet individual needs.

These words have been used frequently by the Board of Pensions. They are an attempt to explain the importance that contributions to the Pensions and Benefits Fund make in fulfilling the two mottos of pensions and benefits work—"Honoring the Trust" and "Serving Those Who Serve." No understanding of the pension program today and no projection into the future is adequate without understanding this statement and its relationship to the two mottos which it supports.

"Honoring the Trust"
That Nazarene ministers have placed their trust in the future of a church that proclaims Christian holiness is significant. A God who provides for human need and a holy body of believers who are willing to become His instruments are a trustworthy combination.

In 1982, The Daily News of Johnson County, KS, a suburban Kansas City newspaper, ran a ten-part series about the Nazarenes and their influence in the community. In one of the articles, Randy Attwood, managing editor, attempted to explain the people called Nazarenes to his diverse readership. "There can be no understanding of the Nazarene church without an understanding of the word 'holiness,' its meaning for the Nazarene, and indeed, its place in the history of America." Perceptively, he wrote, "The word 'holiness' has such importance for the Nazarene church that a quick definition runs the risk of being oversimplified; a detailed definition runs the risk of diffusing its power."¹

For 85 years, Nazarenes have lived at the focal point of both approaches to defining Christian holiness. Scholars have given the detailed definition that assures theological integrity of the Biblical teaching and the living experience of thousands of individual Christians has kept the power intact. The result has been an overwhelmingly optimistic faith that says the body of Christ can achieve anything in God's will, including the provision of an adequate retirement income for the servants of the church.

"Serving Those Who Serve"
The motto "Serving Those Who Serve" focuses on benefits and services provided to ministers. This includes not only those who already are retired but, particularly, those who are still active. "The 1993 Plan" for the Board of Pensions and Benefits USA contains the following mission statement.

"The Mission of the Board of Pensions and Benefits USA/Pensions and Benefits Services USA is to support the Mission of the Church of the Nazarene to "advance God's Kingdom by the preservation and propagation of Christian holiness as set forth in the Scriptures" by providing support services to U.S. Nazarene churches, districts, schools, colleges, etc., as well as individual ministers, evangelists, and church-employed laymen, which will assist them in providing employee benefits by means of maximizing group purchasing power and experience while minimizing the overhead of providing such benefits, which will in turn enable the servants of the church to concentrate on accomplishing the spiritual goals."²

With this mission in mind, employee-benefit type plans have been designed to provide temporal security. Other services offered through the Pensions office are intended to make life and ministry easier. As late as 1955, when Dean Wessels came to Kansas City to direct the pensions and benefits work, the Basic Group Term Life Insurance plan was virtually the only benefit plan there was. However, under his leadership and following in relatively rapid succession came such programs as funeral assistance, supplemental life insurance, double coverage life insurance, disability insurance, medical insurance, dental insurance, and tax-help services, to mention just a few (see Appendix G for a more-detailed listing). Each was designed specifically to meet the unique but important needs of the servants of the church.

**Hallmark of Holiness**

Bringing God's will into daily practice is a hallmark of holiness. In a compendium of holiness sermons by the General Superintendents in the Church of the Nazarene (1985-1989) titled *Sanctify Them ... That the World May Know*, Dr. Raymond W. Hurn noted, "Holiness is the one single word that best describes the meaning of the apostle's phrase, 'walking in the light.' It is living a life that is in sympathy with holiness. But more than that, it is a walk that creates within us a heart that beats in total harmony with the light of God. The life becomes the practice of holiness. Inward principles and beliefs are expressed in outward behavior."³
Backed by that kind of achieving faith, the knowledge of a need becomes the mandate to see that the need is met. The servants of the church deserve and need appropriate benefit plans and the assurance of an adequately funded retirement income.

Along with a host of significant leaders in pensions work in its 75-year history, there have been only 3 directors of Pensions and Benefits Services--E. J. Fleming (1919-1940), M. Lunn (1940-1956), and Dean Wessels (1956-1993). They all have shared the passion, integrity, and faith needed to see dreams become reality.

Not only is there a trust to be honored, but the mandate to serve those who have committed their lives to service is deeply felt among Nazarenes. Over 12,000 persons are ministering to Nazarene churches in positions covered by pension and other employee-benefit type plans administered through the Pensions office. Their service credits are building up steadily toward the day when they too will be "retired." Present day Nazarenes provide the means by which God will honor this trust in the years ahead.
Epilogue

As the 75-year history of pensions work shows, the Church of the Nazarene never rests on its laurels. A strong desire to care for its servants motivates it to continue to improve the retirement and benefit plans it provides. Furthermore, it recognizes that social and economic conditions are never static. The church has a responsibility to respond to changing conditions and to adjust to current needs.

A new Commission to Study Church-Related Pension Plans (1989-93) was established by the 1989 General Assembly. Its purpose was to study church related pension plans and to bring recommendations to the 1993 General Assembly "with the goal of harmonizing and equalizing where feasible all pension plans that come under the authority of the General Board." Following in the tradition of their predecessors, the members of this commission dedicated themselves to doing their best with God’s help to bring a report for the good of the church and its servants.

After serving the pensions and benefits work for nearly 38 years, Dean Wessels announced his intention to retire. In a statement to all ministers in the April 1993 issue of P&B News Notes he said,

"My retirement time is approaching. . . . It has been a blessing to serve with many gifted, gracious, and Godly leaders over the years. It is through such individuals that God has chosen to guide His church, and it works! Also, I am most indebted to the many who have prayed faithfully for and inspired me in this ministry. . . . And now for Pensions and Benefits USA, it is time for "change," "new," and "improved." And for me, the days of transition to retirement are unfolding. It is a bittersweet time. It is a time impossible to understand fully until one experiences it personally. Most of all, it is a time once again to reaffirm the great faithfulness of God. He has lead each step thus far. There is no fear of following where He continues to lead."²

With another commission report calling for new decisions and with another transition in leadership, tomorrow will bring a new chapter in the history of the work of pensions and benefits. The church can be confident that wherever God
leads, the future is bright. And of course, our *best* retirement benefits are still "out of this world!"
Notes

Chapter 1
5. Staff writer, "The President Here An Hour," *Kansas City Times*, September 27, 1919, 1.
7. Staff writer, "Rioting At Omaha," *Kansas City Times*, September 29, 1919, 1.
10. Ibid.
12. Ibid.
15. Ibid.
20. Cf. various letters between E. J. Fleming and George Huggins spanning several years. Fleming correspondence, Nazarene Archives, Kansas City, Missouri.
22. Ibid.
24. Ibid.
25. Ibid.
27. Ibid.

**Chapter 2**

3. Advertisement under Publisher's Notes, "Bookkeeper Wanted," *Herald of Holiness*, May 21, 1913, 16.
4. Hinshaw manuscript.
9. Private mailing in honor of the 100th anniversary of M. Lunn's birthday. Lunn file, Nazarene Archives, Kansas City, Missouri.
10. Ibid.
11. Ibid.


Chapter 3
2. Ibid., 143.3, 83-84.
4. Ibid.
5. Ibid.
7. E. J. Fleming, "A Live Faith: The Minister's Call, His Field, His Work, His Consecration, His Old Age." Undated brochure, Fleming Correspondence, Nazarene Archives, Kansas City, Missouri.

Chapter 4
3. Ibid., 87.
5. E. J. Fleming, "Discussion, Committee on Relief and Pensions, April 11, 1939." Fleming correspondence, Nazarene Archives, Kansas City, Missouri.

Chapter 5
2. Dean Wessels, interview by members of the Pensions office staff. Transcript from the tape recording, Pensions office files, Kansas City, Missouri, October 25, 1991.
6. Ibid., 124.
7. Ibid.
8. Dean Wessels, "Annual Report to the Board of Pensions and Benefits USA" as recorded in the minutes of the "Board of Pensions and Benefits USA: Meeting No. 1," in *Proceedings of the General Board of the Church of the Nazarene and Its Departments* containing records of the meeting held February 20-23, 1987 (Kansas City: General Headquarters of the Church of the Nazarene, 1987), 64-65.

**Chapter 6**

1. Report on "Ministerial Benevolence" in *Proceedings of the General Board of the Church of the Nazarene And Its Departments* containing records of the meeting held January 9-12, 1959 (Kansas City: General Headquarters of the Church of the Nazarene, 1959), 84.
3. "Report of the Pension Study Commission" as recorded in the minutes of the "Board of Pensions and Benefits USA: Meeting No. 1," in *Proceedings of the General Board of the Church of the Nazarene And Its Departments* containing records of meetings held February 27-28, 1989 (Kansas City: General Headquarters of the Church of the Nazarene, 1989), 85-86.
Chapter 7
2. "The 1993 Plan, Board of Pensions and Benefits USA/Pensions and Benefits Services USA," Pensions office files, Kansas City, Missouri.

