

# Paper G3

## Decision making in pension ‘Buy In/Buy Out’ process Resources Committee

### Basic information

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<b>Action required</b>	To be noted.
<b>Draft resolution(s)</b>	<b>Resolution 16</b>  <b>On matters relating to the closed Ministers’ Pension Fund, Assembly Executive notes that if the process for ‘buy in and buy out’ of the Pension Fund requires decisions from the Church which cannot be taken to either Assembly Executive or General Assembly for reasons of timing, then the Business Committee will exercise the authority delegated to it in its Terms of Reference to make urgent decisions on behalf of the Church. Such decisions would be taken on the recommendation of the Pensions Committee (through the Resources Committee).</b>

### Summary of content

<b>Subject and aim(s)</b>	To be fully transparent in the governance and decision-making process in relation to the ‘buy in’ and ‘buy out’ process, Pension Committee want to highlight that the Business Committee’s delegated authority will be exercised if necessary to meet decision timeframes in order to minimise the risk to the Church.
<b>Main points</b>	On the recommendation of the Pension Committee, Resources Committee will ask Business Committee to make urgent decisions in relation to the pension ‘buy in’ and ‘buy out’ process if they cannot wait to be taken at either General Assembly or Assembly Executive.
<b>Previous relevant documents</b>	Papers N1 and N2a General Assembly 2023, specifically resolution 53 Paper A1 General Assembly 2024.
<b>Consultation has taken place with...</b>	Pension Committee on whose recommendation the resolution is brought Business Committee Chair of Ministers’ Pension Trust.

## Summary of impact

<b>Financial</b>	Failure to make timely decisions within the pension buy in and buy out process risks increased costs to the Church both in meeting the costs of the closed scheme but also meeting increased requirements set by the Pension Regulator.
<b>External (eg ecumenical)</b>	

Following the decision by the Church to close the Ministers' Pension Fund to further accrual on 28 February 2023, a journey has begun that will lead to buy-in of the scheme by an Insurance company, followed by buy-out (which transfers the responsibility for paying pensions to the Insurance company) and a 'wind-up' of the scheme completely. This journey needs to be completed by mid-2026, otherwise the Church will be required by the Pensions Regulator to set up a complex and costly system known as a Pensions Dashboard, as well as continuing to pay significant annual costs to manage the scheme.

In order to achieve this goal, there will, of course, be various decisions which rest solely with the Trustee; but there will be several steps along the way where a decision has to be made by the Church, rather than the Trustee. It is impossible to know when each decision will be needed but it is highly improbable that the dates will coincide with meetings of General Assembly or Assembly Executive. In some instances, it is also likely that a rapid decision will be needed, which is hard to achieve through the time scales of normal conciliar processes.

The Joint Working Group, Pensions Committee and the MPF Trustee Directors are all working in close collaboration; and legal advice is being obtained by both parties (URC and Trustee). All agree on the priority to ensure that members' benefits are safeguarded and on the importance of good communication with members about the implications for them at each stage of this whole process.