

**THE SUPPLEMENTAL FUND**

**1. ADMINISTRATION OF THE FUND FOR THE YEAR ENDED 31 DECEMBER 2002**

The Supplemental Fund is held by the Representative Body for the provision of assistance to retired clergy of the Church of Ireland, and to the spouses, orphans and other dependants of clergy of the Church of Ireland and is administered by the Church of Ireland Pensions Board.

The income is derived from the investments representing the capital of the various Funds comprising the Supplemental Fund and grants allocated to it by General Synod.

Last year the following assistance was provided:

**(1) Minimum Income of Surviving Spouses and Orphans**

Grants to ensure each has a minimum income from all sources of not less than the following in the year commencing 1 January 2002:

	Resident in the:	
	United Kingdom	Republic of Ireland
Surviving spouse under 80	£9,302	€12,506
Surviving spouse 80 or over	£9,656	€12,981

On 31 December 2002 pensions were in course of payment to 216 widows (excluding widows of voluntary contributors) of clergy of the Church of Ireland. 12 widows required a grant to bring their total income up to the relevant figure in the Table.

During 2002 each widow who was in receipt of a grant from the Supplemental Fund also received:

- (a) a grant towards basic housing costs of £190 or €260 from the Housing Fund;
- (b) a grant of £375 or €510 from monies allocated from the Priorities Fund.

As a result of these grants, the actual minimum income of widows during 2002 exceeded the figures in the Table by £565 or €770.

Church of Ireland Pensions Board – Report 2003

**(2) Minimum Income for Retired Clergy**

Grants shall be payable from the Supplemental Fund to retired clergy to ensure that each has a minimum income, including the Retirement Pension payable from the Church of Ireland Clergy Pensions Fund or any other approved Scheme, of not less than £6,927 (if resident in the U.K.) or €9,313 (if resident in the Republic of Ireland). Such minimum pension shall be in addition to a State or other pension (excluding a Retirement Pension payable under the Church of Ireland Pensions Fund or any other approved Scheme) or a Sickness or Invalidation Benefit or a Supplemental Grant in lieu thereof.

In calculating grants the first £1,000 (if resident in the UK) or €1,347 (if resident in the Republic of Ireland) of income earned by the clergy and/or their spouse is disregarded.

The number of grants in payment on 31 December 2002 was 5.

**(3) Supplement in lieu of State Pension**

Grants shall be payable to retired clergy who are not eligible for a State or other pension (excluding a Retirement Pension payable under the Church of Ireland Pensions Fund) or a Sickness or Invalidation Benefit in lieu thereof as follows:

1. (a) Clergy who retired from an office in the Republic of Ireland:

Eligible clergy aged under 80	€7,660
Eligible clergy aged 80 or over	€7,992
Married clergy only:	
Spouse under 66	€5,101 extra
Married clergy only:	
Spouse 66 or over	€5,918 extra
Single/widowed clergy only:	
Living alone	€400 extra
  
- (b) Clergy who retired from an office in Northern Ireland:

Eligible clergy:	
Single/widowed	£3,770
Eligible clergy:	
Married	£6,027

The number of grants in payment on 31 December 2002 was 22.

Church of Ireland Pensions Board – Report 2003

**(4) Widow of Bishop**

A grant in accordance with the following table to the widow of a bishop who retired before 1 January 1979:

Widow of bishop	€5,043
-----------------	--------

The number of grants in payment on 31 December 2002 was 1.

**(5) Removal Grants**

A grant to a widow or widower towards the cost of removal, if his or her spouse was in the service of the Church of Ireland at the time of death, of the total amount involved up to a sum of £1,048 if he or she died while holding office in Northern Ireland, or €1,453 if he or she died while holding office in the Republic of Ireland.

Should death occur less than two months after date of retirement and before vacation of the glebehouse a similar grant will be paid.

**(6) Immediate Grants to Surviving Spouses**

On the death in the service of the Church of Ireland of clergy who are survived by a widow/widower, an immediate grant of £1,153 if they died while holding office in Northern Ireland or €1,598 if they died while holding office in the Republic of Ireland shall be paid.

On the death in retirement from the service of the Church of Ireland of clergy who are survived by a widow/widower, an immediate grant of £943 if they resided in the United Kingdom or €1,307 if they resided in the Republic of Ireland shall be paid.

**(7) Other Grants**

Certain other grants which, in the opinion of the Board and in the particular circumstances of each case, merited special consideration.

