

GENERAL SYNOD 2009

Report of the Pensions Board

Seconded by The Venerable Donald McLean, Diocese of Derry

EMBARGOED UNTIL DELIVERY

CHECK AGAINST DELIVERY

In proposing this report last year I referred to my going to the Academy Cinema in the late 60's where I saw that great Western Spaghetti: The Good, the Bad and the Ugly. I concluded: 'Those three descriptors probably reflect the different periods of the Pension Board over the past number of years Now what I fear we might call the **Ugly** period has dawned. The stock market has had a turbulent time since the beginning of the year with, in some cases, a spiralling down-turn.'

This year's proposer has referred to that continuing trend and to the ongoing work and proposals at central Church level to 'bail out' our Pensions Fund.

On 23 January 2009 the UK Association of Consulting Actuaries said: The financial stresses of recession will inevitably drive more sponsors to decisions to close final salary pension schemes to new entrants and future accrual – the warning signs that this would happen have been flagged up by our members, even without the added financial pressures of the last few months. The determination of the Pensions Board, however, is to preserve our Defined Benefit Scheme.

It is important, however, that the fragile economic position that both parts of our country face should not drive yet more short-term decision making in respect of what should be a longer-term approach. The role of the Governments and the Pensions Regulators are of vital importance at this time. A firm lead needs to go out from both to sponsors and trustees that makes it clear that the best interests of pension scheme members will be

delivered by trustees and sponsors working together to ensure sponsors are able to continue to support ongoing defined benefit schemes. That is our belief.

To other matters:

During the course of the year the Board considered the setting up of an Ill health/income protection scheme. In many ways this would have mirrored the existing 'Armagh scheme'. A large sum of money would be needed to finance such a scheme – a levy of 2% of annual MAS – over £620,000 pa – and because of the present economic climate this area of consideration is not being pursued at present.

Work is ongoing with regard to the legal issues of the fund mentioned at last year's Synod. The working group consisting of members of the Board and the RCB Executive are 'on line' to present a Bill to next year's Synod. In bringing forward amendments to the present Chapter XIV of the Constitution in order to comply with provisions you would normally expect to be included in a Trust Deed and Rules of a Pension Scheme which is in compliance with the Pensions Act, certain sections of the present Chapter XIV will be clarified and expanded. However, contrary to early speculation and comment made at last year's Synod, Chapter XIV will remain.

We again remind Clergy of the Additional Voluntary Contribution scheme where funds are invested with Standard Life – copies of the scheme and further information may be obtained from the Assistant Secretary.

Now let me turn to a brighter side of this year's report – where we have continued to maintain assistance to our retired Clergy and the surviving spouses of Clergy, who in total, comprise 471 individuals, 202 of which are surviving spouses. (That total is just 6 less than the total number of contributing members).

Lump sum benefits were paid out totalling €90,837 and £297,247 – here we see one of the benefits of our defined benefit scheme. Pensions have again been increased and we

continue to ensure minimum income levels for 4 surviving spouses and provide supplements in lieu of State Pension for 6 clergy.

Page 141, item 2 refers to the Housing Assistance Fund. In many cases, during the past year, we have allocated at increased levels, for example in relation to payments towards those in nursing care. In fact over £267,000 was paid out during the course of the year to offset some of the cost involved in house repairs and maintenance and upkeep. This help, we know is very much appreciated and the Fund is always most grateful for donations and bequests.

Your grace, the 8th of May 2009 was an historic day for many of us gathered at this Synod. I am not referring to the first day of the first Weekend Synod! As I started with reference to a film so I will end with one which appeared on the big screen yesterday, 8th May 2009, Star Trek. Star Trek, with the star ship Enterprise, whose mission is to 'boldly go', 'to explore new frontiers' The Pensions Board, along with our Trustee, the Representative Church Body, now boldly go forward to explore, to maintain our prime directive, to maintain our Defined Benefit Scheme so that it, as Mr Spock would say may: 'Live long and prosper!'