~Pension Scheme Consultation Report~

Summary

In total, 3,392 responses, to the 24,804 consultation documents sent out, have been received. This constitutes a *circa* 13.68% response rate.

The views on the three main proposals made in the Consultation Document were, on the whole, positive. The aggregate percentages[1] are shown below.

Accept Proposal	*Percent*
To increase the Length of Service from 37 to 40 years	67.4%
Ceasing the policy of making discretionary increases above those guaranteed by the Scheme	60.2%
Reducing LPI to 3.5%	49.7%

Accept Proposal with Concern	*Percent*
To increase the Length of Service from 37 to 40 years	20.1%
Ceasing the policy of making discretionary increases above those guaranteed by the Scheme	14.7%
Reducing LPI to 3.5%	20.9%

Reject Proposal	*Percent*
To increase the Length of Service from 37 to 40 years	12.4%
Ceasing the policy of making discretionary increases above those guaranteed by the Scheme	24.5%
Reducing LPI to 3.5%	28.8%

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[1] Please read Appendix 2 for a discussion of the use of aggregate percentages.

Analysis

Proposal 1: *Do you have views on our proposal to change the length of service that clergy will need to do to earn a full pension from 37 years to 40 years, for future service?*

Views on Increasing the Length of Service from 37 to 40 years

	Frequency	Percent
Strongly Agrees	486	14.3
Agrees	793	23.4
Accepts	1008	29.7
Accepts with Concern	244	7.2
Does Not Disagree	438	12.9
Disagrees	422	12.4
Misunderstands	1	.0
Total	3392	100.0

Table 1

Aggregate Views on Increasing the Length of Service from 37 to 40 years

	Frequency	Percent
Accepts	2287	67.4
Accepts with Concern	682	20.1
Rejects	422	12.4
Misunderstands	1	.0
Total	3392	100.0

Table 2

Proposal 2: *Do you have views on our proposal to change the policy of matching yearly increases in pensions payment to increases in stipends?*

Views on Ceasing the Policy of making Annual Increases Above those Required by the Policy

	Frequency	Percent
Strongly Agrees	395	11.6
Agrees	541	15.9
Accepts	1105	32.6
Accepts with Concern	97	2.9
Does Not Disagree	403	11.9
Disagrees	830	24.5
Misunderstands	21	.6
Total	3392	100.0

Table 3

Aggregate Views on Ceasing the Policy of making Annual Increases Above those Required by the Policy

	Frequency	Percent
Accepts	2041	60.2
Accepts with Concern	500	14.7
Rejects	830	24.5
Misunderstands	21	.6
Total	3392	100.0

Table 4

Proposal 3: *Do you have views on our proposal to change the limit on pension increases from the retail price index up to 5% to the retail price index up to 3.5% for future service?*

Views on Reducing LPI to 3.5%

	Frequency	Percent
Strongly Agrees	302	8.9
Agrees	424	12.5
Accepts	959	28.3
Accepts with Concern	281	8.3
Does Not Disagree	427	12.6
Disagrees	976	28.8
Misunderstands	23	.7
Total	3392	100.0

Table 5

Aggregated Views on Reducing LPI to 3.5%

	Frequency	Percent
Accepts	1685	49.7
Accepts with Concern	708	20.9
Rejects	976	28.8
Misunderstands	23	.7
Total	3392	100.0

Table 6

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Group Summary of Views Broken Down by Respondents' Status in the Scheme

Of the 3,392 responses received, 1,530 were by Active members[2] (16.14% response rate) and 1,892 Other Scheme Members[3] (12.15% response rate).

Accept Proposal	Active Members	Other Members
To increase the Length of Service from 37 to 40 years	60.7%	73.0%
Ceasing the policy of making discretionary increases above those guaranteed by the Scheme	54.1%	65.2%
Reducing LPI to 3.5%	39.5%	58.1%

Accept Proposal with Concern	Active Members	Other Members
To increase the Length of Service from 37 to 40 years	19.8%	20.4%
Ceasing the policy of making discretionary increases above those guaranteed by the Scheme	12.7%	16.4%
Reducing LPI to 3.5%	19.2%	22.3%

Reject Proposal	Active Members	Other Members
To increase the Length of Service from 37 to 40 years	19.5%	6.6%
Ceasing the policy of making discretionary increases above those guaranteed by the Scheme	32.7%	17.7%
Reducing LPI to 3.5%	40.6%	19.1%

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[2] Stipendiary Ministers who are accruing pension under the Pensions Board's Scheme.

