

GENERAL SYNOD

**CHURCH OF ENGLAND FUNDED PENSIONS SCHEME
(DEBT APPORTIONMENT) (AMENDMENT) RULES 2008**

Made by the Church of England Pensions Board 27th November 2008

Approved by the General Synod [] February 2009

The Church of England Pensions Board makes the following amendments to the Rules of the Church of England Funded Pensions Scheme:

1. In these rules “the scheduled rule” means the rule set out in the Schedule.
2. The scheduled rule shall be inserted in the Rules of the Church of England Funded Pensions Scheme after Rule 19.
3. These rules shall come into force immediately upon their approval by the General Synod but without prejudice to anything contained in the scheduled rule as to the date on which its provisions are to take effect or the circumstances in which it will apply.

SCHEDULE

20 Apportionment of debt arising under Section 75 of the Pensions Act 1995

20.1 Meaning of words used

In this Rule:

“**Employer**” and “**Relevant Time**” means the same as for the purposes of Section 75 of the Pensions Act 1995

“**Employment Cessation Event**”, “**Liability Share**”, and “**scheme apportionment arrangement share**” have the meaning given to them in the Occupational Pension Schemes (Employer Debt) Regulations 2005.

“**Effective Date**” has the meaning given in Rule 20.6.

20.2 Application of this Rule

This Rule applies at any time when there is more than one employer in relation to the Scheme for the purpose of calculating the amount of any debt that may become due from an employer under Section 75 of the Pensions Act 1995 (deficiencies in the assets).

20.3 Designation of Responsible Bodies

The Trustee will designate each Responsible Body as either a “**Major Responsible Body**” or a “**Minor Responsible Body**”. In the case of an entity which becomes a Responsible Body after the Effective Date such designation will be made on admission of the Responsible Body. Otherwise it shall be made as the Trustee

decides. The Trustee may change the designation of a Responsible Body at any time after consultation with the relevant Responsible Body.

20.4 Calculation of debt

Subject to Rules 20.5 below, the amount due from any Employer shall be calculated as follows:

- (i) in the case of an Employer which is a Minor Responsible Body, a scheme apportionment arrangement share of £100;
- (ii) in the case of an employer which is a Major Responsible Body, a scheme apportionment arrangement share equal to the aggregate of:
 - (a) its liability share; plus
 - (b) the additional amount which is the difference between the liability share and the amount which would have been its liability share if:
 - (i) in the case of a Member who leaves Service with a Minor Responsible Body on or after the Effective Date and immediately enters Service with a Major Responsible Body, all liabilities for and in respect of that Member had been included in the liability share;
 - (ii) all other liabilities which would otherwise have formed part of the liability share if the only employers at the relevant time had been Major Responsible Bodies; and
 - (iii) in the case of an employer which is not a Responsible Body (if any), a scheme apportionment arrangement share of £1.

20.5 Alternative calculations

The Trustee may determine that a scheme apportionment arrangement share of an amount different to that described at Rule 20.4 will apply in respect of any Responsible Body. However, the Trustee may do so only if the Trustee is satisfied that all requirements are met for that agreement to operate as a “scheme apportionment arrangement” within the meaning given in the Occupational Pension Schemes (Employer Debt) Regulations 2005.

20.6 Effective Date

The provisions of this Rule take effect on the “**Effective Date**” which is the later of:

- 20.6.1** the date when it is approved in accordance with the requirements of the Scheme applicable to Rule amendments; or
- 20.6.2** the date when the Trustee is satisfied that all requirements are met for this Rule to operate as a “scheme apportionment arrangement” within the meaning given in the Occupational Pension Schemes (Employer Debt) Regulations 2005.

It will then apply only on any Employment Cessation Event or Relevant Time on or after the Effective Date and in respect of any Employment Cessation Event which has occurred before the Effective Date where the Trustee agrees that it should apply.

Church House, Westminster

January 2009

Published by the General Synod of the Church of England and on sale at the Church House Bookshop,
31 Great Smith Street, London SW1P 3BN
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