THE CHURCH OF ENGLAND
PENSIONS BOARD

The practicalities of planning for your retirement

The Church of England Pensions Board
Natasha Gray
Nick Griffiths
Joel Ryan

We provide retirement services to those who minister or work for the Church

THE CHURCH OF ENGLAND
PENSIONS BOARD

Pensions

Providing pensions services for c. 44,000 clergy and church workers across three pension schemes

Ethical & Responsible Investment

Investing and managing £3.4bn of pension fund assets & using our voice as a leading responsible investor

Housing

Managing retirement housing for c.2,500 retirees

Pensions

Our plan

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- Understanding your clergy pension — Joel
- Your housing options — Nick

Lots of opportunities for questions!!!!

Planning your retirement

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Understanding your Clergy pension

Our agenda

1. How much might my pension be?
2. How much do I need?
3. Pension improvements
4. Claiming my pension

How my pension works today?

'CEPM' funded by Church Commissioners

'CEFPS' funded by each Responsible Body

Before 1998	1998 to 2008	2008 to 2011	2011 onwards
NRA: 65 Service: 37 years Max Pension: 2/3 NMS Increase: RPI 5%	NRA: 65 Service: 37 years Max Pension: 2/3 NMS Increase: RPI 5%	NRA: 65 Service: 40 years Max Pension: 2/3 NMS Increase: RPI 3.5%	NRA: 68 Service: 41.5 years Max Pension: 1/2 NMS Increase: RPI 3.5%

Jargon buster.... NRA: Normal Retirement Age; NMS: National Minimum Stipend; RPI: measure of inflation used in the Scheme

Upcoming improvements

Benefit level	1998-2007	2008-2011	2011 onwards
Normal Pension Age	65	65	68
Accrual Rate	1/37 of 2/3 of (prior year) NMS	1/40 of 2/3 of (prior year) NMS	1/41.5 of 1/2 of (prior year) NMS
Guaranteed pension increase	RPI capped at 5.0% pa	RPI capped at 3.5% pa	RPI capped at 3.5% pa

Summary of changes

- ✓ Restoring the target level of pensions to 2/3rds of the pensionable stipend, including…
- ✓ Uprating benefits for active and deferred members so that their service since 2011 earns a 2/3rds level of pension.
- ✓ Providing a one-off uplift to pensions already in payment for those with service post 2011.
- ✓ Increasing the NMS to £33,500 p.a. – giving a boost to pensions coming into payment
- ✓ Basing pensions on the current year's NMS rather than the previous year – which will also increase death in service benefits
- ✓ No accrual cap

- Policy agreed by General Synod in July.
- New rules being drafted – hopefully for approval by Synod in February 2026.
- Aiming to bring changes in from **April 2026** – phased implementation likely.

How much might it be?

1. How much pension you could have on 14 December 2039 (your normal retirement date)

Tax-free lump sum	£47,766	
and		
Pension	£15,921	each year

or you can give up some of your pension for more tax-free lump sum

Tax-free lump sum	£87,921	
and		
Pension	£13,186	each year

If you die after taking your pension, we will pay a spouse or civil partner pension of **£10,614** each year.

Your 2025 statement is based on current pension formulas and benefit structures. It does not include any of the improvements agreed by Synod in July.

All figures based on current factors

You'll need to speak to HMRC to get a 'nil rate' tax code so your pension is not taxed in the UK.

- You can retire from age 55 – but the UK Government is increasing this to 57 from 6 April 2028.
- If you retire early (either before 68 or 65, depending on your service) your pension is reduced as we will pay it for longer. If you retire later than 65 or 68, you continue to earn pension as you usually do.
- If you take a tax-free lump sum, this does not affect your spouse or civil partner pension.
- **You do not need to declare your lump sum, unless you use it to provide an income.**

