

The Church of England Pensions Board completes insurance transaction for Church Workers Pension Fund.

The Church of England Pensions Board today announced that it has agreed a 'buy-in' with Aviva, the savings, retirement and insurance provider. This transaction insures all previously uninsured pensioner benefits within the Defined Benefit Scheme of the Church Workers Pension Fund.

The buy-in policy, worth c.£160m, delivers a guaranteed income stream which will exactly match the pensions that need to be paid to retired members. This move reduces the exposure to investment and longevity risk. It also reduces the risk of a deficit emerging. The transaction is a prudent step which was made possible due to strong investment performance since 2019, and is an opportunity to lock in some of that gain for the benefit of members, and at no cost to employers.

More than 92% of Church employers (such as dioceses and cathedrals) whose employees' pensions are in the Defined Benefit Scheme supported a proposal in 2019 to reduce investment and longevity risk if the opportunity arose. The transaction means all the pensions in the Defined Benefit Scheme, for those who retired before 13 August 2021, are now insured through this buy-in or through a similar buy-in the Pensions Board completed in 2013.

Clive Mather, Chair of the Church of England Pensions Board, said: *"The 'buy-in' is good news for employers, members and the Pensions Board in reducing risk for all of us, and helping to secure the pensions of those who have given so much to the Church. This transaction is made possible by excellent returns on investments in recent years, and the continued support of the employers.*

I am delighted we have secured this agreement with Aviva, a long-standing pension provider and responsible investor."

Jamie Cole, Head of Bulk Purchase Annuity Origination at Aviva, said: *"We're delighted that the Trustees of the Church Workers Pension Fund selected Aviva to secure member benefits and achieve a key milestone in their de-risking strategy. This has been a very smooth process run by a well prepared and well-advised scheme. The Trustees have put ESG and responsible investing at the heart of their decision making and so we are proud to have been selected given that this is a key pillar of Aviva's purpose."*

The Pensions Board acted in its capacity as Trustee for this transaction. It was advised by LCP, Linklaters, Mercer and Cardano.

Additional notes:

- Pensions in payment are met from the Life Risk Section of the Fund's Defined Benefits Scheme. This is the section of the scheme covered by the buy-in. The Life Risk Section is a pooled fund across all employers.
- 2,400 members pensions are covered by this transaction.