In addition to the grants allocated under the above headings retired clergy, widows/widowers and dependants in need received help from other sources. The Board would like to record its thanks to the Priorities Fund, the Corporation of the Sons of the Clergy, the Friends of the Clergy Corporation and the other charities and funds which provided this help.

Church of Ireland Pensions Board – Report 2003

**2. GRANTS 2003**

The Representative Body on page 12 of its report recommends the General Synod of 2003 to approve allocations of €222,899 plus £20,927 to the Supplemental Fund from 2003 income.

The allocations recommended will enable the Board to continue the schemes of grants to widows and retired clergy and it has decided that from 1 January 2003 these shall be as follows:

**(1) Minimum Income of Surviving Spouses and Orphans**

	Resident in the:	
	United Kingdom	Republic of Ireland
Surviving spouse under 80	£9,581	€13,132
Surviving spouse 80 or over	£9,946	€13,631

It is estimated that the cost of this scheme will be €13,247 plus £11,100.

**(2) Minimum Income for Retired Clergy**

Grants shall be payable from the Supplemental Fund to retired clergy to ensure that each has a minimum income, including the Retirement Pension payable from the Church of Ireland Clergy Pensions Fund or any other approved Scheme, of not less than £7,135 (if resident in the U.K.) or €9,779 (if resident in the Republic of Ireland). Such minimum pension shall be in addition to a State or other pension (excluding a Retirement Pension payable under the Church of Ireland Pensions Fund or any other approved Scheme) or a Sickness or Invalidity Benefit or a Supplemental Grant in lieu thereof.

In calculating grants the first £1,000 (if resident in the UK) or €1,416 (if resident in the Republic of Ireland) of income earned by the clergy and/or their spouse is disregarded.

It is estimated that the cost of this scheme will be €10,257 plus £7,063.

Church of Ireland Pensions Board – Report 2003

**(3) Supplement in lieu of State Pension**

(a) Clergy who retired from an office in the Republic of Ireland:	
Eligible clergy aged under 80	€8,180
Eligible clergy aged 80 or over	€8,512
Married clergy only:	
Spouse under 66	€5,450 extra
Married clergy only:	
Spouse 66 or over	€6,318 extra
Single/widowed clergy only:	
Living alone	€400 extra
(b) Clergy who retired from an office in Northern Ireland:	
Eligible clergy:	
Single/widowed	£3,926
Eligible clergy:	
Married	£6,276

It is estimated that the cost of this scheme will be €177,506 plus £7,952.

**(4) Widow of Bishop**

A grant in accordance with the following table to the widow of a bishop who retired before 1 January 1979:

Widow of bishop	€5,453
-----------------	--------

It is estimated that the cost of this scheme will be €5,453.

**(5) Removal Grants**

Northern Ireland - £1,075

Republic of Ireland - €1,523

**(6) Immediate Grants to Surviving Spouses**

In service;

Northern Ireland - £1,183

Republic of Ireland - €1,675

In retirement;

Northern Ireland - £968

Republic of Ireland - €1,370

Church of Ireland Pensions Board – Report 2003

**3. RULES**

Copies of the rules are available on application to the Assistant Secretary.

**4. FINANCIAL STATEMENTS**

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

Church of Ireland Pensions Board – Report 2003

**THE SUPPLEMENTAL FUND**

**31 December 2002**

**FUND STATEMENT**

	2002 €'000	2001 €'000
General Synod Allocations	233	212
Investment Income	22	31
Income from Trusts and Donations	1	-
	<u>256</u>	<u>243</u>
Movement on the revaluation surplus on investments	(226)	(113)
Currency translation adjustment	(12)	5
Sales	1	-
New endowments and bequests	-	11
	<u>19</u>	<u>146</u>
LESS		
Augmentation – Widows and Orphans	29	28
Widowhood Grants etc	6	20
Grants to Retired Clergy	190	169
Grant to Widow of Bishop	5	5
Expenses	26	24
	<u>256</u>	<u>246</u>
Net (decrease) in fund for year	(237)	(100)
Balance 1 January	926	1,026
Balance 31 December	<u><u>689</u></u>	<u><u>926</u></u>

Church of Ireland Pensions Board – Report 2003

**THE SUPPLEMENTAL FUND**

---

**ANALYSIS OF FUND ASSETS AT 31 DECEMBER 2002**

	2002 €'000	2001 €'000
Investments at Valuation		
United Kingdom Unit Trusts	511	732
Other Assets		
RB Unit Trust	48	45
RB General Unit Trusts	130	149
	<hr/> 689	<hr/> 926
	<hr/> <hr/>	<hr/> <hr/>

**Notes**

1. The Supplemental Fund is vested in the Representative Church Body, as Trustee for the provision of assistance to retired clergy of the Church of Ireland, and to spouses, orphans and dependants of clergy of the Church of Ireland.

