

14. Methodist Ministers' Pension Scheme (MMPS)

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Resolutions	<p>14/1. The Conference receives the Report.</p> <p>14/2. The Conference notes the increases to pensions in payment from 1 September 2021.</p> <p>14/3. The Conference notes the Resolution signed on 28 August 2020, which executed the amendments to the MMPS Rules to close the Scheme to participation by “sector employers” with effect from 31 August 2020.</p> <p>14/4. The Conference notes the 33 Flexible Apportionment Arrangements (FAAs) were signed on 31 August 2020 by the 33 “sector employers”, releasing each employer from their pension debt liabilities under section 75 of the Pensions Act 1995 on 31 August 2020.</p> <p>14/5. The Conference notes the retirements of the Revd Dr John Illsley and Ms Ruth Edmundson on 31 August 2021 from the Methodist Ministers Pension Trust Ltd, and the appointment of the Revd Andrew Walker from 1 September 2021.</p> <p>14/6. The Conference notes that the MMPS accounts were signed on 25 March 2021.</p>

Summary of Content and Impact

Subject and Aims	To update the Conference on developments regarding the Methodist Ministers' Pension Scheme.
Main Points	<ul style="list-style-type: none"> ● Confirms the 2021 annual pension increase. ● Changes implemented to the Scheme in relation to “Sector Employers.” ● Confirms the signing of 33 FAAs. ● Reports on the position with respect to Member Nominated Directors. ● Update on the triennial valuation. ● Confirms the signing of the MMPS Scheme accounts.

14. Methodist Ministers' Pension Scheme (MMPS)

Increase to pensions in payment

1. The Rules of the Scheme provide for an annual inflationary increase to pensions in payment on 1 September each year. The increase is subject to a maximum of 5% on pensions earned in respect of pensionable service before 1 September 2006 and a maximum of 2.5% on pensions earned for pensionable service completed after 31 August 2006.
2. Pensions in payment were historically increased each September in line with the increase in the Retail Price Index (RPI). However, following agreement from the Conference, escalation moved to using the Consumer Price Index (CPI), as published the preceding January, for increases awarded from 1 September 2018 onwards, for all service.
3. The increase in the CPI in the year to January 2021 was 0.7%. Therefore, pensions earned pre 1 September 2006 will increase by 0.7% and pensions earned post 1 September 2006 will also increase by 0.7% from 1 September 2021.
4. Pensions payable as a consequence of having paid Additional Voluntary Contributions (AVC) increase in line with the Retail Price Index (RPI) as at the preceding January. The RPI as at January 2021 was 1.4%. Hence AVC and Long Service Award (LSA) pensions that were put into payment prior to 1 September 2018 will increase by this amount.

Sector Employers

5. The 2014 Conference had set out plans to regularise the arrangements with the “sector employers” and over time, scrutiny from the Pensions Regulator concerning statutory employers and multi-employer schemes has increased. This led to the Trustee seeking legal advice as to how this should be resolved.
6. The Methodist Council received legal advice regarding the implications of the MMPS being open to Ministers who are serving in appointments not in the control of the Methodist Church (“sector employers”).
7. The 2020 Conference resolved that, subject to the outcome of the consultation with affected members and the consent of the Methodist Ministers' Pension Trust Limited, the rules of MMPS be amended to close the scheme to participation by “sector employers” with effect from 31 August 2020, and delegated authority to two members of the Methodist Council to finalise and execute the flexible apportion arrangements required to release the “sector employers” from their

14. Methodist Ministers' Pension Scheme (MMPS)

pension debt liabilities.

8. The consultation with affected members was completed in May 2020.
9. All then current and former sector employers signed and confirmed the agreements reached through the execution of Flexible Apportionment Arrangements which assigned their liabilities to the Conference on 31 August 2020.

Member Nominated Directors (MNDs)

10. The Revd Dr John Illsley was appointed as a MND for his present term of office which runs from 1 September 2018 and expires on 31 August 2021. The appointment is representative of the active constituency.
11. John Illsley became supernumerary on 31 August 2019 and has since been drawing a pension. In line with the Appointment Procedure Policy (MNDs), as he is no longer an active minister of the MMPS, the appointment will end on 31 August 2021.
12. Nominations to represent the active constituency were received on behalf of the Revd. Andrew Walker. Andrew will commence his term of office for a three year period from 1 September 2021.
13. Ruth Edmundson is representative of the pensioner constituency and will retire at the end of her term of office on 31 August 2021.
14. The process to invite nominations to appoint a MND to represent the pensioner constituency commenced with a view to making an appointment from 1 September 2021. Having received more than one nomination a postal ballot has commenced.

Employer Nominated Directors (ENDs)

15. Under its Articles, six directors of Methodist Ministers' Pension Trust Limited (MMPTL) must be nominated by the Council and appointed by the Conference.
16. One-third of the Church-appointed Directors retire by rotation each year and are eligible for reappointment.
17. Mr Ronald Calver and Mr Andrew Gibbs are due to retire by rotation on 31 August 2021.

14. Methodist Ministers' Pension Scheme (MMPS)

18. The Methodist Council is undertaking an exercise to confirm appointments from 1 September 2021.

The Actuarial Valuation at 1 September 2020

19. The Trustee Board continues to engage in discussions with the Scheme Actuary regarding the Actuarial Valuation due as at 1 September 2020. Discussions are ongoing with Church representatives and are the subject of a separate paper to the Conference.
20. The statutory deadline for completing the valuation is 30 November 2021.

The Scheme Accounts

21. The MMPS Trustee Report and Accounts were signed on 25 March 2021 within the statutory timeframe.

*****RESOLUTIONS**

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