# THE UNITED REFORMED CHURCH MINISTERS' PENSION FUND

# CONSOLIDATED TRUST DEED AND RULES INCORPORATING AMENDMENTS UP TO AND INCLUDING 1 DECEMBER 2017

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but, for the avoidance of doubt, this Clause 2 does not prevent increases to pensions in payment in accordance with the New Rules.

THIS DEElDas been executed and delivered by the parties on the date written at the top of the first page.

EXECUTE as a deed by	)
the UNITED REFORMED CHURCH	)
acting by following duly authorised persons	)
Witness signature:	
Witness name:	
Witness address:	
Witness occupation:	
Witness signature:	
Witness name:	
Witness address:	
Witness occupation:	
EXECUTE as a deed by	)
UNITED REFORMED CHURCH	)
MINISTERS' PENSION TRUST LIMITED	)
acting by	)
Director:	
Director/Secretary:	

#### UNITED REFORMED CHURCH MINISTERS' PENSION FUND

#### MAIN SECTION

#### 1. DEFINITIONS AND INTERPRETATION

#### 1.1 Definitions

1.1.1 In these Rules, the following words and phrases have the following meanings:

Actuary: the person appointed as actuary of the Fund under Rule 15.4.2.

Auditor: the person appointed as auditor of the Fund under Rule 15.4.3.

Administrator: the scheme administrator within the meaning in section 270 of the Finance Act 2004.

Assembly the General Assembly of the URC.

Authorised Payments Regulation means the Registered Pension Schemes (Authorised Payments) Regulations 2009.

Cash Equivalentmeans the cash equivalent of a member's benefits as determined in accordance with Chapter IV of Part IV of the Pension Schemes Act.

Cash Transfer Sumhas the meaning in Section 101AB of the Pension Schemes Act.

Child means a lawful or adopted child of the member.

Civil Partner:

HMRCHer Majesty's Revenue and Customs.

Fund: the United Reformed Church Ministers' Pension Fund.

Ill-Health: means incapacity to undertake the duties of a minister or CRCW or such similar occupation acceptable to the URC.

Inland Revenue Limitshe limits which in the opinion of the Pension Trustee would have applied to benefits and contributions, if the tax regime in force before 6 April 2006 had continued to apply on and after that date, in order not to prejudice the Fund's exempt approved status under the tax regime, assuming that HMRC practice (as summarised in the practice note IR12 and in HMRC Updates) and any concessions granted in relation to the Fund by HMRC would have continued on the same basis as applied immediately before 6 April 2006.

Insurance Companymeans an insurer within the meaning in Section 180A of the Pension Schemes Act.

Investment Regulations the Occupational Pension Schemes (Investment) Regulations 2005.

Normal Pension Agethe member's 68 birthday.

Participating Bodies any body admitted to participate in the Fund in accordance with Rule 15.1, and the participating body in relation to any member means that participating body he/she is serving.

Plan for Partnership in Ministerial Remuneratiothe unified scheme for the remuneration of stipendiary ministers and CRCWs serving the United Reformed Church.

Pension Schemes Adhe Pension Schemes Act 1993.

Pensions Act the Pensions Act 1995.

Pensions Act 2004 he Pensions Act 2004.

Pension Commencement Lump Suhas the meaning in Paragraph 1 of Part 1 of Schedule 29 to the Finance Act.

Pensionable Servicecomprises: (1) all service while a Contributing Member of the Fund or the Congregational Fund or the Presbyterian Fund; (2) any service after age 21 but before joining the Congregational Fund which was



Revaluation Requirementsmeans the revaluation requirements in Chapter 2 of Part IV of the Pension Schemes Act 1993.

Serious III-Health Lump Sunhas the meaning in paragraph 4 of Part 1 of Schedule 29 to the Finance Act.

State Pensionmeans a pension paid by the state in accordance with the

- 1.2.8 Law: The Fund is established under and governed by the law of England and Wales.
- 1.2.9 Spouse: In the Rules any reference to a spouse includes a person of the opposite sex to whom a person is married, a person of the same sex to whom

1.4.1 Under Section 22 of the United Reformed Church Act 1972 the Presbyterian Fund and Congregational Fund were amalgamated to form the Fund with effect from 1 June 1980.