Epilogue
2. Dean Wessels, open letter announcing his impending retirement, P&B News Notes, April 1993, 1.
Appendix A - The Department of Pensions History of Membership

General Board of Ministerial Relief (1919-1923)

E. J. Fleming

Executive Secretary 1919-1940

1919-1923
F. M. Messenger (President)
C. E. West (1st Vice-President) (Resigned to be a missionary)
David Anderson (2nd Vice-President)
A. H. Kauffman (Secretary/Treasurer 1919-20) (Resigned 1920)
E. J. Fleming (Secretary/Treasurer 1920-23)
C. L. Bradley (Appointed vs. A. H. Kauffman)
M. Lunn (Appointed vs. C. E. West)

1923-1928
Same members as at end of prior quadrennium. This Board not included in General Board by General Assembly 1923. David Anderson listed as Vice-President.

Department of Ministerial Relief (1923-1948)

On December 12, 1923, at the meeting of the General Board, the General Board of Ministerial Relief requested to become a Department of the General Board and agreed to "transfer all activities to the General Board." The request was accepted and members assigned:
F. M. Messenger (President)
E. J. Fleming (Secretary)
J. W. Short (Treasurer 1923-26)
M. Lunn (Added 1926) (Treasurer 1926-28)

1928-1932
E. L. Hawkes (Chairman) (Resigned 1929)
J. A. Dolson (Elected vs. E. L. Hawkes) (Chairman 1929-31)
C. H. Griswold (Chairman 1932)
S. E. Slocum (Vice-Chairman 1928-31)
Tim Moore (Elected vs. John T. Benson) (Vice-Chairman 1932)
Harry M. Messenger (Finance Committee)(Rec. Secretary 1928-31)
Kenneth R. Hunt (Rec. Secretary 1932)
John T. Benson (Deceased 1931)

1932-1936
C. B. Widmeyer (Chairman)
S. W. True (Vice-Chairman)
J. W. Felmlee (Rec. Secretary)
E. S. Carman (Finance Committee)
Orval J. Nease
G. B. Williamson

1936-1940
C. B. Widemeyer (Chairman)
C. E. Hardy (Vice-Chairman)
Grover Van Duyn (Rec. Secretary)(Resigned 1937)
T. W. Willingham (Elected 1937)(Rec. Secretary 1937-40)
E. S. Carman (Finance Committee)
C. Warren Jones (Elected 1937. Later elected Mission Secretary and resigned.)
S. W. True (Resigned 1937)
Samuel Young (Elected 1937 vs. C. Warren Jones)

M. Lunn

Executive Secretary 1940-1956

1940-1944
C. B. Widmeyer (Chairman)
C. E. Hardy (Vice-Chairman)
C. E. Thomson (Rec. Secretary)
E. S. Carman (Finance Committee)
J. B. Deisenroth (Added 1941)
George Frame (Added 1941)

1944-1948
D. I. Vanderpool (Chairman)
E. S. Carman (Vice-Chairman)
J. W. Moore (Rec. Secretary)
J. B. Deisenroth (Finance Committee)

Department of Ministerial Benevolence
(1948-1972)
(used since 1946 but official at General Assembly 1948)

**1948-1952**
J. W. Moore (Vice-Chairman 1948-49)(Chairman 1950-52)
J. B. Deisenroth (Vice-Chairman 1950-52)
George Frame (Rec. Secretary 1948-52)
Edward Lawlor (Rec. Secretary 1948-52)
E. D. Simpson (Finance Committee 1950-52)
Ray Hance
Arthur Morgan (Elected 1949 vs. D. I. Vanderpool)
Grover Van Duyn

**1952-1956**
A. E. Sanner (Chairman)
B. V. Seals (Vice-Chairman)
Harlan Heinmiller (Rec. Secretary)
John L. Knight (Finance Committee)
Harry Craddock
J. B. Deisenroth
George Frame
E. E. Grosse
Morris Davis (Elected 1955 vs. Grover Van Duyn)
Grover Van Duyn (Deceased after 1954 meeting)

**Dean Wessels**
Executive Secretary of the Department 1956-1977

**1956-1960**
Harlan Heinmiller (Chairman)
Charles E. Oney (Vice-Chairman)
E. W. Snowbarger (Rec. Secretary 1956)(Assigned to Education 1957)
Fred Hawk (Elected vs. Don J. Gibson 1958, Seated 1959)(Rec. Secretary 1959-60)
John S. Carlson, Sr. (Finance Committee)
P. J. Bartram
John T. Benson, Jr.
Lawrence Crawford (Assigned Jan. 1957)
Morris Davis (Assigned Jan. 1957)
Kenneth Olsen
B. V. Seals (Assigned 1957)

1960-1964
Harlan Heinmiller (Chairman 1960-62)(Finance Committee 1962-64)
E. E. Grosse (Vice-Chairman 1960-62)(Chairman 1962-64)
L. W. Durkee (Vice-Chairman 1962-64)
L. Guy Nees (Rec. Secretary)
Morris D. Wilson (Finance Committee 1962)
John T. Benson, Jr.
Lawrence Crawford
Bert Daniels (Elected 1961 vs. Leonard Spangenberg, Seated 1962)(Resigned 1964)
Ray Hance
Vernon Lunn
Kenneth Olsen
Robert F. Woods (Elected 1964 vs. Bert Daniels, Seated 1964)

1964-1968
W. D. McGraw (Chairman)
Morris Wilson (Vice-Chairman)
Ponder Gilliland (Rec. Secretary)
Harlan Heinmiller (Finance Committee)
John T. Benson, Jr.
John Hancock
Vernon Lunn (Resigned, changed zones 1967)
Paul Macrory (vs. Vernon Lunn 1967, effective 1968)
Kenneth Olsen
E. W. Snowbarger
Leonard Spangenberg
E. H. Steenbergen

1968-1972
W. D. McGraw (Chairman 1968-71)(Resigned 1971)
Raymond Kratzer (Beginning 1971)(Chairman 1971-72)
Morris E. Wilson (Vice-Chairman)
H. Harvey Hendershot (Rec. Secretary 1968-71)(Resigned 1971)
John Bundy (Rec. Secretary 1971-72)
Harlan Heinmiller (Finance Committee)
D. A. Diehl
Harvey S. Galloway (Beginning 1971)
Glenn McArthur
Kenneth Olsen
Herman L. G. Smith

Department of Pensions and Benevolence (1972- 1980)

1972-1976
A. Milton Smith (Chairman 1972-75)(Resigned January 1975)
M. Harold Daniels (Chairman 1975-76)
E. E. Zachary (Vice-Chairman)
Morris E. Wilson (Rec. Secretary)
Vernon Lunn (Finance Committee)
Homer Adams
H. Harvey Hendershot (Beginning January 1975)
J. E. Johnston (Beginning January 1974)
Blaine Proffitt
Bob Smee
Gordon Wetmore

June 25, 1976 - January 1977
M. Harold Daniels (Chairman)
H. Harvey Hendershot (Vice-Chairman)
Morris Wilson (Rec. Secretary)
Vernon Lunn (Finance Committee)
Homer Adams
Blaine Proffitt
Juan Madrid
Dallas Moore
Gerald Oliver
Bob Smee
Gordon Wetmore

Dean Wessels
Executive Director of the Department (1977-1981)
1977-1980
M. Harold Daniels (Chairman)
Homer Adams (Vice-Chairman 1977-80)(Resigned 1980--President of TNC)
Charles Muxworthy (Added 1979)(Vice-Chairman 1980)
Gordon Wetmore (Rec. Secretary)
Vernon Lunn (Finance Committee)
Howard Hamlin
H. Harvey Hendershot
Neil Hightower
Juan Madrid
Odie Page (Replaced Homer Adams 1980)

Department of Pensions and Benefits (1980)
1980-1981
W. M. Lynch (Chairman)
Vernon Lunn (Vice Chairman)
Gordon Wetmore (Rec. Secretary)
Dudley Powers (Finance Committee Member)
Talmadge Johnson
Neil S. McKay
Charles Muxworthy
Odie Page
L. Thomas Skidmore

Dean Wessels
Director of Pensions and Benefits Services (1981-1985)

Dean Wessels
Director of Pensions and Benefits Services USA (1985-1993)

The restructure of February 1981, organized the work of Headquarters into five Divisions. The new name of "Pensions and Benefits Services" was assigned as a subdivision of the Finance Division. Dean Wessels' title was changed to Director of Pensions and Benefits Services. (In 1985, the name was changed to Pensions and Benefits Services USA.) The General Board Departments were also reorganized February 1981 and grouped into "Committees of the General Board." Therefore, the old Department of Pensions and Benefits along with other finance related departments of the General Board were grouped together into the Finance Committee of the General Board. (The name was changed in 1982 to Finance Department of the General Board.)
The work of **Pensions and Benefits--International** was created as a part of the restructure taking place during this quinquennium. It was made a part of the Division of Finance and Dean Wessels was asked to lead its work as assistant to the Finance Division Director.

