

# Paper C7

## Process for the Ill-Health Retirement of Office Holders (from the buy out of the Ministers' Pension Fund)

Ministries Committee  
Pensions Committee

### Basic information

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<b>Action required</b>	Decision
<b>Draft resolution(s)</b>	<b>Resolution 23</b> <b>General Assembly adopts the process for the Ill-Health Early Retirement of Office Holders (from the buy-out of the Ministers' Pension Fund – expected in summer 2026)</b>

### Summary of content

<b>Subject and aim(s)</b>	<p>Following the pension fund buy-out, responsibility for pension eligibility decisions for ill-health early retirement transfers to the external insurer (JUST) for those with accrued rights in the former Ministers' Pension Fund. This ensures that, following buy-out, ministers continue to be treated in accordance with the current arrangements insofar as possible.</p> <p><b>Pre-2023 office holders (with pension fund benefits)</b> will need to apply to the insurer for ill-health pension; the Church then assesses any additional support required.</p> <p><b>Post-2023 office holders (no pension fund entitlement):</b> the Church determines both eligibility and financial provision directly.</p>
<b>Main points</b>	See above
<b>Previous relevant documents</b>	
<b>Consultation has taken place with...</b>	Pension Committee

## Summary of impact

<b>Financial</b>	Unknown
<b>External (eg ecumenical)</b>	N/A

### 1. **A Theological Introduction**

- 1.1 Ill-health early retirement is received within the United Reformed Church not simply as an administrative conclusion but as a moment of pastoral and theological significance. Ministry in the Church is rooted in God’s call and affirmed by the community of faith; it is therefore deeper than capacity, productivity, or role. When illness limits the ability of an office holder to exercise active service, the Church recognises that vocation itself is not withdrawn, but reshaped. Scripture reminds us that the Body of Christ honours all its members, especially in times of weakness, dependency, or change (1 Corinthians 12). Ill-health early retirement is thus understood as an act of faithful discernment in which the Church seeks the wellbeing of the office holder alongside the needs of the wider community, acknowledging human finitude while affirming enduring belonging. In releasing an office holder from the responsibilities of active service, the Church bears witness to grace rather than achievement, recognising that the identity of an office holder rests not in function but in baptism, calling, and lifelong participation in Christ’s ministry. The community therefore commits itself to continued pastoral care, respect, and inclusion, trusting that ministry may continue to be expressed through presence, wisdom, prayer, and witness in new and life-giving ways.
- 1.2 Early retirement on grounds of ill health is not a diminishment of vocation but a recognition that ministry may be lived differently in changing circumstances.

### 2. **Some guiding principles**

#### 2.1 **Some explanations and terminology**

In this document, “Office Holder” means a Minister of the Word and Sacraments or a Church Related Community Worker serving under the terms of the URC Plan for Partnership. This paper deals with the situation that will exist when the buy-out of the Ministers’ Pension Fund has been completed (expected in summer 2026). After this, present and future pensions that would previously have been paid from the Ministers’ Pension Fund will be provided instead by the Insurer (JUST). The process for applying and for granting ill-health early retirement will have to change to reflect this new situation.

#### 2.2 **Eligibility**

The United Reformed Church approaches all cases of possible ill-health early retirement with its pastoral and theological commitments. The Church will act with compassion and pastoral sensitivity, respect medical confidentiality, maintain clarity regarding roles and decision-making authority, and ensure appropriate transparency with the Office Holder concerned. Every effort will be made to avoid unnecessary delay, recognising that ill health affects vocation, identity, wellbeing, livelihood, and status. For Office Holders who were members of the Ministers’ Pension Fund, application for ill-health early retirement will in future have to be made to the Insurer of the Ministers’ Pension Fund and it will decide on eligibility. This procedure is explained in Appendix 1. For Officer Holders who entered

service after February 2023 and who do not have any benefits due from the Ministers' Pension Fund, application for ill-health early retirement will be made to the Church. This procedure is explained in Appendix 2.

### 2.3 Entitlements

When an Office Holder is granted Ill-Health Early Retirement, the Church will make the following provision:

2.3.1 If the Office Holder is assessed as being unable to undertake any paid employment, the Church will guarantee that income from the Church (including any pension payable by the Insurer of the Ministers' Pension Fund) will be at least 50% of stipend up to the normal retirement age (currently 68).

2.3.2 If the Office Holder is assessed as being able to undertake some paid employment, the Church will guarantee that income from the Church (including any pension payable by the Insurer of the Ministers' Pension Fund) will be at least 25% of stipend up to the normal retirement age (currently 68).

2.3.3 In both cases, this income may be a pension from the Insurer or a benefit paid through the Church payroll or a combination of both. This excludes any income from alternative employment.

2.3.4 The Church will make employer contributions to the URC defined contribution pension scheme in proportion to any benefits paid through the Church payroll.

