

Clergy pensions provides a typical 'defined benefit' pension.

You receive a pension based on your service and the National Minimum Stipend. Your Responsible Body (this could be your diocese or employer) meets the cost of providing your pension.

Members' guide

We have 7 guides to help explain how your pension works. Here are links to all 7, or scroll down the page to find out the highlights.

- [My membership](#) - find out the highlights and what happens when you join
- [Boost my pension](#) - discover how you can save more for later life, and how you can access your savings when you retire
- [Planning for retirement](#) - get ahead and find out what you can do to make the transition to retirement as smooth as possible
- [My retirement](#) - understand what you can do with your pension
- [Ill health retirement](#) - if your health is affecting you, you might be able to access your pension early
- [My pension if I leave](#) - know your options when you leave
- [My pension if I die](#) - see what will pass on to your loved ones

When we work out your pension, we often need to use actuarial factors to make sure you receive the correct and fair amount. [Find out more about how actuarial factors can influence your pension.](#)

You can also find examples of how we calculate your Clergy pension [in this appendix](#). ***Your own pension will be different from these examples, so please use these as a guide only. If you would like figures which are accurate for you, please let us know.***

My membership

You build up a pension which we will pay you for life. We also pay you a tax-free lump sum when you retire.

You don't have to pay into your pension, but you can pay extra into a pot with Legal & General. You can use this to provide extra income or a lump sum when you retire. Find out more in the **'Boost my retirement savings'** section.

While you are in active service you receive life cover of 3x the previous year's National Minimum Stipend. Find out more about this in the **'My pension if I die'** section

You can't transfer other pensions into the Clergy pension scheme, but you can move them into Legal & General.

Boost my retirement savings

You don't have to pay into your Clergy pension, but you can boost your retirement savings by paying Additional Voluntary Contributions (AVCs). When you retire we can usually pay all, or most of your AVC pot back to you tax-free.

AVCs are a tax-efficient way to boost your retirement income. It's simple, you decide how much you want to pay and where you would like to invest it and we'll do the rest for you.

Find out more about paying AVCs, and how much you could get back tax-free when you retire in our ['Boost my pension' guide](#).

How to save AVCs

Monthly through my stipend or salary

If you are thinking of saving AVCs, first decide how much you would like to save. Your AVCs are taken from your stipend or salary before tax. If you are a 20% taxpayer and you pay £100 a month, only £80 comes out of your stipend or pay.

You can start, stop, increase or decrease your AVCs whenever you like.

- [To start paying AVCs fill out this AVC form](#)
- [To change your AVCs - head to PensionsOnline](#)

One off lump sum

You can save one-off lump sums. To do this, [fill out an AVC form and send this to us](#). The form has all the details you need.

Anything you save into your pension is tax-free up to a limit. As you will have paid tax on your lump sums you can claim any tax relief on your [self-assessment tax return](#).

How much can I get back tax-free?

When you retire, you can often get back all, or most of your AVCs back tax-free. But, there is a limit. Find out more about [how much of your AVCs you could get back tax-free here](#).

How to invest my AVCs

Lifestyle

This takes care of investment decisions for you. Your money is invested in a mix of investments designed to grow your pension while you are still some way from retirement. As you get closer to your chosen retirement age your money automatically switches to safer assets to help lock in your pension pot.

Equity lifestyle

At first your money is invested in Global (UK and Overseas) Equities. This is mix of higher risk investment funds and the aim is to make the most return on your money while you are still some way from retirement.

Then, as you get closer to retirement your money switches automatically to a low risk fund so that by the time you retire all your money is invested in Cash.

Ethical lifestyle

We offer an ethical lifestyle option which works in the same way. At first your money is split between these two funds.

50% is invested in Global (Overseas) Ethical Equities

The other 50% is invested in UK Ethical Equities

This mix of higher risk investments aim to make the most return on your money while you are still some way from retirement. As you get closer to retirement all of your money automatically switches to Cash to protect it from any sudden drops.

Freestyle

You can make your own investment decisions. This is designed for the more confident investor and offers you more control over where your money is invested and whether or not it switches between funds.

You can pick one or more of these 9 investment funds. Click on each fund to see its performance page.

You can change your investment choice whenever you like. If you choose higher risk funds, you can switch to lower risk funds as you approach retirement. You might want to pick several funds to spread your risk.

Legal & General take a fee each year to manage the investment fund. This is in brackets.

Ethical equities:

UK Ethical Equities (0.2%)

Global (Overseas) Ethical Equities (0.3%)

Unrestricted equities:

[UK Equities](#) (0.1%)

[Global \(Overseas\) Equities](#) (0.2%)

[Global \(UK and Overseas\) Equities](#) (0.2%)

Gilts and Bonds:

[Index-Linked Gilts](#) (0.1%)

[Fixed Interest Gilts](#) (0.1%)

[Corporate Bonds](#) (0.15%)

Cash:

[Cash](#) (0.125%)

Change my investment choice

You can change your investment choice at any time. Before you do, remember you pension is a long-term pot of money.

There is no fee to switch your investments, but while your money is being switched there can be some transaction costs which come out of your pension. To limit these costs, try not to switch your pension too often.

