



## Summary Funding Statement 2023

Church Workers Pension Fund (CWPF)

**Each year we produce a summary report to let you know the financial position of your pension scheme. This Summary Funding Statement gives you a financial update as at 31 December 2023.**

Our independent advisers, LCP, help us monitor the pension scheme's finances. A full valuation, which is a thorough and independent review of the financial position takes place every three years.

This statement – based on information from LCP – summarises the results of the last valuation at 31 December 2022, and gives you a snapshot update as at 31 December 2023.

The next full valuation will be at the end of 2024. If you have any questions or would like a copy of the formal accounts, rules, investment or funding policy, please let us know.

### Contact us



[pensions@churchofengland.org](mailto:pensions@churchofengland.org)



020 7898 1802

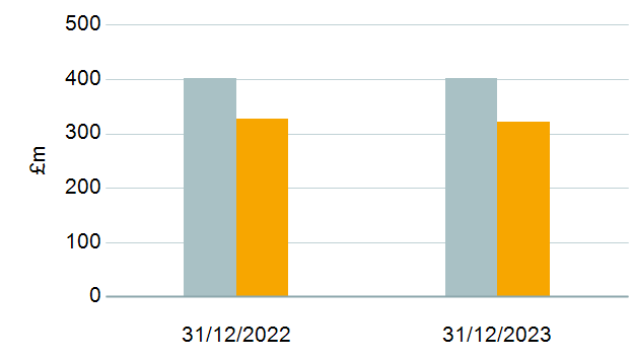


PO Box 2026, Pershore, WR10 9BW

# Defined Benefit Scheme (DBS)

## Actuarial snapshot at 31 December 2023

At 31 December 2023 the target level of assets was £321.9m and the actual assets were £80.4m above this.



	31/12/2022	31/12/2023
Asset value	£401.6m	£402.3m
Target level of assets	£328.0m	£321.9m
(Shortfall) / Surplus	£73.6m	£80.4m

### What is an asset?

The assets come from contributions paid by members and employers, together with investment growth.

We hold the assets separately from the employers and we are responsible for investing this money.

We hold the assets in a common fund – they are not held in separate pots for each member. Pensions are paid to members out of this common fund.

### How do we calculate our target level of assets?

We employ an independent expert to provide regular financial checks. These regular check-ups involve calculating a target level of assets.

The target level of assets is the amount that we expect is enough to pay everyone’s pension, based on assumptions about the future. For example, how long people will live; what inflation will be; and what investment returns will be.

Nobody knows exactly how much money will be needed to pay everybody’s pensions. This depends on how actual experience compares with our assumptions.

In your last Summary Funding Statement, we showed a surplus of £73.6m at 31 December 2022. The financial position therefore improved by £6.8m over 2023. This is mainly due to favourable experience in financial markets.

We expect the snapshot to change from year to year because the finances depend on changes in global financial markets.

### The next valuation

The next full actuarial valuation is due as at 31 December 2025. We will provide interim snapshot summaries.

### Latest Buy In with Aviva

In 2024 we agreed an insurance transaction called a ‘buy-in’ with Aviva, the savings, retirement and insurance provider. This transaction covers all previously uninsured pensions in the Defined Benefit Scheme, within the Church Workers Pension Fund.

The transaction provides an income stream exactly matching the pensions we need to pay, at no cost to members or employers.

As with any insurance, the policy holder (the Board) is paying the insurer to carry certain risks for it. In this case Aviva takes on both market risk (i.e. that assets can fall as well as rise in value), and longevity risk (i.e. the number of years over which pensions need to be paid). The insurance policy with Aviva is an investment of CWPF and will provide ongoing security for members.

Aviva is one of the largest and most well-known insurance companies in the UK, and a name with which you are hopefully familiar. We chose Aviva following a full market review. This transaction followed a careful process of due diligence assisted by our professional actuarial, investment, legal and covenant advisers. We are pleased to secure this agreement with Aviva, a long-standing pension provider and responsible investor. Aviva was one of the first insurers to sign up to a Charter co-created by the Board to strengthen responsible investment activity within these types of arrangements.

This transaction is in addition to similar transactions we made with Aviva in 2022 and Prudential in 2013.

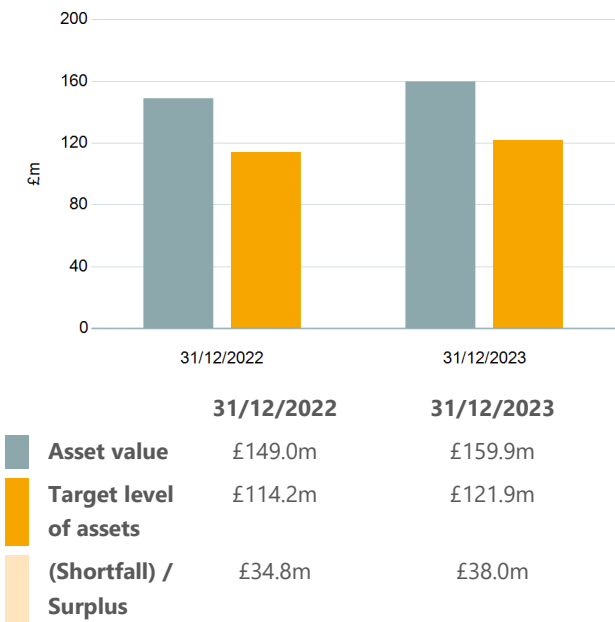
### What does this mean for my pension?

