

ELCA worried by shutdown of publisher pension plan: Augsburg Fortress employees suing

News in the [June 1, 2010](#) issue

The Evangelical Lutheran Church in America says it is “deeply concerned” about the welfare of employees who are suing the denomination’s publishing arm over the termination of their pension plan.

Augsburg Fortress, which publishes ELCA hymnals, Sunday school materials and theological texts, told approximately 500 current and former employees in January that their pension plan was underfunded and would be terminated.

Beth Lewis, the publisher’s president and CEO, said the plan had only \$8.6 million to pay about \$24 million in pension obligations, according to the *Wall Street Journal*. The recession and declining sales contributed to the shortfall. Augsburg decided to terminate the plan and distribute the assets based in part on how long employees had worked at the company.

Retirees and current employees filed a class action lawsuit April 21 in the U.S. District Court of Minnesota, where Augsburg is based. Under federal law, employers are required to fund and insure pension plans. Churches, however, are exempt from the law, according to the *Wall Street Journal*, and are widely defined as almost any organization affiliated with a religious group.

The Chicago-based ELCA, which was named as a defendant in the employees’ suit, says Augsburg is a “separately incorporated entity apart from the ELCA churchwide organization,” and the church had “no role in the creation, management or termination of that [pension] plan.”

Nonetheless, the ELCA said in a statement that it “understands the far-reaching implications of this matter, and is deeply concerned for the well-being of the plan participants.”

In an April 23 letter to ELCA officials, Lewis denied all claims of wrongdoing and said Augsburg will seek dismissal of the employee lawsuit.

“I recognize that these issues are difficult for all of you, as they are for us, at a time when ELCA leaders are worried about many things,” Lewis wrote. “The bottom line here was that there were no good choices to be made so we made the best choice out of a number of bad options.” *-Religion News Service*