[Complete our switch investments form](#) and send it back to us and we'll switch this for you. **We aim to complete switches in 5 days.**

Change my target retirement date

Most people don't know exactly when they will retire. Some people might retire early, others might retire later in life, or retire different circumstances such as family or health needs.

If your pension is invested in one of our Lifestyle options, it's important you think about when you might retire. We will line your AVCs up ready for you to take at that point. This is your "target retirement date".

If you don't tell us when you think you'll retire, we will pick age 68 for you. If you think you might take your pot before or after this, make sure you update your target retirement date so that we can line your pot up correctly.

[Update your target retirement date here.](#)

Plan for your tomorrow

We all have different aims for retirement. But, are you on course for the retirement you want?

[Use our planning for retirement page](#) to find out if you're on track. The earlier you do it, the easier it is.

You can also look at our guide to [planning for retirement](#) with your clergy pension.

My retirement

When you are ready to take your pension, let us know.

We will pay you a pension for life, plus a tax-free lump sum. We aim to pay your lump sum as soon as possible after you retire.

You don't have to keep your pension with us. You can transfer it to a 'defined contribution' pension provider who can offer more flexible ways of taking your pension. You could:

1. Take an adjustable income, called drawdown
2. Take cash lump sums in stages
3. Take your whole pension as a lump sum in one go

We will tell you all about these options and how you can take advantage of them closer to your retirement.

Retirement due to health reasons

If your health is stopping you carrying out your duties you can think about ill health retirement.

First, speak to your diocese, Archdeacon or Bishop about your health concerns. They will usually try to adapt your role to make this more manageable. If it is clear you can't continue ask us for an ill health application form.

Find out more about how ill-health pension works, and the process of applying [in our ill-health pension guide](#).

Pre-Retirement Loans

When you retire, your pension comes with a tax-free lump sum. We know that a number of Clergy would like access to this lump sum early.

While we cannot pay this to you in advance, [the Churches Mutual Credit Union](#) offers interest-only 'Pre-Retirement Loans' up to three years before retirement, where you pay a reduced 'interest only' monthly repayment, and repay the full loan when you get your lump sum. For more information and to see if this is something you might be able to access, please speak with the Churches Mutual Credit Union team.

Helping you find financial advice

With something as important as your finances, you don't want to worry that you've got things wrong. This is where a financial adviser comes in.

A financial adviser will find out what financial products you already have, the support your employer provides, confirm what you are entitled to from the State, and tell you where any gaps in your finances lie. They can also advise you on complex things like tax, and trusts.

To ensure you are on the right track, we've partnered with Ecclesiastical Financial Advisory Services (EFAS) who are specialists in advising those who work or serve for the Church of England.

[Find out how EFAS can help you](#)

Transferring my pension

You do not have to keep your Clergy pension with us. You can move all or some of your Clergy pension to another pension provider. This can give you access to more cash lump sums, or the ability to take money as and when you need it. You could also leave more money to your loved ones when you die.

[Find out more about transferring your Clergy pension here.](#)

Get in touch with us if you would like to transfer your pension and we can help you do this.

My pension if I leave

If you leave service before you retire, we will keep your pension here with us until you decide to take it, transfer it to another provider or die.

We will still send you annual updates to let you know how your pension is progressing.

My pension if I die

If you die before or after you retire, we will pay two-thirds of your pension to your husband, wife or civil partner.

We guarantee your pension for 12 months. If you die within this period, we will pay the remaining payments as a lump sum.

If you die while in active service (and before age 75), we will also pay a tax-free lump sum of:

- 3x the previous years' National Minimum Stipend, plus,
- your additional pot with Legal & General, if you have one.

Tell us the person, people or organisations you would like to leave any lump sum to - [head to PensionsOnline to add your nomination](#).

If your circumstances change, remember to update your nomination. To keep this tax-free we have discretion over who receives any lump sum but we'll be guided by your wishes.

Pensions technical area

If you're looking for help with a technical question, and you can't find the answer on this page, [check out our technical area](#). You might find the answer there. If not, get in touch with us and we can help.

My annual pension statement

Each year we send you a statement which tells you how much is in your pension. It also includes information about what you could get when you reach your target retirement date.

If you pay AVCs, we'll send you a statement letting you know how this is progressing. In this, we talk about what your AVCs could be worth in the future. To do this we need to make some assumptions. [Find out the assumptions we use in our SMPI guide](#).

How to make a complaint

We make every effort to provide you with an efficient and effective service. However, if you are unhappy with the service you receive, please contact us first and we will do our best to resolve your issue.

If you have a complaint or dispute concerning your workplace or personal pension arrangements, you can also contact the Pensions Ombudsman. If you have general requests for information or guidance head to MoneyHelper.

The Pensions Ombudsman

Tel: 0800 917 4487

Website: www.pensions-ombudsman.org.uk

MoneyHelper

Website: <https://www.moneyhelper.org.uk/en/pensions-and-retirement/pension-problems>

Contact us

We are here to help. You can contact us by:

Phone: 020 7898 1802 (9am - 5pm, Monday to Friday)

Email: pensions@churchofengland.org

Source URL: <https://www.churchofengland.org/resources/pensions/clergy-pensions>