**Finance Committee of the General Board (1981)**
**Finance Department of the General Board (1982- 1989)**

**1981-1985**
Ponder Gilliland (Chairman 1981-85)
Robert Wilfong (Vice-Chairman 1981-85)
Gordon Wetmore (Rec. Secretary 1981-83)(Resigned August 1983--President NNC)
W. M. Lynch (Rec. Secretary 1984-85)
Robert Collier (Beginning Fall 1982, replacing R. D. Rimington)
Talmadge Johnson
Herb Ketterting (Beginning 1984, replacing Gordon Wetmore)
Vernon Lunn
Neil S. McKay
Charles Muxworthy (Resigned February 1981--D.S. of Canada Pacific)
Odie Page
Dudley Powers
Robert D. Rimington (Beginning February 1981, replacing Charles Muxworthy)(Resigned Fall 1982 to become Administrator of the Canadian Executive Board, which he held until 1984)
L. Thomas Skidmore

**1985-1989**
Ponder Gilliland (Chairman 1985)(Resigned Fall 1985--President BNC)
Vernon Lunn (Vice-Chairman 1985)(Chairman 1986-1989)
Ron Mercer (Vice-Chairman 1986-1989)
Homer Adams (Secretary/Treasurer)
Mannfred Dannewitz
John Dickey
Jim Diehl (Resigned 1985, changed zones)
Richard Jones
David McClung
Melvin McCullough (Appointed/elected 1986 to replace Eugene Sanders)
Odie Page
Robert D. Rimington
Eugene Sanders (Beginning 1986, replacing Ponder Gilliland)(Resigned October
1986 to become D.S. in North Arkansas)
Forrest Whitlatch (Beginning 1986, replacing Jim Diehl)

**NOTE: 1980-1989**--The Board of Pensions and Benefits USA membership has been comprised of most of the Finance Department members, therefore, all Pensions business has been conducted by the Board of Pensions and "approved" by the Finance Department. (Hereafter, refer to official Board of Pensions membership list.)
Appendix B - The Board of Pensions History of Membership

E. J. Fleming
The Board of Pensions was created and incorporated in 1952 by the General Assembly for the purpose of establishing and carrying forward a contributory pension plan for ministers of the Church of the Nazarene.

T. W. Willingham
Executive Secretary of the Board of Pensions 1952-1960
1952-1956
- T. W. Willingham (Temporary Chairman)(Executive Secretary)
- John Stockton (Secretary)
- W. E. Albea
- Harry Craddock
- O. J. Finch
- Paul Little
- I. C. Mathis
- Leonard Spangenberg
- John Wordsworth
- M. Lunn (Non-member serving as Treasurer)
1956-1960
- T. W. Willingham (Chairman)
- John Stockton
- W. E. Albea
- Harry Craddock
- O. J. Finch
- Paul Little
- I. C. Mathis
- Leonard Spangenberg
- John Wordsworth

Dean Wessels
Executive Secretary of the Board of Pensions 1960-1977
1960-1964
- T. W. Willingham (Chairman)
- John Stockton
- Harry Craddock
- Oscar J. Finch
- Paul F. Little
- I. C. Mathis
- Leonard Spangenberg
- Otto Stucki
- John Wordsworth

**1964-1968**
- T. W. Willingham (Chairman)
- I.C. Mathis (Vice-Chairman)
- John Stockton (Secretary/Treasurer)
- Harry Craddock
- Oscar J. Finch
- Paul F. Little
- Leonard Spangenberg
- Otto Stucki
- John Wordsworth

1968-1972

- T. W. Willingham (Chairman)
- John Stockton (Secretary/Treasurer)
- Harry Craddock
- Oscar J. Finch
- Paul F. Little
- I. C. Mathis
- Otto Stucki
- John Wordsworth

Beginning in 1973, the Board of Pensions was nominated by the Board of General Superintendents and elected by the General Board.

February 22, 1973-June 27, 1977
- Gordon Olsen (Chairman)
- L. S. Oliver (Vice-Chairman)
- James Morsch (Secretary/Treasurer)
- James Shaw (Executive Committee member)
- Chesley Lewis (Elected July 20, 1973, replacing J. Wesley Mieras)
- M. A. Lunn
- J. Wesley Mieras (Deceased Summer 1973)
- Norman O. Miller

**Dean Wessels**
Executive Director of the Board of Pensions 1977-1981

June 27, 1977-1980
- Howard Hamlin (Chairman)
- Bill Burch (Vice-Chairman)
• Chesley Lewis (Secretary/Treasurer)
• M. Harold Daniels
• Ralph Hodges
• Ronald Mercer
• Richard Schubert
• Bill Sullivan
• Gordon Wetmore

**Dean Wessels**
Administrator of the Board of Pensions 1981-1989

**1980-1985**
In 1981, the Finance Committee officers served as officers for the Board of Pensions also.

• W. M. Lynch (Chairman 1980)(Secretary/Treasurer 1984-85)
• Robert Wilfong (Vice-Chairman)
• Gordon Wetmore (Secretary/Treasurer 1981-83)(Resigned Fall 1983--President of NNC)
• Dudley Powers (Executive Committee member)
• Ponder Gilliland (Non-member serving as chairman 1981-85)(Elected to the board in January, 1984, replacing Gordon Wetmore)
• Talmadge Johnson
• Vernon Lunn
• Neil S. McKay
• Odie Page
• L. Thomas Skidmore

**Board of Pensions and Benefits USA**
1985-1989

• Ponder Gilliland (Chairman 1985)(Resigned Fall 1985--President BNC)
• Vernon Lunn (Vice-Chairman 1985)(Chairman 1986-1989)
• Ron Mercer (Vice-Chairman 1986-1989)
• Homer Adams (Secretary/Treasurer)
• John Q. Dickey (Executive Committee member)
• Jim Diehl (Resigned 1985, changed zones)
• Richard Jones
• David McClung
• Melvin McCullough (Appointed/elected 1986 to replace Eugene Sanders)
• Odie Page
• Eugene Sanders (Appointed 1986 to replace Ponder Gilliland)(Resigned 10-86 to become D.S. in North Arkansas)
• Forrest Whitlatch (Appointed 1986 to replace Jim Diehl)
**Dean Wessels**  
Director of the Board of Pensions 1989-1993

### 1990-1993

<table>
<thead>
<tr>
<th>Region</th>
<th>Position</th>
<th>Name</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>E. Cent.</td>
<td>L, Vice-Chairman</td>
<td>John Q. Dickey</td>
<td></td>
</tr>
<tr>
<td>L</td>
<td></td>
<td>James Couchenour</td>
<td>(Resigned 2-91)</td>
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<tr>
<td>M</td>
<td></td>
<td>Carlton D. Hansen</td>
<td>(Elected 6-91)</td>
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<tr>
<td>East</td>
<td>M</td>
<td>Clarence Jacobs</td>
<td></td>
</tr>
<tr>
<td>N. Cent.</td>
<td>M</td>
<td>Hiram E. Sanders</td>
<td>(Sec./Treas.)</td>
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<tr>
<td>NW</td>
<td>L</td>
<td>Robert Moench</td>
<td></td>
</tr>
<tr>
<td>SE</td>
<td>M</td>
<td>James Bearden</td>
<td></td>
</tr>
<tr>
<td>SW</td>
<td>L</td>
<td>Robert Parker</td>
<td></td>
</tr>
<tr>
<td>At Large</td>
<td>L</td>
<td>Leon D. Doane(^3)</td>
<td>(Chairman)</td>
</tr>
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</table>

\(^1\)Region represented  
\(^2\)L = layman; M = minister  
\(^3\)Deceased April 1993

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### General Superintendents and Pensions Directors

**General Superintendents:**

<table>
<thead>
<tr>
<th>Name</th>
<th>Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phineas F. Bresee</td>
<td>1907-15</td>
</tr>
<tr>
<td>Hiram F. Reynolds</td>
<td>1907-32</td>
</tr>
<tr>
<td>Edgar P. Ellyson</td>
<td>1908-11</td>
</tr>
<tr>
<td>E. F. Walker</td>
<td>1911-18</td>
</tr>
<tr>
<td>William C. Wilson</td>
<td>1915-15</td>
</tr>
<tr>
<td>John W. Goodwin</td>
<td>1916-40</td>
</tr>
<tr>
<td>Roy T. Williams, Sr.</td>
<td>1916-46</td>
</tr>
<tr>
<td>James B. Chapman</td>
<td>1928-47</td>
</tr>
<tr>
<td>Joseph G. Morrison</td>
<td>1936-39</td>
</tr>
<tr>
<td>Howard V. Miller</td>
<td>1940-48</td>
</tr>
<tr>
<td>Orval J. Nease</td>
<td>1940-44 &amp; 1948-50</td>
</tr>
<tr>
<td>Hardy C. Powers</td>
<td>1944-68</td>
</tr>
<tr>
<td>Gideon B. Williamson</td>
<td>1946-68</td>
</tr>
<tr>
<td>Samuel Young</td>
<td>1948-72</td>
</tr>
<tr>
<td>Daniel I. Vanderpool</td>
<td>1949-64</td>
</tr>
<tr>
<td>Hugh C. Benner</td>
<td>1952-68</td>
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<td>V. H. Lewis</td>
<td>1960-85</td>
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<td>George Coulter</td>
<td>1964-80</td>
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<td>Edward Lawlor</td>
<td>1968-76</td>
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<td>Eugene L. Stowe</td>
<td>1968-93</td>
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<tr>
<td>Orville W. Jenkins</td>
<td>1968-85</td>
</tr>
<tr>
<td>Name</td>
<td>Years</td>
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<tr>
<td>----------------------</td>
<td>---------</td>
</tr>
<tr>
<td>Charles H. Strickland</td>
<td>1972-88</td>
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<tr>
<td>William M. Greathouse</td>
<td>1976-89</td>
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<tr>
<td>Jerald D. Johnson</td>
<td>1980-</td>
</tr>
<tr>
<td>John A. Knight</td>
<td>1985-</td>
</tr>
<tr>
<td>Raymond W. Hurn</td>
<td>1985-93</td>
</tr>
<tr>
<td>William J. Prince</td>
<td>1989-</td>
</tr>
<tr>
<td>Donald D. Owens</td>
<td>1989-</td>
</tr>
</tbody>
</table>

