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 2010.

2. In these rules “the Scheme Rules” means the Rules of the Church of England Funded Pensions Scheme.

3. After rule 5 of the Scheme Rules insert –

   “5A Additional retirement lump sum

   In addition to the lump sum referred to in Rule 3.1, 3.2, 4.1, 5.1 or 5.2 (as appropriate to the Member) (the “Basic Lump Sum”), a Member may with the consent of the Trustee give up pension for an additional lump sum payable when the pension is due to start. If the Member’s pension is big enough, the Member can choose a lump sum of any amount up to the amount which (when aggregated with the Basic Lump Sum and any lump sum provided from the Member’s AVCs) is permitted as a “pension commencement lump sum” under Part 4 of the Finance Act 2004. The Trustee may impose restrictions on the exercise of this option from time to time.

   The Trustee will convert pension to lump sum on a basis decided by the Trustee after considering actuarial advice.

   Note: If the member’s Basic Lump Sum is equal to the maximum amount permitted as a “pension commencement lump sum” under Part 4 of the Finance Act 2004, the Member will not be permitted to choose an additional retirement lump sum under this Rule 5A.”.

3. For rule 7.3 of the Scheme Rules substitute –

   “7.3 Member dies after pension starts

   If the Member dies after starting to receive a pension, the spouse’s pension will be equal to two thirds of the pension payable to the Member at the date of death or, if the Member gave up pension for a lump sum or Dependant’s pension on retirement, two thirds of the pension that would have been payable if the Member had not done so.”.

Church House, Westminster

January 2009