

CONCORDIA
PLAN SERVICES

2026 STATE OF THE PLANS

Created to Care for You.

Caring for those who serve–today and for generations to come. Established by The Lutheran Church—Missouri Synod, Concordia Plan Services brings ministries together through shared participation to strengthen the health, financial security and peace of mind of LCMS workers.

LETTER FROM THE CEO

**Serve ministries … Care for workers …
so that the Word of God spreads.**

For more than 60 years, Concordia Plan Services has been entrusted with caring for those who serve the ministries of The Lutheran Church–Missouri Synod. That calling continues to guide our work today.

I am deeply grateful for the faithful leadership of Jim Sanft as he moves into retirement, whose 18 years of service as CEO strengthened the Plans and positioned Concordia Plan Services to navigate both significant challenges and meaningful growth. Through his stewardship, the Plans remained resilient during times of uncertainty while continuing to serve ministries with excellence.

This report reflects the continued stability and progress of the Plans. From improved pension funding to sustained health plan performance and expanded support for worker well-being, we are encouraged by the ways God continues to bless this work. At the same time, we remain attentive to future needs – ensuring that the Plans are positioned to care for workers not only today, but for generations to come.

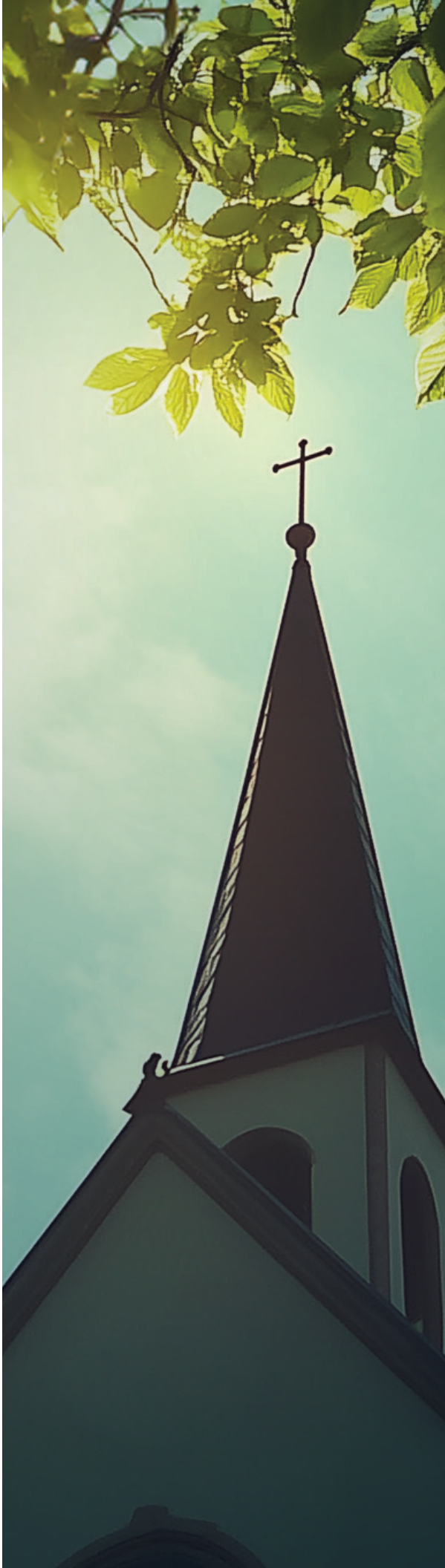
As we look ahead, our focus remains unchanged. We are committed to serving LCMS ministries and their workers through strong, sustainable benefit programs – grounded in disciplined stewardship, professional management and the shared strength of participation across thousands of ministries.

We remain committed to caring for those who serve, so that the Gospel may continue to be proclaimed.

You were called to serve a higher purpose, and we were created to care for you.



Kevin Herweck, CEO
Concordia Plan Services



EXECUTIVE SUMMARY

For more than 60 years, Concordia Plan Services has cared for workers and ministries of the LCMS through benefits designed specifically for church workers. As a ministry of the Church, we remain committed to supporting those who serve with Plans that are strong, stable and sustainable through disciplined stewardship, professional management and oversight, and the collective strength of thousands of participating ministries.

