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THE CLERGY PENSION SCHEME.

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(Member of the Clergy Pensions Committee).

IT has been obvious for years that the failure of the Church of England to provide adequate pensions for her aged clergy is a blot on the administrative ability of a great National Church, and the more so since owing to the comparatively small remunerations these clergy as a rule receive, it has been impossible for them to provide for old age themselves. The result is that many are compelled to remain in their posts when quite incapable of carrying on the duties of the Ministry in an efficient manner. It is true that the Incumbents Resignation Act provides that an income of not more than one-third of the value of the living may be given them if a Commission appointed by the Bishop decides to do so ; but a man naturally hesitates to resign when he is not certain that he will get even this, and moreover, he knows that his successor will be financially hampered owing to the payment that has to be made to the retiring Incumbent.

It must also be remembered that no pension can be given under the Incumbents Resignation Act unless the Incumbent has been seven years at least in that living. Many a man therefore dare not at an advanced age take an easier post, since in the event of breaking down before another seven years have elapsed, he can receive nothing. All this tends to show that the present state of things cannot be defended.

One cannot speak too highly of the excellent effort which has been made by the Clergy Pensions Institution to meet the difficulty from a voluntary point of view. It has been able to supplement the annuity of £15 15s. at the age of 65, which each beneficiary has purchased for himself by the payment of a small annual premium, with the sum of £36 5s. This entitles the recipient to an annuity of £52 at the age of 65 ; to this the Ecclesiastical Commissioners have in most cases added another £75, thus making £127 per annum, a sum woefully insufficient to retire upon if nothing is taken out of the living. It will be seen, therefore, that this scheme, good as it is, does not adequately meet the situation.

When the Church Assembly was first constituted it was felt

necessary that something must be done to meet this crying need. A committee was therefore appointed to look into the matter and report. The first question that had to be decided was whether the system should be a compulsory one or not, and the Church Assembly decided that the principle of compulsory payments should be adopted. The second principle agreed on was that the richer livings should be asked to contribute up to a certain limit a larger proportion than the smaller ones for the same rate of pension, on the ground that those who are better off should help their poorer brethren.

The problem, however, to be faced was by no means an easy one. When we bear in mind that the average age of the clergy is 52, it will be clear to anyone with the slightest actuarial knowledge that the liabilities that would have to be met even for a pension of £200 paid at the age of 70 was an exceedingly heavy one.

The problem, however, was bravely attacked, with the result that after nearly thirty meetings of the committee a Clergy Pension measure was drafted and submitted to the Church Assembly in November, 1924, with the result that general approval was given, and a newly appointed committee instructed to consider any amendments that might be necessary, and report to the February, 1925, Session.

We will now endeavour to present the main features of the measure as placed before the November Session of the Church Assembly and the steps taken to meet the difficulties in the way.

It was soon found after consulting the actuary that to provide a pension of £200 at the age of 70 for all clergy now living would entail a liability which would be quite impossible to meet. After taking into consideration the resources which we might be able to rely upon it was found that the scheme would have to be limited to those under the age of 55 or possibly 56, and that all over that age would have to be left out of the measure, they of course making no contribution to the fund and remaining in exactly the same position with regard to the future as at the present time, viz. : If a clerk is over the fixed age on the appointed day, then his pension provision will be made up of :

(a) Not more than one-third of the income of the benefice, as provided in the Incumbents Resignation Act, 1871.

(b) Not more than £75 per annum under the regulations of

the scheme of the Ecclesiastical Commissioners, which are still applicable in these cases.

(c) A grant from a voluntary fund raised and controlled by the pensions authority, the amount of such grant to depend on the success of the fund.

It will be seen, therefore, that when the present clergy over 56 pass away, the Incumbents Resignation Act will be entirely repealed, and, to quote the words of the Archbishop of Canterbury, "the scheme, if passed, would roll away a mischief, a harm which has been to my mind simply terrible for a great number of years past, viz. the principle that out of the income of the present Incumbent the pension of his predecessor had to be found."

We will now deal in detail with the condition under which a pension will be paid to those who on the appointed day are within the scope of the Act, viz. those who are then under the age of 56 years and are in the receipt of £100 per annum or over.

In the first place, he will be required to pay 3 per cent. on his official nett income, from £100 per annum up to £675, according to the following table :

CONTRIBUTION TABLE

COLUMNS 1 and 2 show the Amount of Assessable Clerical Income, exceeding and not exceeding respectively the amounts entered therein ; COLUMN 3 shows the amount of half-yearly contribution in each case.