The Fund is established under Chapter XV of the Constitution of the Church of Ireland and administered by the Church of Ireland Pensions Board.

2. Accounting Policies are the same as those adopted for the Clergy Pensions Fund.

**ACCOUNTANTS' REPORT**

The Representative Church Body is responsible for preparing the Fund Statement and the Statement of Assets for the year ended 31 December 2002. We have examined the above and have compared them with the books and records of the Fund. We have not performed an Audit and accordingly do not express an audit opinion on the above statements. In our opinion the above statements are in accordance with the books and records of the Fund.

PricewaterhouseCoopers  
Chartered Accountants  
Dublin



Church of Ireland Pensions Board – Report 2003

**THE CHURCH OF IRELAND  
VOLUNTARY CONTRIBUTIONS SCHEME**

1. Membership as at 31 December 2002

	Membership 31/12/01	New Contributors	Withdrawals	Fund Transfers	Retired	Membership 31/12/02
RI	38	1	0	0	5	34
NI	<u>17</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>16</u>
Total	55	1	1	0	5	50
Previous Year	54	4	0	0	3	55

Six members increased their contributions during the year and the average annual contribution at the end of 2002 was (RI) €1,664 and (NI) £1,085.

Contributions continue to be invested with the Standard Life Assurance Company in the “Managed Pension Fund”, the “With Profits Pension Fund” or the “Cash Pension Fund”, as appropriate, of the Tower Pension Series for those contributors who reside in the Republic of Ireland or the Castle Pension Series for those contributors who reside in Northern Ireland. The “Managed Fund” is considered appropriate for contributors with some years to go before reaching normal retirement age, the “With Profits Fund” for those with say 6 or 7 years and the “Cash Fund” for those with less. However each contributor on joining the scheme is given an opportunity to decide otherwise should he/she so choose.

The investment linked funds run by the Standard Life Assurance Company have been specifically designed and managed to cater for individual pension fund members. Standard Life is one of the larger companies catering for pension fund schemes and has a long and respected record. However, the Representative Church Body and its investment advisers constantly monitor the performance of the funds.

Clergy resident in Northern Ireland should note that since the enactment of the Finance (No 2) Act 1987 members of the scheme who commenced contributions after 7 April, 1987 will not be able to take any of the amount arising at retirement in the form of a cash sum as such amount may only be used to enhance pension benefits and provide life assurance cover. Nevertheless the scheme is still attractive as a tax efficient means of saving for an enhanced pension as the contributions qualify for full income tax relief subject to a maximum pension of two thirds of actual remuneration in accordance with Revenue limits.

They should also be aware that since 1987 it has been possible to use other providers of such facilities - mainly insurance companies - for the investment of their voluntary contributions. Such arrangements are known as Free Standing Schemes but it is understood that the costs of such individual contracts are likely to be higher than under a group contract associated with an occupational pension scheme.

Individuals who may consider investing in such a scheme are strongly advised to consult an independent financial adviser authorised under the Financial Services Act 1986 by the Financial Services Authority.

Church of Ireland Pensions Board – Report 2003

2. The Fund Statement is set out on this page.

**FUND STATEMENT**

	2002 €'000	2001 €'000
Contributions received	51	53
Less paid on retirement or death	(25)	(29)
	<hr/> 26	<hr/> 24
Balance 1 January	396	368
Currency Translation Adjustment	(9)	4
Balance 31 December	<hr/> 413	<hr/> 396

**Notes**

1. The Representative Church Body is Trustee of the Scheme which is administered by the Church of Ireland Pensions Board under the authority of a resolution adopted by the General Synod on 21 May 1985.
2. Under the Scheme members are permitted to make voluntary contributions which are invested with the Standard Life Assurance Company to provide additional benefits within the overall limits allowed by the Revenue authorities. The balance at the year end represents the net accumulation of members' contributions which have been transferred to the Standard Life Assurance Company by the Trustee. The value of the investments underlying these contributions is not reflected in the statement.
3. Sterling balances and transactions have been translated to Euro at the rate of exchange ruling at 31 December 2002, €1 = £0.0.6505 (2001: €1 = £0.6085).

