

# Pensions Update 2025



*The*  
United  
Reformed  
Church

[www.urc.org.uk](http://www.urc.org.uk)

# Pensions Update 2025

United Reformed Church Ministers' Pension Fund



## Welcome

As the Chair of the Ministers' Pension Trust, I am pleased to welcome you to the latest edition of the Fund's annual newsletter.

In last year's newsletter, I explained that the trustees had agreed a strategy to take the Fund to buy-in (where members' benefits are secured through a global insurance policy). This would be followed by buyout, where the global insurance policy is split up, so each member has their individually tailored, legally binding contract with the insurer for the pension benefits they are due.

I wrote to you in June to explain that the planned buy-in had been successfully achieved: the trustees found an excellent insurance specialist partner for our buy-in, Just Retirement Ltd ("Just"), and we signed contracts with them in May. We had full support from the Church and our advisers for this process.

We are gratified that our early experience of working with Just has proved very positive. The payments system between Just and ourselves is running smoothly, and we have successfully delivered all the work on data (member information) that Just needed, as they familiarise themselves in detail with our Scheme.

We are therefore turning to the next stages of the project, as we work towards buyout. These include dealing with some specific issues relating to different sections of the membership which were flagged in my June letter – e.g. the work on the replacement formula for uprating Closure Member benefits; and the choices open to members who have retained AVCs with their pension benefits.

We will continue to maintain open channels of communication, updating members as soon as we have new information and writing to individual members on issues specific to them. Accompanying this newsletter, we are also sending round a second set of general FAQs: in these we have reproduced our responses to some of the feedback we received from my June letter about the buy-in.

Every year brings some changes in personnel to note. We were sad to see Joao Rodrigues, our Pensions Officer leave us; but delighted to welcome Paul Bannister in January as his replacement. We were also very glad to welcome another experienced trustee, Ian Miller, who joined the Board in March 2025.

Reviewing the year, I am deeply grateful for the progress we have made. So I shall end this note by expressing my thanks to all the Board members, and the Church colleagues who have been working with us, for the time and commitment they have given this year to the buy-in project.

My particular thanks go to Paul for plunging straight into the role, and working so hard to deliver for the project - all the while maintaining excellent “business as usual” pensions administration service. I am also very grateful to our Company Secretary, Sandi Hallam-Jones for her continued wise guidance and support.

With best wishes,

*Bridget Micklem*

*Bridget Micklem, Chair*

The United Reformed Church  
Ministers' Pension Trust Limited  
86 Tavistock Place, London WC1H 9R



*The*  
**United  
Reformed  
Church**

[www.urc.org.uk](http://www.urc.org.uk)

## Trusteeship

Currently, the Directors of the United Reformed Church Ministers' Pension Trust Limited are:

Ms Bridget Micklem (Convenor & Chair)

Mr Ian Miller

Revd Caroline Vodden ● +

Revd Daniel Cheyne ● +

Mr Richard Nunn ◇ (Convenor of the URC Investment Committee)

Mr Vaughan Griffiths ◇  
(URC Deputy Treasurer)

Mr Lyndon Thomas (Deputy Chair)

Ms Faith Paulding

Revd Dr Elaine Colechin ● +

Revd Helen Warmington ● +

Revd Dr Janet Tollington (Convenor of the URC Pensions Committee) ● ◇

The Trustee Directors marked ● are also members of the Pension Fund. Those marked ◇ are ex officio members. Those marked + were nominated by members of the Pension Fund.

## Statement by the Actuary

The actuarial valuation of the Fund as at 1 January 2024 was completed in November 2024. This was the Pension Fund's seventh valuation under the Scheme Specific Funding legislation and my first as your Scheme Actuary. The valuation built on the principles established in the preceding six valuations and the results are shown in the table.

The funding level has improved since the 1 January 2021 valuation, with the assets now being higher than the estimated liabilities of the Fund. The yield on government bonds (gilt yields) increased significantly since the

	1 January 2021	1 January 2024
Assets	£174.4m	£149.6m
Liabilities	£197.4m	£145.0m
Surplus / (Deficit)	(£23.0m)	£4.6m
Funding level	88%	103%

2021 valuation, reducing the estimated of the cost of providing benefits, with this being offset to some extent by the lower expected investment return on the Fund's assets being reflected in the discount rate used to value the liabilities.

