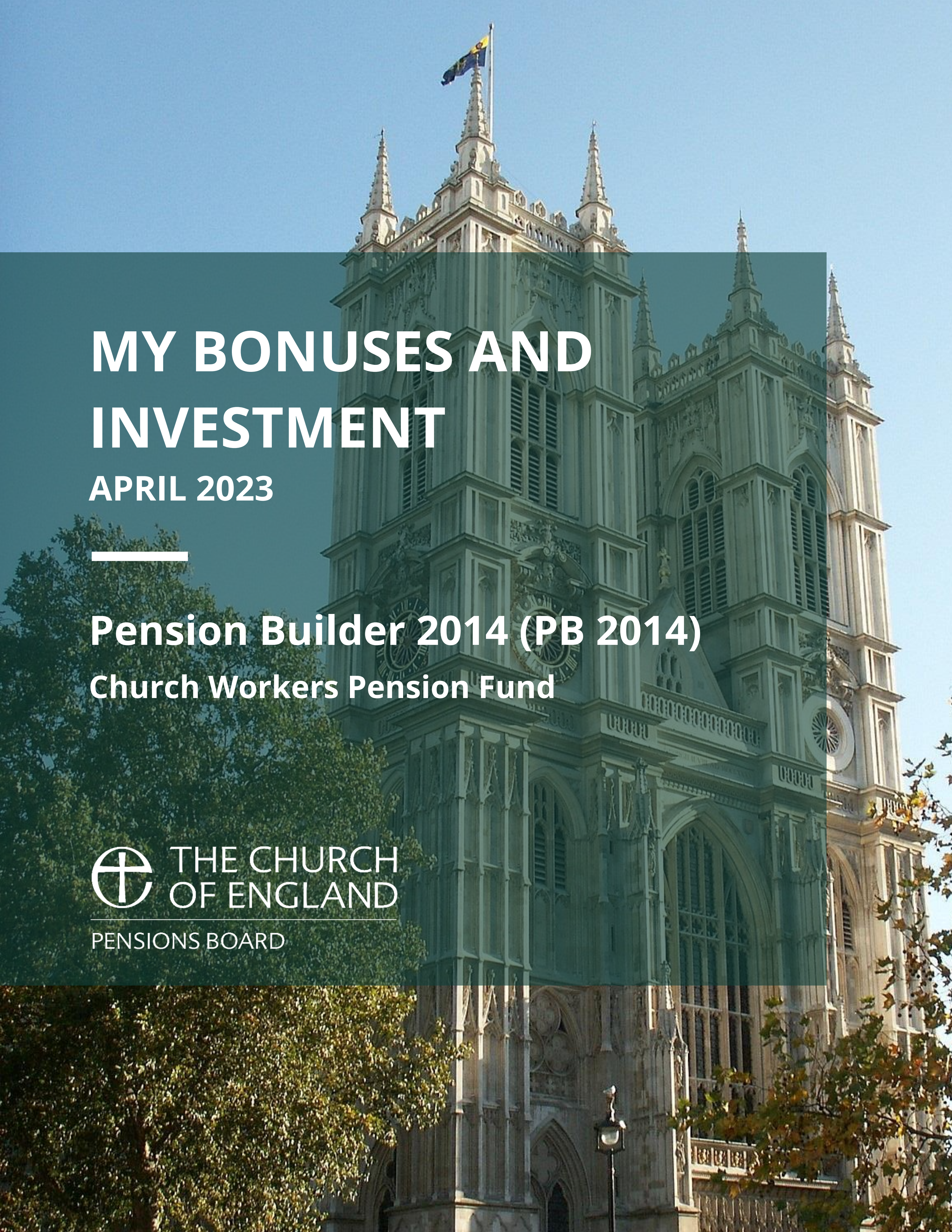


MY BONUSES AND INVESTMENT

APRIL 2023

Pension Builder 2014 (PB 2014)

Church Workers Pension Fund

THE CHURCH OF ENGLAND

PENSIONS BOARD

Contents

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.

