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Support for Lay Pension Scheme

The Scheme

1 As well as the Ministers' Pension Fund, the United Reformed Church has a quite separate arrangement to enable us to provide pensions to retired missionaries, Church House staff and some lay staff working in Synod offices and elsewhere. This pension scheme is operated through using the Pensions Trust. This body is not to be confused with the Trustees of the Ministers' Pension Fund; it is an outside organisation set up to provide a framework for a large number of relatively small pension schemes, especially in the charitable sector.

2 The Pensions Trust holds £12m of assets on behalf of our scheme which has around 350 members, just over a third of whom are currently drawing pensions. The lay scheme is therefore much smaller than the Ministers' Pension Fund with its assets of around £80m, but it has many similar characteristics, most notably that it is still a defined benefit scheme.

The Issue

3 The Church is in protracted discussions with the Pensions Trust about the 2010 valuation of the lay pension scheme. This will in turn determine how much money the Church needs to provide to the Pensions Trust for the lay scheme over the coming years. An oral update will be provided at Mission Council. However the Pensions Trust has become aware that in 2007 the General Assembly provided a formal commitment to support the Ministers' Pension Fund but has never given a similar assurance with regard to the lay scheme. The Pensions Trust is likely to give us more favourable treatment if such an assurance were to be provided.

4 The URC Pensions Executive recommends to Mission Council that it should provide such an assurance in the name of the General Assembly. As there has never been any question in practice that the Church intended to stand behind the lay scheme as part of proper care for our staff, such a resolution makes no practical difference within the life of the Church.

5 Whether such a resolution is passed or not, the General Assembly itself of course has no way of raising money except from the Church at large and therefore the Assembly commitments are effectively commitments by local churches and Synods to respond to any requests to support the pension funds. In the case of the lay scheme, this is particularly pertinent for Synods as some of the staff in the scheme are Synod employees. However we are not asking every individual Synod affected to pass their own resolution.

6 The wording in the proposed Resolution parallels that used in 2007.

Resolution

Mission Council, acting with the authority of General Assembly and being representative of Local Churches, Synods and the whole Church, reaffirms its commitment to the lay staff pension scheme with the Pensions Trust and undertakes to make arrangements to meet any deficits in the funding arrangements which may arise from time to time.