

Bill No.8

Proposer: Mr Robert Neill

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Your Grace, I have the pleasure of proposing Bill No.8. It relates to the Clergy Defined Benefit Pensions Fund which was closed to new entrants in 2013 but which remains open for payment of pensions in respect of all service prior to July 2013. The Fund was in serious deficit following the collapse in markets in the late noughties.

The changes come recommended by the scheme trustee and are proposed by the Representative Body. This Bill simply provides flexibility both to allow pension increases above 5% in any one year and to allow freedom for the timing of any increase.

When the Fund was closed to future accruals in 2013, a funding proposal was put in place with the aim of restoring the fund to solvency over a 10-year period. That period expires on 31st December this year. The funding scheme involved a 10-year freeze on pensions, an extension of the normal retirement age, a levy of 13% per annum of Minimum Approved Stipend on parishes and a contribution of €26 million by the Representative Body. Thankfully, the scheme has performed well, due to the measures put in place and the active growth investment strategy employed by the trustee. This year the Representative Body as sponsor of the scheme provided additional support in the form of providing a contingent asset. This gives some solvency protection but more importantly allows the trustees to continue their investment growth strategy for the benefits of pensioners.

I am glad to be able to report that the latest actuarial review indicates that the fund is on-track to be solvent at the end of this year and, if this is achieved, then the trustee would be in a position to increase both pensions-in-payment and future pensions.

I should caution that the extent of pension increases payable during 2024 will depend on the Fund value, the recommendation of the actuary and his assessment of the future income accruing to the Fund (including any clergy pensions fund levy) and the expected pension liabilities. It is difficult at this point to provide an indication of the extent of pension increases but this Bill enables the trustee, subject to the required recommendations and approvals, to be able to implement clergy pension increases payable by the Clergy Pensions Fund.

I propose that the Bill be given a Second Reading.