[3] Ministers who have either retired, and are therefore in receipt of their pension, and those who have suspended their contribution to the scheme if employed other organisations such as the NHS or HM Prison Service.

Analysis

Proposal 1: *Do you have views on our proposal to change the length of service that clergy will need to do to earn a full pension from 37 years to 40 years, for future service?*

Active Members

Active Members' Views on Increasing the Length of Service from 37 to 40 years

	Frequency	Percent
Strongly Agrees	191	12.5
Agrees	338	22.1
Accepts	399	26.1
Accepts with Concern	148	9.7
Does Not Disagree	155	10.1
Disagrees	299	19.5
Total	1530	100.0

Table 7

Active Members' Aggregate Views on Increasing the Length of Service from 37 to 40 years

	Frequency	Percent
Accepts	928	60.7
Accepts with Concern	303	19.8
Rejects	299	19.5
Total	1530	100.0

Table 8

Other Scheme Members

Other Scheme Members' Views on Increasing the Length of Service from 37 to 40 years

	Frequency	Percent
Strongly Agrees	295	15.8
Agrees	455	24.4
Accepts	609	32.7
Accepts with Concern	96	5.2
Does Not Disagree	283	15.2
Disagrees	123	6.6
Misunderstands	1	.1
Total	1862	100.0

Table 9

Other Scheme Members' Aggregate Views on Increasing the Length of Service from 37 to 40 years

	Frequency	Percent
Accepts	1359	73.0
Accepts with Concern	379	20.4
Rejects	123	6.6
Misunderstands	1	.1
Total	1862	100.0

Table 10

Comments Made with Regards to this Proposal

12.4% of Active Members raised concerns about maturity at ordination making it difficult to accrue the full length of service, and 6.7% believe this should apply to new members only.

Proposal 2: *Do you have views on our proposal to change the policy of matching yearly increases in pensions payment to increases in stipends?*

Active Members

Active Members' Views on Ceasing the Policy of making Annual Increases Above those Required by the Policy

	Frequency	Percent
Strongly Agrees	148	9.7
Agrees	235	15.4
Accepts	444	29.0
Accepts with Concern	48	3.1
Does Not Disagree	146	9.5
Disagrees	501	32.7
Misunderstands	8	.5
Total	1530	100.0

Table 11

Active Members' Aggregate Views on Ceasing the Policy of making Annual Increases Above those Required by the Policy

	Frequency	Percent
Accepts	827	54.1
Accepts with Concern	194	12.7
Rejects	501	32.7
Misunderstands	8	.5
Total	1530	100.0

Table 12

Other Scheme Members

Other Scheme Members' Views on Ceasing the Policy of making Annual Increases Above those Required by the Policy

	Frequency	Percent
Strongly Agrees	247	13.3
Agrees	306	16.4
Accepts	661	35.5
Accepts with Concern	49	2.6
Does Not Disagree	257	13.8
Disagrees	329	17.7
Misunderstands	13	.7
Total	1862	100.0

Table 13

Other Scheme Members' Aggregate Views on Ceasing the Policy of making Annual Increases Above those Required by the Policy

	Frequency	Percent
Accepts	1214	65.2
Accepts with Concern	306	16.4
Rejects	329	17.7
Misunderstands	13	.7
Total	1862	100.0

Table 14

Comments Made on this Proposal

Very few respondents made further comments on this proposal. 1.5% of Active Members noted that this would be an acceptable change in policy should the RPI be set at a reasonable level. Comments by Other Scheme Members are so negligible that they have not been reported.