**Pensions Directors:**

<table>
<thead>
<tr>
<th>Name</th>
<th>Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>E. J. Fleming</td>
<td>1919-40</td>
</tr>
<tr>
<td>M. Lunn</td>
<td>1940-56</td>
</tr>
<tr>
<td>Dean Wessels</td>
<td>1956-93</td>
</tr>
</tbody>
</table>

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Appendix D - "Basic" Pension Plan Time Line (1971-1992)

1971--"Basic" Pension inaugurated at $2.00 per month per Year of Service--maximum $80 for 40 years.

1972--"Basic" Pension increase from $2.00 to $2.50 per month per Year of Service--maximum $100 for 40 years.

1974--"Basic" Pension increases from $2.50 to $3.00 per month per Year of Service--maximum $120 for 40 years.

It was recommended and adopted that anyone on the Monthly Benevolence Roll who would benefit be transferred automatically to the "Basic" Pension beginning April 1, 1974.

1975--"Basic" Pension minimum years of full-time service reduced for eligibility, from 20 to 15 years.

"Basic" Pension increases from $3.00 to $3.50 per month per Year of Service--maximum $140 for 40 years.

1976--1,605 retired ministers and widows are served by the monthly "Basic" Pension and Benevolence checks.

1977--"Basic" Pension increased from $3.50 to $4.00 per month per Year of Service--maximum $160 for 40 years. 1,716 retired ministers and widows served.

"Basic" Disability Pension minimum Years of Service reduced from 10 years to 5 years.

Provision for full-time service as pastor or evangelist for retired minister or widow over age 70 with no reduction of "Basic" Pension.

1978--"Basic" Pension increased from $4.00 to $4.50 per month per Year of Service--maximum $180 for 40 years. 1,821 retired ministers and widows served monthly Pensions and Benevolence checks.

"Basic" Disability Pension benefits increased to allow one half Year of Service for years between date of disability and age 65.
Minimum Years of Service needed for "Basic" Pension reduced from 15 years to 10 years.

1979--Nearly 2,000 retired ministers and widows receiving over $200,000 each month in Pension benefits.

1980--The "Basic" Pension Plan Document was adopted providing a 100 percent non-forfeitable pension to all covered individuals.

"Basic" Pension increases from $4.50 to $5.00 per month per Year of Service--maximum $200 for 40 years.

The amount of "Basic" Pension designated as housing allowance for retired ministers was increased to include the first $2,400 received annually.

Lay church employees having recognized district credentials and district roll as: Commissioned Minister of Christian Education, Commissioned Song Evangelist, Commissioned Minister of Music, Consecrated Deaconess, and who are earning their full livelihood by such ministry become eligible for the "Basic" Pension Plan.

Pension applications from district-licensed ministers who are not ordained will no longer need case by case review by the Board of Pensions before the pension can be granted. Their application will be handled in the same way as ordained ministers.

1982--The Board of Pensions was assigned the responsibility for the administrative services of the missionary and denominational employee's pension plans. (Delayed)

Amendments were adopted to the "Basic" Pension Plan Document providing an individual participant in the "Basic" Pension program an election at the time of retirement as to the surviving spouse's percentage of benefit. At the time of retirement, the participant may elect: 1) the "standard" pension with 60 percent of such "standard" pension payable to a surviving spouse, age 62 or over, in the event of the participant's death, or 2) a "reduced" pension with 100 percent of such "reduced" pension payable to a surviving spouse, age 62 or over, in the event of the participant's death.
The amount of "Basic" Pension designated as housing allowance for retired ministers was changed from a fixed dollar amount to 100 percent of the pension received annually.

1983--The Administrator of the Board of Pensions was authorized to pay a "13th month" check to the members of the pension roll during October 1983. This extra month's check was given as a special bonus to commemorate the 75th anniversary of the Church of the Nazarene. The bonus was made possible due to favorable investment experience during the past year.

The Board of Pensions appointed a study group to evaluate the current pension programs and to determine need for improvements. "Grass roots" meetings will be held with church leaders and pastors for input and evaluation.

1984--The "Basic" Pension Plan was improved by increasing the maximum Years of Service permitted to be credited from 40 years to 50 years. April 1, 1984, was the effective date for the change which raised the maximum pension a minister could receive from $200 per month to $250 per month.

This also meant an increase in the maximum pension available to a widowed spouse.

After receiving an overwhelming response to the "13th month" check issued in 1983, the Board of Pensions voted to pay another "13th month" check in 1984. It was issued in October to all members who were on the "Basic" Pension Roll as of October 1, 1984.

The Board authorized its staff to study the possibility of offering an actuarially reduced pension at age 62.

1985--The "Basic" Pension Plan was modified to provide an Early Retirement Pension. This option became effective July 1, 1985, and allows a participant to apply for retirement benefits at or after age 62 with a percentage reduction in benefit for each month that the retirement precedes the participant's 65th birthday.

The Board of Pensions and Benefits USA voted to pay a "13th month" check again this year. It was mailed in June. A "14th month" check was also issued in the early part of December. The two bonus checks were possible because of two factors that occurred in 1984. The denominational payment of the Pensions and Benefits Fund in the 1983-84 assembly year was the highest denominational
average since the 1979-80 assembly year. The second factor was that during 1984, invested pension reserves received the second highest rate of return in their history.

**1986**--The Board of Pensions again paid "13th month" and "14th month" checks to those on the pension roll.

The "Basic" Pension Plan Document was amended to allow a Participant who has taken the Early Retirement Option the opportunity to again accrue Years of Service with an adjustment for the amount of time the Early Retirement Option was in effect.

**1987**--The Board of Pensions and Benefits USA paid "13th month" and "14th month" checks again.

Article IV-B was added to the "Basic" Pension Plan Document effective only in the event that the terms and provisions of Section 457 of the Internal Revenue Code of 1986 should become applicable to the "Basic" Pension Plan.

A Pension Study Commission was appointed by the Board of General Superintendents to review the need for the development of a possible new pension plan.

The "Basic" Pension Plan Document was amended to make it a qualified plan under Section 401 (a) of the Internal Revenue Code.

**1988**--The "Basic" Pension Plan Document was amended to include a standard indemnification clause.

The "Basic" Pension Plan Document was amended effective July 1, 1988, in order to provide an Early Benefit Option for a widowed spouse at age 60. The Board of Pensions and Benefits USA paid "13th month" and "14th month" checks again.

**1989**--Article 6 of the "Basic" Pension Plan Document was amended to increase the benefit formula effective April 1, 1989, from $5 to $6 per month plus an adjustment factor of 0.005 added for each year above 10 Years of Service. The "Basic" Pension Plan Document was amended as follows:

Section 1.11(a) The following sentence was added, "A Participant shall receive a full one Year of Service credit for the year in which the Participant terminates
Sections 9.5(d) and 10.1 were edited to reflect new title of director. Sections 11.3 and 11.13 were amended to make the Investment Committee of the General Board the Investment Manager of the Trust Funds.

Section 11.3 was amended again with regard to the Investment Committee powers.

1991--April 1--Participant may begin receiving a pension at a age 65 regardless of ministerial assignment.

April 11-The Plan Document was amended effective January 1, 1991, to allow for pooling of funds for investment purposes.