#### 2. MEMBERSHIP

- 2.1 Joining the Fund
  - 2.1.1 The following persons may become Contributing Members of the Fund:
  - 2.1.1.1 any minister of the URC below Normal Pension Age at the date of ordination



3.1.1		

Transfers from other pension schemes and arrangements

3.1



for each year of Pensionable Service after 1 June 1971, based on years and months of Pensionable Service.

#### 6.2 Late Retirement

6.2.1 A Contributing Member who chooses to remain in Pensionable Service after Normal Pension Age shall be entitled upon retirement from service to a pension calculated in accordance with Rule 6.1.1.

#### 6.3 Early Retirement

- A Contributing Member who retires from Pensionable Service after reaching age 55 but before Normal Pension Age shall be entitled to receive immediate payment of a pension calculated in accordance with Rule 6.1.1, but then reduced by an amount advised as appropriate by the Actuary having regard to the period between the date on which the pension commences and the member reaching Normal Pension Age, except that:
- 6.3.1.1 Any reduction applied to pension in respect of Pensionable Service up to and including 31 December 2012 shall be calculated only having regard to the period between the date on which the pension commences and the member reaching his or her 65birthday; and
- 6.3.1.2 No reduction shall be applied to pension in respect of Pensionable Service up to and including 30 November 2006 if on the date the pension commences he or she has completed 40 years of stipendiary service to the URC (or its constituent denominations).

#### 6.4 Postponed Pension

6.4.1 A Contributing Member who reaches Normal Penso and 0.9(M) 3166h() 10(e)-6(r8(m)

6.5.6 A member who has between 10 and 20 years' service as a Contributing Member shall be entitled to a pension calculated under Rule 6.5.4 plus an additional amount of pension calculated as follows:

(Pension B – Pension A) x (C / 120)

Where:

Pension Ais the pension calculated under Rule 6.5.4;

Pension B is the pension calculated under Rule 6.5.5 (but disregarding the requirement that the member must have completed 20 years' service as a Contributing Member for that Rule to apply); and

Cis the number of complete months' in excess of 120 that the member has been in service as a Contributing Member.

- 6.5.7 Where this Rule 6.5 applies to a Pre-2013 Member, if it would result in a higher pension than that calculated under whichever of Rule 6.5.4, 6.5.5 or 6.5.6 applies in his or her case, he or she shall instead be entitled to a pension calculated under Rule 6.5.8.
- 6.5.8 The pension under this Rule 6.5.8 is whichever is the higher of:

6.5.8.1

6.5.8

- 6.6.1 When a pension commences payment under this Rule 6 any voluntary contributions that the member has paid will be applied in accordance with Rules 5.2.6 or 5.2.7 and may include the provision of a Pension Commencement Lump Sum.
- Subject to Rule 6.6.3 the amount of any lump sum paid in respect of voluntary contributions cannot (when aggregated with any lump sum paid under Rule 6.7.1) exceed the permitted maximum calculated in accordance with paragraph 2 of Part 1 of Schedule 29 to the Finance Act.
- 6.6.3 Where paragraphs 31 to 34 of Part 3 to Schedule 36 of the Finance Act apply to a member the permitted maximum (referred to in Rule 6.6.3) is calculated in accordance with those paragraphs.

#### 6.7 Cash Sum

- 6.7.1 A member (for the avoidance of doubt, including a member entitled to a pension under Rule 8) may choose to exchange part of his or her pension for a Pension Commencement Lump Sum, any such election being made in writing to the Pension Trustee before the date on which the pension is due to commence.
- 6.7.2 Subject to Rule 6.7.3 the amount of any lump sum paid under Rule 6.7.1 cannot (when aggregated with any lump sum paid under Rule 6.6.1) exceed the permitted maximum calculated in accordance with paragraph 2 of Part 1 of Schedule 29 to the Finance Act.
- 6.7.3 Where paragraphs 31 to 34 of Part 3 to Schedule 36 of the Finance Act apply to a member the permitted maximum (referred to in Rule 6.7.2) is calculated