This was partially matched by a fall in the value of the assets held by the Fund. The fall in asset value was smaller than the fall in the liabilities, and so the funding position improved. In addition the Church made £12.2M of deficit contributions between 1 January 2021 and 1 January 2024.

It is pleasing to see this improved funding position has enabled the Trustee to move forwards with their project to secure a bulk annuity contract with Just and I look forward to working with them to ensure a successful conclusion to the buy-out and wind-up of the Fund.

*Amanda Beale FIA, Scheme Actuary*

## Financial progress of the Pension Fund

A summary of the Pension Fund's income and outgoings in the year to 31 December 2024 is detailed below. A full set of the audited accounts, which received an unqualified audit opinion, is contained in the Trustee's Report and Accounts for 2024, a copy of which is available on request.

Over the course of the year the Pension Fund's investments decreased by £10 million to £139.6 million.

	2024 £000s
<b>FUND AT 1 JANUARY 2024</b>	<b>149,595</b>
<b>INCOME</b>	
Church's contributions	1,600
Investment income	848
Other income	339
<b>TOTAL INCOME</b>	<b>2,787</b>
<b>EXPENDITURE</b>	
Pensions	(8,016)
Pension commutation and lump sum benefits	(146)
Insurance premiums	(10)
Management expenses	(921)
<b>TOTAL EXPENDITURE</b>	<b>(9,093)</b>
Decrease in market value of investments	(3,661)
<b>FUND AT 31 DECEMBER 2024</b>	<b>139,628</b>
For reference:	
Current number of ministerial pensioners / beneficiaries	927
Current number of non-pensioner members	350

- Management expenses comprise mainly fees to advisors (e.g. the Investment, Legal and Actuarial Advisors).
- Pension commutation is lump sums paid on retirement to members who decided at retirement to exchange part of their pension for a lump sum payment.

# Annual Summary Funding Statement

It is a requirement under the Pensions Act 2004 that every year the Directors issue members with a Summary Funding Statement.

The 2025 Summary Funding Statement is detailed below

## Summary Funding Statement made in accordance with the Scheme Funding Regulations 2005/3377

In our last summary funding statement we reported on the actuary's estimate of the funding position as at 1 January 2023. This is set out in the table below alongside the results of the triennial valuation carried out as at 1 January 2024.

	1 January 2023	1 January 2024
Assets	£145.1m	£149.6m
Liabilities	£133.2m	£145.0m
Surplus / (Deficit)	£11.9m	£4.6m
Funding level	109%	103%

The funding level has reduced since the previous annual funding update at 1 January 2023. This was due to a change in the way the liabilities were calculated following changes made to the Fund's investment strategy, as reported in our last Pensions Update. The Trustee reduced the equity holdings and increased the bond holdings, which reduced the volatility of returns and overall risk of the portfolio, but also reduced the expected future returns on the Fund's assets. A lower expected return means that more money needs to be held now to meet the liabilities in the future, leading to a higher value being placed on the Fund's liabilities. However, the lower volatility of the portfolio increases security for members.

The reduction in funding level caused by the increase in liabilities will have been slightly offset by deficit reduction contributions of £4,700,000 being paid into the Fund by the Church over the period and a favourable change in market conditions.

## Financial support

As the 1 January 2024 valuation showed a surplus, deficit reduction contributions are no longer required. In practice, the Church has paid £1,600,000 of deficit reduction contributions since 1 January 2024.

Until 12 November 2024, the Church paid £33,759 each month in relation to the expenses of administering the Fund. As a part of the 2024 actuarial valuation, it has been agreed by the Trustee and the Church that the Fund's surplus will cover:

- The cost of administering the Fund
- The Pension Protection Fund levy and other levies collected by The Pensions Regulator

Therefore, no contributions are required in respect of expenses from 12 November 2024.

## Solvency:

As required, the Actuary also considered the situation of the Fund winding up on 1 January 2024. This is based on the assumption that the assets are invested in appropriate insurance policies at that date. On this basis the Actuary estimated that the assets would have been sufficient to meet approximately 103% of the liabilities.