Finding my estimate

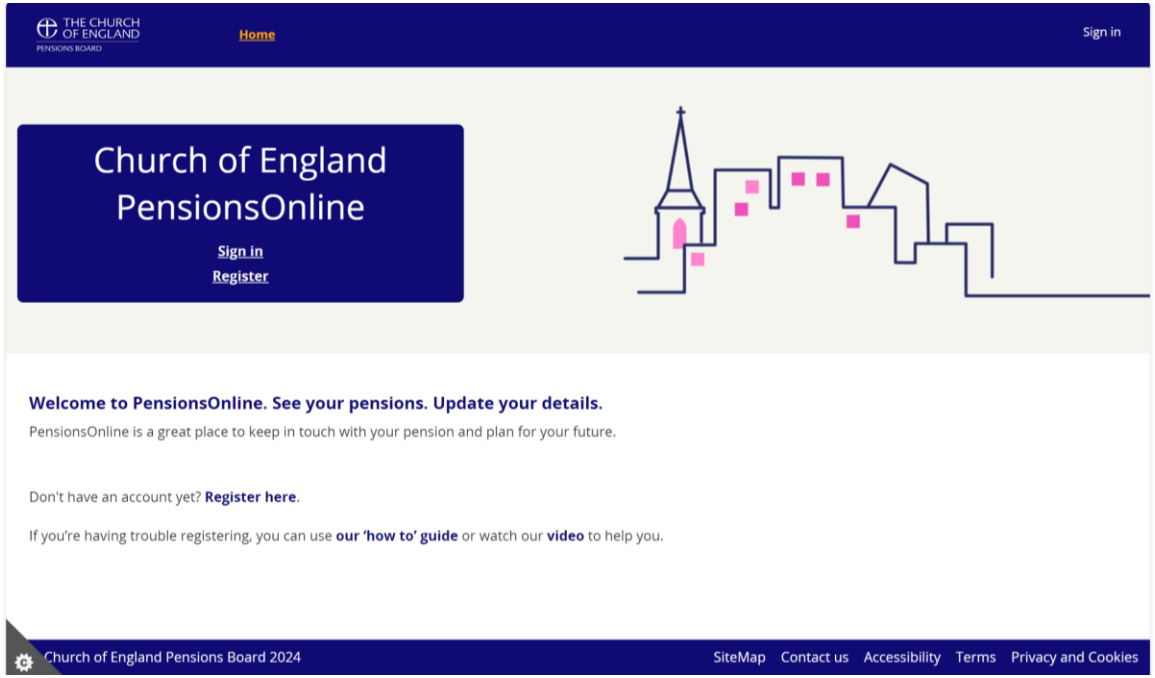
Log in or register for PensionsOnline

Before you retire

- Update your personal details
- Update your nominees
- See your AVCs and make changes
- Run retirement estimates yourself
- Run transfer values
- View your annual statements
- Ask us questions

After you retire

- Update your personal details
- Update your bank details
- See your monthly pension payslips and P60s
- Ask us questions

