

ABCI 2013  
RETIREMENT BENEFITS SCHEME

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# PENSIONS BULLETIN

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ASSOCIATION OF  
**BAPTIST** CHURCHES  
IN IRELAND

# CHAIRMAN'S MESSAGE

*Welcome to the first of our new Pensions Bulletins, which I know arrives with you at a challenging time for us all.*

30% EQUITIES  
70% BONDS



First of all, our top priority is paying your pension and I am pleased to say that our Pension Scheme has good levels of liquidity (cash available) to continue to pay the pensions of all of our members without interruption.

It has been a big year for the Pension Scheme:

- » We strengthened the governance of the Scheme by setting up a new company - ABCI Retirement Benefits Limited – and brought in new Directors with significant Pensions experience.
- » We have just completed our Triennial Actuarial Valuation - a fancy name for a full valuation of the Scheme to assess our financial health which all Pension Schemes are legally required to undertake every three years. The good news is that our Pension deficit has fallen despite adverse market conditions.
- » We developed and implemented a new Investment Strategy, based on advice from our Investment Advisers, which has moved the balance of our investments from 70% equities / 30% (less risky) bonds, to 30% equities / 70% bonds, a move that has stood the Scheme in good stead during the market instability caused by the Coronavirus in the first quarter of 2020.

In these uncertain times, we are working hard to manage the financial impact of the Pandemic and the inevitable market instability that will result as Brexit negotiations approach a climax, whilst continuing to ensure your benefits remain secure. Please continue to remember the Scheme and the Directors in prayer that we will make wise decisions in the face of volatility and uncertainty.

I trust that you find this update helpful and informative and that it gives you a good understanding of the Scheme. We would welcome your feedback and if you have any additional queries, please do not hesitate to get in touch.



**David Nicholl**  
Chairman

# NEW STRUCTURE

*On 3 June 2019, a new company - ABCI Retirement Benefits Limited - was established to be the sole Trustee of the Pension Scheme taking over from the two previous trustees, Northern Baptist Corporation Limited and Mr Neville Orr.*

**There are a number of benefits in the change of trusteeship but the two main reasons are:**

- ✓ The Northern Baptist Corporation was one of two Trustees of the Scheme but it was offering to allow charges to be put in place over NBC assets for the benefit of the Pension Scheme. This created a potential conflict of interest for the Directors of NBC between their legal duties as Directors of NBC and their legal duties as a Trustee of the Pension Scheme.
- ✓ Apart from the independent Trustee, Neville Orr, there was a lack of Pensions expertise in the previous Trustee arrangement. The new company would be (and has been) able to recruit Directors with specific knowledge and expertise in Pensions to improve the governance and oversight of the Scheme.



**The current Directors are as follows:**

- » **David Nicholl** (Chairman)
- » **Richard Donnan\***
- » **Pastor Ian Grant\***
- » **Uel McChesney\***
- » **Neville Orr**

Three of the Directors are Member Nominated Directors (marked by \*).

All of the Directors are appointed by the Executive Committee of the Association of Baptist Churches in Ireland and these appointments are renewable annually. This ensures that the Directors are ultimately accountable to the churches.

Dave Ramsey, ABCI Director, is also the Secretary to the Company and the Pension Scheme.

# LATEST ACTUARIAL VALUATION RESULTS

Once every three years, a full actuarial valuation takes place, providing a check on the financial health of the Scheme. In this health check, our Actuary, Deloitte, compares the value of the Scheme's assets with the value of our liabilities - the payments that we are due to make over time to members of the Scheme.

**The results of this Valuation can be summarised through two key statistics:**

**Shortfall:**

the gap between the value of the Scheme's assets and the value of its liabilities to pay out benefits until the Scheme closes through the death of the last member.

**Funding level:**

the value of the Scheme's assets expressed as a percentage of the value of its liabilities - the target is ultimately a funding level of 100% or more.

In May 2020, the latest Actuarial Valuation of the Scheme was carried out and the results showed a funding deficit (shortfall) of £336,000 which is almost half the £608,000 deficit from the last valuation three years ago.

This means that the Pension Scheme is 91% funded compared to 84% at the last valuation (funding level).



