THE CHURCH OF IRELAND PENSIONS BOARD
REPORT TO THE GENERAL SYNOD 2001
AND FINANCIAL STATEMENTS FOR THE YEAR 2000

Members of the Board

Elected by the House of Bishops

Rt Rev JE Moore, Bishop of Connor
Rt Rev JRW Neill, Bishop of Cashel

Elected by the General Synod

S Gamble (resigned January 2001)
Ven DS McLean
WT Morrow
Lady Sheil
Rev ECJ Woods

Elected by the Representative Church Body

Canon JLB Deane
Rev Canon VES McKeon
HT Morrison
Mrs JM Peters
RP Willis

Chairman – Canon JLB Deane

Vice Chairman – Lady Sheil

Honorary Secretary – Rev Canon VES McKeon

Trustee – The Representative Church Body

Actuarial Advisers – Mercer Ltd

Investment Managers – Lazard Brothers Asset Management (London)
Bank of Ireland Asset Management Ltd (Dublin)

Assistant Secretary – JF Buttimore

Pensions and Welfare Officer – PG Connor

Grants Committee

Rev Canon VES McKeon
WT Morrow
Lady Sheil

Office: Church of Ireland House
Church Avenue
Rathmines
Dublin 6

Telephone no 01-4978422
Facsimile no 01-4978821

REPORT OF THE BOARD OF THE CHURCH OF IRELAND CLERGY PENSIONS FUND TO THE GENERAL SYNOD

1. INTRODUCTION

During 2000 six meetings of the Board were held. Mr S Gamble resigned from the Board in January 2001. The Standing Committee will appoint a member in his place.

2. MEMBERSHIP

Contributors for full benefits 1 January 2000			498
Additions:	Newly ordained clergy		11
	Clergy who re-entered service		4
	Clergy who entered service from other churches		4
	Clergy who entered service from other posts		2
			519
Deductions:	Clergy retired on pension	12	
	Clergy who died in service	-	
	Clergy who have left service with entitlement to deferred benefits	11	
	Clergy who have left service and transferred their benefits to another fund	2	25
			494

Age distribution of Contributors

Age	under 26	26-30	31-35	36-40	41-45	46-50	51-55	56-60	61-65	66-70	71-75	Total
Clergy	3	25	48	49	74	66	74	72	60	20	3	494

There are 12 clergy in the full time stipendiary ministry who are not members having been granted exemption on entering service and there is one who elected to leave the Fund and make independent pension arrangements.

3. PENSIONERS

(a) Retired Clergymen

Retired clergymen on pension 1 January 2000		261
Add:	Retirements during the year	13
Deduct:	Ceased on death during the year	(12)
Retired clergymen on pension 31 December 2000		262

Note: the total of 262 includes 5 clergy who are in receipt of deferred pensions.

(b) Widows of Clergymen

Widows on pension 1 January 2000 (adjusted)		259
Add:	Commenced during the year	10
Deduct:	Ceased on death during the year	(14)
Widows on pension 31 December 2000		255

Note: the total of 255 includes 22 widows of voluntary contributors.

(c) Children

Child Dependency Allowances 1 January 2000		6
Add:	Commenced during the year	-
Deduct:	Ceased during the year	2
Child Dependency Allowances 31 December 2000		4

4. PENSIONS IN PAYMENT

The following shows the annual rate of pensions etc in payment at 31 January 2001:

	IR£		£
Clergy	950,525	and	1,201,957
Widows and Orphans	701,469	and	672,343
	1,651,994	and	1,874,300

5. DEFERRED PENSIONS

There are 84 clergy with entitlement to deferred benefits.

6. ANNUAL INCREASES IN PENSIONS IN PAYMENT

Under the provisions of the Fund pensions and annuities in payment at the end of each year are increased on the following 1 January. The amount of increase is determined by the Board on the advice of the actuary and with the approval of the Representative Church Body, such percentage not exceeding the lesser of the percentage permitted by law and 5%.

The cost of funding this benefit for those members who are directly in the service of the Church of Ireland is met from central funds. The amount required on 1 January 2001 is IR£269,222 plus £361,700 (equivalent to IR£725,683) and is included as one of the grants recommended to the General Synod for allocation from the Income and Expenditure Account of the Representative Church Body.

