

FACTSHEET 7

Pensions

Accredited Ministers Pension Scheme

A scheme with Royal London fully complies with Automatic Enrolment requirements. Each church, as employer, is required to have a pension scheme. Where they employ an accredited CF minister (category M for Minister), then that church can apply to CF to set up a church scheme with Royal London under the Group Pension Scheme CF operate. This is currently limited to a maximum of 30 churches. The minister of that church can then apply to join the church scheme within the Group.

CF make the following employer-based contributions for ministers in the scheme:

- 15% of Stipend; comprising of:
- 6.36% from CF National Funds
- 5% from the local church
- 3.64% from the local CF Area Funds

These contributions are well in excess of the minimum Government requirements.

The level of contributions is based upon the Government set minimum requirements, with CF Nationally adding a further 2%.

For further information concerning the scheme please contact – Gary Baker, Financial Controller at gary.baker@congregational.org.uk

Lay Employees

All UK employers have to automatically enroll their staff into a workplace pension if they meet certain criteria. Every employer must comply. Automatic enrolment affects all employers with staff in the UK aged 16-74 (state retirement age).

- You must enroll those staff earning over £10,000 pa aged 22+ into a pension scheme. These employees are termed 'eligible employees'
- You must invite those earning more than £5,824 pa to join if they wish. These employees are termed 'non-eligible employees.'
- You should invite those earning less than £5,824 pa to join if they wish. These are termed 'entitled employees'
- The employee contribution is 5% of their salary and the employer contribution is 3% making 8% in total.
- You must write to all your staff to tell them about pension arrangements on joining.

Dickinson-Flower Ltd ©.

While every care has been taken in compiling these notes, they are not intended to be a substitute for specific legal advice. Dickinson-Flower Ltd is not able to provide legal advice but will give information based on employee relations best practice. Specific legal advice, if required, should be obtained from a qualified lawyer specialising in employment law.

With the small numbers employed in churches the pension provider is likely to be the National Employment Savings Scheme (NEST) or the Peoples Pension.

It's the age and earnings of a member of staff that determines what "type" of worker they are and therefore what duties you will need to have for them.

You will need to write to each member of staff individually to tell them how they've personally been affected by automatic enrolment.

You must also provide certain information to the regulator about how you've complied with your duties.

Further information can be found from the Pension Regulator www.thepensionsregulator.gov.uk/

Dickinson-Flower Ltd ©.

While every care has been taken in compiling these notes, they are not intended to be a substitute for specific legal advice. Dickinson-Flower Ltd is not able to provide legal advice but will give information based on employee relations best practice. Specific legal advice, if required, should be obtained from a qualified lawyer specialising in employment law.