

GENERAL SYNOD

DRAFT PENSIONS (APPLICATION OF CAPITAL FUNDS) MEASURE

Policy Note

1. This policy note provides the context for the draft Pensions (Application of Capital Funds) Measure which the Church Commissioners have asked to be brought before the General Synod for consideration.

Current position

2. The Church Commissioners were first granted a time limited power to use their capital funds for the purpose of meeting the cost of any pension or lump sum due to be paid under the past service clergy pension scheme earned from service up to 31 December 1997, in the Pensions Measure 1997. This power commenced on 1 January 1998 and was for seven years.
3. Since then, the Church Commissioners' power to spend capital on clergy pensions has been renewed on three occasions. All renewals have been for seven years, in line with the original period. The current power, set out in section 31(4) of the Church of England (Pensions) Measure 2018¹, runs until 31 December 2025.

Purpose of the draft legislation

4. Alongside the total return order that the Church Commissioners obtained from the Charity Commission in 2012, renewal of this power to spend capital on clergy pensions is a key factor in enabling the Church Commissioners to maintain their distribution policy of meeting their pensions obligations and providing the planned levels of support to the wider Church, whilst following an investment strategy which seeks to maximise the total long term return from their fund.

Gareth Mostyn

Secretary & Chief Executive, Church Commissioners

June 2022

Published by the General Synod of the Church of England
© The Archbishops' Council 2022

¹ This is a consolidation measure: the most recent renewal was originally enacted in The Church of England (Pensions) (Amendment) Measure 2015.