7. BENEFITS

Pensions in payment on 31 December 2000 were increased by 5% on 1 January 2001, except those being paid to a widow of a voluntary member.

8. LUMP SUM BENEFITS

Under the provisions of the Fund a lump sum is payable in a number of eventualities. The following is a summary:

On death in service or within 5 years following retirement

On retirement before reaching 65 years of age a member may elect to commute part of his pension

On reaching 65 years of age a member may elect to commute part of his pension whether or not he actually retires

On retirement after reaching 65 years of age a member may elect to commute part of his pension if on reaching 65 years of age he decided to defer a decision until his actual retirement.

During 2000 lump sums totalling IR£93,307 and £72,665 became payable under the above headings in respect of 8 members as follows:

died in service (0); continued in service having reached 65 years of age (3); on retirement (3); died within 5 years following retirement (1); deferred paid at age 70 (1).

9. EXPLANATORY BOOKLET

The explanatory booklet designed to give a broad outline of the Pensions Fund and the benefits provided is available from the Assistant Secretary.

10. ADDITIONAL PERSONAL CONTRIBUTIONS

Members who will not have completed 40 years of service on reaching 65 years of age will not qualify for a full pension. However, subject to limitations contained in civil legislation the members concerned may purchase additional service by making additional personal contributions either by monthly deduction or by the payment of a lump sum, or by a combination of the two. These contributions qualify for full income tax relief at the highest rate payable by the contributor.

At present 93 members are participating in the Scheme. Many more are entitled to do so and the Board commends it for serious consideration by all those clergy who are in this category.

Copies of the Regulations and explanatory memorandum may be obtained on request to the Assistant Secretary.

11. IMPROVEMENT IN BENEFITS

The Board sought the advice of the Actuary regarding the costs of implementing a number of possible changes in the benefits structure in the light of the results of the triennial valuation. As a consequence of the valuation results the Board is able to honour its policy to ensure that parity is restored to the pensions of those members whose pensions commenced on or before 1 January 2001.

In view of the satisfactory outcome of the valuation which showed surpluses of IR£5.855m and £0.683m the Board is recommending the following:-

1. Increasing pensions of clergy, payment of which commenced on or before 1 January 2001.
2. Increasing widows pensions, payment of which commenced before 1 January 2001.
3. Increasing spouses pensions from 60% to 66.66% of members pension.
4. The inclusion of stepchildren for Child Dependency Allowances.
5. Calculation of pension benefits on the number of completed years and days of service.
6. Cessation of contributions payable in respect of a member who continues in service after reaching the age of 65.

The actual cost of these improvements will amount to IR£2.745m and £3.697m. This result is a net actuarial liability of IR£0.868m.

Details of the changes are set out in the Explanatory Memorandum to the Bill being submitted to the Synod.

12. PENSION ACTS – UK/IRELAND AGREEMENT

As reported last year it was anticipated that regulations would be approved by the respective ministers having the effect of:-

(a) exempting qualifying Irish schemes from certain provisions of UK pensions legislation;

(b) exempting qualifying UK schemes from certain provisions of Irish pensions legislation.

These regulations are intended to remove difficulties caused by dual regulation of schemes with members in both Ireland and the UK.

The regulations were adopted with effect from 31 December 2000.

The intention of the regulations is that Irish regulation will be the source of protection for UK members of Irish schemes and correspondingly that UK regulation will be the source of protection for Irish members of UK schemes. Both UK members of qualifying Irish schemes and Irish members of qualifying UK schemes will therefore be entitled to UK statutory benefits (which are overall greater than the corresponding Irish benefits) under the relevant country's legislation.

A formal letter to all members resident in Northern Ireland outlining the regulations will be sent during the year.

13. PART-TIME DEPLOYMENT IN THE STIPENDIARY MINISTRY - REGULATIONS

The Board approved regulations in connection with the above with effect from 1 June 2000. These are included in Appendix B to this report.

