



MY RETIREMENT

JANUARY 2023

Pension Builder 2014 (PB 2014)

Church Workers Pension Fund

 THE CHURCH
OF ENGLAND

PENSIONS BOARD

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My pension at a glance

This is one of five booklets that explain your PB 2014 pension. PB 2014 is a cash balance pension scheme. You build up a pension account which you can use to provide an income or a lump sum or both.

My membership

Joining is easy, your employer will enroll you, providing you meet a few criteria.

We set you up with your own account. Your account is guaranteed not to go down in value, providing you take it at age 65.

My retirement

When you retire, you decide how you would like to use your pension account.

You have several choices to suit your retirement needs.

My bonuses and investment

Bonuses are linked to investment performance and are discretionary. All contributions and bonuses are guaranteed not to go down in value unless you retire or transfers before age 65. Investments adhere to the Church of England ethical investment criteria.

My pension if I leave

If you leave after 2 years' service, we will keep your account invested with us. We will continue to invest your account and add bonuses.

If you leave with less than two years' service, your employer has discretion over whether we keep your pension invested with us.

My pension if I die

If you die before you retire, we will pay your pension account to your beneficiaries.

If you die while still an active member, we will also pay a lump sum of 2, 3, or 4x your salary.

What are my choices?

When you reach age 55 you can take your pension if you want to. But be careful, the earlier you take it the longer you will need to make it last.

Age 55 is the current minimum age the Government allow people to access a pension. This will increase to age 57 from April 2028.

When you come to take your pension, there are six ways you can do this.

Choices we offer

1. Leave your pension where it is

Your pension comes with a 'Normal Retirement Age' of 65. This is when we typically expect people to access their pension.

You don't have to start taking money from your pension when you reach 65. You can leave it with us until you need it.

2. Take your whole pension in one go

You can cash in your entire pension – a quarter is tax-free, the rest is taxed as income. This can be great if you have a smaller pension you just want to cash in, but if your pension is quite big you could face a big tax bill.

Choices with other pension providers

3. Adjustable income

You can take a quarter of your pension tax-free at the start. The rest of your pension is invested to give you a regular income. You decide how much to take and when, and how long it will last.

4. Take cash in smaller sums

You can take smaller sums of money from your pension until you run out. A quarter of what you take is tax-free, the rest is taxed as income.

5. Buy a guaranteed income

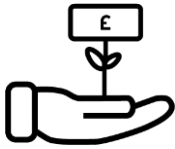
Use your pension to buy an insurance policy which guarantees you an income for the rest of your life – no matter how long you live.

6. Mix your options

You can mix different options. Usually, you need a bigger pension to do this.

Choices we offer

1. Leave your pension where it is



You can leave your pension with us for as long as you like. If you are still working, money will keep going in, and you can keep topping this up with AVCs if you want to.

The earlier you take it the longer you will need to live off it, so only take it early if you can afford to do this. The longer you leave it the more chance your pension will have to grow with bonuses.

Your pension can be passed on tax-free if you die before age 75. After this, it is taxed as income.

Pension Wise has a useful calculator to help you decide if this is the right choice for you.



pensionwise.gov.uk/en/leave-pot-untouched

2. Take your whole pension in one go



You can take your whole pension in one go as cash. A quarter is tax free, and the rest is taxed as income.

This could push you into a higher tax bracket, which means you will pay more tax than you usually do for that tax-year.

You will need to plan how to provide an income for your retirement to make sure you have enough to last your lifetime, and whether you want to leave anything to someone when you die.

It is worth knowing what you will do with the money. If you leave it in the bank and inflation increases, it will reduce the spending power of your money.

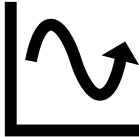
Pension Wise has a useful calculator to help you decide if this is the right choice for you.



pensionwise.gov.uk/en/take-whole-pot

Choices with other providers

3. Adjustable income (flexi-access drawdown)



You can get a regular income that goes up or down. So, if you need more money in one year but less in another, you can easily plan for this. Before you do this, you can take a quarter of your pension as a tax-free lump sum at the start. Your income after this is taxed.