As you will be aware from recent correspondence, the Trustees have secured an insurance policy with Just, in relation to the pension scheme. Work is ongoing, and further updates will be provided by the Trustee in due course.

## Compliance:

No payments have ever been made to the Church or any other employer associated with the Fund under the terms of Section 37 of the Pensions Act 1995, which permits such payments in certain circumstances.

The Pension Fund has not been modified by The Pensions Regulator under Section 231(2)(a) of the Pensions Act 2004, nor is it subject to any directions by The Pensions Regulator under Section 231(2)(b) of that Act or bound by a Schedule of Contributions imposed by The Pensions Regulator under Section 231(2)(c) of that Act.

## Investment report

2025 has been a year of transition.

We began the year, having started to de-risk our assets in the Autumn of 2024. We had made this change based upon early results of the 2024 actuarial valuation of the Ministers Pension Fund, which suggested a significant improvement in its financial position. A large deficit in 2021 looked as though it had turned into a surplus. The cause was an increase in interest rates which meant that our earlier strategy of seeking growth assets had been well rewarded.

The confirmation of this outcome in Spring 2025 reinforced our earlier action by seeking an exit from growth assets – equities and property – as soon as possible. Equities were all sold immediately and the proceeds invested in bonds of duration and amount which would enable us to transfer the investment and mortality risk to an insurance company ( a buy-in)

This transfer was accomplished in May 2025 without receipt of the value of the property holdings . These will be released as assets in the Fidelity Property fund are sold. Unfortunately, the same conditions which enabled the buy-in have slowed property transactions. We therefore await these sales before further investment action is possible

In the meantime all pensions due or arising will be paid by JUST to the MPF which continues to pay the due benefits to all beneficiaries.

We thank our advisers Lane Clark and Peacock for getting us into this position.

The bulk of the MPF assets now are the policy we purchased in May, the balance of a small bond residue with LGIM, and the whole of our previous property holding with Fidelity .

All three assets have all the same protections previously provided to and by the MPT. The Ethical context weighed significantly in the selection of JUST, and remains unaltered with LGIM and FIL.

I thank the collaboration of the MPT , the Joint Working Group of several Board Members and Church Members with the encouragement if the URC Investment Committee in helping us to reach this outcome.

*Richard Nunn (Convenor of the URC Investment Committee)*

## Ethical issues

In last year's report, Richard discussed the headwinds that are facing investors who try to place their investments in a way that supports their ethical beliefs. These headwinds have continued in 2025, and if anything got stronger.

However, the Church Investors Group (CIG), where I am Deputy Chair, continues its advocacy and support for ethical investment. In the face of these challenges, we recognise it's important to lean in; and we take encouragement from the fact that CIG has had a stream of new members. As a first this year, we also held a members' conference (in June) specifically aimed at our European partners: more European members are expected to join as a result.

At the MPT, we continue to be plugged in to the work being done under the Sustainability Principles Charter, to which we are signatory. This helps us maintain our focus on ethical issues (as Richard notes above) and underlines our commitment to maintaining our ethical approach to investment, even though we now have a buy-in policy for the MPF benefits.

Links to these two groups are provided below for further information and reading if wished:

[churchinvestorsgroup.org.uk/](https://churchinvestorsgroup.org.uk/)

[www.accountingforsustainability.org/en/about-us/our-networks/asset-owners-network/bulk-annuity-sustainability-principles-charter.html](https://www.accountingforsustainability.org/en/about-us/our-networks/asset-owners-network/bulk-annuity-sustainability-principles-charter.html)

*Bridget Micklem (Chair)*

## Church support for pensions

Following the MPF (defined benefit) scheme closing to future accrual, and the 2024 revaluation which shows a technical surplus, the Church is no longer required to make contributions towards reducing a deficit.

The Church currently makes monthly employer contributions to the defined contribution pension scheme at an aggregate rate of approximately 18% of stipends/salaries and supports the administration and actuarial fees involved.

Individual members of the scheme contribute via agreed deductions from stipends/salaries.

*Vaughan Griffiths (URC Deputy Treasurer)*

# Benefit matters

## Flexible Benefits

### Defined Contribution (DC) Flexibilities

These flexibilities apply to members of the Pension Fund who have paid Additional Voluntary Contributions (AVCs) and also apply to any DC pension savings outside the Pension Fund.

