

GENERAL SYNOD

CHURCH OF ENGLAND FUNDED PENSIONS SCHEME
(EXCLUSION OF INELIGIBLE PERSONS) (AMENDMENT) RULES 2008EXPLANATORY MEMORANDUM

The need for these Rules has been identified by the Church of England Pensions Board ('CEPB') as a result of recent legal issues relating to the clergy of the Diocese in Europe. Those issues have now been resolved without affecting the membership of the Church of England Funded Pension Scheme ('the CEFPS') of those clergy. They have however alerted CEPB to a concern about the rules of the CEFPS. As they currently stand, the scheme rules do not allow for the exclusion of persons from the scheme in circumstances where it would be unlawful for CEPB to accept contributions or provide benefits in respect of those persons. CEPB has therefore concluded that the scheme rules should be amended to address the position.

These Rules accordingly insert a new rule 2.2A into the rules of the CEFPS to exclude from eligibility for membership of the CEFPS any persons in respect of whom it would be unlawful for CEPB to accept contributions or to provide benefits. Rule 2.2A achieves this in two ways:

- (a) First, any person in respect of whom it would be unlawful for CEPB to accept contributions or to provide benefits will not be allowed to join the CEFPS.
- (b) Secondly, where a person is already a member of the CEFPS, if during that person's membership it *becomes* unlawful for CEPB to accept contributions or to provide benefits in respect of that person (for example, because of a change in the law¹), then that person will automatically cease to be eligible for continued membership of the scheme.

In situation (b), the member will be treated as having left pensionable service on the date on which it became unlawful for the CEPB to accept contributions or to provide benefits in respect of him or her. (This will be the case even where it is only at a later date that the CEPB becomes aware of that person's eligibility having ceased. In such a case the person in question will still be deemed to have left pensionable service on the date on which it became unlawful for the CEPB to accept contributions or to provide benefits in respect of that person.)

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¹ CEPB have indicated that they are not currently aware of any circumstances in which this provision would be engaged.

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