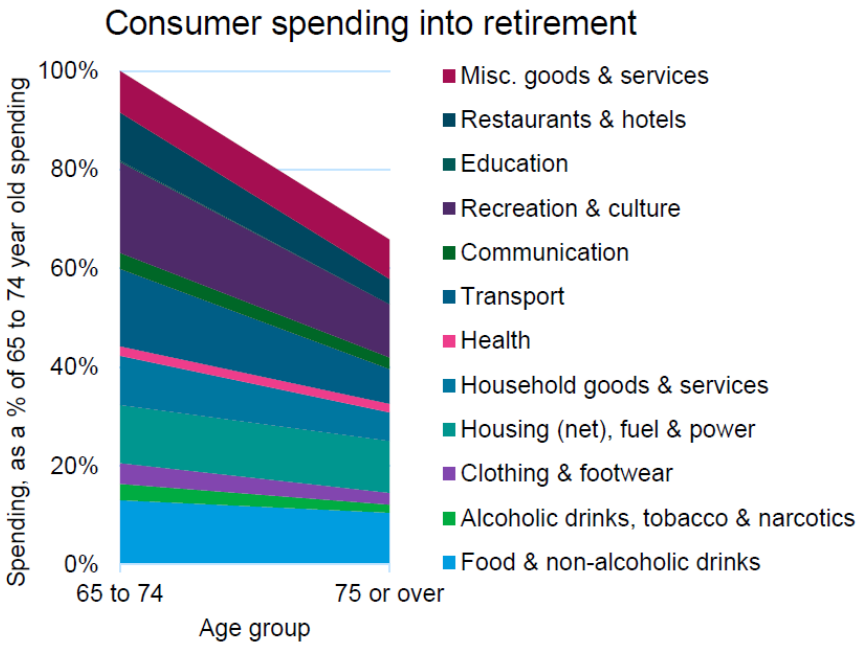


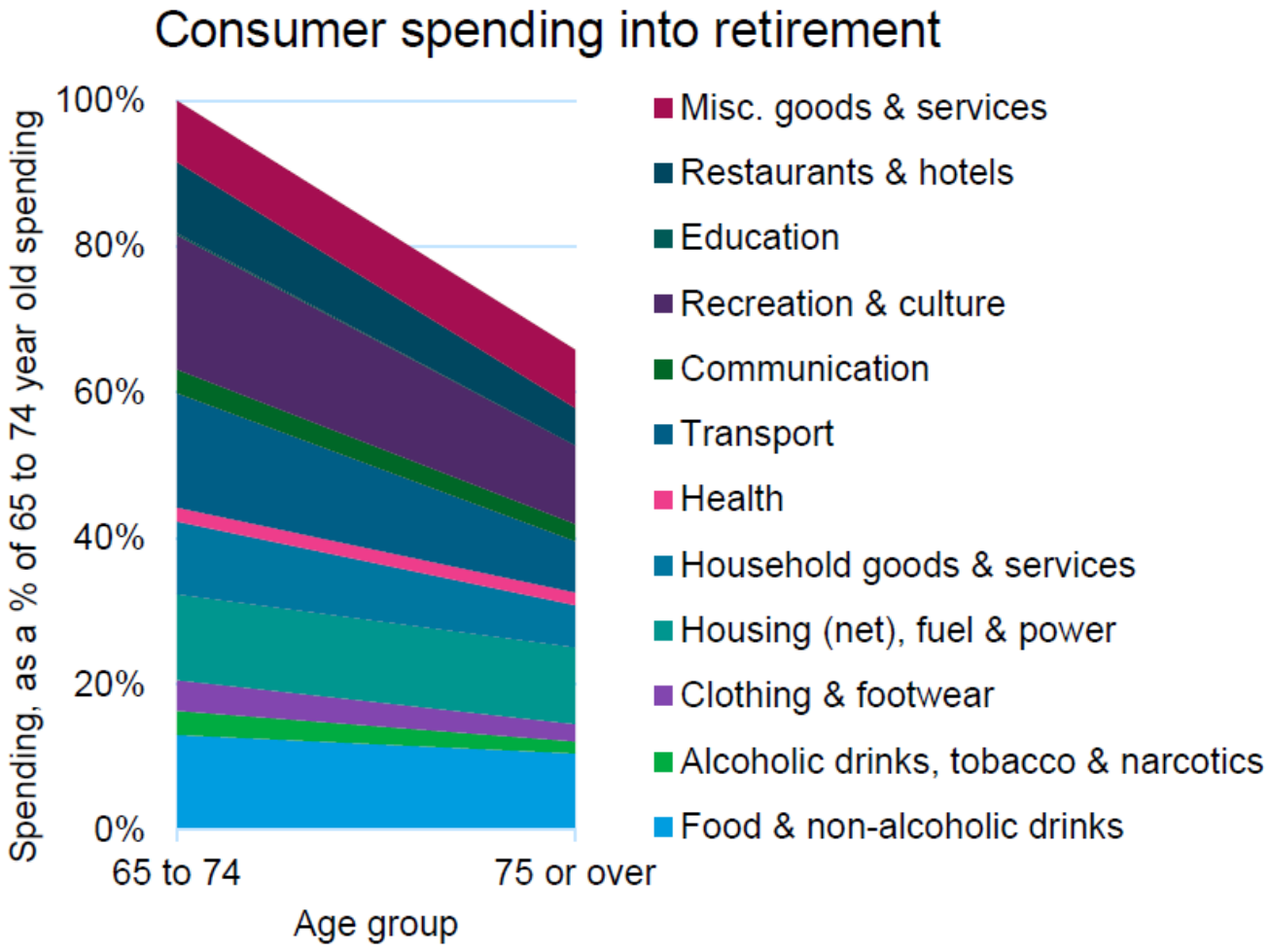
Any figures you run online are based on current pension benefits, and do not yet include the improvements agreed by Synod in July.

How much do I need?