				£ s. d.	
Exceeding £100 but not exceeding	£125	.	.	1	17 6
"	125	"	"	2	5 0
"	150	"	"	2	12 6
"	175	"	"	3	0 0
"	200	"	"	3	7 6
"	225	"	"	3	15 0
"	250	"	"	4	2 6
"	275	"	"	4	10 0
"	300	"	"	4	17 6
"	325	"	"	5	5 0
"	350	"	"	5	12 6
"	375	"	"	6	0 0
"	400	"	"	6	7 6
"	425	"	"	6	15 0
"	450	"	"	7	2 6
"	475	"	"	7	10 0
"	500	"	"	7	17 6
"	525	"	"	8	5 0

				£	s.	d.
Exceeding £550 but not exceeding £575				8	12	6
„ 575 „ „			600	9	0	0
„ 600 „ „			625	9	7	6
„ 625 „ „			650	9	15	0
„ 650 „ „			675	10	2	6
„ 675				10	10	0

Secondly, he must have served 40 years to obtain the full pension and at least 15 years to obtain any pension. The following table will explain the position :

PENSION TABLE

COLUMN 1 shows the qualifying period of pensionable service ; COLUMN 2, the rate of pension in cases where the pension is entered upon at or above the age of 70 ; COLUMN 3, the rate of pension on retirement by reason of permanent disability under the age of 70.

	£	£		£	£
15 years . . .	34	25	28 years . . .	98	77
16 „ . . .	38	27	29 „ . . .	105	83
17 „ . . .	42	30	30 „ . . .	112	90
18 „ . . .	46	32	31 „ . . .	120	98
19 „ . . .	50	35	32 „ . . .	128	107
20 „ . . .	55	38	33 „ . . .	137	117
21 „ . . .	60	41	34 „ . . .	146	127
22 „ . . .	65	44	35 „ . . .	155	138
23 „ . . .	70	48	36 „ . . .	164	149
24 „ . . .	75	53	37 „ . . .	173	161
25 „ . . .	80	59	38 „ . . .	182	173
26 „ . . .	86	65	39 „ . . .	191	186
27 „ . . .	92	71	40 years (or over)	200	200

If he retires before 70 he must be certified by medical examination to be unfit. In the event of a compulsory contributor who has paid contributions under the measure retiring before he has qualified for any pension, his contributions will be repaid to him with $2\frac{1}{2}$ per cent. simple interest.

We will now deal with the position of beneficiaries under the Clergy Pensions Institution.

The status of those members who are outside the measure owing to their age will be in no way prejudiced, their liabilities being a first charge on the Pension Fund ; the security behind them will be even greater than before.

With regard to those who come under the measure, they will

receive a pension at the age of 65 (if they retire) at the rate of not less than £52 per annum, and at 70 years at the rate of £225 per annum. In either case it must be remembered that they have only paid for an annuity of £15 15s. at the age of 65, the remainder coming out of the Augmentation Fund which has been subscribed.

It may be well next to consider the sources from which the funds will be raised. The first source is of course the 3 per cent. on the nett incomes of the clergy; by itself this would not be nearly sufficient to provide the required pensions, and thus further resources had to be found. The Ecclesiastical Commissioners will give a capital sum of £350,000, and in addition £100,000 will be available each year.

The whole of the assets of the Clergy Pensions Institution will be taken over, subject to the interests of the present beneficiaries being preserved, and also a certain proportion of the profits of the Ecclesiastical Insurance Office.

The Church Assembly will be required in addition to provide, as a first charge on the Central Fund, a sum of £50,000. This will make the Pensions Fund actuarially solvent. But it is hoped that charitable contributions may eventually be forthcoming from many individual laymen, and there is no reason why the fund, if wisely managed, should not in twenty years' time or less, when the heavy liabilities of the older members ceases, be able to increase the pension to £250 or even £300 per annum.

It will be necessary now to deal with some of the criticisms that have been made on the measure. One of the most frequent is that it makes no provision for widows and orphans. The obvious answer to this is that to overload the measure at first would be gravely to jeopardize its passage into law, and moreover the difficulty of providing at the present juncture the extra fund would be insuperable. As time goes on this great need will undoubtedly have to be met, but we must go step by step.

A desire has also been very generally expressed that the contributions should be returnable if the pension is not claimed, on the ground that the widow would be worse off if the contributor died before claiming the pension. Anyone, however, with the slightest actuarial knowledge will realize that to do this either the pension would have to be largely reduced or the contributions increased.

If the contributions were returnable they would have to be at the rate of 6 per cent. instead of 3 per cent., or the pension would have to be reduced nearly 50 per cent. Either alternative would be destructive to the measure. The best solution of the problem for those who desire to provide for a widow and would be willing to pay at the rate of 6 per cent. is, that they should pay the extra 3 per cent. to a life Assurance Office and thus provide a sum at death that would be available for their dependants. It has been suggested that an option should be given by which a man might choose whether he should pay for returnable premium or not ; the difficulty here is again an actuarial one. It is easy enough to provide actuarially a system of returnable or non-returnable premium for the whole body of clergy, but if you give a choice, owing to the impossibility of knowing how many would avail themselves of returnable and how many of non-returnable premium, the actuarial problem would be an exceedingly difficult one and the whole basis of the present measure would have to be altered, and the opposition of other powerful interests in the Insurance world might be aroused. Surely under the circumstances it is better to pass the measure as it now stands and leave the individual to provide, if he so desire, by assurance against death for his dependants, and to endeavour by means of a Voluntary Fund to meet the needs of those who can only pay for the pension. There remain now to deal with only the inevitable hard cases, which we believe will be few. It is felt that these could be dealt with on their merits by Diocesan Pensions Funds, helped also by a Voluntary Fund started by the Pensions Authority, to which it is hoped substantial donations would be forthcoming by the laity.