14. TRIENNIAL ACTUARIAL VALUATION REPORT

1. REPORT HIGHLIGHTS

This report has been prepared in accordance with Section 56 of the Pensions Act 1990 at the request of the Trustees by the Fund Actuary on behalf of Mercer. The report presents the results of an actuarial valuation of the Church of Ireland Clergy Pension Fund ("the Fund") as of 30th September 2000; the effective date of the previous valuation was 30th September 1997.

The last valuation disclosed a surplus of assets over the capitalised value of the liabilities amounting to IR£18.3M on the consolidated balance sheet, in light of which certain improvements to the benefits of the Fund were implemented as follows:-

(1) The Normal Pension Age has been reduced from age 67 to age 65 or the completion of 40 years service
(2) The indexation of the deferred pensions accrued prior to 1st January 1985
(3) Pensions for "pre-1976" widows increased to 62.5% of normal pension
(4) All Widows' Pensions, current and prospective were increased by 20%

The principal purposes of the valuation are to

- compare the value of the Fund's assets with the value of its accrued liabilities at the valuation date,
- recommend an appropriate future contribution rate to finance the Fund's expected future liabilities, and
- determine whether the Fund satisfied the minimum funding standard provided for in the Pensions Act 1990 at the valuation date.

From the valuation results summarised later in this report:

- On the assumption that the Fund continues, the assessed value of the assets at the valuation date represented 103% of the Fund's accrued liabilities at that date based on projected final stipends. [The funding objective is a percentage of 100%.]
- The valuation disclosed that an aggregate surplus exists in each sub-division (taking account of both investments and future contributions), of IR£5,855,000 in the Republic and Stg£683,000 in Northern Ireland. On the basis of an exchange rate of IR£1.32 to Stg£1, this is equivalent to approximately IR£6,756,000 on the consolidated balance sheet.
- The recommended contribution rate assumes that future annual administrative expenses will equal 4.5% of total contributions.

- In each sub-division the assets were sufficient to cover the accrued liabilities of members based on service up to the valuation date and on estimated final stipends. In the Republic the Fund satisfied the minimum funding standard provided for in the Pensions Act 1990.
- The current contribution rate of 25.8% of minimum approved stipend, with the current additional rates of contribution, are sufficient to provide for the liabilities of the Pension Fund in each sub-division.
- There is scope for the Trustees to consider improving the Plan's benefits without an increase in the contribution rate currently being paid. The results in Appendix 1.3 show a slight increase in the contribution required of 0.8% if the improvements outlined are implemented. However, in the overall context of the valuation results, this is not significant and the current contribution rate can be maintained until the next actuarial valuation in 2003. At this time, the contribution rate will be reviewed to determine its ongoing suitability.

2. PRINCIPAL VALUATION RESULTS

A summary of principal valuation results from the current valuation, with a brief analysis of the principal factors that have affected these results, follows. Further detail is contained in Appendix 1.

	Actuarial Valuation as at 30 September 2000
Comparison of Accrued Liability with Value of Assets	**Consolidated Results**
Actuarial Accrued Liability (IR£'000)	81,256
Assessed Value of Assets (IR£'000)	84,086
Surplus of valuation assets over liabilities (IR£'000)	2,830
Funded Ratio (Ongoing Basis)	103%

The principal factors which have contributed to the change in the funded ratio (ongoing basis), and the contribution rate, since the previous valuation can be summarised as follows:

- The actual experience, in the area of investment return as compared to stipend increases, was more favourable than the valuation assumptions and therefore contributed to an increase in the funded ratio and a reduction in the contribution rate.
- The benefit improvements contributed to a reduction in the funded ratio and an increase in the contribution rate.
- The method used at the last valuation was the Attained Age method. We have used the same method in this valuation. A description of this method is included in the report.

3. THE ASSETS OF THE FUND

The Fund's assets are invested in domestic/international equities, bonds, property and cash using external investment managers who invest directly in stocks or via pooled funds that invest in such stocks. From the asset details, I am satisfied that the investment policy being pursued by the trustees is appropriate having regard to the nature of the Fund's liabilities.