Pension:

The Concordia Retirement Plan pension is a strong foundation for workers to receive a monthly paycheck for life. It is on the path toward full funding through gradual contribution increases and sound management – protecting the promise of lifelong retirement income. In 2025, the pension's market value funded status improved from 85% to 90%.*

Retirement Savings:

The Concordia Retirement Savings Plan 403(b) offers workers the opportunity to contribute to a low-cost plan with professionally managed, institutional share class funds. In 2025, assets increased $150 million to surpass $1 billion in total for the first time.

Health:

The Concordia Health Plan delivers high-quality, comprehensive coverage. Over the past four years, health plan rate increases have averaged well below national levels. Participation remains steady, and wellness programs are improving health outcomes and helping control long-term costs.

Disability & Life:

The Concordia Disability & Survivor Plan has strong yet affordable coverage built just for ministry workers. Administrative enhancements reduced rates for most ministries and expedited claim decisions, improving the experience for both members and employers.

Together, these Plans reflect our shared commitment to support workers, strengthen ministries and steward resources faithfully – demonstrating that we are truly better together. Built by the Church … for the Church, Concordia Plan Services is a trusted foundation that was created to care for LCMS workers, now and for generations to come.

** Market value funded status is defined as the market value of assets divided by the present value of accumulated benefits.*

RETIREMENT: SECURING LIFELONG INCOME AND FINANCIAL STABILITY

Securing lifelong income and financial stability

Concordia Plan Services administers two retirement plans that work together to support a stable retirement for LCMS workers:

- The **Concordia Retirement Plan pension:** a defined benefit pension plan.
- The **Concordia Retirement Savings Plan 403(b):** a defined contribution plan – the nonprofit industry's version of a 401(k).

Together, these Plans offer LCMS ministries and workers a level of financial stability few organizations can achieve alone. Through shared participation, ministries pool resources to secure guaranteed lifetime income while empowering individual saving – creating a system that's stronger than any single ministry could sustain on its own.



CONCORDIA RETIREMENT PLAN

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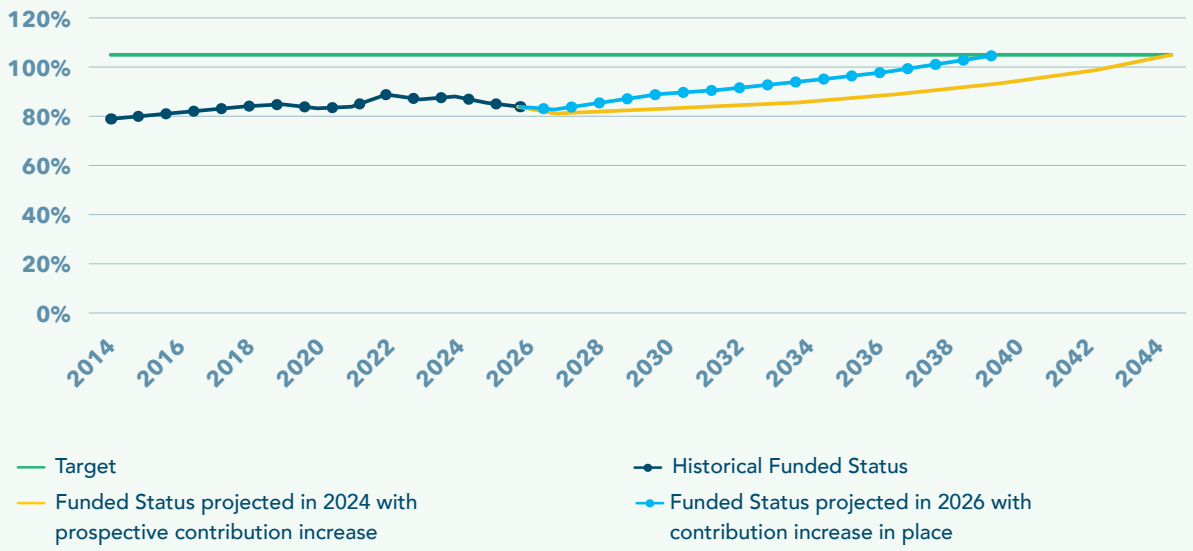
CONCORDIA RETIREMENT SAVINGS PLAN 403(b)

Working together to support a secure and meaningful retirement

CONCORDIA RETIREMENT PLAN PENSION

The Concordia Retirement Plan pension is financially sound and progressing toward full funding, with its market value funded status improving from approximately 85% to 90% in 2025. While recent market performance has been favorable, long-term forecasts project more moderate returns in the decades ahead. Updated projections indicate improved performance versus the baseline projections from 2024. Scheduled employer contribution increases in 2025, 2026 and 2027 helped improve funded status.