There is now the scope to take the whole of your AVC fund as a lump sum, although depending upon your circumstances only part of it will be payable tax free. However, if you wish to take full advantage of the new flexibilities and operate your AVC fund in a similar way to a bank account, by drawing from it as and when you require funds, then you will need to transfer your AVC fund to JUST Retirement.

Once the wind up is complete, this will happen automatically so there is no need for you to make arrangements. You can transfer to an alternative arrangement if you so wish.

In the light of the new pension flexibilities, the Government has launched a service called 'Pension Wise' [www.pensionwise.gov.uk/](http://www.pensionwise.gov.uk/) to help guide people through their pension retirement choices.

### Autumn budget 2024

The Government has been consulting on changes that might bring some items of pension savings into a person's estate for inheritance tax purposes from 6 April 2027. We will provide updates in future newsletters.

### Beware of fraud - Scams

The threat of becoming a victim of financial fraud is real, whether it's your pension or other savings account, so it's vital that you know the warning signs and remain vigilant.

Criminals can target anyone – as far as the Pension Fund is concerned, this includes active members building up savings, and deferred members whose savings are 'parked' until retirement, and retired members receiving a pension.

Beware of any unexpected request for your personal details (including your email address) and/or any of your financial account details (pension, bank, building society, ISA and so on). This includes phone calls, emails,

text messages and social media posts. Avoid clicking on links in any digital communication you are not expecting.

Fraudsters often try to tempt you into making a mistake by disguising their request as coming from a known organisation, for example, your bank, utility provider or a leading retailer. Take extra care if you receive a request which appears genuine but is asking for personal details.

No legitimate organisation – including anyone associated with this Fund – will ever contact you ‘out of the blue’ asking for any personal details.

Beware too, of any unexpected pension-related offers or deals. Red flags include: free pension reviews, early access to your pension savings, guaranteed investment returns, and pressure to make a quick decision.

The Pension Scams Action Group is working together to tackle pension fraud. Read their awareness leaflet from The Pensions Regulator’s website:

[www.thepensionsregulator.gov.uk/en/about-us/what-tpr-does-and-who-we-are/pension-scams-action-group](http://www.thepensionsregulator.gov.uk/en/about-us/what-tpr-does-and-who-we-are/pension-scams-action-group)

## **Flexibility over when you take your retirement benefits**

The Pension Fund’s Normal Retirement Age (NRA) is 68 for all members, with the exception of those members who opted out of the 2013 benefit changes and retained a Normal Retirement Age of 65.

You have flexibility in when you choose to take retirement benefits and in when you stop working. These do not need to be on the same date and the Pensions Officer can provide guidance on the financial implications of these options.

The level of benefits you receive is determined by when you choose to start receiving your pension;

- Take retirement benefits at NRA.
- Take benefits early – benefits can be taken between age 55 and 68 with a reduction applied to your pension for each year of retirement prior to NRA. The amount of tax-free cash will also be less than if you retired at NRA.
- Take benefits late – You may defer receipt of your benefits up to age 75. This will benefit from a late retirement enhancement.

For members with service before 1 January 2013, this element of service is treated as having a NRA of 65, which means that on retirement at age 65 this part of the pension is not reduced.

## Benefit matters

### **New State Pension**

In April 2016 the old Basic State Pension and State Second Pension were replaced with a single-tier State Pension. This new State Pension arrangement applies to members reaching their State Pension Age from April 2016 onwards – previous State Pensions are unaffected.

The maximum entitlement under the new State Pension for the 2025/2026 tax year is £230.25 per week for a single person.

To receive the full amount of new State Pension from your State Pension Age you will need 35 qualifying years, earned by either making National Insurance contributions or receiving National Insurance credits. If you have 10 or more qualifying years, you will receive some level of the new State Pension.

### **Normal Minimum Pension Age (“NMPA”)**

NMPA is the earliest age at which people can access their benefits under a private pension. Any benefits drawn prior to this age would incur penal tax charges. A limited number of exceptions apply (such as retirement on ill-health grounds), where people can retire earlier without a tax penalty.

On the 20 July 2021 HM Treasury announced that, from 6 April 2028, NMPA would increase from age 55 to age 57.