The value of the Fund assets under the control of the investment managers as at 30th September 2000 is as follows:

Republic of Ireland Sub-division
Bank of Ireland Asset Management: IR£ 44,086,800

Northern Ireland Sub-division
Lazard Brothers Asset Management Limited: Stg£ 44,161,900

Allowing for net current assets, the value of the Fund's assets, amounted to IR£43,900,700 for the ROI sub-division and Stg£43,901,600 for the NI sub-division, equivalent to approximately IR£101,845,000.

The methodology used to determine the actuarial value of assets, the combined value of which (IR£84,086,000) has been used to calculate the Fund's ongoing funded ratio and future contribution rate is explained in Appendix 3 along with the details of the calculations. I am satisfied that the method used to value the assets is compatible with the basis used to determine the value of the Fund's liabilities.

The value of assets used for the purposes of the actuarial funding certificate under S42 of the Pensions Act is the market value of the Fund's assets shown in the accounts.

4. BASIS OF VALUATION

Participant Data

The valuation has been based on the participant data provided by the Board. This is analysed in detail in Appendix 4 of this Report and can be summarised briefly as follows:

	Actuarial Valuation as of 30 September 2000	
Number of Participants in Valuation	**Republic of Ireland**	**Northern Ireland**
Active Participants	200	288
Participants with Deferred Benefits	33	44
Participants Receiving Benefits	223	299
Total	**456**	**631**

Notes:

1. The total of pensions in payment to those participants receiving benefits at the valuation date was IR£1,602,662 for the ROI sub-division and Stg£1,790,220 for the NI sub-division.

Actuarial Cost Methods & Assumptions

The actuarial cost method used, known as the Attained Age Method, is designed to produce a total contribution rate which, in respect of current membership, is expected to remain stable in the future. If the inclusion of new members in the Plan results in the average age of the plan membership remaining stable or reducing, the total contribution rate would be expected to fall over time.

The assumptions used in the liability valuation are set out in detail in Appendix 4. The key financial assumptions used in the ongoing valuation are:

	Actuarial Valuation 1 January 2000
Investment return	7.5% p.a.
Stipend Increases	5.0% p.a.
Pension Increases	5.0% p.a.
Benefit Revaluation	5.0% p.a.

If actual experience differs in the long term from the assumptions made significant variations in the funded ratio and future contribution rates could result. The assumptions to which the Fund's ongoing funded ratio and future contribution rate are particularly sensitive are the extent to which the rate of investment return exceeds both the rate of future increases in stipends and the rate of pension increase.

Fund Provisions

The benefits being provided under the Fund and upon which this valuation is based are summarised in Appendix 4 of this Report.

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This Report has been prepared in accordance with the Guidelines of the Society of Actuaries in Ireland.

I shall look forward to discussing the results of this valuation with the Trustees.

James R Kehoe
Fellow of the Institute of Actuaries 23 February 2001

APPENDIX 1

FUNDING RESULTS

Appendix 1.1 The actuarial aggregate liability as of the valuation date.

Appendix 1.2 Description of proposed benefit improvements.

Appendix 1.3 The actuarial aggregate liability as of the valuation date allowing for the proposed benefit improvements.

APPENDIX 1.1

Actuarial Aggregate Liability

Based on the assumptions set out in Section 4, the results of the valuation as at 30th September 2000 are as follows:

Balance Sheet in respect of the Republic of Ireland sub-division

	Past Service	**Future Service**	**Total Service**
1. Liabilities	**IR£'000s**	**IR£'000s**	**IR£'000s**
a. Active Participants			
Members' Retirement Pensions	9,818	7,529	17,347
Spouses' Pensions on Death in Service	525	736	1,261
Late Retirement Pensions	2,395	0	2,395
Lump Sum Benefits	0	735	735
Total	12,738	9,000	21,738
b. Participants with Deferred Benefits	715	-	715
c. Participants Receiving Benefits	16,142	-	16,142
Total Liabilities (a. + b. + c.)	**29,595**	**9,000**	**38,595**
2. a. Actuarial Value of Assets	34,085	-	34,085
b. Future Contributions		10,365	10,365
Total Assets (a. + b.)	**34,085**	**10,365**	**44,450**
3. Net Actuarial Liability (2 – 1)	**(4,490)**	**(1,365)**	**(5,855)**
4. Value of a 1% Contribution	373	373	373
5. Contribution required	**(12.0%)**	**(3.7%)**	**(15.7%)**