	MINIMUM	MODERATE	COMFORTABLE
ONE PERSON HOUSEHOLD	£13,400 a year	£31,700 a year	£43,900 a year
WHAT STANDARD OF LIVING COULD YOU HAVE?	Covers all your needs, with some left over for fun	More financial security and flexibility	More financial freedom and some luxuries
HOUSE	DIY £200 a year to maintain condition of your property.	£500 a year to maintain condition of your property, £300 contingency.	£600 a year to maintain condition of your property, £300 contingency.
FOOD	Around £55 a week on groceries, £30 a month on food out of the home, £12 per month on takeaways.	Around £56 a week on groceries, £32 a week on food out of the home, £11 a week on takeaways, £106 a month to take others out for a monthly meal.	Around £75 a week on food, £42 a week on food out of the home, £21 a week on takeaways, £106 a month to take others out for a monthly meal.
TRANSPORT	No car, free bus pass, £30 per month for two taxi trips, £180 per year to cover 3 rail journeys.	3-year-old small car, replaced every 7 years, £22 a month on taxis, £104 per year on rail fares.	3-year-old small car, replaced every 5 years, £22 a month on taxis, £208 per year on rail fares.
HOLIDAYS & LEISURE	A week long UK holiday. TV license and broadband plus a streaming service with ads. £20 per week for activities.	A fortnight 3* all-inclusive holiday in the Med and a long weekend off peak break in the UK. TV license and broadband plus two streaming services. £43 per week for activities.	A fortnight 4* holiday in the Med with around £100 per person spending money and 3 long weekend breaks in the UK with £400 spending money per break. Extensive bundled broadband, streaming and TV entertainment subscription. £54 a week for activities.
CLOTHING & PERSONAL	Up to £450 for clothing and footwear.	Up to £1,548 for clothing and footwear.	Up to £1,548 for clothing and footwear.
HELPING OTHERS	£20 for each birthday and Xmas present.	£30 for each birthday and Xmas present, £200 a year charity donation, £1,000 for supporting family members e.g. paying for grandchildren activities.	£50 for each birthday and Xmas present, £300 per year charity donation, £1,000 family support.

*The figures shown are the amounts of **annual expenditure** required to achieve the living standard (ie they are not gross income figures).





Think about the whole of retirement

Your State pension(s)

The UK State Pension

- Up to **£230.35 per week** (based on the current tax year).
- Based on your National Insurance record in the UK. You need 10 - 35 years National Insurance contributions.
- You receive National Insurance credits when in receipt of certain state benefits.
- Pension age depends on your year of birth – but is at least age 66.
- If you defer your State pension beyond State Pension Age it is increased – but think carefully about doing this.