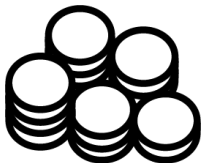
As you get to pick how much you want and when you want it, your income is not guaranteed to last as long as you live. The more money you take out in the early years, the less is left for the future.

With this option, any money left when you die can pass on to your loved ones, in some cases tax-free.

Pension Wise has a useful calculator to help you decide if this is the right choice for you.

 pensionwise.gov.uk/en/adjustable-income

4. Take cash in chunks (uncrystallised funds pension lump sum)



Instead of a regular income, you can take cash lump sums until your money runs out. How much you take is up to you. If you want to take large amounts over a shorter period, you can easily do this.

A quarter of each amount you take is tax-free and the rest is taxed as income. In between taking money out the rest stays invested. This gives your money a chance to grow, but it can also go down.

With this option, any money left when you die can pass on to your loved ones.

Pension Wise has a useful calculator to help you decide if this is the right choice for you.

 pensionwise.gov.uk/en/take-cash-in-chunks

5. Buy a guaranteed income



A lifelong pension (also known as an annuity) provides you with an income that will last as long as you live. You can also get an income for a set number of years. If you want security instead of flexibility this is the option for you.

Before you buy an annuity, you can take a quarter of your pension tax-free. After this your pension will be taxed as income.

There are various types of annuity. The main features you can decide are how the pension will increase, whether you want to provide a pension for your husband, wife or civil partner when you die, and whether there is a minimum length your pension will be paid, for example 5 years.

If you smoke or have a medical condition, you may be able to get an 'enhanced' annuity.

Buying an annuity is a one-time, irreversible decision, but not one you necessarily need to make when you retire. You can move your pension into 'drawdown' first while you value financial flexibility and buy an annuity later in life when you value security of income more.

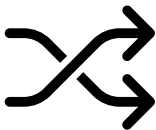
As you cannot change your mind once you have bought an annuity, and annuity prices vary significantly, shop around to make sure you get the best deal.

Pension Wise has a useful calculator to help you decide if this is the right choice for you.



pensionwise.gov.uk/en/guaranteed-income

6. Mix your options



You don't have to pick just one option. You can mix and match these if you want to. You could use some of your pension to get an adjustable income and the rest to buy a guaranteed income.

If you have different pensions, you can pick different options for each.

Pension Wise has information to help you decide if this is the right choice for you.



pensionwise.gov.uk/en/mix-options

What should I be thinking about?	Church Worker pension	Adjustable income	Take cash in chunks	Guaranteed income
Who offers this option?	Option available with us	Options with other providers		
Technical name	Cash in your pension	Flexi-access drawdown	Uncrystallised Funds Pension Lump Sums (UFPLS)	Annuity
Can I take a tax-free lump sum?	Yes, up to 25% of your pension	Yes, up to 25% of your pension	Yes, up to 25% of each lump sum	Yes, up to 25% of your pension
Does this provide a regular income?	✗	✓	✗	✓
Is this income guaranteed for life?	✗	✗	✗	✓
Can I take extra lump sums?	✗	✓ Will be taxable	✓ 75% of each lump sum is taxable	✗
Can income be passed on when I die?	✗	✓	✓	✓
Can a lump sum be passed on when I die?	✓	✓	✓	✗
Do I need to manage my money?	✓	✓	✓	✗
Can I change my mind and use my money in another way?	✗	✓	✓	✗

How do I take my pension?

When you are ready to access your pension, get in touch with us and let us know the date you wish to take it.

We will send you the information and forms you need. We can then put your chosen option into action.

Understanding which option is best

Understanding your choices is one thing. But knowing which option is best for you and your circumstances can be tough.

We can help explain your choices, but we cannot tell you what you should do.

Free guidance from Pension Wise

Pension Wise is a free and impartial service from MoneyHelper that helps you understand what you can do with your pension.

Pension Wise offer appointments with highly-trained professionals to anyone aged 50 or over, with a defined contribution (personal or workplace) pension. The guidance session lasts 45-60 minutes and their specialists will:

- Explain your options
- Explain how each option is taxed
- Tell you what your next steps are

Sessions are usually available between 8am and 8pm, Monday to Friday. The last available evening slot is 6.50pm.

