



## CHARITABLE FUND EXPLAINED FACTSHEET

### **Where will the money come from to form the Charitable Fund?**

The surplus in the Defined Benefit section will be distributed in line with provisions in the Beneficiary Fund Trust Deed. The Deed requires that any surplus remaining after members' Defined Benefit section wind-up distributions have been paid, be applied by General Assembly for charitable purposes.

All of the surplus, by definition, will form the Charitable Fund.

### **What will the purpose of the Charitable Fund be?**

The Charitable Fund will be established as a charitable trust, which will have the objective of "the advancement of religion, and in particular the Christian religion", which will include for the support of Ministers of religion in accordance with the mutual commitment of Church and Minister to a lifelong undertaking. This will include retired ministers and their surviving spouse.

Should the proposal for change find favour with General Assembly, work will

be undertaken to develop clear guidelines for the uses of monies held within the Charitable Fund.

### **Why is some of the Fund surplus being diverted to a charitable fund instead of being distributed directly to members?**

Under the Trust Deed, members are only authorised to their "entitlements" based on the actuarial calculations and the terms of the trust deed. The Trustees and fund actuary are bound by the provisions of the trust deed in determining how the surplus will be applied.

The Trust Deed makes provision for calculating wind-up distributions, and in the event of a surplus remaining after the calculation of member wind-up payments, the Trust Deed dictates that the surplus must be applied for charitable purposes.

The establishment of the Charitable Fund meets this requirement and allows the surplus to be used for the support of ministers.

Currently applications can be made to the Defined Benefit section of the Beneficiary



# Beneficiary Fund

Fund in the event of hardship or special needs; under the proposed changes, such applications can be made to the Charitable Fund.

## **Who will be eligible to obtain support from the Fund?**

The specific terms of the Charitable Fund will be determined by the Church Property Trustees if General Assembly gives its approval to the proposal. However, it is anticipated that all current and future ministers, and annuitants, will be eligible for support from the Charitable Fund as well as their surviving spouse.

## **Who will administer the Charitable Fund?**

Administration of the Charitable Fund will be the responsibility of the Church Property Trustees.

## **When could I apply to the Charitable Fund for support?**

One of the proposed purposes that monies held within the Charitable Fund will be applied to, is to provide a safety net for ministers, annuitants and their surviving spouse if they are adversely

affected by the wind-up of the Defined Benefit section of the scheme.

In circumstances where an annuitant or minister (or their surviving spouse) could not meet reasonable living costs, an application could be made to the Fund.

Applications will need to establish to the Trustees' satisfaction that a distribution from the Charitable Fund is appropriate.

## **Do I have to put all my cash entitlement into the new Defined Contribution scheme to be able to qualify for support from the Charitable Fund?**

No. However, it should be noted that applicants will need to establish to the Trustees' satisfaction that a distribution from the Charitable Fund is appropriate.

## **What would my surviving spouse get if I have put my cash entitlement back into the new Defined Contribution scheme and it has run out (or in other investments and they have run out)?**

Your surviving spouse will be a potential beneficiary in the Charitable Fund and may qualify for assistance from it.