How contributions are invested

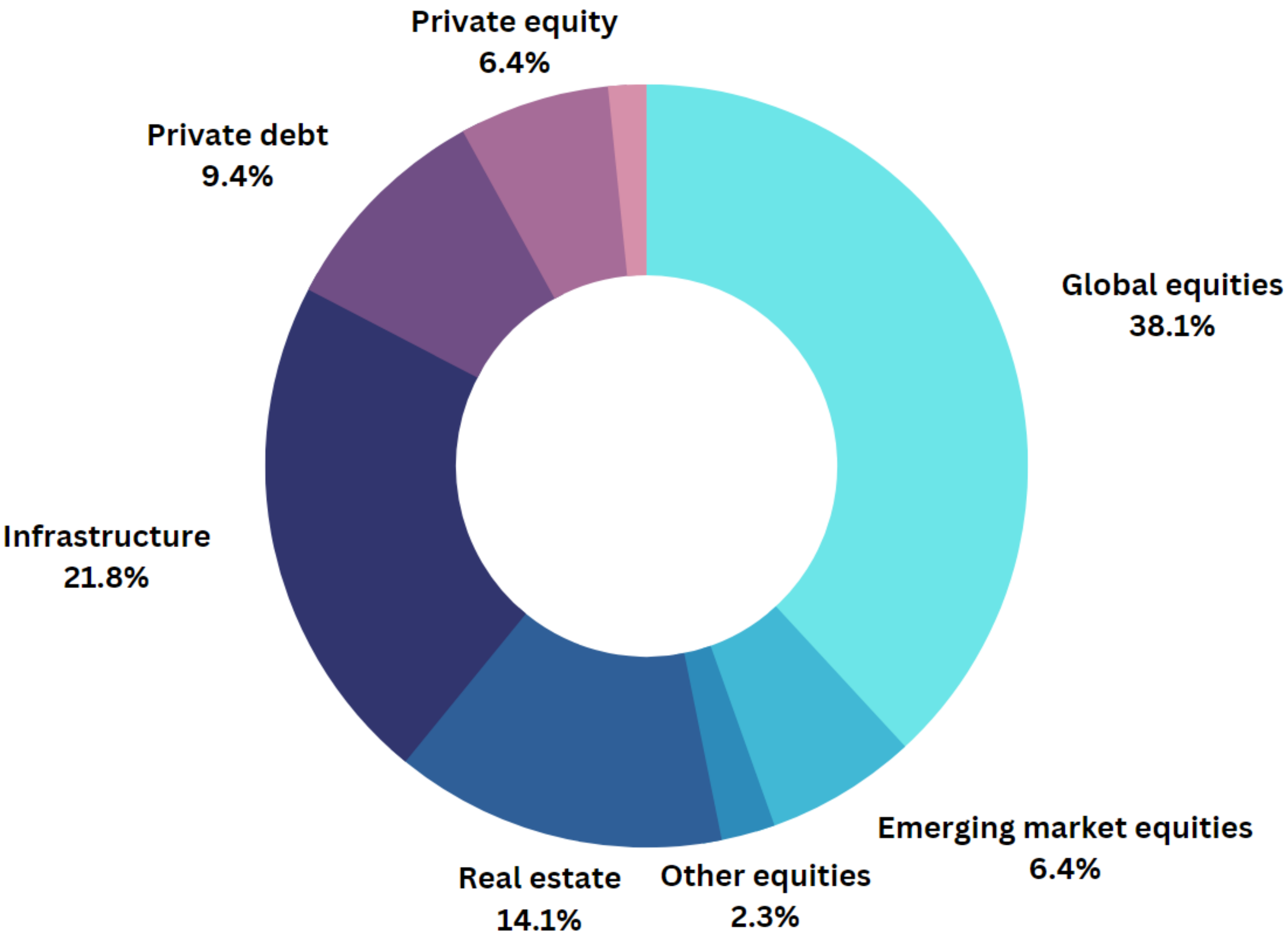
We pool all members accounts together and invest this in our Common Investment Fund. This is a collective fund for all our pension schemes, amounting to over £3bn.

Through this we invest PB 2014 assets in four asset pools. This chart shows current allocation to the main assets within these pools. This changes over time.

All our investments adhere to our Church of England ethical investment criteria. You can find out more about our ethical investment policies and work at

churchofengland.org/cepb

You cannot choose your own investments.



Bonuses

Each year we aim to add a bonus to your Pension Builder 2014 (PB 2014) account.

To understand how we add bonuses to your account, first we need to look at what happens to your contributions. This includes any contributions you pay, plus contributions your employer pays.

Unlike a typical 'defined contribution' pension pot, your account does not go down in value depending on investment markets.

Once your contributions go in, we guarantee these will not go down in value. Any bonuses we add are also guaranteed. These guarantees affect how much bonus we add each year.