Proposal 3: *Do you have views on our proposal to change the limit on pension increases from the retail price index up to 5% to the retail price index up to 3.5% for future service?*

Active Members

Active Members' Views on Reducing LPI to 3.5%

	Frequency	Percent
Strongly Agrees	88	5.8
Agrees	157	10.3
Accepts	359	23.5
Accepts with Concern	152	9.9
Does Not Disagree	141	9.2
Disagrees	621	40.6
Misunderstands	12	.8
Total	1530	100.0

Table 15

Active Members' Aggregated Views on Reducing LPI to 3.5%

	Frequency	Percent
Accepts	604	39.5
Accepts with Concern	293	19.2
Rejects	621	40.6
Misunderstands	12	.8
Total	1530	100.0

Table 16

Other Scheme Members

Other Scheme Members' Views on Reducing LPI to 3.5%

	Frequency	Percent
Strongly Agrees	214	11.5
Agrees	267	14.3
Accepts	600	32.2
Accepts with Concern	129	6.9
Does Not Disagree	286	15.4
Disagrees	355	19.1
Misunderstands	11	.6
Total	1862	100.0

Table 17

Other Scheme Members' Aggregated Views on Reducing LPI to 3.5%

	Frequency	Percent
Accepts	1081	58.1
Accepts with Concern	415	22.3
Rejects	355	19.1
Misunderstands	11	.6
Total	1862	100.0

Table 18

Comments Made on this Proposal

The most common concern with this proposal was that of rising inflation. In fact, 24.6% of Active Members, and 12.5% of Other Scheme Members, commented on this.

Other Issues Commented on by the Respondents

This section summarises some of the other comments made by respondents that were not directly related to the three proposals under consideration. These were mostly, though not exclusively, extrapolated from answers to question 5 (Appendix 1). It must be noted, however, that there is no possibility of either positive or negative comment being counted twice.

The tables in this section include a "weighted percent" column. This is calculated on the total number of respondents who made any comment in reference to that theme rather than on the total number of responses received. [4]

Housing
Overall, 19.4% of Active Members and 8.7% of Other Scheme Members expressed some degree of concern with regards to retirement housing.

Active Members' Comments on Housing

	Frequency	Percent	Weighted Percent
Costly	27	1.8	9.1
£36k Insufficient	15	1.0	5.1
Removal Costs	3	.2	1.0
Major Concern	252	16.5	84.8
Total	297	19.4	100.0
Missing	1233	80.6	
Total	1530	100.0	

Table 19

Other Scheme Members' Comments on Housing

	Frequency	Percent	Weighted Percent
Costly	115	6.2	71.0
£36k Insufficient	5	.3	3.1
Removal Costs	1	.1	.6
Affects Mortgages	14	.8	8.6
Council Tax	27	1.5	16.7
Total	162	8.7	100.0
Missing	1700	91.3	
Total	1862	100.0	

Table 20

Pension Age
The current policy on pension age was commented upon by 6.2% of Active Members and 4.0% of Other Members of the scheme: in both cases, the majority suggest increasing the Pension Age (74.7% and 74.7% weighted percentage respectively).

Active Members' Comments on Pension Age

	Frequency	Percent	Weighted Percent
>65	71	4.6	74.7
"Old" Clergy	24	1.6	25.3
Total	95	6.2	100.0
Missing	1435	93.8	
Total	1530	100.0	

Table 21

Other Scheme Members' Comments on Pension Age

	Frequency	Percent	Weighted Percent
>65	56	3.0	74.7
"Old" Clergy	8	.4	10.7
Life of Mission	11	.6	14.7
Total	75	4.0	100.0
Missing	1787	96.0	
Total	1862	100.0	

Table 22

Moreover, 2.7% of Active Members and 1.1% of Other Scheme Members commented on the disincentive these changes represented to entering into stipendiary ministry.

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[4] In other words, assuming 20 out of 100 respondents commented on a variable "test" which included two voices only ("x" and "y") and that 15 respondents commented on "x" (x=15) and 5 respondents commented on "y" (y=5) then a weighted percentage of 75% respondents mentioned "x" (15/20), however, this only corresponds to 15% of the respondents as a whole (15/100).