Balance Sheet in respect of the Northern Ireland sub-division

	Past Service	Future Service	Total Service
1. Liabilities	**Stg£'000s**	**Stg£'000s**	**Stg£'000s**
a. Active Participants			
Members' Retirement Pensions	13,137	10,279	23,416
Spouses' Pensions on Death in Service	711	696	1,407
Late Retirement Pensions	5,258	0	5,258
Lump Sum Benefits	0	959	959
Total	19,106	11,934	31,040
b. Participants with Deferred Benefits	922	-	922
c. Participants Receiving Benefits	19,113	-	19,113
Total Liabilities (a. + b. + c.)	**39,141**	**11,934**	**51,075**
2. a. Actuarial Value of Assets	37,883	-	37,883
b. Future Contributions		13,875	13,875
Total Assets (a. + b.)	**37,883**	**13,875**	**51,758**
3. Net Actuarial Liability (2 – 1)	**1,258**	**(1,941)**	**(683)**
4. Value of a 1% Contribution	521	521	521
5. Contribution required	**2.4%**	**(3.7%)**	**(1.3%)**

Balance Sheet in respect of the Consolidated Fund

	Past Service	Future Service	Total Service
1. Liabilities	**IR£'000s**	**IR£'000s**	**IR£'000s**
a. Active Participants			
Members' Retirement Pensions	27,158	21,096	48,254
Spouses' Pensions on Death in Service	1,464	1,654	3,118
Late Retirement Pensions	9,334	0	9,334
Lump Sum Benefits	0	2,001	2,001
Total	37,956	24,751	62,707
b. Participants with Deferred Benefits	1,932	-	1,932
c. Participants Receiving Benefits	41,369	-	41,369
Total Liabilities (a. + b. + c.)	**81,257**	**24,751**	**106,008**
2. a. Actuarial Value of Assets	84,086	-	84,086
b. Future Contributions		28,678	28,678
Total Assets (a. + b.)	**84,086**	**28,678**	**112,764**
3. Net Actuarial Liability (2 – 1)	**(2,830)**	**(3,927)**	**(6,756)**
4. Value of a 1% Contribution	1,061	1,061	1,061
5. Contribution required	**(2.7%)**	**(3.7%)**	**(6.4%)**

APPENDIX 1.2

As requested by the Board, I have also looked at the impact on the valuation results of improving the benefits in a number of areas. These are:

1. Increasing pensions in payment to reflect increases in the Minimum Approved Stipend.
2. Increasing the surviving spouses pension to 66.6% of the gross pension of a deceased member.

The valuation results allowing for these improvements are set out in Appendix 1.3.

APPENDIX 1.3

Based on the assumptions set out in Section 4, the results of the valuation as at 30th September 2000, taking in to account the above benefit improvements, are as follows:

Balance Sheet in respect of the Consolidated Fund

	Past Service	Future Service	Total Service
1. Liabilities	**IR£'000s**	**IR£'000s**	**IR£'000s**
a. Active Participants			
Members' Retirement Pensions	27,650	21,486	49,136
Spouses' Pensions on Death in Service	1,627	1,838	3,465
Late Retirement Pensions	9,517	0	9,517
Lump Sum Benefits	0	2,001	2,001
Total	38,794	25,325	64,119
b. Participants with Deferred Benefits	1,932	-	1,932
c. Participants Receiving Benefits	47,581	-	47,581
Total Liabilities (a. + b. + c.)	**88,307**	**25,325**	**113,632**
2. a. Actuarial Value of Assets	84,086	-	84,086
b. Future Contributions		28,678	28,678
Total Assets (a. + b.)	**84,086**	**28,678**	**112,764**
3. Net Actuarial Liability (2 – 1)	**4,221**	**(3,353)**	**868**
4. Value of a 1% Contribution	1,061	1,061	1,061
5. Additional contribution required	**4.0%**	**(3.2%)**	**0.8%**