91%  
funded



**In order to further strengthen the financial position of the Scheme:**

- » In May 2020, the Directors agreed a recovery plan with the Association of Baptist Churches in Ireland (ABCI) which aims to significantly reduce the deficit over the next 8 years by way of ABCI making an annual contribution of £30,000 to the Scheme. These contributions have been underwritten by the Northern Baptist Corporation Ltd (NBC).
- » On 5 May 2020, the Scheme entered into legally binding contingent asset agreements with NBC whereby charges in favour of the Scheme have been placed over two NBC properties worth some £350,000 and cash of £175,000 held on deposit by NBC. These will only ever be activated if ABCI cannot meet the required funding contributions or in the unlikely event that ABCI becomes insolvent and ceases to exist.

In the opinion of the Directors, the significant improvement in the Valuation figure, the additional contributions through the recovery plan together with these guarantees over NBC assets and cash puts the Scheme in a much stronger position going forward.

However, we are living in times of great uncertainty and extreme volatility, so your prayers on our behalf would be greatly valued.

# INVESTMENT REPORT

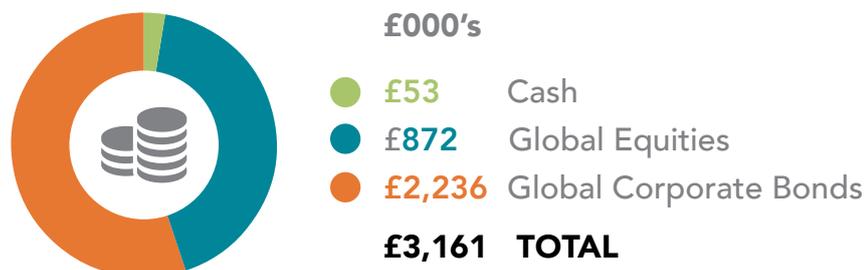
*The Directors are responsible for setting and managing the investment strategy of the Scheme and, to assist with this, we have appointed an investment advisor, Quattro Pensions. Our Investment Manager is Legal and General.*

In 2019, acting on investment advice, we implemented a new Investment Strategy, moving the balance of our investments from 70% equities / 30% bonds to 30% equities / 70% bonds. Bonds are significantly less volatile than equities.

Furthermore, as the Scheme matures, the aim is to de-risk further from equities to bonds until we achieve a goal of having 100% of our investments in bonds.

The performance of our investments during the year was affected by COVID-19 with a significant drop in value from £3.28m on 01 February to a closing value of £2.98 million on 31 March 2020. However, by 01 August 2020, these investments had recovered to a value of £3.16m.

## SPLIT OF ASSETS AS AT 01 AUGUST 2020



## SCAMS

**Please be aware that some fraudsters may attempt to use the COVID-19 situation to try to scam you. The most common scams are 'phishing' messages.**

These are e-mails or texts that might claim to contain information from the government or Health Service, or even latest news on how to stay safe during the Pandemic. Once you open the message and click on any links, your device can become infected with a virus that allows the scammers to access your personal data, like passwords and account numbers.

If you do not recognise the sender and the sender's e-mail address, please do not click any links.

# ANNUAL REPORT AND ACCOUNTS

*The Scheme's Annual Report and Accounts for the year ended 31 March 2020 have now been audited by GMcG Belfast, who have confirmed that they show a true and fair view of the Scheme's financial transactions over the period.*

## NET ASSETS AS AT 31 MARCH 2020

### Total scheme members

56

44 Pensioners

12 Deferred Members

During the year, two Deferred Members went into payment of Pension

<b>NET ASSETS AS AT 01 APRIL 2019</b>	<b>£3,226,689</b>
CONTRIBUTIONS TO THE DEFICIT	30,000
BENEFITS PAID OUT	(202,804)
INVESTMENT MANAGEMENT CHARGES	(7,197)
LOSS ON INVESTMENTS	(62,406)
<b>NET ASSETS AS AT 31 MARCH 2020</b>	<b>£2,984,282</b>

As explained above, the value figure of £2,984,282 at 31 March 2020 reflects the fall in the stock market that occurred at the peak of the Pandemic. Markets have experienced a recovery since then.

Please contact us if you would like a full copy of the Report and Accounts for 2019/20.

# KEEPING INFORMATION UP-TO-DATE

Please keep us informed of any changes in your contact details, for example your postal address or e-mail address.

You will also need to inform us of the death of a member in a timely manner so that arrangements can be made for payment of death benefits to a beneficiary (if applicable).

If you have any query about your pension, please contact Dave Ramsey, Scheme Secretary at:

**T:** (028) 9261 9267

**E:** [dave@thebaptistcentre.org](mailto:dave@thebaptistcentre.org)

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