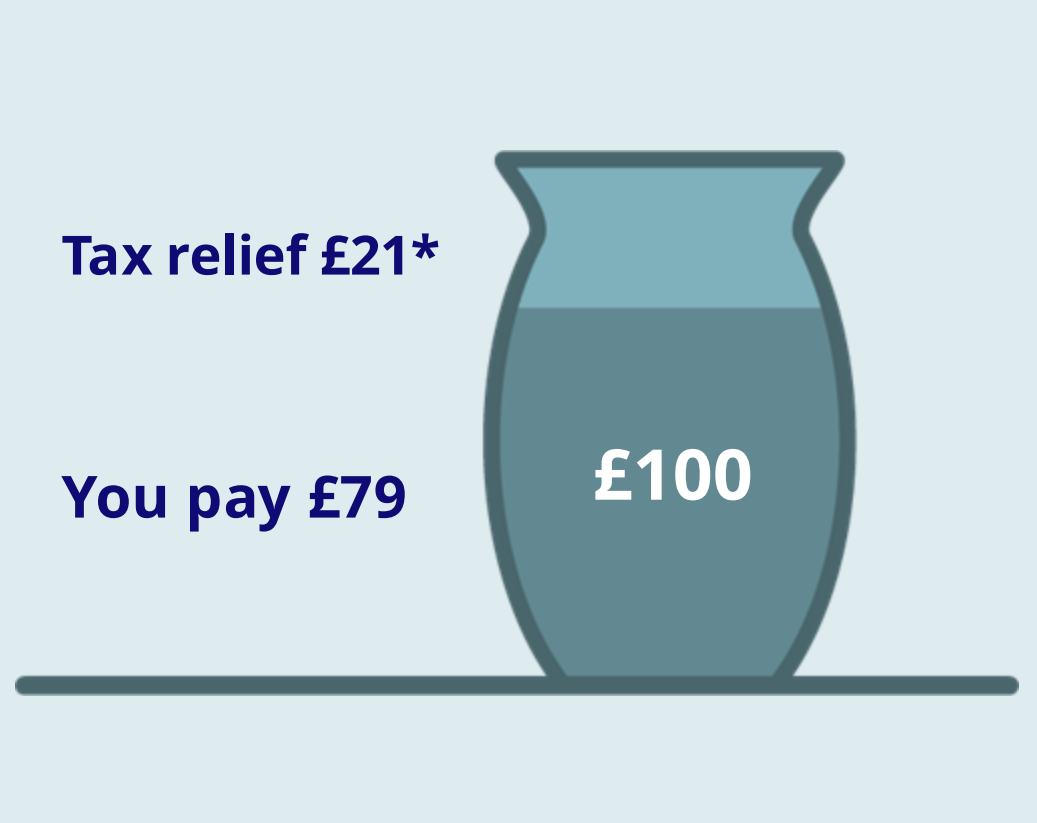
www.gov.uk/check-state-pension

The Manx State Pension

- Up to **£251.30 per week** (based on the current tax year).
- Based on your National Insurance record in the Isle of Man. You need a minimum 10 years NI contributions, and a maximum of 35 years.
- Pension age is 66.
- You might be entitled to a Manx Pension Supplement.
- To get a statement of your Manx State Pension - print the BR19 application form and send to the Income Tax Division, Government Office, Douglas Isle of Man, IM1 3TX. This can be found at the Income Tax Division's Forms page under the National Insurance drop-down menu.

Saving more

- You can boost your retirement savings by paying AVCs
- If you pay monthly through your stipend you get immediate tax relief
- For every £100 that goes into your AVCs **only £79 comes out of your stipend**
- We can pay it all back to you **tax-free up to a limit**
- You can pay lump sums but you need to claim the tax back yourself
- You can transfer in other DC pensions into your AVCs
- **If you want to start or change your AVCs you can do this on PensionsOnline**



*Based on our understanding of current IoM tax relief rate of 21%. Check with an advisor if not clear.

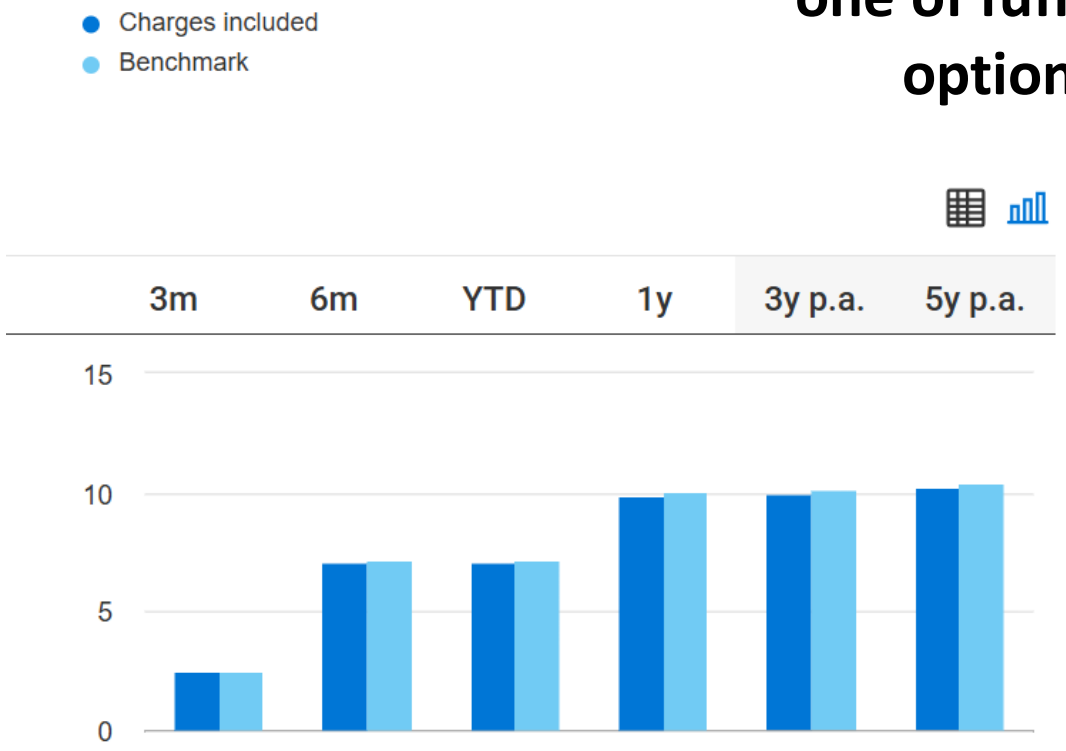
AVC performance

- You can choose where your money is invested from some ‘pre-set’ options or pick your own
- The ‘pre-set’ options are lifestyle journeys i.e. the mix of investments changes over time as you get closer to retirement
- Performance of funds shared regularly through Legal & General