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- 7.1.1.1 Where the member leaves a surviving spouse and/or one or more Children who are Dependant and any such person survives the member by 30 days or longer, a lump sum equal to 3 years' Stipend at date of death or, in any other case, a lump sum equal to 2 years' Stipend at date of death. Upon the death of a member in part-time service who was never paid the full Stipend, the lump sum shall be 3 or 2 times (as the case may be) a proportion of Stipend. For these purposes the proportion used when calculating the lump sum shall be the highest proportion of Stipend that the member was paid in any year in Pensionable Service;
- 7.1.1.2 A surviving spouse will be entitled to a pension for life equal to one half of the pension to which the member would have been entitled at Normal Pension

- in respect of Pensionable Service up to and including 31 December 2012, benefits calculated in accordance with Rule 7.3 as if the member retired on the day before his or her death; and
- (b) in respect of Pensionable Service on and from 1 January 20d 3 half of the deferred pension calculated under Rule 8. If the surviving spouse is more than 10 years' younger than the member the pension will be reduced on a basis advised by the Actuary

#### 7.3 Death in Retirement

7.3.1 Upon the death of a member who is in receipt of pension and who leaves a surviving spouse to whom he or she was married (or in Civil Partnership with) before the later of the date when his or her Pensionable Service ended or the date on which his or her pension came into payment, the surviving spouse shall be entitled to a pension payable for life. The amount of the pension shall be one half of the pension the member would have continued to receive had he or she not died and had he or she not elected to exchange any pension for a Pension Commencement Lump sum under Rule 6.7.1 (or any predecessor

accordance with Rule 10.5 and pensions for the Spouse or Dependants of the Former Spouse as it shall decide. For the purposes of this Rule, references to "deceased member" in Rule 10.5 shall be replaced by references to the "Former Spouse". Any pension so payable shall be paid for life or in the case of a Child of the Former Spouse for so long as the Child would qualify for payment of a pension under Rule 7.6.

#### 7.8 Trivial Commutation

7.8.1 The Pension Trustee may direct that a pension otherwise payable to a under this Rule 7 following the death of a member is exchanged for a Trivial Commutation Lump Sum Death Benefit.

#### 8. LEAVING BENEFITS

8.1

8.2.1	If a member leaves Pensionable Service having completed less than 3 months' Qualifying Service, he or she may elect for:
8.2.1.1	a refund of contributions (including any additional voluntary contributions),

8.5.1 A member entitled to a pension under Rule 8.1 who reaches Normal Pension Age may choose to postpone payment of his or her pension. The Pension payable under this Rule 8.5 will be calculated under Rule 8.1 and then increased:

8.5.1.1



- 10.5.2 Where this Rule 10.5.2 applies, the Pension Trustee has the power to pay or apply the whole or any part of such lump sum to or for the benefit of all or any of the Relatives and Dependants of the deceased member in such shares and in such manner as the Pension Trustee in its absolute discretion thinks fit and whether in a lump sum or by instalments.
- 10.5.3 If the Pension Trustee has failed to pay or apply any lump sum in accordance with 10.5.2 before the last day of the Relevant Two Year Period, then, unless at the time of death the deceased member had no Relatives or Dependants, the sum will be paid to the personal representatives of the member and from that date and pending payment will be held on trust for those personal representatives. Where the deceased member had no Relatives or Dependants at the time of death then the sum will revert to the Fund.

#### 10.6 Recovery of Tax

10.6.1 If the Pension Trustee is liable (or jointly liable with the member) for any tax (including any tax charge payable under the Finance Act) in respect of any benefit, it may deduct from that benefit the amount of any such tax for which it is liable

#### 10.7 Assignment, Surrender etc.

- 10.7.1 Except where permitted under sections 91 to 94 of the Pensions Act, a person entitled to a pension under the Fund or who has a right to a future pension under the Fund may not assign, commute or surrender it.
- 10.7.2 Except where permitted under sections 91 to 94 of the Pensions Act, an entitlement to a pension under the Fund or a right to a future pension under the Fund may not be charged, have a lien or set off exercised in respect of it.