2.4 These processes for ill-health early retirement, and the entitlements related to them, shall be reviewed every five years, or sooner if required by changes in pension arrangements, legislation, or denominational policy.

## Appendix 1

### Process for the ill-health early retirement of Office Holders who were members of the Ministers' Pension Fund and who are now entitled to a pension from the insurer of that fund (JUST)

#### 1. Process and scope

- 1.1 The purpose of this process is to ensure that Office Holders are treated with dignity, fairness, and appropriate pastoral care at a time of vulnerability, while also providing clarity regarding decision-making responsibilities. It recognises that discernment about ministry and determinations concerning pension entitlement are distinct matters and must be approached through separate, though related, processes. The procedure therefore seeks to ensure clear understanding of the respective responsibilities of the United Reformed Church, the Insurer, and the Office Holder, while offering the Office Holder appropriate support and guidance through what is often a complex and emotionally demanding period.
- 1.2 Ill-health early retirement is both a pastoral and procedural matter requiring careful coordination between the Applicant, the Synod, and the Ministries Office. It necessarily involves theological discernment regarding vocation alongside formal administrative and pension processes.
- 1.3 Following the buy-out of the Ministers' Pension Fund, the responsibility for the payment of all current and future pensions to the members of that fund has been transferred to the insurer of that fund (currently JUST). Future decisions regarding the eligibility for an ill-health early retirement pension from the insurer will be made exclusively by the insurer under the rules of the insured scheme.
- 1.4 The United Reformed Church no longer exercises discretion over these pension benefits or medical eligibility determinations.
- 1.5 The Church nevertheless retains responsibility for matters relating to ministerial status, pastoral oversight, and the formal recognition of retirement within the life and order of the Church.
- 1.6 Accordingly, two distinct but interconnected processes operate alongside one another:
  - a) ecclesial discernment concerning fitness to continue in active ministry; and
  - b) decisions concerning the eligibility for an early retirement pension and, if eligible, the amount(s) that will be paid up to normal retirement age – these decisions will be in two parts:
    1. the insurer's assessment concerning entitlement to receipt of an early retirement pension on the grounds of ill health; and
    2. the Church's assessment concerning the overall ill health retirement benefits that will be paid up to normal retirement age.
- 1.7 These processes may inform one another but remain separate in authority and outcome.

#### 2. Initiating the process

- 2.1 Consideration of ill-health early retirement will normally arise following an extended period of sick leave, typically after approximately six months' absence from ministry, although individual circumstances may require flexibility.
  - 2.2 Ill-health early retirement should ordinarily be explored only after appropriate pastoral support, reasonable adjustments, and alternative deployment possibilities have been carefully considered.
  - 2.3 The Synod Moderator, in consultation with the Ministries Office, will undertake discernment regarding the Office Holder's capacity to continue in active ministry. This discernment may include, with the Office Holder's consent, occupational health or medical advice, pastoral conversations concerning capacity and sustainability, consideration of adjusted patterns of ministry or deployment, and, in some cases, a period of inactive status.
  - 2.4 Any determination made by the Church at this stage relates solely to fitness to exercise ministry and does not constitute a judgement regarding pension eligibility.
  - 2.5 Where it becomes clear that continued ministry is no longer realistic, the Moderator, in consultation with the Ministries Office and the Maintenance of the Ministry (MoM) Sub-Committee or its successor body, may recommend progression toward early retirement on the grounds of ill health.
- 3. Pension Assessment Process**
- 3.1 Once ill-health early retirement is being considered, the Office Holder shall apply for ill-health pension benefits through the Insurer, currently JUST, in accordance with the rules of the insured scheme. **This is the responsibility of the Office Holder / Applicant.**
  - 3.2 The decision regarding medical eligibility and pension entitlement from the Insurer rests entirely with the Insurer. The United Reformed Church does not determine eligibility and cannot guarantee the outcome of any application.
  - 3.3 The Church's role during this stage is supportive and facilitative. The Ministries Office will, where required, provide guidance and assistance to the Office Holder in navigating the application process and associated documentation.
- 4. Outcomes**
- 4.1 Where the insurer approves ill-health early retirement pension benefits, the United Reformed Church will initiate its own denominational processes regarding ill-health early retirement.
  - 4.2 The Office Holder shall, at the earliest reasonable opportunity, notify the Deputy General Secretary (Ministries), acting on behalf of the MoM Sub-Committee or its successor body, of the level of ill-health early retirement pension awarded by the insurer. This will enable the Church to determine whether any additional benefits are payable by the Church and, if so, to initiate those payments.
  - 4.3 In calculating any payments due to an applicant, the Church shall have regard to the guiding principles set out above, ensuring that provision is fair, consistent, and aligned with the agreed framework for ill-health early retirement.

