

TO: Employees, Retirees, Pension Participants
FROM: Joe Spaniol, Chief Finance Officer, Diocese of St. Cloud
DATE: October 17, 2025
RE: Christian Brothers Lay Employee Pension Plan

We were notified recently that the lay employee pension plan administered by Christian Brothers Services is significantly underfunded and does not have sufficient assets to meet its long-term obligations for its more than 180 member organizations. For participating employers in the Diocese of Saint Cloud, the total increased contributions required to resolve the shortfall would be greater than \$80 million over 25 years. This is not a viable option.

Bishop Neary has appointed a team, which includes parish representation and legal counsel, to develop a plan to address this issue. The diocese also has secured the services of USI Consulting group to assist. USI has provided retirement plan consulting and benefits administration services to organizations, including dioceses, and their employees for over 50 years. The appointed team and USI are currently in ongoing dialogue to determine our best options to move forward with the best interests of participants in the plan at the forefront.

The underfunding is not the result of any decisions or actions made by the diocese or any parish or school within the diocese participating in the plan. The plan is managed exclusively by Christian Brothers, and all participating organizations in the system face the same challenge. There were no prior communications from Christian Brothers regarding the underfunding. This underfunding does not affect 403b retirement funds also administered through Christian Brothers.

We understand the seriousness of this situation and the impact it has on individuals and their families. No decisions have been made at this time. We will keep you updated as new information becomes available and as a plan for addressing the shortfall is developed. We will schedule meeting opportunities in the coming months to share more information and address questions. To receive email notices when these meetings are scheduled, please sign up at this link: <https://forms.office.com/r/UKna8FE5Hh>. Or use the QR code at the bottom of this letter.

In the meantime, please direct any questions to Joe Spaniol in the diocesan finance office (Joe.Spaniol@gw.stcdio.org; 320-529-4606) or Bailey Ziegler in human resources (Bailey.Ziegler@gw.stcdio.org; 320-258-7655). Thank you for your patience as we address this matter.