#### 10.8 Incapacity of Beneficiary

- 10.8.1 If, in the opinion of the Pension Trustee, a member or other beneficiary entitled to benefits under the Fund is incapable of managing his or her own affairs due to mental or any other form of incapacity:
- 10.8.1.1 The Pension Trustee may take on behalf of that person any decision or election concerning his or her benefits that would otherwise have fallen to be taken by him or her under the Rules; and/or
- 10.8.1.2 May in its absolute discretion, pay any amount that would otherwise have been paid to the member or beneficiary to some other person to be applied for the benefit of the member or beneficiary.
- 10.8.2 Before exercising its discretion under Rule 10.8.1.1 or Rule 10.8.1.2, the Pension Trustee must take into account any representations made by:
- 10.8.2.1 A person lawfully appointed to take decisions on behalf of the member or beneficiary and/or;
- 10.8.2.2 If the Pension Trustee considers it appropriate to do so, a person not so appointed but who is responsible for the care or wellbeing of the member or beneficiary.

#### 10.9 State Pension

10.9.1 Any pension paid under the Fund is in addition to any State Pension to which the member or beneficiary may be entitled.

#### 10.10 Compliance with Laws

- 10.10.1 The Fund shall at all times be administered by the Pension Trustee in compliance with the Preservation Requirements and the Revaluation Requirements and the requirement in this Rule 10.10.1 shall override any other provisions in the Rules that are inconsistent with it.
- 10.10.2 Where the URC considers that an amendment is necessary to the Rules in order to allow it to meet its obligations under Part 1 of the Pensions Act 2008 (automatic enrolment), the Pension Trustee shall, where directed by the URC, administer the Fund as if the Rules had been so amended.

#### 10.11 Pension Sharing on Divorce

- 10.11.1 Where the benefits of a Member are subject to the provisions of a Pension Sharing Order arising from a divorce the following shall apply:
- 10.11.1.1 The benefits payable to the Member in accordance with these Rules shall be reduced by the debit applicable in accordance with Section 29(1)(a) of the Welfare Reform and Pensions Act 1999.
- 10.11.1.2 Any Pension Credit or Pension Credit Benefit due to the Member's Former Spouse may be discharged in any manner consistent with the Welfare Reform and Pensions Act 1999, as determined by the Trustees. Any benefits consequently provided under the Fund shall be treated as provided separately from any benefits provided under the Fund for the same individual in another capacity. The Former Spouse shall be regarded as a Member for the purposes of the Rules to the extent considered appropriate by the Trustees.

#### 11. TAX LIMITS

#### 11.1 Overriding effect

11.1.1 This Rule 11 overrides any other provisions in the Rules that are inconsistent

12.3.1 The Pension Trustee and any directors of the Pension Trustee can be paid out of the assets of the Fund for acting as a trustee. The amount of any such remuneration must be agreed between the URC and the Pension Trustee.

#### 12.4 Trustees may benefit

12.4.1 A director of the Pension Trustee may benefit from the Fund as a member or person entitled to benefit in respect of a member.

#### 12.5 Conflicts of interest and duty

12.5.1 No decision or exercise of a power by the Pension Trustee is invalidated solely on the grounds that a director of the Pension Trustee has any personal interest in the outcome or owes a duty which conflicts or might conflict with his or her duty as director of the Pension Trustee.

#### 13. TRUSTEES' MEETINGS

#### 13.1 Exercise of powers

- 13.1.1 Meetings of the Pension Trustee shall be held in accordance with its articles of association.
- 13.1.2 Any power or discretion conferred on the Pension Trustee by the Rules shall be exercised by the board of th2(c)5n2(ns)-3tsruGSs.5

left Pensionable Service on the Withdrawal Date and he or she becomes entitled to benefits under Rule 8.

#### 15.2 Audit

15.2.1 The Pension Trustee shall ensure that audited accounts are prepared for the 12 month period to 31 December each year and must provide the URC with a copy of any such accounts.