The Trustee wishes to reassure you that the increase in NMPA will not affect your benefits under the Pension Fund. This is because you are already entitled to take your benefits from age 55 under the Pension Fund rules and the new law preserves this entitlement.

As such, members wishing to retire early from the Pension Fund may draw their benefits from age 55 onwards without incurring penal tax charges. This will also remain the case after 6 April 2028.

### **Pension Dashboards**

Work is continuing behind the scenes to develop Pension Dashboards – the online framework that will enable savers to keep track of all their pensions online in one place, including the State Pension.

Over time, Dashboards are likely to fundamentally change how people engage with their pension savings. Where now you might need to contact the administrators of multiple schemes for the values of all your pensions, with Dashboards, one secure login will be all that is needed

All schemes must connect by 31 October 2026. It's not yet known when Dashboards will be available to the public, but we will keep you updated.

*In the meantime, you can get the latest news at [www.pensionsdashboardsprogramme.org.uk](http://www.pensionsdashboardsprogramme.org.uk)*

## **Retirement living standards**

Do you know what standard of living you are aiming for in retirement? Does your current pension saving put you on track?

The Retirement Living Standards can help you to picture the broad lifestyle you might have in retirement.

Are you heading for a minimum, moderate or comfortable retirement? If you're not on track for the lifestyle you would like, consider adjusting your retirement plan – for example, contributing more and/or retiring later.

*For more information, visit [www.retirementlivingstandards.org.uk](http://www.retirementlivingstandards.org.uk)*

## **Moving to posts outside the URC Plan for Partnership**

Members may not be aware but there can be pension implications if all or part of their role is not remunerated under the URC Plan for Partnership (for example if they take a Synod post which is paid by the Synod on a Synod contract of employment, rather than 'Terms of Settlement'.) Therefore, if you are considering taking up any non-URC post, or one outside the Plan for Partnership, please contact Paul Bannister to discuss the potential pension implications.

## **Personal data**

In order to administer your pension benefits it is necessary for the Pension Fund to hold certain pieces of personal data. The trustees have recently updated the Data Privacy Notice in relation to your MPF pension and a copy has been sent to you.

The existing Data Privacy Notice remains for all other Church purposes and can be accessed online at: [//urc.org.uk/images/Finance/Data\\_Privacy\\_Notice\\_template.pdf](http://urc.org.uk/images/Finance/Data_Privacy_Notice_template.pdf). Hard copies of this can be provided on request – see Further Information below for contact details.



## Some reminders

Retiring members have several options to consider, such as retiring early or late, or taking a cash lump sum on retirement. Information on the Pensions Fund is here [urc.org.uk/urc-ministries/urc-ministers-pension-fund/](https://urc.org.uk/urc-ministries/urc-ministers-pension-fund/)

Should you require any advice then you should arrange to speak to a financial advisor.

The Pensions Regulator is the Regulator of work-based pension schemes in the UK. The Pensions Regulator's website has useful links via the Scheme Members section on the home page to a number of useful addresses ([www.thepensionsregulator.gov.uk](https://www.thepensionsregulator.gov.uk)).

The Trustee and its advisers must hold certain information about you to ensure that the Pension Fund is managed efficiently. In order for the Trustee's records to be kept up-to-date, please notify the Pensions Officer of any changes to your personal circumstances, for example a change of address or marital status. This will ensure the timely payment of pensions and enable the Trustee to keep you informed about any news affecting your benefits.

Members of the Pension Fund should also remember to keep their Expression of Wishes Nomination Form up to date. The Expression of Wishes Nomination Form is used by the Trustee to help decide who should receive the lump sum death benefit and in what proportions. Not having completed a form or failure to keep the form up to date could lead to a delay in settling death benefits. The appropriate form is available on request.

## Further information

You can obtain further information on any items covered in this edition of *Pensions Update* and matters affecting your own pension by contacting Paul Bannister at Church House, 86 Tavistock Place, London, WC1H 9RT.

