

Item ?? for Synod meeting 11th, September, 2021

Subject:- CONNEXION PENSION SCHEMES FOR PRESBYTERS AND STAFF

Connexion has pension schemes for Presbyters and staff which, following a Triennial Valuation, is showing a substantial deficit of £30M. Whilst there is c£35M in the pension reserve fund the valuation does include up to £90M of property as a backstop. Should the pension reserve fund be used to top up the pension fund it will need to be replenished. It should be mentioned that this is a common problem with low interest rates and the trend for pension schemes to de-risk their liabilities by investing in inflation linked products which are very expensive and offering below inflation real returns. Increasing longevity is also impacting on pension funds, but the effect of Covid-19 on this is still to be ascertained.

A proposal placed before Conference was that Churches, Districts and Circuits voluntarily give 15% of their cash reserves to generate c£45M which would replenish the pension reserve fund. There is a District Treasurers' Meeting on 2nd September to discuss the situation, but due to a prior commitment I am unable to attend. However, minutes should be available shortly thereafter and if they are to hand, I will verbally brief the meeting.

Based on the last available set of Schedule B's the Churches hold C£1M and Circuit (Audited Accounts), £2.5M from which should be subtracted £100,000 held on behalf of Ramsey whilst they find alternative premises. There are also approvals in place for some Churches to refurbish premises and as the costs are deducted from the calculation for Assessments it would seem logical to do the same for this exercise.

Action:-

The meeting is asked to discuss how much money we can afford to give? I understand that those who give voluntary will not be asked to participate in a fixed contribution next year, but this is not a given.

W E Teare,

Circuit Steward and Treasurer

26th, August, 2021.