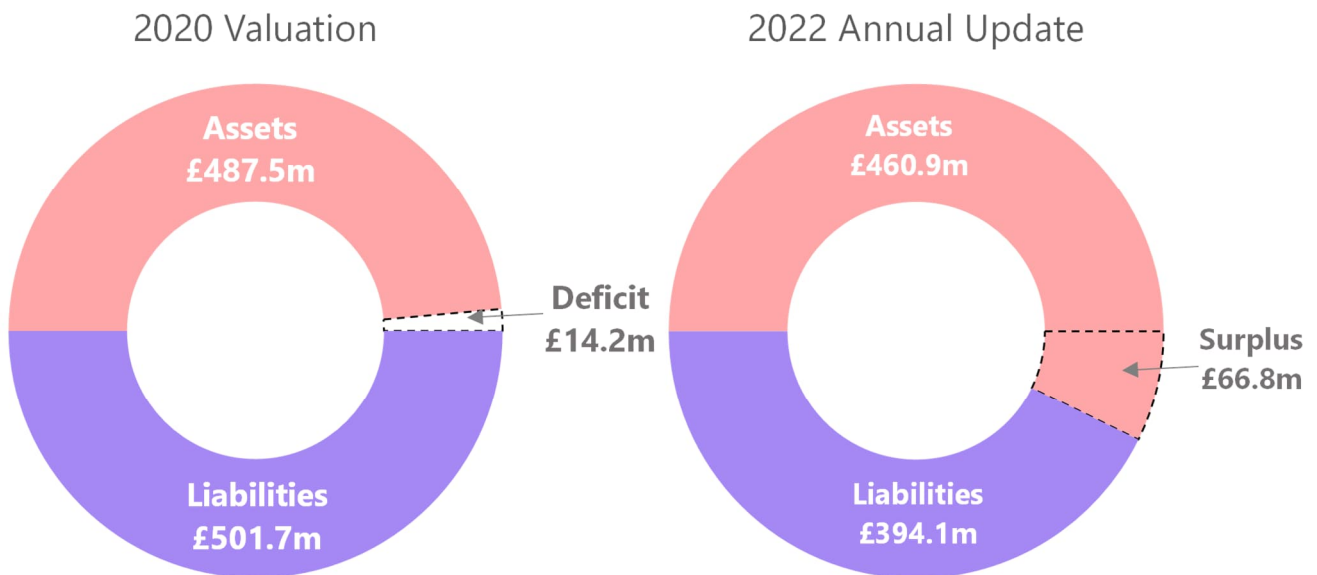


Summary Funding Statement

Results of annual update of the Scheme as at 1 September 2022

The results of the interim funding assessment carried out as at 1 September 2022, assuming that the Scheme continues into the future, are illustrated below, together with the results of the 2020 actuarial valuation for comparison purposes. Government bond yields have risen significantly since the 2020 valuation which has reduced the value placed on the Scheme's liabilities.



As the Scheme's 1 September 2020 shortfall could potentially be eliminated by excess investment returns, the Trustee and the Methodist Council on behalf of Conference agreed a conditional recovery plan at the 2020 valuation. It was agreed that no core contributions were required but conditional contributions of up to £2,641,000 would be transferred to the Scheme from the Pension Reserve Fund if required each December, from December 2021 up to and including December 2026. The precise amount payable is determined by the Scheme Actuary each year having regard to Scheme experience (with no conditional contribution payable if the funding position is ahead of the recovery plan expectations). As reported in last year's Summary Funding Statement, no conditional contribution was payable in December 2021 because of the improvement in the funding position over the year to 1 September 2021. Similarly, the surplus funding position as at 1 September 2022 meant that no conditional contribution was payable in December 2022.

The total cost of providing future service benefits amounted to 38.8% of Stipends at 1 September 2020. Members are continuing to pay 9.3% of Stipends and therefore the required Circuit contribution rate is 29.5% of Stipends. The Methodist Council, on behalf of Conference, decided that for the time being Circuits will continue to pay 26.9% of Stipends, and the difference of 2.6% of Stipends will be met by an annual contribution from the Pension Reserve Fund.

In addition to the above contributions, the Trustee and the Methodist Council (on behalf of Conference) have agreed a secondary long term funding target for the Scheme. Any shortfalls against 90% of the Scheme's secondary long term objective basis will result in additional contributions to those detailed above ("remedy payments"). The Scheme was estimated to be above 90% on its long term objective basis as at 1 September 2022 and therefore, similarly to last year, currently no remedy payments are required.