1992--Section 6.1 of the "Basic" Pension Plan Document was amended in order to pay a one time "13th month" bonus check in December 1992. The Board along with Canadian church leaders worked toward segregation of the Canadian Pension Plan from the "Basic" Pension Plan. The "Basic" Pension Plan Document was amended by adding Section 6.2 thereby making this segregation effective December 31, 1992.
## Appendix E - Membership of "Basic" Pension Roll (And Monthly Assistance Roll Prior to 1988) Including Years of Service

<table>
<thead>
<tr>
<th>Year</th>
<th>Number on Roll</th>
<th>Avg. Yrs. Service</th>
<th>Total Yrs. Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>1972</td>
<td>1,100</td>
<td>29</td>
<td>32,136</td>
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<td>1973</td>
<td>1,186</td>
<td>30</td>
<td>35,239</td>
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<tr>
<td>1974</td>
<td>1,266</td>
<td>30</td>
<td>37,941</td>
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<tr>
<td>1975</td>
<td>1,389</td>
<td>29</td>
<td>40,811</td>
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<tr>
<td>1976</td>
<td>1,519</td>
<td>29</td>
<td>44,276</td>
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<td>1977</td>
<td>1,626</td>
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<td>49,341</td>
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<td>1978</td>
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<td>1,813</td>
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<td>1980</td>
<td>1,971</td>
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<td>55,949</td>
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<td>2,112</td>
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<td>2,229</td>
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<td>63,868</td>
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<td>3,100</td>
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<td>1992</td>
<td>3,737</td>
<td>28</td>
<td>103,059</td>
</tr>
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</table>
## Appendix F - Nazarene TSA and IRS Plans: Accounts Opened and Deposits

<table>
<thead>
<tr>
<th>Policy Year</th>
<th>Accounts Opened</th>
<th>Annual Deposits</th>
<th>Total Deposits From Start</th>
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<tr>
<td>1964</td>
<td>56</td>
<td>$28,731.11</td>
<td>$28,731.11</td>
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<tr>
<td>1965</td>
<td>11</td>
<td>33,747.75</td>
<td>62,478.86</td>
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<tr>
<td>1966</td>
<td>9</td>
<td>50,091.40</td>
<td>112,570.26</td>
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<tr>
<td>1967</td>
<td>15</td>
<td>51,535.86</td>
<td>164,106.12</td>
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<td>1968</td>
<td>43</td>
<td>78,655.95</td>
<td>242,726.07</td>
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<td>1969</td>
<td>66</td>
<td>106,229.58</td>
<td>348,991.65</td>
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<tr>
<td>1970</td>
<td>75</td>
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<td>1971</td>
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<td>1972</td>
<td>85</td>
<td>269,832.23</td>
<td>981,932.52</td>
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<td>1973</td>
<td>133</td>
<td>369,282.59</td>
<td>1,351,215.11</td>
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<td>1974</td>
<td>112</td>
<td>482,651.66</td>
<td>1,833,866.77</td>
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<td>1975</td>
<td>128</td>
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<td>1976</td>
<td>263</td>
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<td>1977</td>
<td>353</td>
<td>1,220,366.59</td>
<td>4,506,647.98</td>
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<td>1978</td>
<td>326</td>
<td>1,483,345.39</td>
<td>5,989,993.37</td>
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<td>1979</td>
<td>200</td>
<td>1,419,290.20</td>
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<td>1980</td>
<td>257</td>
<td>2,027,317.83</td>
<td>9,436,601.40</td>
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<td>1981*</td>
<td>366</td>
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<td>1982</td>
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<td>1984</td>
<td>405</td>
<td>4,547,707.81</td>
<td>24,184,929.08</td>
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<tr>
<td>Year</td>
<td>Amount</td>
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<td>Total Value</td>
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<tr>
<td>------</td>
<td>--------</td>
<td>------------</td>
<td>-------------</td>
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<tr>
<td>1985</td>
<td>394</td>
<td>5,082,254.32</td>
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<td>314</td>
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<td>1991</td>
<td>373</td>
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<td>1992**</td>
<td>455</td>
<td>6,592,678.95</td>
<td>72,653,997.81</td>
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</table>

Cash value, including interest, of the accounts at the end of 1992 was nearly $97 million.

*Based on 14 months due to change in policy year which now coincides with calendar year.

**Includes International Contributory Retirement Plan numbers.
Appendix G - Historical Summary of Nazarene Benefits from 1955

1955--Basic Group Term Life Insurance

1960--Funeral Assistance

1962--Supplemental Group Term Life Insurance

1963--Nazarene TSA Plan
Extreme Emergency Medical Assistance

1965--"Double Coverage" under Basic Life Insurance

1971--"Basic" Pension Plan

1972--Accidental Death & Dismemberment rider added

1975--Temporary Monthly Disability Assistance

1976--District Group Term Life Insurance

1981--Credentialed Laymen included in "Basic" Pension Plan
"Double-Double" Coverage under Basic Life Insurance
Daily Hospital Indemnity Plan
Long-Term Disability Income Protection

1982--Nazarene IRA Plan
Nazarene KEOGH Plan
100% Survivor's option added to "Basic" Pension Plan
Accidental Death & Dismemberment Insurance

1983--Nazarene Health and Hospitalization Insurance
NHHP Dental Insurance
NHHP Group Term Life Insurance
District/Agency Long-Term Disability Income Protection

1984--First dividend issued under Supplemental Insurance
Agency Group Term Life Insurance
1985--Early Retirement Option added to "Basic" Pension Plan
Option B for Nazarene TSA Plan
Pensions and Benefits—International

1987--Missionary Medical Plan comes under NHHP
General Church Medical Plan comes under NHHP
World Mission Pension Plan
General Church Pension Plan

1988--Widow(er)'s Early Benefit Option for "Basic" Pension

1990--Evangelists included in Nazarene TSA Plan
Missionary Group Term Life Insurance

1991--"Basic" Pension payable at age 65 without "retirement"
Second dividend issued under Supplemental Insurance
International Contributory Retirement Plan

1992--Variable Annuity Options added to Nazarene TSA Plan
Appendix H - Director's Annual Report for 1992 and Director's Addendum

To the Board of Pensions and Benefits USA:
During the year 1992, our culture has grown infatuated with change. "Different" has become synonymous with "improved." "New" and "reinvented" have come to mean "better." A pervasive dissatisfaction with the familiar now motivates many. Some have likened it to a time reminiscent of the days prior to the revolutionary 1960's.

Unfortunately, in such a context, much of what has been accomplished by the Pensions office during 1992 may seem unimpressive. There have been changes, and growth has occurred to some degree in almost every benefit plan. However, our motivation has not been a desire for novelty but rather a sense of continued commitment to serve those who serve. To that end, the Pensions office has continued to work closely with the Board of General Superintendents and the Finance Division Director on behalf of the Board of Pensions and Benefits USA this past year. In addition, the Pensions office has been available when called upon as a resource for the General Assembly Commission to Study Church-Related Pension Plans (1989-93). God is to be praised for the progress made in 1992. Here are some highlights:

Nearly 3,900 retirees were served by the "Basic" Pension Plan with total benefit payments reaching over $7.5 million. This included the one-time "13th month" bonus benefit paid in December. As voted by the Board of Pensions in its October meeting, the bonus benefit was equal to one extra monthly payment and was sent in December to all pension recipients on the "Basic" Pension Roll as of December 1, 1992. It was made possible by special amendment of the Plan Document.

The Board of Pensions has cooperated with the National Board, Church of the Nazarene Canada to develop a plan for completing the segregation of the Canadian Pension Plan from the "Basic" Pension Plan as necessitated by Canadian laws. Accomplishing this brings to completion a project which began more than 10 years ago.

Support for the Pensions and Benefits Fund remained steady. Denominational payment of the Fund for the 1991-92 assembly year was 90.04 percent. Nine districts paid 100 percent or more of their Fund amount. There were 7 districts that achieved status as a "95% District." Forty-eight districts achieved status as
a "90% District." This means that a total of 64 districts out of the 85 United States and Canadian districts participating last year, paid 90 percent or more of their assembly year Fund amount.

The Emergency Medical Assistance, Funeral Assistance, and Temporary Monthly Disability Assistance Programs aided over 100 applicants this year. Total benevolence assistance paid from these programs was nearly $99,000.

Annual contributions to the Nazarene TSA and IRA Plans remained near record levels. Nearly $6.6 million was contributed during 1992. Account enrollment increased by more than 335 participants which brought the accumulative number of accounts to nearly 7,000. During 1992, over $6.4 million in benefits were distributed from these plans. Aggregate cash value at year end was approaching $100 million. Although the "Basic" Pension Plan has provided a floor benefit on a defined benefit plan basis, the TSA and IRA have come into their maturity as the primary defined contribution pension plan for U.S. ministers. Through these programs, many already have learned the value of deferring a portion of today's compensation for retirement income.

A Stock Portfolio and a Managed Portfolio were made available in October to TSA participants as additional investment options for the Nazarene TSA Plan. This represented a significant change and improvement in this program. By December 31, 1992, more than 65 Option D accounts had been opened and over $670,000 had been placed in those accounts. With the addition of these variable annuity investment options, 4 investment choices now are available to TSA participants. Thanks to the cooperative efforts of the Board of Pensions, the Investment Committee, and the extra support of the Pensions office staff, these changes have become a reality.

Coverage for over 17,000 primary certificates under the 6 Group Term Life Insurance Programs and the Accidental Death and Dismemberment Insurance totaled over $365 million. Nearly 350 enrollees were covered in the two Long-Term Disability Income Protection Plans. Over $1 million in benefits were paid from all of these life, accident, and disability plans during 1992.