CONCORDIA RETIREMENT PLAN PENSION FUNDED STATUS PROJECTION



Proactive management helps the Plan continue to deliver lifelong income for current and future retirees. These measured adjustments balance today's favorable results with tomorrow's realities, offsetting projected market expectations and demographic shifts within the LCMS – particularly as the retiree population grows faster than the active workforce.

Funded status is the actuarial value of the Plan's assets divided by the accrued liability.

PENSION QUICK FACTS

3,765
MINISTRIES PARTICIPATING

29,751
ACTIVE MEMBERS

29,064
RETIREES RECEIVING BENEFITS

$4.4B
TOTAL PLAN ASSETS

$363M
ANNUAL BENEFITS PAID

CONCORDIA RETIREMENT SAVINGS PLAN 403(b)

The Concordia Retirement Savings Plan 403(b) complements the Concordia Retirement Plan pension by giving workers control over personal savings through flexible investment options, low fees and tax advantages – especially the housing allowance exclusion for rostered workers. Unlike the pension, which is employer funded and managed as a pooled trust designed to provide a promised benefit, the 403(b) is a worker-funded, individual account that builds an accumulated balance over time.

Organizations that promote and encourage participation in the 403(b) help their workers take important steps toward long-term financial wellness. When paired with employer contributions (optional), the 403(b) can be a highly effective way to enhance total compensation – often providing greater long-term financial benefits than an equivalent increase in salary.

The 403(b) continues to be a competitive, low-cost plan with professionally managed, institutional share class funds. In 2025, the 403(b)'s assets increased $150 million, surpassing $1 billion in total for the first time.

403(b) QUICK FACTS

2,846	22,952	13,250	$1.1 B	0.27%*
MINISTRIES PARTICIPATING	PARTICIPANTS WITH BALANCES	ACTIVE CONTRIBUTORS	TOTAL ASSETS	WEIGHTED AVERAGE EXPENSE RATIO

** Excluding ProManage, the weighted average expense ratio for the underlying investments was 0.15%*



THE STATE OF THE CONCORDIA HEALTH PLAN

Comprehensive coverage. Measurable impact.



Through the collective purchasing power of participating ministries, Concordia Plan Services provides access to health plan options that would be out of reach for most individual employers. As a nonprofit ministry of the LCMS, we can negotiate competitive rates without adding profit margins, delivering greater value to both ministries and workers. We also offer robust coverage, including mental health care, coverage for pre-existing conditions and comprehensive prescription benefits – a level of coverage often limited or excluded in lower-cost options typically available to individual employers.

The Concordia Health Plan provides comprehensive coverage at costs well below national averages. Over the past several years, health plan rate increases have remained consistently below national employer health plan trends, reflecting the strength of shared stewardship and disciplined cost management.

> The 2026 rates again fall below market trends, reflecting the strength of shared stewardship and disciplined cost management.

2025 was marked by elevated costs for the health plan, driven in part by an increase in births alongside a rise in delivery complexity – 30 additional deliveries, a sharp increase in multiple births and more high-risk newborns – joyful arrivals that also led to higher short-term medical costs. Members also needed higher claim support than in typical years, with a 17% year-over-year increase in members experiencing high-cost claims (over $75,000). These claims were primarily related to serious and complex conditions such as cancer, cardiovascular events, musculoskeletal issues and the use of high-cost specialty medications.

These fluctuations reflect both the blessings and challenges of walking together in a shared health plan. Concordia Plan Services remains committed to careful stewardship of the plan, accompanying members through both predictable trends and irregularities in claims experience.

In addition, Concordia Plan Services is an active member of the Church Benefits Association, a coalition of faith-based benefit providers that amplifies our negotiating strength. This alliance secured a favorable national pharmacy contract through Express Scripts, leveraging our combined volume to obtain competitive pricing and savings that no single ministry could achieve on their own.

HEALTH PLAN QUICK FACTS

2,800	15,490	19,459
MINISTRIES PARTICIPATING	ENROLLED WORKERS	ENROLLED DEPENDENTS



Partnering with Districts to strengthen worker well-being

Concordia Plan Services is partnering with districts to support worker well-being through shared insights and intentional planning. By analyzing wellness trends and engaging with district leaders, these collaborations help shape strategies that reflect each district's unique culture and needs.