#### 15.3 Actuarial Valuations

- 15.3.1 The Pension Trustee and the URC (and other Participating Bodies) must comply with the requirements of sections 221 to 233 of the Pensions Act 2004.
- 15.3.2 The Pension Trustee shall instruct the Actuary to prepare an actuarial valuation or an actuarial report each year, provided that an actuarial valuation must be obtained at least every 3 years. The Pension Trustee will submit a copy of each actuarial valuation or actuarial report to the URC. In this Rule 15.3, actuarial valuation and actuarial report have the meaning in section 224 of the Pensions Act 2004.
- 15.3.3 Where an actuarial valuation reveals a deficit, the Pension Trustee shall, after consulting with the Actuary, consider what action should be taken to render the Fund solvent and shall make a recommendation to the URC as to how this should be achieved. Where any actuarial valuation reveals a surplus, the Pension Trustee shall, after consulting with the Actuary, consider how that surplus should be applied and make a reco i8(k)-5.5(e)endation1(t)5.3(o)-8.9(t)-5.5the

15.5.1 The expenses of the management of the Fund may be provided out of the income of the Fund.

### 15.6 Investment

- 15.6.1 Investment Powers
- 15.6.1.1 Subject to Rule 15.6.1.2, the Pension Trustee may, in the manner which it

- 15.9.2 The Pension Trustee is the scheme administrator within the meaning in section 270 of the Finance Act in relation to the Fund.
- No person taking decisions on behalf of the URC in relation to the Fund (whether in a committee established by the URC for that purpose or in General Assembly or Mission Council of the URC) shall incur personal liability to the Trustee.

#### 16. AMENDMENT

#### 16.1 Amendment power

16.1.1 Subject to rest of this Rule 16, the URC may at any time alter or modify all or any of the provisions of this Deed or the Rules.

#### 16.2 Restrictions

- 16.2.1 No alteration or modification may be made to the Rules until a report on its financial effect on the Fund has been obtained from the Actuary.
- Any person who became a member before 10th July 1993 and whose pecuniary rights are adversely affected to an appreciable extent by any such alteration or modification, may elect before or within 3 months of the coming into effect of any such alteration or modification of the Rules to be subject to the Rules that were in force prior to the change. Except that this Rule 16.2.2 does not apply to any alteration or modification to the Rules necessitated by changes in the State Pension Scheme or to ensure that the registration of the Fund is not withdrawn by the Inland Revenue.
- 16.2.3 No alteration or modification shall be made to the Rules which would have the effect of:
- 16.2.3.1 altering the main purpose of the Fund from that of providing pensions and other relevant benefits for members of the Fund; or
- 16.2.3.2

16.3.1.5 Rule 16.3.

### 17. TRANSFERS AND BUY-OUTS

- 17.1 Individual Transfers Out
  - 17.1.1 A member who has a right to a Cash Equivalent may exercise that right in

- 17.3.1.2 Any member or other beneficiary included in the transfer consents to the transfer or their consent is not required under the Preservation Regulations (or any other applicable legislation);
- 17.3.1.3 The transfer payment is sufficient to provide benefits that are equivalent in value to the benefits in respect of those members and other beneficiaries included in the transfer; and
- 17.3.1.4 The transfer would be a Recognised Transfer.
- 17.3.1.5

- greater or different benefits) under the Fund after the application of Fund assets under this Rule;
- 18.3.2.2 secondly, to make provision for the continued payment of pensions in payment at the Determination Date and any contingent pensions payable to surviving Spouses and Children;
- 18.3.2.3 thirdly, to make provision for the payment of pensions for all other members and any contingent pensions payable to surviving Spouses and Children. For the purposes of this Rule 18.3.2.3 any member in Pensionable Service on the

## **SCHEDULE 1**

5.	A pension payable to or in respect of a member who was previously a member of the Presbyterian Fund is increased in payment in accordance with Rule 10.1, but Rule 10.1 does not apply to any other pension payable under this Schedule 1.