The Nazarene Health and Hospitalization Program (NHHP) presently serves the majority of U.S. districts as well as 4 church agencies. The medical and dental expenses of nearly 3,000 participants (many with dependent coverage) were paid from this program at a total benefit level of over $14.6 million for 1992. Under the challenge of rising national health-care costs, the Pensions office in cooperation with 14 other denominations completed a study to determine if
there were areas of plan cooperation that would be of benefit. Unfortunately, no immediate cooperative efforts will be undertaken as a result of the study. However, the Pensions office will continue to work with this group to determine methods to save health plan resources. Providing adequate health care benefits at affordable rates continues to be a major challenge for all church employers. A more detailed report about the NHHP Program will be given later in this meeting.

Additional income tax resources continue to be prepared and distributed for church employees and church treasurers, including Church Management Memos, income tax guides, and various articles and newsletters by income tax and church law professionals. Although 1992 did not represent a year of change in this area, 1993 and years following could represent increased communication and education efforts in this area of service due to proposals now before Congress.

Church board financial seminars and other district meetings were held on 11 U.S. districts. Seminars also were held for retired ministers in Cincinnati, Columbus, and Indianapolis. Banquets were sponsored for the Nazarene ministerial students graduating from Nazarene Theological Seminary and Nazarene Bible College. Seminars for ministerial students were held at Northwest Nazarene College and Point Loma Nazarene College. In connection with the Evangelists' Gathering, an exhibit booth provided information on pensions, benefits, and taxes.

The day-to-day office operations which serve the needs of over 12,000 ministers and widowed spouses of ministers, in addition to several hundred church-employed lay workers in the United States, are maintained by a dedicated and professional corps of office workers. These workers have increased their efficiency with the growing workload. The Pensions office started the quadrennium with 21 full-time and 4 part-time work positions. It ended the 4-year period with the same number. The administrative staff is made up of the following: Rev. Don Walter, Associate Director; Mrs. Lavonne Rieck, Manager of Office Operations; Rev. Stephen Smith, Manager of Group Life and Health Insurance; Rev. Joe Huddleston, Manager of Communication and Information; and Rev. Raymond Moore, Manager of Retirement Benefits.

As you are aware, by this time next year I will have retired from my position as director of Pensions and Benefits USA. Therefore, I would like to take this opportunity to express my thanks to you as current members of the Board of Pensions, and collectively to all previous Boards of Pensions with whom it has
been my privilege to work. Since 1919, the "pension work" of the church has been directed by three individuals. E. J. Fleming served from 1919 to 1940. M. Lunn served from 1940 to 1956. Since 1956, it has been my privilege to serve God's church in this capacity. During these nearly three quarters of a century, there have been many program changes, but always one motivation--"Serving Those Who Serve." When God's people honor and care for His anointed servants, all are blessed. It is my hope that the foundation which has been laid the past 75 years will be a solid base on which to continue to build this ministry for years to come. Respectfully submitted,

Dean Wessels, Director
Board of Pensions and Benefits USA

**Director's Addendum**

Approaching retirement has given me an occasion to reflect upon the past. If you would allow for personal privilege, I would like to share some of those reflections. I have been reminded again of the words of God recorded as Moses' blessing to Asher in Deuteronomy 33:25, "As thy days, so shall thy strength be." This promise has proven true for me these 38 years in pensions work. It also has been a growing comfort to realize the truth of verse 27, that underneath have been the everlasting arms. Had it not been for God's strength and the support of His everlasting arms, most of what has been accomplished would not have been possible.

In reviewing the first report I gave to the General Board in January 1957, some interesting statistics were noted. At that time, 506 individuals were receiving monthly benevolence assistance--325 elders and 181 widows. The total assistance paid for the year was about $250,000. In those days, such assistance was the only "Nazarene Minister's Retirement Program" there was. However, during 1992, on the "Basic" Pension roll alone, 3,879 persons were paid a monthly benefit with the total annual amount exceeding $7.5 million. In addition, we now have the TSA and IRA Plans. Since 1963, over 7,000 accounts have been opened. More than $6.4 million in TSA/IRA benefits were distributed during 1992. Since the beginning of the "Basic" Pension Plan in 1971, over $75 million in benefits have been paid to date, and since the beginning of the TSA/IRA Plans, it is estimated that distributions have exceeded $33 million.

The balance of the Nazarene Minister's Benevolence Fund on July 1, 1956, was approximately $1.75 million. However, as I give this report, the aggregate assets in the Pensions and Benefits Fund, the "Basic" Pension Trust, and TSA/IRA accounts now total about $225 million. Those assets are now invested
in the most prudent manner under the oversight of professional money
managers, which is appropriate for pension assets. The Investment Committee
of the General Board is to be commended for taking the necessary steps to
structure the asset portfolio as it is today. Truly, we should echo the words of
Samuel when he proclaimed, "Hitherto hath the Lord helped us."

These reflections are not a cataloging of my personal accomplishments. The
work has not been done alone. Not only has God been our strength and guide,
but I have been privileged to serve with gifted staff and church leadership over
these years. Since 1956, it has been my privilege to work alongside many
dedicated and committed Pensions office associates who have shared in this
ministry. There also have been at least 9 Boards of Pensions, 10 Departments
of Pensions, 2 General Treasurers, 3 General Secretaries, 17 General
Superintendents, and scores of others whose teamwork in these efforts has
been invaluable. Truly, I have been privileged to work with some of God's finest
people.

Of course, I would be negligent if I failed to recognize the contribution my
family has given to my efforts in this ministry. In nearly 5 decades as a minister
in the Church of the Nazarene, I have spent many days and nights away from
home and have traveled over 2 1/2 million miles. I have been especially blessed
to have a loving and supportive wife. In our pastorates prior to coming to the
present pensions assignment and throughout this ministry too, her love and
prayers have sustained and her encouragement has provided strength. Many
thanks go to Roxie Ann. I also am deeply grateful to our children, Vickie
(Morsch) and Mark and their families, who have always been faithful and
encouraging.

Hours could be spent reminiscing about the various details which have been
part of my nearly 50 years as a minister in the Church of the Nazarene. Those
which are significant to the work of pensions will be touched on in the book
which will be published, highlighting 75 years of pension work in the Church of
the Nazarene. However, failing to mention the details does not mean any of
them are insignificant. It has been the careful and consistent attention to those
details over the years which has made the "big" accomplishments possible.

Ten years ago in my annual report, the words of Revelation 3:8 were
referenced, "Behold I set before you an open door." That verse is still applicable
as retirement approaches. God's open door of service to Him is still before me.
As I always have, I will continue to acknowledge Him. He always has proven to
be trustworthy, and as I follow where He leads now, there is still the
anticipation of good things ahead. In facing the days of transition, the words of the hymn writer are my testimony.

"He leadeth me! Oh, blessed tho't!
Oh, words with heav'nly comfort fraught!
Whate'er I do, where'er I be,
Still 'tis God's hand that leadeth me.
He leadeth me, He leadeth me.
By His own hand He leadeth me.
His faithful follower I would be,
For by His hand He leadeth me."

Dean Wessels, Director
Board of Pensions and Benefits USA

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The actions of the 1919 General Assembly are seen as the official beginnings of the work of Pensions and Benefits in the Church of the Nazarene. Born of compassion for the church's ministers and their widows, this ministry is entering its 75th year of service.

In 1990, the Board of Pensions and Benefits USA took action to encourage the writing of this book which relates the history of the work of pensions in the Church of the Nazarene. In a sense, it presents a 75-year report on the ministry of pensions and benefits on behalf of Nazarene ministers and "kicks off" the 75th anniversary celebration.

The Board of Pensions and Benefits USA is grateful to John C. Oster, editor in the Pensions office, for his willingness to devote nearly four years of research and writing to this special project.

**John C. Oster** has been editor for the Board of Pensions and Benefits USA since 1988. Prior to that, he served the Church of the Nazarene as editor in the Division of Church Growth and as coordinator of lay training in the Division of Sunday School Ministries for a total of 19 years of service at the International Headquarters, Church of the Nazarene. He is a graduate of Nebraska State College at Chadron, NE, and has done graduate study in journalism at the University of Missouri at Columbia. A 10-year career in secular newspaper journalism preceded his coming to work for the denomination. Other books he has written include *Communication and Growth, Ever the Pioneer*, and *Mission Possible Churches*. John and his wife, Dee, are members of the Olathe, KS, College Church of the Nazarene.

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The Fourth Director

With the departure of Dean Wessels after almost forty years as director, church leaders faced a critical question: "Who will lead Pensions and Benefits into the next century?"

P&B USA had come of age under Wessels, having progressed largely from its primary role as a provider of benevolence and life insurance, to an agency offering ministers assistance with a variety of financial services. The department had managed, in 1971, to initiate a system that provided regular monthly payments to retired ministers and widowed spouses for years of service extending back to the founding of the denomination in 1908. Beyond this, it offered an affordable group health insurance program to districts, along with basic and supplemental life and accident insurance, as well as useful information about taxes, housing allowance, compensation, and other significant financial matters important to ministers. With such a strategic position to fill, denominational leadership wanted time to consider who would become the next director of P&B, so they looked for an interim person to fill the slot.

That choice was no stranger to P&B. In fact, he had served alongside the departing director for more than a decade and, as office manager, administrative assistant, and assistant to the director, was familiar with every facet of the work of Pensions and Benefits. That individual was 41-year-old Don Walter.