APPENDIX 2

ACTUARIAL FUNDING CERTIFICATE

THIS CERTIFICATE HAS BEEN PREPARED UNDER THE PROVISIONS OF SECTION 42 OF THE PENSIONS ACT 1990 ("the ACT") FOR SUBMISSION TO THE PENSIONS BOARD BY THE TRUSTEES OF THE SCHEME

SCHEME NAME:	The Church of Ireland Clergy Pension Fund
SCHEME COMMENCEMENT DATE:	1st January 1976
PENSIONS BOARD REFERENCE NO:	PB 1667
EFFECTIVE DATE OF THIS CERTIFICATE:	30th September 2000
EFFECTIVE DATE OF PREVIOUS CERTIFICATE:	30th September 1997

On the basis of information supplied to me and having regard to such financial and other assumptions as I consider to be appropriate I am of the opinion that the resources of the scheme at the effective date of this certificate ***would*** have been sufficient if the scheme had been wound up at that date to provide for:-

(a) the liabilities of the scheme determined in accordance with Section 44(a) of the Act,

and

(b) the estimated expenses of administering the winding up of the scheme.

I therefore certify that as at the effective date of this certificate the scheme ***satisfies*** the funding standard provided for in Section 44 of the Act.

Signature:	JAMES R KEHOE	**Date:**	23rd February 2001
Name:	James R Kehoe	**Qualification:**	Fellow of the Institute of Actuaries

Name of Actuary's Employer/Firm: Mercer Limited

APPENDIX 3

Appendix 3.1 Summary of Assets

Appendix 3.2 Actuarial Value of Assets

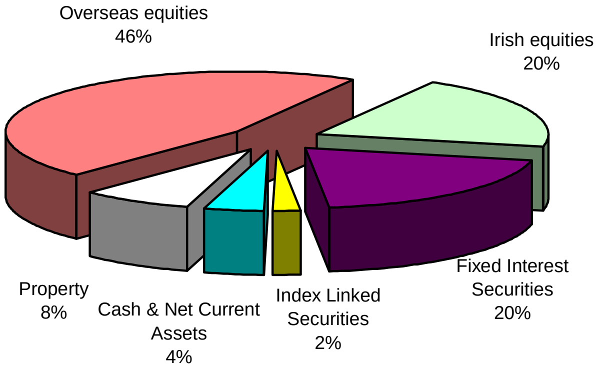
APPENDIX 3.1

Summary of Assets

Below is a summary of the invested assets in respect of each sub-division of the Fund as at 30th September 2000. These details have been taken from the BIAM (in respect of the ROI sub-division) and Lazard Brothers Asset Management Limited (in respect of the NI sub-division) investment reports.

Republic of Ireland sub-division

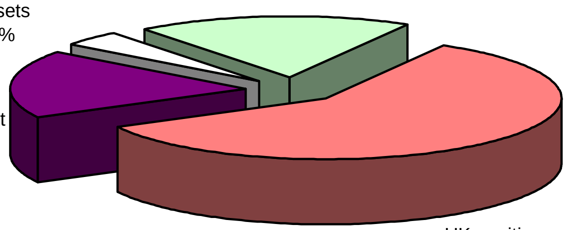
Distribution of Assets by Category



	Equities	*Fixed Interest*	*Cash*	*Property*	*Index Linked*	*Total*	*% of Fund*
Irish	8,979	2,834	334	3,663	459	16,269	37.1%
Euro (Ex-Ireland)	5,199	3,916	1,543	0	0	10,658	24.3%
Other	15,086	2,012	(322)	0	198	16,974	38.6%
Total	29,264	8,762	1,555	3,663	657	43,901	100%
% of Fund	66.7%	20.0%	3.5%	8.3%	1.5%	100%	

Northern Ireland sub-division

Distribution of Assets by Category



	Equities	*Fixed Interest*	*Cash*	*Total*	*% of Fund*
UK	25,941	7,676	1,747	35,364	80.6%
Other	8,538	0	0	8,538	19.4%
Total	34,479	7,676	1,747	43,902	100%
% of Fund	78.5%	17.5%	4.0%	100%	

APPENDIX 3.2

Actuarial Value of Assets

In valuing the assets of the Fund, I have considered the present capitalised value of the future investment income arising from the existing assets on a basis consistent with the valuation of the Fund's liabilities.