General Financial Concerns

11.0% of Active Members and 6.3% of Other Members expressed some financial concerns.[5]

Active Members' Overall Financial Concerns

	Frequency	Percent	Weighted Percent
Low Stipends	120	7.8	71.4
Inability to Save	39	2.5	23.2
Financial Advice	9	.6	5.4
Total	168	11.0	100.0
Missing	1362	89.0	
Total	1530	100.0	

Table 23

Other Scheme Members' Overall Financial Concerns

	Frequency	Percent	Weighted Percent
Low Pension	28	1.5	23.9
Inability to Save	45	2.4	38.5
Financial Advice	12	.6	10.3
Request > Fees	20	1.1	17.1
Request Review of Fees	12	.6	10.3
Total	117	6.3	100.0
Missing	1745	93.7	
Total	1862	100.0	

Table 24

Moreover, 6.9% of Active Members and 7.7% of Other Members make some comments on the current pension scheme[6].

Active Members' Comments on the Pension Scheme

	Frequency	Percent	Weighted Percent
Low Pension	86	5.6	81.9
Generous	19	1.2	18.1
Total	105	6.9	100.0
Missing	1425	93.1	
Total	1530	100.0	

Table 25

Other Scheme Members' Comments on the Pension Scheme

	Frequency	Percent	Weighted Percent
Will Be Too Low	12	.6	8.4
Ease of Living Assured	13	.7	9.1
Generous	55	3.0	38.5
> Representation	1	.1	.7
Early Retirement	17	.9	11.9
Means Tested	45	2.4	31.5
Total	143	7.7	100.0
Missing	1719	92.3	
Total	1862	100.0	

Table 26

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[5] Fees refers to the difference between Diocesan policies in relation to fees payments for retired clergy. Education refers to expressing desire for better financial education, for clergy, on making personal provisions for their pensions.

[6] Please note, however, that Other Scheme Members also comment on the effect of the proposals on the pension scheme as one can see in the first two voices of Table 20 (though the number of respondents who made such comments is negligible)

Comments on the Consultation

The quality of the consultation was commented on favourably by 8.1% of active members and 12.0% of the other members of the scheme.[7]

Active Members' Overall Comments on the Consultation Document

	Frequency	Percent	Weighted Percent
Necessary Changes	31	2.0	19.0
Clear Document	14	.9	8.6
Thank You	110	7.2	67.5
Pointless Exercise	8	.5	4.9
Total	163	10.7	100.0
Missing	1367	89.3	
Total	1530	100.0	

Table 27

Other Scheme Members' Overall Comments on the Consultation Document

	Frequency	Percent	Weighted Percent
Necessary Changes	8	.4	3.1
Clear Document	21	1.1	8.2
Thank You	203	10.9	79.6
Not Understood	1	.1	.4
Pointless Exercise	5	.3	2.0
Widows Not Mentioned	17	.9	6.7
Total	255	13.7	100.0
Missing	1607	86.3	
Total	1862	100.0	

Table 28

However, though not coded, some respondents commented on the financial pressures placed on parishes as the following quote exemplifies: "Parishes are already at financial breaking point. To ask for more money to fund pensions may be the last straw." [8]

These comments were often coupled by the suggestion of introducing a Contributory Pension Scheme which were made by 3.1% of Active Members and 1.7% of Other Scheme Members.

Anna Aprea
Ministry Division
4th June 2007

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[7] This percentage represent the values of the voices "Clear Document" and "Thank You" which refers both to the work done and for the consultation itself.
[8] Verbatim quotation, Respondent 161 amongst Active Members' group.

~Appendix 1~

Church of England Funded Pensions Scheme
Consulting you about changes to the scheme

We are consulting with all 25,000 members of the scheme. So that we can analyse your responses effectively please use this response sheet making sure that your comments are written clearly and legibly in black ink in the spaces provided.

The consultation closes on 31 May 2007

1.   Are you still earning pension entitlement under the scheme?   Yes / No

2.   Do you have views on our proposal to change the length of service that clergy will need to do to earn a full pension from 37 years to 40 years, for future service?

3.   Do you have views on our proposal to change the policy of matching yearly increases in pensions payment to increases in stipends?

4.   Do you have views on our proposal to change the limit on pension increases from the retail price index up to 5% to the retail price index up to 3.5% for future service?

