

MY PENSION IF I LEAVE

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Church of England Funded Pension Scheme (CEFPS)



PENSIONS BOARD

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My pension at a glance

This is one of five booklets that explain the Church of England Funded Pension Scheme (CEFPS). CEFPS is a defined benefit pension scheme. You build up pension based on your length of pensionable service and the National Minimum Stipend.

<p>My membership</p>	<p>Joining is easy, it is usually automatic if you are in stipendiary ministry.</p> <p>The cost of your pension is covered by your Responsible Body, but you can save more.</p> <p>You can usually transfer other pensions into our AVC scheme.</p>
<p>Boost my pension</p>	<p>You can boost your retirement savings in a very tax efficient way.</p> <p>Our 'Lifestyle' option is our default strategy if you do not want to choose your own investments.</p> <p>We offer other low-cost investment options if you would prefer to pick your own.</p>
<p>My retirement</p>	<p>When you retire, we will pay you a pension for life, in monthly instalments minus PAYE tax.</p> <p>You do not have to take a pension from us, there are choices you can make to suit your retirement needs.</p>
<p>My pension if I leave</p>	<p>If you leave after 3 months, we will keep your pension with us and increase it before you retire. You can transfer your pension.</p> <p>If you leave within 3 months, you can transfer your pension to another provider or you can choose a refund of any contributions you paid, less tax.</p>
<p>My pension if I die</p>	<p>If you die before you retire, we will pay two-thirds your pension to your spouse or civil partner.</p> <p>If you die while still an active member, we will also pay a tax-free lump sum of three times the National Minimum Stipend.</p> <p>Your pension is guaranteed for one year. If you die within this time, we will pay the remaining amount as a lump sum to your beneficiaries.</p>

My pension if I stop working

Leaving with 3 months' pensionable service

If you leave after completing 3 months' pensionable service, we will automatically keep your pension here with us. Your pensionable service is usually the same as your stipendiary service.

While your pension is with us, we will increase it until you retire, die, or transfer it to another pension provider.

How does my pension increase?

Your pension is based on the National Minimum Stipend (NMS). If this increases, your pension increases at the same rate. The NMS has a long-term target of increasing in line with the Consumer Prices Index (CPI).

If the NMS does not keep up with CPI, we will increase your pension in line with CPI, up to a cap:

Pension earned before 6 April 2009

This part of your pension increases in line with CPI up to 5% a year.

Pension earned after 6 April 2009

This part of your pension increases in line with CPI up to 2.5% a year.

Your pension will increase differently when you retire. Find out more about this in our 'My retirement' guide.

Leaving with less than 3 months' service

If you complete less than 3 months' pensionable service, you usually have two choices.

1. Transfer your pension to another provider.
2. Choose a refund of any contributions you have paid.

Transferring your pension is usually the best option, as your money stays in a pension. You also get to keep the contributions your employer paid in.

If you choose a refund, we will deduct tax. We will also refund any contributions your employer paid back to them.

Re-joining after leaving

If you re-join, we will re-activate your pension and you will earn extra pension from the date you re-join.

If you re-join within 3 months of leaving, we will treat your service as continuous.

If your new role is outside the usual Diocesan structure, it can be possible for you to stay in CEFPs. Your new employer or organisation will need to agree to become a Responsible Body.

Can I carry on paying into my pension?

No. You can only earn pension while you are an active member. Once you leave, contributions stop and you stop earning pension.

How do I take my pension?

When can I take my pension?

You can take your pension any time from age 55. This is the current minimum age the Government allow people to access a pension.

This will increase to age 57 from April 2028.

Remember, if you take your pension before your Normal Pension Age, we need to reduce your pension for early payment.

Your Normal Pension Age was 65 until January 2011 when it increased to 68.

If you have left stipendiary service and you take your pension after your Normal Pension Age we will increase it for late payment.

You can see the difference retiring early or late will make to your pension on PensionsOnline.

Head to PensionsOnline at:



pensions.churchofengland.org

Once logged in, go to the My Membership Details tab, and click on 'Estimate Online' on the right.