Tel: 020 7691 9869

Email: [paul.bannister@urc.org.uk](mailto:paul.bannister@urc.org.uk)



[www.urc.org.uk](https://www.urc.org.uk)





## The United Reformed Church Ministers' Pension Fund ("the Fund") FAQs to accompany Members' Newsletter 2025

### Section 1: Responses to questions following the Trustee letter of 16 June 2025

#### 1. What has members' experience been following buy-in (May 2025)?

As explained in our letter, buy-in does not produce practical changes for members. Just is now paying the Trustee each month the amount due to members for their pension benefits, but the administration team at Church House are still administering the benefits on behalf of the Trustee and making sure that the correct money reaches you.

All benefits are being paid in line with the Fund rules and pensions are being paid each month on time.

#### 2. What has happened about quotations for transfers and retirement quotes?

Buy-in does not create any changes to the options you have to transfer your pension to another registered pension, or to the information you can seek in relation to drawing your pension prior to Normal Retirement Age.

However, now that the Trustee is partnering with Just, the process of obtaining a quotation involves Just. Paul Bannister therefore works with the Just team to obtain these quotations for you. In the early days of our contract, this process took a little longer than it used to, but the process is speeding up as Just becomes more familiar with our Scheme.

#### 3. What is happening with my undrawn AVC funds?

The Trustee has not made any changes to the members' ability to use their AVC funds as the first source of tax-free cash. This was part of the specification the Trustee set for the buy-in contract.

The Trustee is engaging with Just to explore the options that will be made available by Just for ongoing investment and will write to all members who have AVC funds to explain their options when this investigation is complete.

#### 4. What is happening about the Stipend link for Closure Members?

As we explained in the June letter, when the wind-up of the Fund is triggered, the stipend link will no longer apply to the calculation of Closure Members' deferred benefits under the Fund.

The Trustee and the Church have been working on a replacement formula that will apply to increase Closure Members' deferred benefits from the time the winding up of the Fund is triggered and will communicate this when wind-up is triggered.

## Section 2: Implications of buyout for Retired Ministers Housing

### 5. Does the move to buyout affect the way the rents are collected for RMH?

At present, some ministers in Retired Ministers' Housing have their rent deducted from their regular pension payment. When wind-up is triggered and the Scheme moves from buy-in to buyout, Just will handle the pension payments for retired ministers, but they will not handle rent collection. The URC Retired Ministers' Housing Society (RMHS) will handle rent collection and will be in touch with you to set up a direct debit (RMHS).

RMHS is working with a partner organisation to collect rent payments via Direct Debit. This is the same system used to pay for utility bills, mobile phones, and council tax. Using a Direct Debit to collect rent is a safe and efficient method to collect rent payments. Changes to rent, for example following the annual rent increase, will be shared with our provider so the direct debit is updated automatically and rent accounts remain up to date. There is no need to post documents or visit the bank in person.

In the coming weeks and months RMHS will communicate directly with those affected by this, giving the details of our provider and the date when direct debits can be set up. We anticipate commencing the new system in advance of buyout, to make sure everything is operating smoothly, before full pension administration transitions to Just.

## Section 3: Implications for buyout from the proposed acquisition of Just by Brookfield

The eagle-eyed among you may have noticed an announcement in the financial news at the end of July that Brookfield, a North American asset management group, had reached an agreement to acquire Just, our buy-in provider.

Brookfield writes bulk annuity business in the US and Canada, is listed on the New York Stock Exchange and has a start-up UK annuity company, Blumont. The proposed acquisition gives Brookfield the opportunity to scale up quickly in the UK, rather than grow its UK business slowly from its new subsidiary.

All the arrangements made so far/all information we have suggest that what will happen in the UK is that Just will absorb Blumont; the "win-win" in the deal for Just as an organisation is that through its partnership with Brookfield, it will have access to greater capital resources and asset management expertise. The message for us, therefore, is that there is "no change" and everything is business as usual.

The Trustee will continue to monitor developments. The proposed acquisition has still to be approved by the regulatory authorities and so will not be complete until the first half of 2026.

If the deal goes through, we would expect that in time, there will be practical operational implications for Just as it absorbs Blumont ; however, this should not affect progress to buyout, which we continue to pursue in line with our timetable.

### Further questions

If you have any further questions, please contact Paul Bannister as follows:

**Email : [paul.bannister@urc.org.uk](mailto:paul.bannister@urc.org.uk) | Tel Office : 0207 691 9869**