**ACCOUNTANTS' REPORT**

The Representative Church Body is responsible for preparing the Fund Statement for the year ended 31 December 2002. We have examined the above and have compared it with the books and records of the Fund. We have not performed an Audit and accordingly do not express an audit opinion on the above statement. In our opinion the above statement is in accordance with the books and records of the Fund.

PricewaterhouseCoopers  
Chartered Accountants  
Dublin

**OTHER FUNDS ADMINISTERED BY THE BOARD**

**1. SUNDRY DIOCESAN WIDOWS' AND ORPHANS' FUNDS**

Grants are paid on the recommendation of the patron, who is usually the Bishop. The total of grants paid in 2002 was €55,995 and £4,474.

**2. HOUSING ASSISTANCE FUND**

The Housing Fund has been created by the Representative Church Body from the income of certain endowments and bequests received by it from generous benefactors and where the terms of trust permit.

The Fund is being administered under a Scheme prepared by the Board and approved by the Representative Church Body. Grants amounting to €46,912 plus £36,422 were allocated in 2002. Many expressions of thanks and appreciation have been received from the recipients.

The Board is most grateful for these donations and hopes that this Fund which has already been of considerable help to retired clergy and widows with financial outlay arising from the provision and/or upkeep of housing accommodation will be given further support by donations or bequests.

In addition to the above Fund two houses bequeathed to the Representative Church Body, one of which is let to a retired clergyman and the other to the widow of a clergyman, are administered by the Board.

**3. PRIORITIES FUND – ADDITIONAL INCOME FOR THE MOST ELDERLY AND NEEDY**

A further grant was allocated by the Standing Committee from the Priorities Fund in 2002 to provide additional income for the most elderly and needy retired clergy and widows of clergy. This enabled the Board to give an additional grant of €510 or £375 as appropriate, to each retired clergyman who had reached 65 years of age and to each widow irrespective of age who also needed a grant from the Supplemental Fund to ensure a minimum income under the schemes in operation for that purpose. A total of 13 widows and 6 clergy benefited from the allocation and many expressions of appreciation have been received.

The Board has applied to the Priorities Fund Committee for a grant for 2003.

**4. MRS E TAYLOR ENDOWMENT**

The Representative Body requested the Board to administer the Endowment “to provide additional benefits over and above the normal pensions for retired clergymen of the Church of Ireland who should be residing in the 26 counties of Southern Ireland”.

### Church of Ireland Pensions Board – Report 2003

The Board has decided that the income from the Endowment should be allocated in the first instance for the benefit of those retired clergy in the Republic of Ireland who required nursing/home care either for themselves or their spouses including health and paramedical expenses.

During 2002 grants totalling €12,250 were paid to 14 retired clergy.

#### **5. REV PRECENTOR RH ROBINSON BEQUEST**

The income of this bequest is allocated annually by the Board in accordance with the terms of trust as an additional payment to a retired clergyman.

#### **5. REV GJ WILSON BEQUEST**

The income of this bequest is available for the benefit of retired clergymen of the dioceses of Dublin, Glendalough and Kildare. The Board allocates the income having sought recommendations from the Archbishop of Dublin and the Bishop of Meath and Kildare.

In 2002 the total of grants paid was €2,050.

#### **6. DISCRETIONARY FUND – RETIRED CLERGY/SURVIVING SPOUSES**

The Fund which was set up in 1996 with an allocation by the Representative Body in order to provide discretionary grants unrelated to Housing, to widows or widowers of clergy to be administered in a similar fashion to the administration of the Housing Fund. A further allocation of £6,500 was made in 2002 which together with income from bequests allocated by the Representative Body enabled the Board to make grants totalling €7,000 plus £5,900 to 17 widows.

The Commissioners of Charitable Donations in Ireland transferred the Lady Hume Bequest to the Representative Church Body. €3,780 was received and income from the trust is to benefit 'Protestant Ministers' Widows'.

The Representative Body also provided an allocation of £11,000 to provide greater support for retired clergy resident in Northern Ireland or outside Ireland. This sum together with income from bequests allocated to the Fund by the Representative Body enabled the Board to make grants in 2002 totalling £10,300 to 23 retired clergy.

The Board would welcome donations and bequests which would produce a permanent income for this Fund.