Example of one of fund options

To quarter-end

As at 30 Jun 2025



Share class launch date: 20 Nov 2000
Benchmark: FTSE4Good UK Equity Index

If the worst happens…

Ill-health retirement

- No reduction for early retirement
- Enhanced pension
- We may reduce your pension if you are able to take up paid work before NRA

Death in service

- If you die “in service” we will pay a lump sum of **3x** the previous years’ National Minimum Stipend
- AVC refund
- You can tell us who you would like us to pay this to – **fill out a nomination form!** Paid under trust, so we decide who this goes to (but free of inheritance tax)
- We will also pay 2/3rds of your pension to your husband, wife or civil partner

How to apply

This process can take longer than you think

Find out who you need to speak to in your Diocese

Get your forms back to us as soon as you can

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Support with Retirement Housing

For those who serve or work for the Church

How we can help

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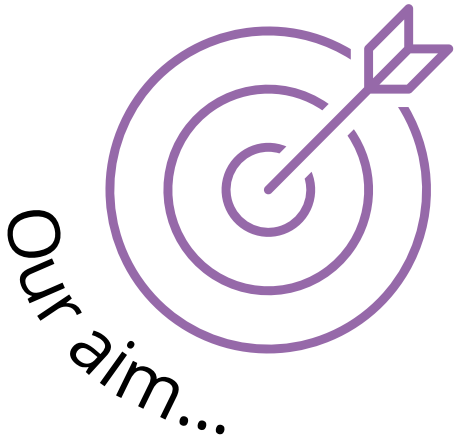

.. to support you to find the right housing option for *your* retirement

We offer:

- The opportunity to plan in advance – up to 5 years
- a choice from our stock of Church retirement housing properties
- Information and guidance on housing options available from a range of other providers
- clear, timely and accessible information and guidance
- a single point of contact as you explore options
- support in accessing any additional financial support that you may be entitled to
- advice, information and support if your housing needs change

Church Retirement Living

Rental

The offer

An opportunity to rent a modest, private retirement home, from a portfolio of property that we already own.

Eligibility criteria

- 15 years stipendiary service
- Do not own a residential property and unable to buy one*

*We would look at your savings/assets against a capital threshold

Homes for retirement

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What's on offer through our bulletin

- Typically 2-3 bedrooms
- Usually new build - more energy efficient (lower cost to resident)
- Locations informed by applications
- Well-placed for local amenities
- Affordability to resident a key consideration

Sample properties from the latest housing bulletins

Community Living

Each of our 7 community living schemes offers you the opportunity to rent your own private flat, with a lively community right on your doorstep

To be eligible:
5 years service to the Church

Helping you to explore your options

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From the earliest stage of our conversation with you, we will encourage you to look at **all** your housing options

Exploring your housing options

A guide to help start the journey
Considering market retirement living, private rental and homeownership options

Looking at options with other providers will give you more choice

How to apply for help with retirement housing

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- Get in touch with the team early – we accept applications up to 5 years in advance of your retirement date
- We will ask you to complete an application form, to find out more about your circumstances
- You will be offered a personal meeting (or phone/web based call) with us to discuss your application and the various options
- Once accepted, we will add you to the list for our Church Retirement Housing bulletin – alongside supporting you to consider external options

Help as needs change across retirement

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Welfare Advice

- Benefit claims
- Check eligibility for certain benefits
- Maximising income including accessing grants from clergy charities
- Advice around care and funding for care

Housing Support

- Providing advice if housing needs change during retirement
- Signposting and making connections to help retirees to stay living independently

Charitable Grants

- Available to those on lowest incomes and with few savings
- A regular payment to a household
- Available for up to 3 years
- Income threshold (April 2025): **£22,500** (single), **£29,900** (couple)

Later life moves

- Covers moves to specialist housing providers
- Also, occasional moves into another Church property

Contact details

THE CHURCH OF ENGLAND
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Pensions

- pensions@churchofengland.org
- 020 7898 1802

Housing and Welfare support

- housingservices@churchofengland.org
- 020 7898 1824

Website:
https://www.cofepensionsboard.org/