

GENERAL SYNOD 2002

PENSIONS BOARD REPORT

PROPOSED BY REV. TED WOODS. (Dublin)

The report of the Pensions Board can often look very daunting. There are pages of financial statements and statistics, which to some of us are incomprehensible, and quite beyond the scope of bluffing as there will always be someone in the House who not only understands them all but enjoys analysing them!

However there is another aspect than the financial to the Pensions Board report and that is the human side. The Board's concern is for its members not as statistics, not as numbers, but as individuals. And they are treated as individuals. I have been on the Pensions Board for a number of years and I am always heartened and encouraged by the care and attention given to individual cases when they come up for notice, and I would like to pay tribute to our chairman, Canon Barry Deane, not only for his financial expertise and his legal expertise but also for his warm concern for the members of the Pension Fund. There are few he doesn't know and this personal knowledge is brought to the deliberations of the Board.

As stipends significantly increased in 2000 and 2001, and continue to keep pace with inflation, so too have pensions. In para 7 on P.78 you will see that in the year ended 31/12/2001 pensions were increased by 3.7% for those payable in pounds sterling and by 5% for those now payable in euro.

Over the years there have been appeals on this floor for lump sum benefits over and above the pension provisions but according to Revenue rules this is not possible. However, lump sums can be provided through the commutation of part of a member's pension. The maximum amount of pension that can be exchanged is 25% and that is multiplied by 9 to give a lump sum which, incidentally, is tax free.

Pensions, and lump sums, could be enhanced up to a maximum of two-thirds of actual emoluments by purchasing Additional Voluntary Contributions. Basic pensions are based on Minimum Approved Stipend.

It should be noted that a decision to take a cash sum in commutation does not reduce the survivor's pension to which a spouse may subsequently become entitled.

The age for retirement continues to be 65 or a member may retire on full pension after 40 years service if that is earlier.

A member who retires after 65 receives an enhanced pension going up in increments from 110% at 66 to 271% at 75.

No contributions are payable by members after the age of 65. This is the age at which pensions are determined.

I would like to draw attention to para 10 – Additional Personal Contributions – that is, buying years for those who will not have completed 40 years by the age of 65. If anyone won't have 40 years done by 65 then they should seriously think about buying years. It can be expensive, but they qualify for income tax relief. At present 101 members of the Fund are participating in buying

APC's. Many more are entitled to do so, and it would be good stewardship to do so for their own sakes and for the sake of their spouses. It should also be noted that the Minister for Finance in the Republic has increased the cap of 15% of earnings to 30% for those over 50 years old, so buying additional years has a lot to commend it.

The Board has worked hard to improve the benefits for its members and none more so than for widows' pensions. It has to be said that in the past widows' pensions were meagre and as a Church we should be ashamed of how the widows of clergy were treated and remunerated. But the situation has improved beyond all recognition today. A widow under 66 now gets a pension of €18,000 including the State pension and this increases to €20,000 for a widow aged 80+ and living alone. These figures are from 1/1/02. For N. Ireland, the pension figures would be £12,700 combining Church and State pensions, not forgetting the £200 annual fuel allowance which would bring it to just under £13,000. These increases mean that in the current year only 5% of widows, 11 in actual figures, are now on income from the Supplemental Fund. Last year that number was 15. To put it another way, a more dramatic way, you can say that since 1989 surviving spouses pensions have increased by just under 400%.

Minimum income levels for retired clergy have also been increased from 1st Jan this year. In 2001 there were only 7 below the minimum income level. This means that most pensioners are receiving their pensions as of right, and soon there will be no means testing for those below the minimum income level.

Please note too on P.111 the Housing Assistance Fund which has been created from endowments and bequests. Grants are made to retired clergy and surviving spouses for help with repairs and renovations to their home and to help pay costs of nursing Homes, which are frighteningly high, especially in urban areas. In 2001 grants totalling €44,758 and £41,853 were allocated – i.e. well over €100,000 or nearly £70,000 from this fund.

Archbishop, we welcome you as a new member of The Pensions Board. Apart from Bishop Neill, all the other bishops who were members have retired. It was as if they were checking on their benefits and the solvency of the Fund before going. I hope that you are not doing the same!

A word of thanks, too, to John Buttimore, the Board's Assistant Secretary and member of Church House staff. He has been involved with the Pensions Board since it was set up in 1976 and has been its Assistant Secretary for the past 8 years. John has given many years of invaluable service to the Pensions Board, and his knowledge and administrative skills will be sorely missed. We wish him many happy years in retirement.

Archbishop, I have much pleasure in proposing the report of the Pensions Board.