

MY MEMBERSHIP

APRIL 2024

Pension Builder Classic (PB Classic)
Church Workers Pension Fund



PENSIONS BOARD

Contents

3

My pension at a glance

4

How I become a member

- Opting out
- Opting back in
- Life cover
- Transferring in

5

Paying into my pension

- Employer contributions
- What do I pay?
- How does tax relief work?
- Additional Voluntary Contributions (AVCs)
- Tax limits

7

How my pension works

- What happens to the contributions?
- How much might my pension be?
- How do increases work?
- When can I take my pension?

8

Further information

- Your pension on divorce
- State pension
- Family Leave
- Sick leave

9

Disputes and complaints

10

Contact us

My pension at a glance

This is one of five booklets that explain Pension Builder Classic (PB Classic). PB Classic is a 'With Profits, Deferred Annuity' scheme, which is a mix between defined contribution and defined benefit.

My membership

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

Your employer decides whether you must contribute, and how much. You can check your Scheme Summary for information on this.

My retirement

When you retire, we will pay you a pension for life, in monthly instalments minus PAYE tax.

You do not have to take a pension from us, there are choices you can make to suit your retirement needs.

My increases and investment

Increases are linked to investment performance and wider economic conditions, and are discretionary. Once added, increase are guaranteed. Investments adhere to the Church of England ethical investment criteria.

My pension if I leave

If you leave after 2 years, we will keep your pension with us and keep adding bonuses to it. You can also transfer your pension.

If you leave within two years, you can transfer your pension to another provider. You can also choose a refund of any contributions you paid, less tax.

My pension if I die

If you die before you retire, we will pay half your pension to your spouse or civil partner.

If you die while still an active member, we will also pay a tax-free lump sum of two, three or four times your salary.

Your pension is guaranteed for five years. If you die within this time, we will pay the remaining amount as a lump sum to your beneficiaries.

How I become a member

You usually join PB Classic from the first day you start employment, or within three months of you starting, if:

- you are aged between 22 and State Pension Age, and
- your salary is above the 'earnings trigger'.

This is known as 'auto-enrolment'. Your employer might enrol you if you do not meet these criteria. Ask your employer if you are unsure whether you will become a member.

The earnings trigger is set by the Government and is reviewed every year.

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.

Opting out

You do not have to join. You can opt out, but it is important you consider the benefits you will lose. If you opt out, your employer will not pay into your pension, and you will lose your life cover.

If you want to opt out, contact us for an 'opt out notice.' We cannot send this to your employer. This is designed to stop your employer pressuring you to opt-out.

Automatic enrolment means your employer may enroll you again in the future. You can opt out again if that happens.

Opting back in

If you change your mind after opting out, you can re-join. To opt back in, contact your HR team for an 'opt in notice.'

Life cover

Your employer pays extra contributions to provide a lump sum if you die in service with your employer. There is no need to provide evidence of health.

This lump sum is either two, three or four times your pensionable salary over the previous 12 months.

Transferring in other pensions

We do not accept transfers in.

Other pensions with the Church of England

If you have a pension with us from other employment within the Church, we need to keep these separate. We cannot combine pensions together.

We need to do this so we charge the correct employer's the correct amounts.

Paying into my pension

To meet automatic enrolment rules, at least 8% of your pensionable salary must go into your pension every month.

Your pensionable salary is usually your basic pay, but it might be more or less than this. Ask your employer if you are not sure.

Employer contributions

Your employer will pay at least 4% of the minimum 8%, plus the cost of life cover.

What do I pay?

Your employer decides if you must contribute. If they do not pay the full 8%, you will make up the rest.

How does tax relief work?

Any contributions you pay are taken from your monthly salary, so you receive tax relief up-front.

If you are a 20% taxpayer, for every £100 you save, only £80 comes out of your pay, or if you are a 40% taxpayer, only £60 comes out.

If you do not pay tax, unfortunately you do not get tax relief.

Additional Voluntary Contributions

You can save extra into your pension to increase your retirement income. This is called saving Additional Voluntary Contributions, or AVCs. Saving AVCs buys you extra pension, in the same way your usual contributions do.

You can only save AVCs while you are an active member.

The easiest way is to save a monthly amount through your salary. Your employer's payroll will take this from your salary, so you receive immediate tax relief at your top rate of tax.

You can increase, decrease, stop or start any time. To start paying or change your AVCs, fill out

an AVC form and send this to us. An AVC form is on our website.

Paying a lump sum can be a great way to give your AVCs a big boost. But be careful, you only receive tax relief on your taxable earnings.

If you are thinking of paying a large amount, speak to a financial adviser first to check how much tax you can claim back.

As you will have already paid tax on your lump sum, you can claim the tax back by completing a self-assessment tax return at www.gov.uk/self-assessment-tax-returns

HMRC usually refund you **after** the tax year has ended.

Do AVCs have a downside?

Once you pay AVCs, your savings are usually locked in. Make sure you pay AVCs at a time that suits you and when you can afford to pay in.

If you feel you might need or want access to your money before you retire there are other tax effective ways to save, such as ISAs. But, being locked away until you retire means your money is there when you might need it most.

Tax limits

You have a limit on how much you can save or earn in a pension each tax year. This is called your Annual Allowance. If you go over this, you usually have to pay a tax charge.

To work out how much Annual Allowance you have used, we look at how much your pension has gone up by over the tax year, allowing for inflation, and we multiply this amount by 16.

Working this out can be complicated, so ask us to calculate this for you.

If you exceed this during a tax year, you may have to pay tax on the excess.

You can find out more about Annual Allowance
at:



[gov.uk/tax-on-your-private-pension/annual-allowance](https://www.gov.uk/tax-on-your-private-pension/annual-allowance)

How my pension works

You build up a pension which is yours to take when you are ready. Find out what the ways you can take your pension in the 'My retirement' guide.

What happens to the contributions?

Each time contributions are paid in, we turn these into a guaranteed amount of pension using conversion factors.

As soon as your pension is converted, it is guaranteed.

We invest your pension for you in line with the Church's ethical policies. You don't have to make an investment choice. We manage the investments for you.

You can find out more about how this works in our 'My increases and investment' guide.

How much might my pension be?

This depends on:

- how much is paid in and the conversion factors we use to turn your contributions into pension
- the increases we add before you retire

We can send you an estimate of what your pension might be when you retire.

You can log into **PensionsOnline** and see how your pension is building up. We will also upload a copy of your annual pension statement.

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 increases work?

Each year we run a 'security test' to see if we can increase your pension. If we can, we add this in January.

Once added, your increase is guaranteed.

You can find out more about how increases work in our 'My increase and investment' guide.

When can I take my pension?

You can access your pension at any age from 55 onwards. The Government will be increasing this to age 57 from April 2028.

If you take your pension before your Normal Pension Age, which will be 60, 62, 65 or 68, we need to reduce your pension for early payment.

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 Classic 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](https://www.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](https://www.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 Classic.

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

You can also contact us at:



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



0207 898 1802



pensions@churchofengland.org