How do I take my pension?

When you are ready to take your pension, get in touch with us and we will guide you through your options. There are a few forms to complete.

If you don't get in touch with us, we will contact you about 6 months before your Normal Pension Age.

In the meantime, you can find out the different ways you can access your pension in our 'My retirement' guide.

Transferring my pension

You do not have to keep your Clergy pension with us. You can move all or some of your pension to another pension provider.

This could be a new employers' pension scheme, or you might want to consolidate your pensions.

If you leave before completing 3 months' pensionable service, there is a time limit on transferring. This type of transfer is known as a 'cash transfer sum' and there are different rules from normal pension transfers.

You must tell us within three months of leaving if you want to transfer and the transfer needs to be completed within 6 months of leaving.

In all other circumstances there is no time limit on transfer and you can transfer at any time before you retire.

How does a transfer work?

A pension transfer means giving up your Clergy pension in return for a sum of money, which is called a 'transfer value'.

Your transfer value could be a large amount of money which you could transfer to another registered pension scheme to then take as cash or invest.

While it is invested it could go up in value, but there is a risk it could go down in value too. Once you transfer your pension, there are lots of different ways you can use your money, and even leave it to loved ones.

If you would like to transfer, let us know and we will send you the forms to complete. These forms will include your transfer value and all the information your new pension provider will need.

Should I transfer?

Transferring can be worth exploring, depending on your circumstances. Having more flexible ways to access your money can really help if you are in poor health and your life expectancy is limited, or you are single or have no dependents.

You might want to get your hands on more money up front and even leave money to your loved ones.

But, there are risks to doing this. Transferring means, you will give up your Clergy pension and the guarantees and security that go with it, such as:

- a guaranteed pension that lasts as long as you live
- yearly increases in line with inflation, up to a cap
- a tax-free lump sum when you retire
- a pension for your spouse or civil partner after you die

Because of these guarantees, if your transfer value is more than £30,000 you are legally required to get professional financial advice first.

To make it easy for you to get advice and explore whether transferring might be good for you, we have partnered with Ecclesiastical Financial Advisory Services (EFAS). You can speak to EFAS:

By phone: 0800 107 0190 (Monday to Friday 9.00am to 5.00pm)

By email: getadvice@ecclesiastical.com

If you transfer your pension, you cannot transfer it back to us.

Transfer restrictions

If you have pensionable service before 1998 you will have benefits in the Church of England Pension Measures (CEPM). Anything after this is provided under the Church of England Funded Pension Scheme (CEFPS).

There are some restrictions on whether you can transfer your CEPM benefits. The CEPM rules stop you transferring once you are within one year of your 'Normal Pension Age' which is usually age 65.

	CEPM (pre 1998 benefits)	CEFPS (post 1998 benefits)
Is there an age restriction?	Yes, you must apply to transfer before 64	No
Can I transfer part of my benefits?	No, you must transfer all your benefits	Yes

You need to apply to transfer your CEPM benefits before you reach age 64. We can complete your transfer after you turn 64. There is no age restriction on CEFPS.

There is also less flexibility on your CEPM benefits. You must transfer all your CEPM benefits if you decide this is best for you.

You cannot take part of your CEPM benefits as a pension and transfer the balance to a defined contribution provider. You can transfer part or all your CEFPS benefits and leave the rest with us.

What about my Additional Voluntary Contributions (AVCs)?

If you transfer your pension you must transfer your AVCs as well. You can transfer your AVCs and keep your pension with us.