The expected future income from the Fund's portfolio of equity and fixed income investments has been discounted at the valuation rate of interest ie 7.5% per annum. Allowance has been made for dividends on equity investments to increase in the future at a rate of 5% per annum. Other investments, and the net current asset of the Fund at the valuation date have been taken into account at their market valuation.

Following this procedure, I have placed a value of IR£34,085,000 on the assets of the ROI sub-division of the Fund and Stg£37,883,000 of the NI sub-division of the Fund. This represents 77.6% ROI sub-division of the Fund's assets and 86.3% of the NI sub-division of the Fund's assets at market value at the valuation date.

This actuarial value is inherently more stable than market values and thus is more appropriate for the long term valuation of the Fund.

APPENDIX 4

BASIS OF THE VALUATION OF THE LIABILITIES

Appendix 4.1 The participant data used for the actuarial valuation.

Appendix 4.2 The liability valuation assumptions.

Appendix 4.3 The Fund provisions valued in the actuarial valuation.

APPENDIX 4.1

Fund Participants

A. Participant Statistics

Participant details were supplied by the Church and are summarised below.

Active Participants	**Number**
Republic of Ireland	
Clergy	194
Episcopal	6
Northern Ireland	
Clergy	283
Episcopal	5
Total	**488**

	Number	**Annual Pensions £'000s**
Participants Receiving Benefits		
• Republic of Ireland	223	IR£1,603
• Northern Ireland	299	Stg£1,790
Total	**522**	
Participants with Deferred Benefits		
• Republic of Ireland	33	IR£71
• Northern Ireland	44	Stg£99
Total	**77**	

APPENDIX 4.2

B. Liability Valuation Assumptions

The assumptions used in the liability projections are set out below.

It should be noted that the results of the valuation are particularly sensitive to the gap assumed between investment returns and increases in earnings before retirement and between investment returns and pensions in payment after retirement.

Financial Assumptions	
Investment return	7.5% p.a. for ongoing funding
Stipend increases	5.0 % p.a. for ongoing funding
Pension Increases	5.0% p.a. for ongoing funding
Benefit revaluation	The increasing deferred benefits will revalue in deferment at 5.0% p.a. where applicable.

In our calculations we have used what we regard as appropriate rates of mortality both before and after retirement. We have also assumed that 90% of clergy will be married at retirement and that husbands will on average be 3 years older than their wives. In addition, all curates are assumed to retire as incumbents.

APPENDIX 4.3

Summary of Fund Provisions

The benefits for the clergy who are members of the Fund and contributions currently payable under the provisions of Chapter XIV of the Constitution are summarised briefly below.

BENEFITS

Retirement Age:

The normal retirement age for incumbents and curates is 65 or the completion of 40 years service.

Pension:

On retirement at normal retirement age a member receives a pension calculated as 1/60th of minimum approved stipend in force at that time, in respect of each year of service up to a maximum of 40 years.

Commutation Option:

A member, on retirement, can elect to receive a portion of his pension up to 25% as an equivalent lump sum equal to 9 times the amount of pension given up.

Death in Retirement:

On the death of a pensioner, a widow's pension of 60% of the member's full pension entitlement (before commutation) is payable, but the members pension is paid for a minimum period of 5 years.

Provision for additional pension payments in respect of dependent children and orphans are also included.

Death in Service:

On death in service a pension is payable to a member's widow equal to 60% of the pension payable to the member had he remained in service to normal retirement age but based on the rate of minimum approved stipend at the date of death.

A lump sum is also payable of four times the rate of minimum approved stipend at the date of death.

Provision for dependent children and orphans' benefits is included.

Early and Late Retirement:

A member who has attained the age of 60 and completed two years' service may retire immediately and receive reduced retirement benefits.

If a member is forced to retire as a result of ill health, he is entitled to receive 90% (and in certain cases, 100%) of the pension which derives from the service he has completed at his date of retirement based on the rate of minimum approved stipend in force at that date.