This work is building meaningful momentum, with additional districts expected to participate as these efforts continue to grow – strengthening care for workers and the ministries they serve.

Wellness Impact

Wellness programs are improving health outcomes and lowering long-term costs. Vitality for example, is an interactive platform that encourages and rewards healthy behaviors. Participants report higher physical activity, reduced stress and stronger engagement in preventive care. The ripple effect is meaningful: healthier, more energized workers with lower absenteeism and higher retention – helping ministries thrive.

Mental health support is also a growing and essential part of whole-person care. In 2025, Concordia Plan Services expanded access, offering confidential counseling, coaching and critical incident resources for workers and their families. As of December 2025, 12% of eligible workers registered for services – more than double the industry average Employee Assistance Program (EAP) registration rate of 5%.

By guiding members to high-quality providers and offering integrated wellness programs, the health plan supports healthier outcomes, and those outcomes help control costs. Because rates are based on claims experience across the health plan, when members use care wisely and stay well, everyone benefits.

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THE STATE OF THE CONCORDIA DISABILITY & SURVIVOR PLAN

Peace of mind when it matters most.

The Concordia Disability & Survivor Plan offers one of the most comprehensive protection packages for ministries today, providing income replacement and life insurance benefits that safeguard workers and families during life's most difficult moments.

In 2025, Concordia Plan Services transitioned disability administration to Sedgwick – improving efficiency and reducing claim-decision times by an average of 15 days – helping members receive benefits more quickly and with less stress. Faster decisions also give employers timely information to plan for workforce needs and support workers as they transition back to their service.

Disability plan changes also added flexibility for ministries, especially in states with mandated short-term disability programs. These improvements produced meaningful savings for most ministries with a 2026 rate decrease for the family coverage tier (which represents approximately 70% of members enrolled in the disability plan), while no tier experienced an increase. Even with these lower rates, the Plan continues to provide a high level of protection and support for workers and their families.

DISABILITY QUICK FACTS

$9.1M
DISABILITY BENEFITS PAID

$5.6M WORKERS | **$531K** DEPENDENTS
LIFE INSURANCE BENEFITS PAID

502
OPEN DISABILITY CLAIMS



EXPANDING HOW WE SUPPORT MINISTRIES

At Concordia Plan Services, serving ministries goes beyond providing benefits – it means delivering practical support that meets their day-to-day insurance needs.

Ministry Risk Management Program

A new approach to providing stable, sustainable insurance solutions for ministries

In response to growing challenges facing ministries today, Concordia Plan Services is launching a new insurance program focused on property and casualty coverage. Across the market, many churches are experiencing reduced access to coverage, significant premium increases – even in the absence of claims – and additional pressures in high-risk regions, including hurricane-prone areas.

This program reflects direct feedback from ministries and a commitment to providing a more stable, ministry-focused solution. It will be introduced through a measured, phased approach with participation initially limited as Concordia Plan Services establishes the program and supports long-term sustainability.

In the short term, the program is designed to offer stable premiums in its first year. Over time, as reserves are established, investment income is expected to help offset future costs – creating an opportunity to reinvest in and support ministries more effectively.

From administrative support to new risk solutions, these efforts reflect a continued commitment to strengthening ministries and supporting those who serve.





BETTER TOGETHER

Faithful stewardship.
Shared strength. Enduring care.

In a changing Church, the Plans remain strong – because we are better together.

By participating in the Plans, your ministry contributes to the shared strength that allows Concordia Plan Services to aid every worker, congregation and retiree. Together, we provide the retirement security, healthcare coverage and financial protection that aligns with our faith and enables workers to serve with confidence and ministries to thrive in their mission.

We are pleased to share that, once again, the 2025 financial statements for each of the Concordia Plans received an unmodified opinion from independent auditors. Our Board of Trustees will review and accept these financial statements at their May 2026 meeting. Once approved, they will be available upon request to all Plan member ministries.

Through disciplined management, transparent reporting and faithful stewardship, Concordia Plan Services shepherds these benefits – built by the Church, for the Church –to strengthen ministries and support those who serve for generations to come.



CONCORDIA PLAN SERVICES

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