You can book a free Pension Wise appointment online at:



moneyhelper.org.uk/en/pensions-and-retirement/pension-wise

Financial advice

Pension Wise will give you tailored help and highlight your choices, but they will not make specific recommendations, give you financial advice or help you set your pension up.

If you would like independent financial advice, head to our financial advice page to find out how we can help you find an adviser.



churchofengland.org/financial-advice

Take my pension and continue working

If you are still working, you can take your pension and continue in employment. You do not have to wait until you stop serving to take it.

If you are thinking of taking your pension early, you will need to make it last longer.

Income tax

If you are interested in this, think about which option suits you best. Most of the ways you can take your pension mean this is added to your income for the year. It is added to your salary and other income and is taxed depending on which tax band this puts you in.

If you take a larger amount from your pension while you are still earning, this can put you into a higher tax band, so a higher proportion of your pension will be taxed.

Taking what is currently in your pension

Once you are over age 55 you can take what is in your pension. If you are still serving, your employer will keep paying into this, so you will build up a second pension which you can take again later. This can help if you need to access your pension earlier.

Before you do this, there are a few things you should consider.

Scheme Pays

You can ask us to pay a tax charge for you, which is called 'Scheme Pays'.

We will take the tax charge from your pension, instead of you paying this yourself, we will take this from your pension and pay it for you. Your tax charge needs to be £200 or more for us to do this.

If you ask us to do this, you cannot change your mind. We can change the amount you want us to pay but we cannot change this to zero.

If you have another tax charge, you can go through Scheme Pays again. There is no limit on how many times you can ask us to pay a tax charge for you, but this will mean we are taking more money out of your pension each time.

Find out more about Scheme Pays at:



churchofengland.org/pensions-technical

Money Purchase Annual Allowance

There is a cap on how much you can earn or save in a pension each tax year before paying tax. This is called your Annual Allowance.

If you take money from a defined contribution pension scheme you trigger the Money Purchase Annual Allowance, or MPAA and you'll have new limits on how much you can save before paying tax.

If you are concerned about this, find out more at:



churchofengland.org/pensions-technical

Ill health retirement

Facing the possibility of stopping work due to your health can be difficult. To help with life after work, you can apply to take your pension early.

What should I do if my health is affecting my work?

First, talk to your line manager and/or employer about your concerns. They will try and find ways of helping you continue your duties. They will usually refer you to an occupational health adviser who will offer advice and guidance on how your condition can be managed.

If you are over 55

If you are over 55 and your health is preventing you from working, you can access your pension as normal.

There is no increase to accessing your pension due to health issues. The usual retirement options apply.

If you are under 55

If you are under 55, and you are permanently unable to work due to health problems, you might be able to access your pension early.

As you will be accessing your pension before age 55, the minimum age the Government allow people to access a pension, we need evidence of your condition. This is known as an 'ill-health' pension.

It can take time to approve ill-health pensions, often up to 6 months. Some cases are straightforward, but some are complex, and we might need independent medical advice.

We will try and keep you informed as much as we can throughout the process.

If your situation is not straightforward, we might need help from our independent medical advisers. They might need to talk to your GP or medical specialist, or they may need to speak to you to carry out a short medical examination. They will only do this if they need more information to give their opinion. The examination will be over the telephone and at a time convenient for you.

Disputes and complaints

We make every effort to provide you with an efficient and effective service. However, if you are unhappy with our service, please contact us first and we will do our best to resolve your issue.

If you are still dissatisfied, you can contact us at:



Chief Executive
Church of England Pensions Board
PO Box 2026
Pershore
WR10 9BW

If we cannot resolve your issue to your satisfaction you can ask for a 'formal complaint form' under our internal dispute process. This will include the full details of our complaint process.

Pensions Ombudsman

If you have a complaint or dispute concerning your workplace or personal pension arrangements, you can contact the Pensions Ombudsman.



10 South Colonnade
Canary Wharf
London
E14 4PU



0800 917 4487



pensions-ombudsman.org.uk

If you have general requests for information or guidance concerning your pension, head to the Money and Pensions Service website.



moneyandpensionsservice.org.uk

Contact us

The Church of England Pensions Board is the trustee and administrator of PB 2014.

Our office is located at Church House, 29 Great Smith Street, SW1P 3PS.

You can also contact us at:



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PO Box 2026
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