

## Pension and Assurance Scheme for Lay Employees of the Methodist Church (PASLEMC)

### Basic Information

<b>Contact Name and Details</b>	Nick Moore, Head of Support Services Ron Calver, Connexional Treasurer
<b>Status of Paper</b>	Final
<b>Action Required</b>	Decision
<b>Draft Resolution</b>	<ol style="list-style-type: none"> <li>1. Council proposes that from 1 September 2009 the employee contribution rate increases to 8% of pensionable salary and the complementary employer rate of 24.1% be set to eliminate the actuarial deficit</li> <li>2. Council confirms that the Pension Reserve Fund will be available to support the PASLEMC</li> <li>3. Council rescinds resolution (iv) of paper MC/09/11A</li> </ol>
<b>Alternative Options to Consider, if Any</b>	Various options for establishing a Pension Reserve Fund to be considered by Council.

### Summary of Content

<b>Subject and Aims</b>	This paper confirms that the Trustee Board has agreed to proposals from Council to eradicate the past service deficit of £2.2 million.
<b>Main Points</b>	<ul style="list-style-type: none"> <li>❑ The Trustee Board and SRC have both supported the proposal made by Council in February regarding recovery of the past service deficit of £2.2million.</li> <li>❑ The Trustee Board has accepted the Council's statement regarding the "employer's covenant" on the basis that a Pensions Reserve Fund be established by Conference to support both pension schemes.</li> <li>❑ The Trustee Board's agreement is with Methodist Council as the majority employer, not Conference.</li> </ul>
<b>Background Context and Relevant Documents (with function)</b>	Council paper MC/09/11A
<b>Consultations</b>	PASLEMC Trustee Board SRC The Connexional Team via the Head of Support Services.

### Summary of Impact

<b>Standing Orders</b>	Not yet ascertained
<b>Faith and Order</b>	N/a
<b>Financial</b>	Council's employer contributions will increase from 1 September 2009. This has been built into the 2009-2010 budget.
<b>Personnel</b>	Not yet ascertained
<b>Legal</b>	The Council has a statutory obligation to recover the past service deficit. Failure to adopt these proposals will result in a solution that will be determined by the Pensions Regulator.
<b>Wider Connexional</b>	N/a
<b>External (e.g. ecumenical)</b>	N/a
<b>Risk</b>	Risk that the church tries to delay the establishment of a fund which will negate its impact

## **Pension and Assurance Scheme for Lay Employees of the Methodist Church (PASLEMC)**

### **Introduction**

Since the meeting of Methodist Council in February there have been two meetings of other interested bodies as follows:-

#### **PASLEMC Trustee Board**

The Trustee Board accepted proposals from Council to increase members' contributions by 1% of salary from 1 September 2009 with the remaining 6% being met by the scheme's member employers. It stressed that the scheme's rules state that the other participatory employers will be bound by the decisions of the Council. The board accepted the Council's statements regarding the employer's covenant on the basis that it was clarified that the proposed Pension Reserve Fund will be for the support of the PASLEMC; not merely the MMPS.

The Trustee Board commented that as the main employer it is Methodist Council that has a statutory obligation to reach agreement with the Board regarding pension contributions and not Conference. As a result, Council is asked to rescind resolution (iv) of paper MC/09/11A.

#### **SRC**

SRC welcomed the Trustee Board's acceptance of the Council proposals and agreed that the Pension Reserve Fund would be used to support both pension schemes.

#### **Resolutions**

The Council:

- (i) proposes that from 1 September 2009 the employee contribution rate to PASLEMC should be 8% and the complementary employer rate of 24.1% be set to eliminate the actuarial deficit;
- (ii) confirms that the proposed Pensions Reserve Fund will be available to support the PASLEMC.
- (iii) Rescinds resolution (iv) of paper MC/09/11A.

#### **Nick Moore**

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