5.   Other comments:

Please return to:

   The Secretary to DRACSC
   Church House
   Great Smith Street
   London SW1P 3AZ

For general enquiries on pensions, please ring 020 7898 1802 or email pensionenquiries@c-of-e.org.uk

~Appendix 2~

The Consultation

All members who currently belong to the Church of England's Pension Scheme, including those who have deferred pension payments, were sent a four question open-ended questionnaire (Appendix 1) to ascertain their views with regards to the three proposed changes.

Active members, those still accruing pension benefits, were distinguished from all other scheme members through the colour of the paper on which the questionnaire was printed. The questionnaire was mailed to each of the schemes members with a copy of the Consultation Document in which the new proposals were presented. The consultation period is due to finish on the 31st of May 2007.

Methodology

The open-ended nature of the questionnaire implied the need to devise a coding scheme that would provide an intelligible overview on the concerns expressed by the Scheme's members.

It must be noted that the majority of the responses received were hard to code. Many respondents refrained from taking a position and simply asked questions or made comments not directly relating to the question asked. In those instances the coder had to interpret whether the comments made implied a disagreement with the policy or whether they were accepting the proposals while expressing some concerns (which were then coded in the "comment variables").

Consequently, the three main questions were coded by using a seven category coding scheme presented below. The conceptualisation of these categories was meticulous to ensure that a reliable coding scheme be applied throughout the analysis.

1	Strongly Agrees	*Any use of terms such as "I support" "I agree" "Good Idea" "Is right" and includes no negative comment*
2	Agrees	*A positive comment though less categorical in its support for the proposal. Some key words such as "It is fair" "reasonable" "acceptable" "sensible" "ok" "I am content" "Seems right" "Seems best way" "equitable" "it is fine" fairly represent this category.*
3	Accepts	*Comments such as "I understand" "it is necessary" "inevitable" "No" "Yes (if alone)"[9] "disappointing but…" "unfortunate" "have no comment" or leaves the Box Blank. More generally these comments may express some reservation but imply an acceptance of the policy changes should they be implemented.*

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[9] The reason for this apparent contradiction is that some respondents used "No" to indicate they had no views, which was interpreted as an acceptance of the changes, and others replied "Yes" only which was interpreted as an acknowledgment of acceptance, or agreement, with the proposal.

4	Accepts w. Concern	*Does not explicitly disagree with the proposal but expresses some concern for the effects the proposal might have on the benefits of the scheme. These concerns were coded in the supplementary variables created and discussed, in greater detail, in the "full report".* [10]
5	Does Not Disagree	*These respondents express a personal comment which is either too ambiguous or unrelated to the proposal ("Other Themes" variables provide further information). Moreover, they may ask questions or state they have: "No views", "Cannot comment"*
6	Disagrees	*Comments such as "Surely this penalises...", "Yes" followed by a negative comment, "Not fair" "a betrayal"*
7	Question not understood	*Used if the answer or comment given by the respondent reveals a misunderstanding of the question or consultation document.*

For ease of interpretation, these categories were further recoded into **aggregate variables** based on three categories only. These are: "Accepts" (which combines categories 1, 2 and 3), "Accepts with Concern" (which combines categories 4 and 5) and finally "Opposed" (which represents category 6).

It is important to note that while "no comment" was coded as Accepts (3), "cannot comment" and "no views" were coded as Not disagree (5). It was, in fact, felt that not commenting, just as leaving the box blank, implied an acceptance of the proposals made, while having no views and feeling that one could not comment implied a higher degree of detachment from the issues raised in the consultation.

Moreover, very ambiguous responses also were coded as does "Does Not Disagree" (5) if other responses did not provide further clues into that respondent's views on the three consultation's proposal.

Though one may argue that this could amount to biasing data in favour of the consultation, it is important to highlight that once these responses have been computed in the recoded aggregate variables, these would not be included in the "Accepts" category, which is the one of main interest to the consultation.

The same coding scheme is used both on the Consultation group (the active Scheme members) and the Control Group (all other Scheme members).

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[10] For a more detailed discussion of all the coding categories used, and their conceptualisation, please refer to the Full Report which will be made available on request later in June.