A native of Iowa, raised in the farming community of Ottumwa, Walter was the son of Hershel and Eloise Walter. This working class couple modeled dedication and sacrifice to God as laypersons in their local Nazarene church. Don (their youngest child) attended and graduated from Mid-America Nazarene College and Nazarene Theological Seminary. After this, he and wife, Kathy, moved to pastor a home mission congregation in Ohio. They would eventually serve other pastorates in Pennsylvania and West Virginia.

In 1983, learning of an opportunity to serve in the Pensions and Benefits office, Walter applied for the position. Dean Wessels was impressed by the potential he saw in this young pastor: intelligence, actuarial aptitude, management skills, experience as an elder in the Church of the Nazarene, and, most importantly, a deep desire to serve ministers. Wessels lost no time in extending an offer of
employment. He began confirming Wessels' faith immediately by demonstrating people skills as well as showing a strong talent for management. Within a short time, he had earned his second master's degree in human resources development from Webster University.

Now, ten years after first coming to P&B, Walter was considered the obvious candidate to fill the immediate vacancy by the Board of General Superintendents. On August 4, 1993, Finance Director D. Moody Gunter announced the appointment of Don Walter as "acting director" of Pensions and Benefits USA.

His tenure in this post would not last long. Within two months, he was addressing the fall meeting of the Board of Pensions. At that time, Walter set forth his understanding of the responsibility of P&B as providing services that make "the work of the frontline ministry more effective and less stressful." Four months later, at the annual General Board meeting in Kansas City, Gunter and General Superintendent Donald Owens submitted Walter's name to the Finance Department as the candidate for P&B director. The department concurred and their action subsequently was approved by the Board of General Superintendents. Pensions and Benefits USA had its fourth director.

Continual Quest for Improvement
In 1954, the advent of ministers being allowed to contribute to and receive benefits from Social Security considerably improved the retirement prospects of Nazarene pastors. But by the early '60s it was apparent something more was needed.

The church responded by creating the Nazarene Tax-Sheltered Annuity (TSA) Program in 1963. A TSA is a retirement savings program available to certain nonprofit groups, such as churches, which allows individuals and their employers to set aside money tax-deferred until it is withdrawn for retirement. While a TSA could offer a useful means of investing for the future, it had drawbacks: first, it was voluntary-pastors might or might not participate; second, the accounts most often were funded by salary reduction contributions. With many Nazarene pastors serving small congregations, some found it difficult to set aside part of their salaries. The problem was compounded if churches were reluctant to contribute to the accounts of their pastors.

As mentioned in John Oster's history of P&B, in 1971 the church sought to do more for its pastors through the creation of the Basic Pension—a defined benefit plan for ministers based on years of service. This created enormous liabilities in
the millions of dollars for the denomination, but it was born out of faith and a deep desire to create a unified system of support for pastors. Its funding would be based on the belief that churches would willingly contribute two percent of their income to a trust fund to provide for aged ministers. Up until 1989, they would come close to this ideal by consistently giving an average of 1.8 percent of all monies spent.

As the 1980s drew to a close, P&B USA worked to further improve retirement benefits for Nazarene ministers. The formula for Basic Pension Plan payments was based on years of service, and, while upward adjustments were regularly made, benefits for Nazarene retirees often were less than those from plans offered by for-profit business and industry. The difference could be attributed to the fact that the Basic Pension Plan was newly created and was dependent on current and future payments by congregations, along with investment income. With a continuing unfunded liability, the denomination could not fulfill its promises to future retirees if it did not adhere to sound and (what might be deemed) "conservative" advice from actuarial specialists. The upshot was that while church leadership and P&B would like to provide larger monthly retirement benefits to retirees, they had to proceed with caution if they wanted the fund to be there to honor promises to future retirees.

**Pension Plans Studied**

In 1989, the 22nd General Assembly decided to create the "Commission to Study Church-related Pension Plans." In its subsequent report to the 23rd General Assembly in 1993, the commission stated, "significant contribution [has been] made to our ministers in the pioneering and developing of our multifaceted present pension program, but the time has come to establish a new direction in caring for the servants of the Church and their spouses" (Minutes of the General Board 1994, p. 41). The General Assembly responded by calling for a pensions subcommittee to continue the work of the commission and to report back to the USA National Board by January 1, 1995.

A thorough examination of the commission's report followed. It included deliberation involving the USA National Board, the staff of Pensions and Benefits USA, pastors, district superintendents, laity, and actuaries. As a result of this review, the Board of General Superintendents made recommendations to the Board of Pensions at its October 1994 session. At that meeting, the superintendents proposed a retirement plan with what they termed "three essential segments":

1. A defined *benefit* plan (Basic Pension Plan continued);
2. A defined contribution plan for every active and eligible participant TSA; and
3. Social Security tax payments (by local churches).

The Board of General Superintendents also asked that existing General Church participants be continued on their then-current retirement plan, but that new General Church employees participate in a defined contribution plan, like the new one proposed for pastors and other eligible church employees.

The Board of Pensions responded to these recommendations and charged Pensions and Benefits USA with the task of carrying them out. The staff of P&B USA had closely followed the work of both the study commission and the subcommittee and was prepared to respond almost immediately. A proposal was drafted and submitted to the Board of Pensions for consideration at its October 1994 meeting. That body adopted the recommendations which were submitted to the USA National Board on February 28, 1995. In its action, the USA National Board endorsed the "principle and concept" of the idea to create a single defined contribution plan for Nazarene ministers which would include employees of Nazarene Headquarters. They then sent the matter back to the Board of Pensions for actuarial study.

On June 9 of that year, the USA National Board approved a proposal to create a single defined contribution plan for church employees. This plan called for the utilization of the existing Tax-Sheltered Annuity (TSA) Plan. Each participant would have his or her own account into which contributions would be credited. The value accrued in the account at retirement could be used to purchase a monthly benefit or could be taken in qualifying lump sums.

Contributions to the account of individuals would be made as either salary reduction or salary addition, but would be paid to the participants' retirement accounts by a qualifying employer. Careful attention was given to assuring the new plan would be equitable for both participants in the Basic Pension Plan and the General Church Pension Plan.

For active participants in the Basic Pension Plan, an amount would be contributed annually to the accounts of qualifying participants from Pensions and Benefits Fund receipts. The amount would be three percent of the average cash salary reported for all pastors (referred to as the "Average Pastors Salary" or APS) serving in the United States. In addition, local church or district employers would be encouraged to match any amount of voluntary salary reduction contributions up to, but not limited to, three percent of actual cash
salary of the individual participant. No additional matching funds were proposed from the Pensions and Benefits Fund.

For participants in the General Church Pension Plan, the proposal called for the annual contribution to the account of each full-time employee of the General Church from operational funds. The amount would be a minimum of three percent of the average cash salary reported for all pastors (APS) serving in the United States. No contributions would be provided for these participants from the P&B Fund.

The Basic and General Church pension plans and trusts would be merged. Participants in both plans would be assured that at the time of retirement the benefit payable from the new defined contribution plan would not be less than that payable from their current defined benefit plan had it continued in force until their retirement. Additionally, both active and retired participants in the Basic Pension Plan would receive a 20 percent increase in the formula.

The adopted proposals satisfied most of those who had expressed concern about the retirement plan for Nazarene ministers, but the solution would require a continuing commitment by local churches and districts to support the P&B Fund.

"The P&B Fund will remain vital since it will be the source of funds needed to pay the TSA contributions into all eligible active ministers' accounts," said P&B Director Don Walter, according to the Weekly Summary of the Nazarene News for March 3, 1995. "It will also continue to pay for any newly increased benefits now promised under the old Basic Pension Plan to all future and current retirees."

Effective January 1, 1996, the Basic Pension Plan and the General Church Pension Plan were frozen to new entrants. Anyone eligible for a retirement program in the church (local, district, or general) after that date became part of the Single Defined Contribution Pension Plan. In making these changes, the denomination was in the vanguard of a movement by both non-profit and for-profit organizations from defined benefit to defined contribution plans.

During 1995, action had been taken to create and fund an individual TSA "Option B" account for every U.S. pastor, eligible associate, full-time evangelist, and district superintendent. That action placed $150 in individual TSA Option B accounts for every person earning a year of service credit under the Basic
Pension Plan. Additionally, up to $200 per account was made available to match dollar-for-dollar any participant's own or church contribution for 1995.

With the new year (1996), an amount equal to three percent of APS was contributed to Option B accounts for all active, eligible participants from P&B Fund receipts or from General Church funds in the case of General Church employees. In the new plan, the level of retirement income would be determined by the amount accrued in the individual's account at the time of retirement.

For this reason, in addition to the base contribution for local church and district-employed ministers from P&B Fund receipts, individual employees were encouraged to make contributions to their retirement accounts through salary reduction agreements with their employers. Likewise, employers were encouraged to match contributions by their employees.