If you are a member of the Defined Benefit Scheme of the CWPF, then regardless of when you joined, your pension will now be covered by one of these insurance policies. However, you do not need to get in touch with them. The Pensions Board will continue to pay all pensions in the same way we do now. If you have any queries about your pension now or in the future, please continue to contact us.

# Pension Builder Classic (PB Classic)

## Actuarial valuation at 31 December 2023

At 31 December 2023 the target level of assets was £121.9m and the actual assets were £38m above this.



In your last Summary Funding Statement, we showed a surplus of £34.8m at 31 December 2022.

The financial position has therefore improved by £3.2m over 2023. This is mainly due to favourable experience in financial markets.

This improved financial position enabled us to add a 6.7% discretionary increase to pensions not yet in payment, and pensions earned before 6 April 1997. We added this on 1 January 2024. We will add another discretionary increase of 6.7% in January 2025.

We expect the snapshot to change from year to year because the finances depend on changes in global financial markets.

### The next valuation

The next full actuarial valuation is due as at 31 December 2025.

### What is an asset?

The assets come from contributions paid by members and employers, together with investment growth.

We hold the assets separately from the employers and we are responsible for investing this money.

We hold the assets in a common fund – they are not held in separate pots for each member. Pensions are paid to members out of this common fund.

### How do we calculate our target level of assets?

We employ an independent expert to provide regular financial checks. These regular check-ups involve calculating a target level of assets.

The target level of assets is the amount that we expect is enough to pay everyone’s pension, based on assumptions about the future. For example, how long people will live; what inflation will be; and what investment returns will be.

Nobody knows exactly how much money will be needed to pay everybody’s pensions. This depends on how actual experience compares with our assumptions.

# Pension Builder 2014

## (PB 2014)

### Actuarial valuation at 31 December 2023

At 31 December 2023 the target level of assets was £47.1m and the actual assets were £13.1m above this.



We guarantee members will receive at least the value of their contributions on retirement at age 65, plus discretionary bonuses. We hold a reserve to protect member accounts against adverse investment experience, to protect this guarantee.

In your last Summary Funding Statement, we showed a surplus of £8.5m at 31 December 2022.

The financial position has therefore improved by £4.6 million over the year. This is due to higher than expected investment returns. The reflects our decision not to add a 4.8% discretionary bonus in April 2024.

We expect the snapshot to change from year to year because the finances depend on changes in global financial markets.

### The next valuation

The next full actuarial valuation is due as at 31 December 2025.

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# Your questions answered

## Q: What if the scheme has to wind-up?

The Board monitors the cost of securing all members' benefits with an insurance company.

The most recent estimate provided by our independent advisers looked at the position on 31 December 2022. This estimate showed that, at that date, the employers would not have to make any additional final contributions to make sure all members' benefits could be paid in full by an insurance company.

## Q: Is my pension protected?

If the employers became insolvent and there was not enough money to secure benefits in full with an insurance company, members may not receive their full pension benefits.

To help members in this situation, the Government has set up the Pension Protection Fund. If your pension enters the Pension Protection Fund, the amount you receive may be less.

The Pension Protection Fund rules are complex - the amount it will pay depends on their and our rules, whether you are already receiving a pension, your age and the type of pension.

More information and guidance about the Pension Protection Fund is available at [www.pensionprotectionfund.org.uk](http://www.pensionprotectionfund.org.uk) or by contacting the Pension Protection Fund, 12 Dingwall Road, Croydon, Surrey, CR0 2NA (tel: 0345 600 2541).

## Q: What about my Additional Voluntary Contributions (AVCs)?

AVCs with the DBS and PB Classic buy extra pension in PB Classic. AVCs with PB 2014 are added to your pension pot.

## Q: Is there anything else I need to know?

Regulations require us to confirm that since the last Summary Funding Statement the Responsible Bodies have not taken any money out and the Pensions Regulator has not intervened in the running of the pension scheme. We are happy to confirm this.

# Latest news

## Pension Scams

Be aware, scammers are taking advantage of the current situation to target pensions. They are known to increase their activity at times of financial stress. The Pensions Regulator has said you should exercise extreme caution and visit the [www.fca.org.uk/scamsmart](http://www.fca.org.uk/scamsmart) website.

In particular, if you are called out of the blue by an individual or company promising to move your savings to a 'safe haven', please hang up. Cold-calling in this way is illegal. Pension scams can be hard to spot. Scammers can be articulate with credible websites, testimonials and materials that are hard to distinguish from the real thing.

If you're thinking about how to invest your retirement savings, consider getting impartial information and advice – you can find specialist help through <https://directory.moneyadvice.service.org.uk/en>

If you are concerned, please contact us or go to <https://www.pensionsadvisoryservice.org.uk/>

## Get to know your pension: hints and tools from the DWP

As part of its ongoing campaign to get people more engaged with their retirement savings, the Department for Work and Pensions (DWP) has recently published <https://www.yourpension.gov.uk> to help people plan for their retirement. It brings together various tools to trace lost pensions, find out what your likely State pension will be, and work out how much money you may need to enjoy the retirement you want.

## Climate change risks and opportunities

Our latest report outlining our governance arrangements and actions we took in identifying, assessing and managing climate-related risks and opportunities was published in June 2024. You can find it at [6699\\_pensionsboard tcfd final 3.pdf](#)

This is one part of our work to responsibly steward investments on members' behalf. You can read more about this work in our annual Stewardship Report at [coepensionsboard stewardship 2024 published.pdf](#)