GENERAL SYNOD 2011

REPORT OF THE PENSIONS BOARD

Proposed by Revd Ted Woods Diocese of Dublin

EMBARGOED UNTIL DELIVERY

CHECK AGAINST DELIVERY

Archbishop,

There is good news and bad news in the Report of the Pensions Board.

The good news is that the fund continues to be a defined benefit scheme – which means that the amount of pension is defined in relation to the Pensionable Stipend rather than a defined contribution scheme which means that the amount of pension depends on the current returns from investments.

And it is good news for all concerned – the RB, the Pensions Board and the new Trustee Body – are committed, as far as possible, to keeping the Fund a defined benefit scheme.

And it is good news that although there won't be any increases in pension this year in the Republic of Ireland, it is promised that there won't be any decreases – even if the cost of living index again falls to minus levels. The good news for a number of clergy retired from parishes in N.I. is that UK legislation gives statutory increases to the pension relating to service after certain dates. The dates and rates which apply are explained in Section 7 of the Report.

The bad news is, of course, that due to market forces and reduced returns on investments the Pensions Fund is in deficit. The Actuarial Certificate on page 209, which refers to the

actuarial valuation on 30th Sept. 2009, shows that at that date the assets of the Fund were sufficient to cover only 67% of the Fund's liabilities. The deficit was in the order of €43m.

That resulted in an increase in contributions to the Fund (which came into effect last January) from 26% to 30% of MAS. The breakdown is given on pages 124 and 125. Members contribute 9%, dioceses and parishes 21%. In addition there is an 8.2% contribution from Central Funds. As members will recall from Synod last year, it is also planned to increase the total contribution rate by a further 4% on 1 January 2015.

Whereas it's good news – for the Pension Fund – that the RB has committed to a capital injection totalling €25m into the Pension Fund over the years 2010 – 2014, it does mean that the contribution from Central Funds – the 8.2% just mentioned – will decrease over that same period. The decrease is explained in greater detail on page 21 of the Book of Reports.

Members and beneficiaries of the Pensions Fund are grateful to the RB for this huge transfer of capital.

As you will read in section 8 of the report there has been a deferral in submitting the Funding Proposal to An Bord Pinsean pending the introduction of new legislation with regard to the governance of defined benefit schemes. This was originally due to be introduced no later than July of this year.

I have been a member of the Pensions Board for a number of years and I am struck by the care and concern of all the members of the Board to do the very best for clergy and their surviving spouses and dependents. Along with the financial 'nous' of many on the Board, there is a tremendous pastoral concern for the welfare of all the Fund's members, and this is shared by the staff of the RCB who service the Board. In this regard I would like to thank and pay tribute to the work of Philip Talbot who has brought great knowledge to all its workings and decisions, and we wish him well in retirement.

In January we said farewell to two of our members – to the former Archbishop of Dublin, John Neill, on his retirement from active ministry and to Lesley Johnston. We thank the Archbishop for a lot of valuable work behind the scenes with regard to the viability of the Pension Fund as well as his wise counsel at meetings. We are grateful to Lesley Johnston who brought a great knowledge of social welfare to the workings of the Board.

We await an Episcopal replacement, but are delighted to welcome Mrs Cynthia Cherry from Antrim in Mr Johnston's place.

The Housing Assistance Fund continues to play a significant role in helping retired members with setting up their homes and continued maintenance of the same. It also contributes in a small way to costs of Nursing Homes. As you will see from the report well over €100,000 was allocated during 2010. This, together with other funds listed on pages 158/9, and the Supplemental Fund all go to help make life as comfortable as possible, within the restrictions of a recession, for the retired clergy and their surviving spouses.

So with these remarks I propose that the report of the Pensions Board be received and adopted.