**Health Insurance**

P&B USA devoted much time and effort to the development of a group health insurance program for districts and churches. This effort bore fruit in 1983 with the creation of the Nazarene Health and Hospitalization Program (NHHP). It was designed to offer a consistent medical insurance plan with coverage that could be maintained by pastors and families as they moved from church to church or to other districts. A self-insured program, rates were affected by the size and health of the pool of insured persons.

Under the denomination's congregational polity, churches and districts had the freedom to join or reject the plan. Some chose to participate; others did not. The lack of an adequate pool of participants, coupled with the escalating cost of health care in the United States, finally led to the plan's elimination in 1995.

**403(b) Retirement Savings Plan**

Begun in 1963, the Nazarene Tax-Sheltered Annuity (TSA) Program over nearly four decades evolved into the "Group Variable Annuity" (GVA). Issued by Minnesota Life Insurance Company, the GVA was begun in 1994. With the creation of the Nazarene Single Defined Contribution Program in 1996, the GVA became the repository for retirement contributions on behalf of Nazarene ministers and church-employed laypersons. By 1999, it offered participants nine mutual fund investment options for their retirement accounts and a modicum of access services, mostly via telephone, but P&B wanted more.
With the advent of public access to the Internet, P&B USA began the search for a partner who could leverage the capabilities of this amazing resource to the advantage of Nazarene ministers.

In July 2000, the Board of Pensions announced plans to rebid the annuity program to several vendors to insure participants in the Nazarene TSA plan enjoyed "the most competitive products, services, and prices." In September, the Investment Committee of the General Board announced Fidelity Investments® would be the new 403(b) service provider for the Nazarene Single Defined Contribution Program, effective December 1, 2000. A news release at the time noted Fidelity would provide: "more resources, more investment choices, more ways to access your account, and more flexibility."

During the next few months, P&B USA would publicize a variety of products and services to help ministers with the sometimes daunting task of investing for their future. Since that time, the relationship with Fidelity has developed into a valued partnership that provides Nazarene ministers-active and retired-with continuing support for their retirement savings. Today, ministers have 24/7 access to a variety of options for their Nazarene 403(b) retirement accounts, where they can monitor and adjust portfolios as desired.

In 1996, the Church of the Nazarene began contributing payments based on three percent of average pastors' salary (APS) to the 403(b) accounts of eligible ministers and church-employed laypersons. To further encourage retirement savings, the board dangled the carrot of "bonus" fund payments to participants. This additional payment was based on churches being on a district that paid 100 percent of its P&B Fund allocation.

As of January 1, 2002, the "APS" changed from "Average Pastors' Salary" to "Annual Pension Supplement." This meant contributions made to the 403(b) accounts of ministers from the P&B Fund would no longer be calculated based on a percentage of the average salary, but rather would be an amount determined by the Board of Pensions, as would any bonus amount. Additionally, a local church minister could receive the "bonus" if his/her church paid 100 percent of its allocation, regardless of the percentage paid by the district.

That first year of this arrangement saw the accounts of participants in the 403(b) Retirements Savings Plan receive an APS of $500 with the possibility of an additional $500 APS bonus.
That same year, the Pastors Life Insurance Plan was modified to provide $2,500 (an addition of $1,000) for eligible district-licensed ministers. For eligible ordained ministers, the coverage increased to $5,000. Bonus coverage also was offered. It was based on an eligible minister's credential and age, and subject to 100 percent payment of the annual P&B allocation. This bonus made possible life insurance coverage of as much as $50,000 for a minister. The new plan also added life insurance coverage for spouses.

**Continued Funding of the Basic Pension Plan**

Representatives of other denominations have expressed interest (and some amazement) in how the Church of the Nazarene managed to create and continue to offer monthly support to retirees through the Basic Pension Plan. The launch of such a system without personal contributions by participants essentially was without precedent among U.S. Protestant churches. And yet, this arrangement continues to provide regular financial support for nearly 5,000 retired Nazarene ministers and widowed spouses. In 2010, the P&B Fund paid Nazarene retirees served by the Basic Pension Plan almost $15 million dollars.

Indeed, there are retirement plans that pay more to participants, but it's likely none is more appreciated than this one. "I have been trying to find a way to say how grateful I am for the check that arrives every month," wrote a 91-year-old retired pastor in 2011. "Without this blessed service, we would really be struggling. I thank the Lord for our Great Church and her care for people like us." This is just one of the numerous expressions of "Thanks" received by P&B on a daily basis.

There are several reasons why the Basic Pension Plan has survived through more than a few recessions and stock market roller coaster rides. First, there is the careful supervision by the Board of Pensions to the operation of P&B USA. Second, there is the oversight of the fund's assets by the Nazarene Investment Committee with guidance from professional investment and actuarial consultants. Third, and most importantly, there are the congregations across the United States who express their love and appreciation for Nazarene ministers in a tangible way by regularly contributing to the full payment of P&B obligations.

Giving to the Pensions and Benefits Fund during the first year of the Basic Pension Plan totaled $1,166,051. With a goal of two percent of local church income to underwrite the fund, the first year's giving equaled about 93.2 percent of the allocation.
Over the years, giving to the fund remained between 90 and 93 percent until 1998, when it reached 94.27 percent of allocations. The following year, the percentage climbed to 95.8 percent, and, by 2004, rose to a record high of 96.59 percent. However, since then, giving has declined, dropping to an all-time low of 86.55 percent of allocations in 2010. It should be noted that the United States suffered severe economic problems in the latter part of the decade with collapses in business, banking, and the housing market and significant increases in unemployment. Giving to both the World Evangelism Fund and the Pensions and Benefits Fund were affected during this period.

As mentioned earlier, giving to the P&B Fund diminished as the first decade of the 21st century rolled to a close. Besides a weakened economy, churches and districts appealed for modifications to the budget formula for funding denominational entities, which included WEF and the P&B Fund. The prevailing wind of change, accompanied by a concern about how such modifications would affect P&B giving, prompted the Board of Pensions to explore another incentive for P&B Fund support in 2009.

Whereas, since 1996, Annual Pension Supplements automatically had been deposited and APS bonus contributions made available to Nazarene 403(b) accounts, with the advent of 2009, all Annual Pension Supplements would be linked to a church's actual dollar contributions to the P&B Fund.

"With the current variations of budget formulas being adopted by districts, it is impossible to continue to base supplemental payments on the percentages of P&B Fund paid," said David McClung, chairman of the USA Board of Pensions, in December 2008. "The new (APS) formula was adopted, in part, to keep the Pension Trust viable for those under the Basic Pension Plan within this environment."

Further explanation for the needed changes was voiced by Don Walter: "In 2008, 45 percent of U.S. Nazarene churches paid 90 percent of the allocations to the Pension Fund. Conversely, this means 55 percent of our churches paid 10 percent of the allocations. While traditionally our larger congregations have been willing to contribute more than their share to assist pastors in smaller ones, the number of U.S. churches with weekly attendance of less than 100 has grown to 72 percent, and this is placing more of a burden on the bigger churches."

Indeed, the Basic Pension Plan is a wealth transfer system in which larger, financially stronger congregations pay larger apportionments to provide for the
retirement of ministers in smaller churches with less income. But something needed to be done to encourage churches who contributed nothing to at least pay minimal amounts to the fund.

As adopted by the Board of Pensions (see below), payments of APS were based solely on the amount of P&B Allocation contributed by each church.

**2009 ANNUAL PENSION SUPPLEMENT and LIFE INSURANCE**

<table>
<thead>
<tr>
<th>Annual Church P&amp;B Allocation Paid</th>
<th>APS Contribution</th>
<th>Maximum APS Grants per Church</th>
<th>Total APS Available per Church</th>
<th>Life Insurance for APS Eligible Clergy</th>
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<tr>
<td>$1 to $50</td>
<td>$50</td>
<td>1</td>
<td>$50</td>
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<tr>
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<td>$15,000</td>
</tr>
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</table>

The allocation ranges from $10,001 to $25,000 were further subdivided in 2010.

**Continuing the Pledge to "Honor the Trust"**

In fiscal year 2010, giving to the Pensions and Benefits Fund totaled $11.7 million. While almost $174,000 more than the amount received the previous year and an encouraging sign, this was about $750,000 less than the amount received in 2008.

In that same fiscal year, P&B USA paid more than $40 million to ministers in insurance claims and retirement plan benefits. This included $15 million in Basic Pension payments to almost 5,000 ministers and widowed spouses. This is a remarkable accomplishment for such a relatively small denomination.

**Looking Ahead**

As it has for almost a century, Pensions and Benefits USA continues to look to the future with resolute commitment to "Serve Those Who Serve." The retirement and insurance plans, the emergency medical and benevolence assistance, the informational services—all are directed toward assisting those on the frontline of ministry.
With the close of 2010, the Board of General Superintendents issued a statement calling for renewed support of the P&B Fund by Nazarene churches. They also pledged to highlight the importance of the work of Pensions and Benefits at U.S. district assemblies in 2011.

Save for the Lord, no one knows what the future holds, but as she approaches her second century, Pensions and Benefits USA is dedicated to providing the best possible benefits and services to the dedicated men and women who serve Christ in the Church of the Nazarene.