A member who retires after normal retirement age receives an enhanced pension payable from actual date of retirement.

Withdrawal from Service:

On ceasing to be a contributing member of the Fund, a member having completed two years of service will receive either his accrued pension accumulation in respect of service to date of leaving, or a transfer to another fund approved by the appropriate Revenue authority of an amount equal to the value of the pension accumulation. If he has completed less than two years service he will receive only a refund of his contributions (see below) to the fund with interest thereon at 3% per annum or with the Board's consent the accrued pension accumulation. In respect of contributions paid on or after 1st January 1976 the accrued pension accumulation shall be increased each year up to retirement by the same percentage as that applied to pensions in course of payment.

Increases in Pension:

Pensions in the course of payment will increase each year by up to 5% per annum subject to this not being greater than is acceptable to the relevant Revenue authority.

Special Provision for Bishops and Archbishops:

Bishops and archbishops receive similar benefits to incumbents/curates and have a normal retirement age of 65, and are automatically credited with 40 years of service in respect of that portion of the pension relating to minimum approved stipend. Additional benefits are based on the bishop's (or archbishop's) actual stipend, being

1/18th of the additional stipend (over minimum approved stipend) up to a maximum of 12 years, for each year of Episcopal service.

Contributions

At the valuation date the rates of contribution payable to the Fund were:-

- A basic contribution of 19.2% of minimum approved stipend of which 4.8% is charged to members.
- An additional contribution of 6.6% of minimum approved stipend provided out of central funds.
- An additional contribution payable in respect of bishops. For one bishop consecrated prior to 1st January 1979 the rate is 8.9% of stipend. An individually calculated additional contribution rate is payable for those consecrated after 1st January 1979.
- An individually calculated additional contribution is payable in respect of those members over age 35 on entry to the Fund. A fixed proportion of this special contribution is charged to the individual member concerned.
- Certain members now make Additional Personal Contributions to increase their pension entitlements up to the Revenue maxima.
- Some voluntary contributors to the pre-1976 Widows and Orphans (Church of Ireland) General Fund, providing additional reversionary pensions for their widows, elected to continue their contributions to the Clergy Pension Fund.

15. ACTUARIAL CERTIFICATE

The Church of Ireland Clergy Pension Fund was last valued as at 30 September 2000.

The assets of the Fund were sufficient at that date to cover the accrued liabilities in respect of the active members based upon completed service at that date and current stipends, as well as the liabilities for pensions in the course of payment, for the reversionary widows' pensions and for the deferred pensions in respect of members who have now left. The Fund also satisfied the funding standard required under Section 44 of the Pensions Act 1990 (ROI).

The Valuation furthermore showed that the level of contributions currently being paid into the Fund is adequate to provide for the future accruing liabilities.

Nothing has occurred since the last Valuation which would prevent the above statements from being made at the present time.

The next Valuation is due as at 30 September 2003.

James R Kehoe
Actuary, Mercer
1 March 2001

16. FINANCIAL STATEMENTS

The Financial Statements of the Clergy Pensions Fund are set out in the following pages.

Note: The formal Financial Statements are expressed in Irish Pounds for technical reasons. However, the Accounts of the Northern Ireland subdivision are maintained in sterling in which currency the contributions and benefits are also paid. Since the formal Accounts are presented in Irish pounds only, changes in the relationship between Irish Pounds and Sterling, and the *realised* and *unrealised* gains or losses which occur as between one year and another may give a misleading impression of the comparative figures.

The following schedule illustrates the equivalent figures in sterling for contributions, investment income and benefits in relation to the Northern Ireland subdivision for 2000 and 1999 as shown in the Financial Statements. It is hoped that this schedule will be helpful in studying the accounts.

	2000 £'000	1999 £'000
Contributions		
- Members - normal	233	213
- additional personal	52	63
- Dioceses	744	671
- Representative Church Body	505	539
Investments and Short Term Income	1,155	1,175
Pensions to Retired Clergy and Bishops	1,163	1,125
Pensions to Widows and Orphans	646	603
Commutation of pensions	65	64
Death benefits	10	3