

11 July 2011

Dear Friend

Following the Consultation on the future of the Baptist Ministers' Pension Fund and the Baptist Union Staff Pension Scheme, it has been decided that the proposals will go ahead from 1 January 2012.

From this date there will be no further accrual in the Defined Benefit Schemes, and contributions for future service will be invested in a Defined Contribution Scheme managed by Legal and General Assurance plc.

The deficiency contributions for the Ministers defined benefit scheme which were estimated at between 10% and 12% of pensionable income, have been fixed at 11% on an ongoing basis, but as a result of representations made during the consultation, the increase will be phased over two years with deficit contributions of 8.4% in 2012, and the 11% coming into effect on 1 January 2013. Deficiency contributions for the Staff defined benefit scheme are still in the process of being set and will be notified as soon as possible.

Whilst this is a pensions communication, churches may be helped to know that following the Union's usual processes the Trustee Board meeting at the end of June set the Home Mission Stipend for 2012 as £20,000 (an increase of 1.78%) and the manse allowance as £6,000.

Cessation Events could still occur in many instances when Ministers leave churches after 1 January 2012. Churches are reminded that there are mechanisms in place to assist in avoiding these. Churches should seek a period of grace as set out in the Consultation Document, and as appropriate appoint an interim minister during that period of grace.

Further details are given in the attached sheet, and more details of new roadshows on the Defined Contribution scheme will follow.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ruth Bottoms', written in a cursive style.

The Revd Ruth Bottoms
Moderator of the Union's Trustee Board