Money Purchase Annual Allowance

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

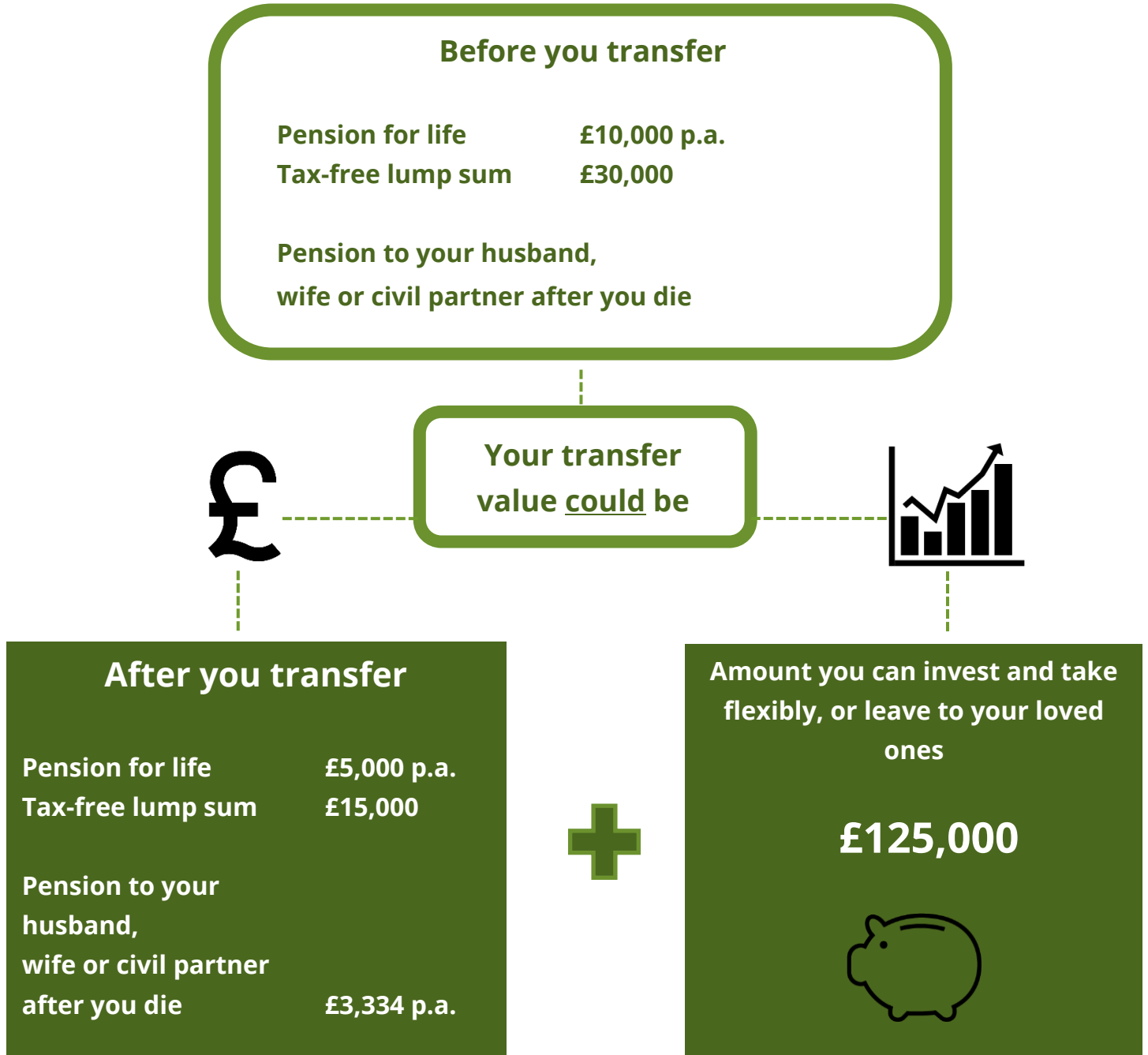
If you transfer your Clergy pension to a defined contribution pension scheme, as soon as you take money from it (except taking an annuity) you trigger the Money Purchase Annual Allowance, or MPAA and your tax-free limit reduces.

So, if you start taking money from one defined contribution pension and still pay into another, you might have to pay tax. Find out more at:

churchofengland.org/pensions-technical

Do I have to transfer everything?

You can transfer part of your Clergy pension and keep the rest with us. This is called a 'partial transfer'. A partial transfer could give you the security of a guaranteed pension with us, plus the freedom and flexibility to take money in other ways. Here is an example if you transferred half your Clergy pension and keep the rest with us.



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 you must share your pension with 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 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 CEFPS.

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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