We earnestly hope, moreover, that the clause in the measure which ensures that each Parish Church Council will be asked to pay the premium of its clergy will be responded to, and that thus the extra financial burden which so many clergy bear may be lifted from their shoulders ; this help should be the more readily forthcoming since the Parish would not be called upon to meet the greater burden which would be thrown upon it of helping the succeeding incumbent to pay the pension which, under the Incumbents Resignation Act, may be required to be paid to his predecessor.

There is another point of considerable importance which arises

in the case of those who may be working overseas, or in education or similar employments. They may remain in the scheme by continuing the payment of the premium on a voluntary basis by agreement with the Pensions Authority. Should they then come back into work either as Incumbents or Curates, the compulsory payment would, of course, again be resumed and their pension assured.

We may now sum up the main advantages of the measure. It will bring about the repeal of the Incumbents Resignation Act at once for all those under the appointed age, and substitute for the payment of a retiring Incumbent by his successor of a pension out of the living an assured pension from an independent source. It will enable an elderly man to accept an easier post without the haunting fear that if he has to retire before seven years have elapsed, he will have no claim under the Incumbents Resignation Act to any pension at all.

It will assure all who have served not less than 40 years upon attaining the age of 70, a pension of £200 should he wish to retire; and to those who have served a less number of years, provided there be at least 15 years' service, a lesser pension calculated on actuarial lines at the age of 70.

In cases of disability the pension would be slightly less. In all cases there is a minimum limit of 15 years' service. The pension would be proportionate up to the cases in which 40 years have been served, when it would be the full amount, viz. £200 (*see* Tables). And it is framed on such sound actuarial lines that it is practically certain that by the time new ordinands have served 40 years, the pension will be substantially increased by the accruing surplus, which it is hoped may be sufficiently large to assist also the widows and orphans of the clergy and to provide other benefits under the scheme.

The measure may not at first accomplish all that we could desire, but it is a substantial step in the right direction, and will remove many anomalies which now exist, and place the position of those who come under the scheme when they grow old on a sounder basis.

Since writing the above, the measure has been before the February Session, the following slight amendments being agreed to:

(1) That men drawing pensions of £200 per annum might do a moderate amount of work and receive a moderate amount of remuneration with the sanction of the Bishop.

(2) A new sub-section to Clause 27 which reads as follows ;
 " Where an incumbent who has held his benefice at the date of the passing of this Measure claims upon resignation a pension under this Measure the pensions authority, if it shall be of opinion that according to the practice now prevailing he would have had a reasonable expectation of getting from his benefice a pension exceeding that which he would get under the Measure, may award him an increase of pension up to the amount of £100 per annum."

The New Art Library of Messrs. Seeley, Service & Co. provides a series of works on various phases of the practice of art by well-known and eminent representatives of the different sections treated. The latest volume—*Landscape Painting*—is by Adrian Stokes, R.A. (15s. net), and is a valuable addition to the series. It covers every aspect of the subject, and gives the student practical advice on those details of his work upon which true success depends. From his long and extensive experience of every variety of landscape he is able to give suggestions of great value as to the best methods of treatment. There is a wealth of illustration, and numerous diagrams and sketches by the author make the book specially useful to beginners.

Church and Chapel. What each may learn from the other, by one who has served both (S.P.C.K., 1s. net), is a series of papers " to show the working methods of the Church of England to the Nonconformist, and those of Nonconformity to the Churchman." There are many interesting facts and contrasts noted. On one point we must express our disagreement from the writer. He says: " Some churches have High Mass as the principal service of the day. To the Evangelical Protestant this is nothing but Romanism. But why should it be so regarded? Leave out the words High Mass; call it Holy Communion, or, if you like, ' Breaking of Bread.' Is it not the Lord's own service, and ought it not to be the principal service?" The writer is guilty of the common mistake of regarding a Holy Communion, mutilated by the omission of the central essential feature, the partaking of the elements, as " our Lord's own service." It is obviously nothing of the kind. It is the substitution of the idea of sacrifice for that of communion—the error which has led to the present divided condition of our Church.

A collection of short addresses by the Rev. Charles Brown, D.D., is published by the Religious Tract Society under the title *How the Kingdom Comes* (2s. 6d.). Many of them are answers to important questions, such as: Why should a man trust in God? Who knows what happens at death? What is my cross? They are full of thought, devotion, and spiritual suggestion.