

## GENERAL SYNOD

## THE CHURCH OF ENGLAND FUNDED PENSIONS SCHEME (CESSATION OF CONTRACTING OUT ETC.) (AMENDMENT) RULES 2010

*Made by the Church of England Pensions Board* \*\*\*

*Approved by the General Synod* \*\*\*

*Coming into force* *1st January 2011*

The Church of England Pensions Board makes the following rules for the purposes of the Church of England Funded Pensions Scheme:

1. These rules shall come into force on 1st January 2011.
2. In these rules “the Scheme Rules” means the Rules of the Church of England Funded Pensions Scheme.
3. In Rule 1.1 of the Scheme Rules the definition of “Full Basic Pension” is omitted.
4. For Rule 3.1.1 of the Scheme Rules substitute—

**“3.1.1 Basic pension rates**

A Member who leaves Service at or after Retiring Age will receive a pension for life at a yearly rate calculated as:

- (a) 1/37 of 2/3 of the National Minimum Stipend in the 12 months ending on the 31 March before the Member leaves Service for each year of Pensionable Service before 1 January 2008 plus an additional proportion for each day before that date;
- (b) 1/40 of 2/3 of the National Minimum Stipend in the 12 months ending on the 31 March before the Member leaves Service for each year of Pensionable Service on or after 1 January 2008 and before 1 January 2011 plus an additional proportion for each day during this period; and
- (c) 1/40 of 1/2 of the National Minimum Stipend in the 12 months ending on the 31 March before the Member leaves Service for each year of Pensionable Service on or after 1 January 2011 plus an additional proportion for each day on or after that date.

The Member will also receive a lump sum equal to three times the Member’s Pension or, if less the maximum “pension commencement lump sum” permitted for the purposes of Part 4 of the Finance Act 2004.

However, no benefits will be provided unless the Member has a total of at least 3 months’ Pensionable Service and Past Service, unless the Board decides otherwise.

A Member who stays in Service after reaching age 75 will be treated for all the purposes of the Scheme as having left on reaching that age, unless the Member has held the same office since 31 December 1975.”.

5. For rule 3.1.3 of the Scheme Rules substitute—

**“3.1.3 Maximum pension**

The total pension payable under this Rule 3.1 cannot exceed the lesser of:

(a)  $2/3^{\text{rd}}$  of NMS or

(b) an amount given by the formula:

$$\left(x \times \frac{2}{111} \times NMS\right) + \left(\frac{y}{60} \times NMS\right) + \text{the greater of:}$$

$$(i) \frac{\left(1 - \left(\frac{x}{37} + \frac{y}{40}\right)\right)}{2} \times NMS \quad \text{or}$$

(ii) zero

where:

$x$  = full time equivalent service prior to 1 January 2008

$y$  = full time equivalent service between 1 January 2008 and 31 December 2010 inclusive

$NMS$  = the National Minimum Stipend in the 12 months ending on the 31 March before the Member leaves Service”.

6. For Rule 12.6 of the Scheme Rules substitute—

#### **“12.6 Contracting-out**

Prior to 1 January 2011, the Scheme was a salary related contracted-out scheme. With effect from 1 January 2011, the Scheme ceases to be a salary related contracted-out scheme.

The Board will operate the Scheme in accordance with the Contracting-out Laws applicable to a former salary related contracted-out scheme. These Rules will be treated as including Rules to same effect as any rule that must be included for the Scheme to be contracted-out in relation to a Member’s Service prior to 1 January 2011.

This Rule overrides all other provisions of the Scheme, except those that are in accordance with the Pension Schemes Act 1993.”.

Church House, Westminster

June 2010

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