#### SCHEDULE 2

## MODIFICATIONS TO MAIN SECTION RULES FOR CERTAIN MEMBERS IN CONNECTION WITH BENEFIT CHANGES MADE IN 1993 AND 2006

#### Modifications

- 1. Rule 6.1
- 1.1 A Member who was receiving a pension on 1 November 1993 is entitled to a pension calculated in accordance with Rule 6.1.1 but based on Stipend as at 1 November 1993 (and then increased in payment in accordance with Rule 10.1).
- 2. Rule 6.2
- A Member who had reached his or her that the service of the URC or a Participating Body without drawing his or her pension, is entitled to a pension calculated in accordance with Rule 6.1.1 based on Pensionable Service up to his or her that the amount of pension then increased over the period before it comes into payment:
  - 2.1.1 Firstly, by adding the amount in aggregate of any increases that would have been applied under Rule 10.1 if the pension had come into payment upon the member reaching his or her 85birthday; and
  - 2.1.2 Secondly, by adding such additional amount of pension as the Actuary advises to be appropriate having regard to the period between the date on which the member reached his or her bairthday and the date on which the member retires.
- A member who had reached his or her that it had not not before 30 November 2006 but remained in service without drawing his or her pension, is entitled, upon retirement from service, to a pension calculated in accordance with Rule 6.1.1 but calculated by reference to Pensionable Service completed up to the date of his or her bathday and Stipend on that date, but then increased as follows:
  - 2.2.1.1 Firstly, by adding the amount in aggregate of any increases that would have been applied under Rule 10.1 if the pension had come into payment upon the member reaching his or her 85birthday; and
  - 2.2.1.2 Secondly, by adding such additional amount of pension as the Actuary advises to be appropriate having regard to the period between the date on which the member reached his or her 65



- 1.2 Paragraph 1.2 is modified to the effect that the accrual rate in respect of Pensionable Service completed prior to 1 January 1964 is 1.125% of Pensionable Stipend.
- 2. Rule 7.1
- 2.1 In Paragraph 2.1 "£17.34" is replaced with "25% of the amount payable under Paragraph 1.1 above".
- 3. Rule 7.3
- 3.1 In Paragraph 3 "£17.34" is replaced with "25% of the amount payable under Paragraph 1.1 above".

# SCHEDULE 4 MODIFICATIONS TO MAIN SECTION RULES FOR 2013 OPT-OUT MEMBERS

1.	Objective:the aim of this Schedule 4 is to describe the modifications required to the Main Section of the Rules in order to ensure that a member who opted out of the benefit changes adopted by the URC in 2012 (effective from 1 January 2013) is entitled to benefits consistent with him or her having opted out of those changes. In the event of any

Appendix 1

DATED

2017

THE UNITED REFORMED CHURCH MINISTERS' PENSION FUND

**DEED OF AMENDMENT** 

## BETWEEN

- (3) UNITED REFORMED CHUROHURC'); and
- (4) THE UNITED REFORMED CHURCH MINISTERS' PENSION TRUS(TheLIMPHEREDON Trustee').

## WHEREAS:

(A) The United Reformed Church Ministers' Pension Fund (Flowend') was established by an

- 6.5.1.2 The member agrees to inform the Pension Trustee if he or she commences paid employment.
- 6.5.2 The Pension Trustee must review the state of health of any member who receives a pension on the grounds of III-Health at regular intervals and at least once every 5 years unless it considers that it would be inappropriate to do so.
- 6.5.3 Where a member in receipt of a pension paid on the grounds of III-Health:
- 6.5.3.1 Does not agree to any medical examination that the Pension Trustee may require for the purposes of a review being carried out in accordance with Rule 6.5.2;
- **6.5.3.2** In the opinion of the Pension Trustee is no longer suffering from III-Health; or
- 6.5.3.3 In the case of a member who is not a Pre-2013 Member, and is, in the

6.5.6 A member who has between 10 and 20 years' service as a Contributing Member shall be entitled to a pension calculated under Rule 6.5.4 plus an additional amount of pension calculated as follows:

(Pension B – Pension A) x (C / 120)

Where:

**Pension A** is the pension calculated under Rule 6.5.4;

**Pension B** is the pension calculated under Rule 6.5.5 (but disregarding the requirement that the member must have completed 20 years' service as a Contributing Member for that Rule to apply); and

*C* is the number of complete months' in excess of 120 that the member has been in service as a Contributing Member.

6.5.7 Where this Rule 6.5 applies to a Pre-2013 Member, if it would resn a3uld rw5.2/1.9/s)-3.4

3.3	In the first sentence of Rule 7.1.1.2 the following words are deleted:			
	", except that in the case of a spouse who is of the same sex as the member or who is the Civil			

EXECUTE®s a deed by	)
UNITED REFORMED CHURCH	)
MINISTERS' PENSION TRUST LIMITED	)
acting by the following duly authorised pers	son )
Witness signature:	
Witness name:	
Witness address:	
Witness occupation:	