If you transfer your account or retire before age 65, we may need to reduce your account. We will only do this if investment conditions are poor at the time.

Check how your pension is building up on PensionsOnline

You can log into **PensionsOnline** and see your pension and bonuses building up. You can access **PensionsOnline** at:

pensions.churchofengland.org

Let us know if you need your registration code and we can send this to you.

How do bonuses work?

We invest your account in line with the Church's ethical investment policies, with the aim of making a return on your contributions. We use these investment returns to add a bonus.

At the end of every year, we look at how well our investments performed over the last 12 months. If performance has been strong we will add a bonus to your account the following April.

Here is our current bonus policy:

- Our starting point is the percentage investment return over the calendar year, after investment expenses,
- We deduct 0.75% for our costs,
- After this if the return is above 10%, we will hold back the excess to cover the cost of guaranteeing your account will not fall in value, and improve the chances of bonuses in years when our investment returns are not as strong,
- We round the bonus so it is divisible by 12 so we can add it to your account monthly.

The nature of our investments means there may be big differences in bonuses year to year.

If our investment performance is negative, i.e., we made a loss, we will not add a bonus for that year.

We add your bonus to all the contributions you and your employer have paid in, plus any bonuses already added, up to the year before the bonus applies. for example, your 2022 bonus will be added to all the contributions and bonuses added until 2020.

Why is there a delay when adding bonuses?

You might notice there is a delay in adding your bonus. For example, the 2022 bonus of 10.2% was added between April 2022 and March 2023. But, the bonus is based on your contributions up until the end of 2021. This means your January 2021 contribution does not get the full bonus until 1 March 2023

As we guarantee your account will not go down, we need to be confident we have enough money (assets) to pay your account when you are ready to take it. This is the reason for the delay.

We appreciate this delay is long, but it helps us manage the financial risks of guaranteeing your account.

Why do we add bonuses monthly and not in one go?

We add bonuses monthly between April and March the following year. We do this to avoid what we call a 'cliff edge'. Here is an example of what would happen if we added the bonus in one go.

Suppose two people paid contributions up until the end of 2021. They paid the same contributions and their 2022 bonus of 10.2% is due on 1 April 2022.

If one person took their account at 31 March 2022, they wouldn't receive a bonus. If the other took their account on 2 April 2022, just 2 days later, they would get the full 10.2% despite paying the same contributions as the other person. Adding bonuses over 12 months should give a fairer outcome.

What is my bonus added to?

Our current policy is to take your account at the end of the year, keep it invested for the following year and then add your bonus the year after that.

So, for example we take your account at the end of 2020, keep it invested during 2021 and distribute our 2021 investment performance as a bonus, but spread monthly over 2022/23. We add your bonus this way to guarantee your account will not go down.

Bonuses over the last five years

		Bonus				
		2019	**2020**	**2021**	**2022**	**2023**
Contributions paid during a calendar year	**2017**	0%	4.8%	6%	10.2%	0%
	2018		10.2%	6%	10.2%	0%
	2019			6%	10.2%	0%
	2020				10.2%	0%
	2021					0%

Further information

Your pension on divorce

If you divorce or your civil partnership is dissolved, the court may take your pension into account as part of your settlement.

The court may decide part of your pension must go to your ex-partner. Please let us know if you need information about your pension and divorce.

State pension

Your State Pension is separate to your PB 2014 pension. We recommend you find out more about your State Pension entitlement to help you plan for retirement.

For more information and a forecast visit

gov.uk/check-state-pension

Family leave

This includes:

- Maternity
- Paternity
- Shared parental leave
- Adoption leave

Ask your employer what their; policy is on pension contributions during family leave. You can also find out more about pensions during this period at

churchofengland.org/pensions-technical

Sick leave

If you are too ill to work, you will receive Statutory Sick Pay (SSP) if you normally earn more than the Lower Earnings Limit. SSP is treated as part of your earnings, or basic pay so you will keep earning pension while you receive SSP.

During sick leave, any contributions you pay will be based on your actual earnings. If your SSP is less than your usual pay, your contributions will go down too.

Unless there is something in your employment contract that sets a contribution rate, or your employer agrees to pay more, their contributions will decrease as well. This means you will build up pension at a slower rate until you come back from SSP.

You will still be covered for life cover while you receive SSP.

Once your SSP runs out, it is up to your employer whether contributions continue.

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 MoneyHelper website.

moneyhelper.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
Pershore
WR10 9BW

0207 898 1802

pensions@churchofengland.org