- 4.4 The value of any benefits payable by the Church will be reviewed whenever the URC stipend is increased. The Office Holder shall notify the Deputy General Secretary (Ministries) of any changes to the value of the pension being received from the Insurer.
- 4.5 The Office Holder's continued entitlement to benefits and the value of those benefits shall be reviewed by the Church at intervals of five years up to normal retirement age, or more frequently if required, to ensure that they remain appropriate to the minister's circumstances.
- 4.6 When an ill-health early retirement pension is not granted by the insurer the Church, through the MoM Sub-Committee or its successor body, shall review the Office Holder's circumstances pastorally and determine an appropriate way forward. In all such cases, particular care shall be taken to ensure ongoing pastoral accompaniment, recognising the distress and uncertainty that such outcomes may bring.

## Appendix 2

### **Process for the ill-health retirement of office holders who entered service after February 2023 and who, therefore, had no entitlement to benefits from the Ministers' Pension Fund**

#### **1. Purpose and scope**

- 1.1 This process sets out the procedures to be followed when an Office Holder, who entered service after February 2023, seeks early retirement on the grounds of ill health. These people were not members of the Ministers' Pension Fund and, therefore, have no entitlement to benefits from that Fund. They will have a pension pot in the URC defined contribution pension scheme, but the primary purpose of that fund is to provide an income after normal retirement age.
- 1.2 The purpose of this process is to ensure that office holders are treated with dignity, fairness, and appropriate pastoral care at a time of vulnerability, while providing clarity regarding decision-making responsibilities within the life and order of the Church.
- 1.3 This process recognises that discernment concerning an office holder's capacity to continue in active ministry is an ecclesial matter, held within the councils of the Church, and that financial provision in such circumstances is a responsibility to be exercised with care, consistency, and theological integrity.
- 1.4 Ill-health early retirement is therefore understood as both a pastoral and procedural matter, requiring careful coordination between the office holder, the synod, and the Ministries Office.
- 1.5 The Church affirms that vocation continues even where the exercise of ministry becomes limited or no longer possible. Discernment in situations of ill health

therefore attends both to the well-being of the office holder and to the integrity of the Church's ministry.

- 1.6 Decisions concerning early retirement on the grounds of ill health are made within the conciliar life of the Church and relate to fitness to continue in active ministry. Such decisions are distinct from, but connected to, decisions concerning the provision of appropriate financial support.

### **2. Initiating the process**

- 2.1 Consideration of ill-health early retirement will normally arise following a sustained period of sick leave, typically after approximately six months' absence from ministry, although individual circumstances may require flexibility.
- 2.2 Ill-health early retirement should ordinarily be explored only after appropriate pastoral support, reasonable adjustments, and alternative patterns of ministry or deployment have been carefully considered.
- 2.3 The synod moderator, in consultation with the Ministries Office, will undertake discernment regarding the office holder's capacity to continue in active ministry. This may include, with the office holder's consent, medical or occupational health advice; pastoral conversations concerning capacity and sustainability; consideration of adjusted or restricted ministry; and, in some cases, a period of inactive status.
- 2.4 When it becomes clear that continued ministry is no longer realistic, the moderator, in consultation with the Ministries Office and the MoM Sub-Committee or its successor body, may recommend progression towards early retirement on the grounds of ill health.

### **3. Pension assessment process**

- 3.1 Where early retirement on the grounds of ill health is approved, the United Reformed Church shall determine the appropriate level of financial provision, acting through the MoM Sub-Committee or its successor body, and having regard to the Guiding Principles set out above.
- 3.2 In determining such provision, the Church shall have regard to the Office Holder's capacity for work, the nature and extent of ill health, and the principles of fairness, consistency, and responsible stewardship.
- 3.3 When the Office Holder is assessed as being unable to undertake any paid employment, the Church shall pay a benefit through the URC payroll equivalent to 50% of stipend.
- 3.4 When the Office Holder is assessed as being able to undertake some other paid employment, the Church shall pay a benefit through the URC payroll equivalent to 25% of stipend.
- 3.5 In addition, the Church shall make employer contributions to the defined contribution pension scheme based on the benefit being paid.
- 3.6 These benefits will be payable up to the normal retirement age (currently 68).

## **4. Review of provision**

- 4.1 The Church's financial provision shall be reviewed annually and adjusted whenever there is an increase in the URC stipend by the MoM sub-committee or its successor.
- 4.2 The Office Holder's continued entitlement to ill-health early retirement, and the value of the benefits payable, shall be reviewed at intervals of five years, or more frequently where circumstances require, to ensure that the benefits remain fair, appropriate, and sustainable.
- 4.3 Such reviews shall take account of any change in the Office Holder's health, capacity for work, and personal circumstances.

## **5. When ill-health retirement is not immediately appropriate**

- 5.1 When early retirement on the grounds of ill health is not approved, the Church shall continue to review the office holder's circumstances pastorally.
- 5.2 In all cases, particular care shall be taken to ensure ongoing pastoral accompaniment, recognising the distress and uncertainty that may arise in such situations.