

# Philadelphia Archdiocese freezes educators' pension plan

The Philadelphia Catholic Archdiocese has frozen a defined-benefit pension plan for its 8,500 parochial school teachers and support staff. The move comes as the archdiocese wrestles with a \$150 million pension deficit.

The freeze means current participants will accrue no additional benefits. Those workers will be moved to defined-contribution plans to supplement retirement.

Without the weight of those accruing benefits, the archdiocese hopes to close the deficit over time by continuing to contribute 4.5% of each employee's paycheck. Before the freeze, the archdiocese contributed 7.5% of payroll. Had the pension continued to pay the same benefits, even a 10% contribution would have left the plan with a \$100 million shortfall in 30 years, according to the archdiocese's chief financial officer.

The pension freeze is the latest move to put the archdiocese on firmer financial footing. The sale of the cardinal's official residence brought in approximately \$10 million. Recently, the archdiocese announced a deal to lease its cemeteries for \$89 million over 35 years. It is also considering selling some retirement homes and senior assisted-living properties.