



## Pension Builder 2014 overview

This leaflet is for members of the Pension Builder 2014 (PB 2014) section of the Church Workers Pension Fund (CWPF). It explains:

- what happens to your contributions,
- how bonuses work, and,
- what your options are at retirement.

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### What happens to your contributions?

Each month contributions from your employer, plus any contributions you pay are added to your individual account.

Your individual account builds up over time, and the size of your account depends on;

- how much is paid by you and your employer, and,
- the level of bonuses before you retire.

If you retire at age 65 we guarantee that your account value will be the total of all the contributions paid plus bonuses. If you retire or transfer your account before 65, we may reduce your account but we would only do that if financial conditions were affecting the funding position of PB 2014.

We treat Additional Voluntary Contributions (AVCs) in the same way.

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### How bonuses work

Every April we aim to add a bonus to your account. This reflects the performance of the investments we hold on your behalf. Once added, your bonus is guaranteed.

We invest your contributions with the aim of achieving a good level of investment return without taking excessive investment risk.

When deciding whether PB 2014 can afford to add a bonus we look at how well our investments have performed. If the returns after costs are positive, we will add a bonus to your account. This is how we currently do this:

- We look at the total return investment return over the calendar year
- We deduct 0.5% to cover our costs
- If the return is more than 10% we will deduct **at least** 1% to cover the cost of guaranteeing your account

After this, we round down the amount left so that it is divisible by 12. Here is the bonus for 2015 and 2016, and when it is added to your account:

	<b>2015</b>	<b>2016</b>
<b>Bonus</b>	1.8%	15%
<b>Bonus added to contribution paid during</b>	2014	2014 and 2015
<b>When it is added to your account</b>	April 2016 to March 2017	April 2017 to March 2018

We add bonuses monthly between April and March. For example, for your 2015 bonus, we will add 0.15% a month between April 2016 and March 2017. We will add this to any contributions you and your employer paid in 2014.

For your 2016 bonus, we will add 1.25% a month between April 2017 and April 2018. We will add this to any contribution you and your employer paid in 2014 and 2015.

We guarantee your account if investment returns are negative so there is no reduction.

We expect positive long term investment performance and we aim to add bonuses that match those returns after allowing for costs. However, the nature of the underlying investments mean that there may be large variations in bonuses from year to year.

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## What are your options at retirement?

When you retire, we can pay 25% of your account to you tax-free. You then decide what you would like to do with the rest. You have 3 main choices:

1. We can pay the rest to you as a taxed lump sum (you will need to decide how you use this to provide an income for your retirement)
2. You can transfer the rest to another pension provider and buy a guaranteed income for the rest of your life (known as an annuity)
3. You can transfer the rest to another pension provider. You can leave your money with your new provider and take an income from it when you want to. Any money left in your pension pot remains invested, which may give your pension pot a chance to grow, but it could go down in value too because the guarantee would no longer apply.

We will tell you more about your choices as you approach retirement but we are happy to answer your questions at any time.

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Please contact us if you have any queries. We are always happy to help.

## Contact us

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