To further support the Scheme's funding and investment strategy, the Methodist Council (on behalf of Conference) has:

- (i) pledged security worth £39.9m in the form of a charge on properties; and
- (ii) placed cash of £28.6m in a restricted fund.

The Trustee has a right to call on these assets should Conference default on a conditional recovery plan contribution or a remedy payment that falls due following a Long Term Funding Objective assessment.

How has the position changed since 2021?

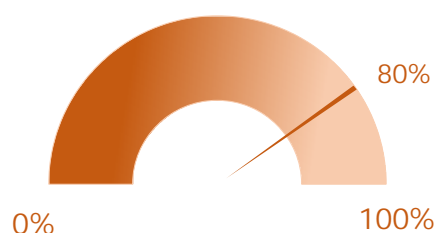
The previous Summary Funding Statement that we sent to you showed the Scheme's funding position at 1 September 2020 together with an update as at 1 September 2021. Market movements over the last year have reduced the value placed on both the Scheme's assets and liabilities. This has reduced the Scheme's surplus in absolute terms from £75.8m at 1 September 2021 to £66.8m at 1 September 2022 but the funding ratio (assets as a proportion of the liabilities) has remained stable (115.2% at 1 September 2021 and 116.9% at 1 September 2022).

What would happen if the Scheme started to wind up?

As part of the 2020 valuation, the actuary investigated the Scheme's solvency position if it had started to wind up (ie come to an end) at the valuation date. This is part of the standard funding requirements and it does not mean that the Conference is thinking of ending the Scheme.

To assess solvency, the actuary looks at whether the Scheme had enough money at the valuation date to buy insurance policies to provide members' benefits in full. Insurance companies have to invest in low risk assets, which are likely to give low returns, and their policy prices will include administration charges and a profit margin. This means that the cost of securing benefits from an insurance company is very likely to be greater than our funding target.

Solvency Funding Level at 1 September 2020



If the Scheme had started winding up at 1 September 2020, the actuary estimated that the amount it would have needed to ensure all benefits were paid in full (the full solvency position) was £611.2m. The assets were £487.5m. On this basis the solvency shortfall was £123.7m and the solvency level was 79.8%.

Payment to the Conference and modifications imposed by the Pensions Regulator

We are obliged to tell you that there has not been any payment to the Conference out of the Scheme's assets in the previous twelve months. The Conference currently has no intention of receiving any payment from the Scheme. We also confirm that the Pensions Regulator has not modified the Scheme, nor made any directions regarding the contributions the Conference is required to pay to the Scheme or the calculation of the Scheme's funding position.

Contact Information

We hope you have found this information useful. If you have any questions about this Statement or about your own pension, please do not hesitate to contact us via:

Methodist Ministers' Pension Trust Limited
Methodist Church House
25 Tavistock Place
LONDON
WC1H 9SF

Tel: 020 7467 5287

Email: pensionshelp@methodistchurch.org.uk

Data Privacy Notice

The Trustee and the Scheme Actuary Diana Simon are joint data controllers for the purposes of data protection regulations. The Trustee has a written contract with the Church and the Scheme Actuary has a written contract with the Trustee. We comply with these contracts and appropriate professional standards when processing personal data.

The Trustee collects information from you and may receive information about you from the Church or from the trustees of other pension schemes which hold data about you. The Scheme Actuary may receive information about you from the Church or the Trustee. We hold this personal data and use it to:

- Calculate and pay your benefit entitlements in the Scheme;
- Monitor and report on the funding position of the Scheme;
- Calculate and deduct any tax due from your benefits;
- Administer the Scheme in accordance with legal requirements; and
- Maintain your Scheme records

The data we hold includes your contact details and information required to calculate your benefits, such as dates of birth, sex, marital status and employment history. In some circumstances, we may collect limited health information to assess eligibility for certain Scheme benefits. We may also collect bank details for benefit payments. We aim to collect only that information needed to administer your benefits, perform actuarial calculations, and to comply with our legal obligations.

We will typically only share your information with certain regulatory bodies or as legally required for tax purposes. In some circumstances, we may share your information with other providers to the Scheme as part of the administration process. The Trustee may also share your information with the Church and their professional advisers in connection with its responsibilities towards the Scheme. If we transfer your data to other jurisdictions, we comply with applicable data protection laws.

You have the right to:

- request copies of the personal data we hold about you by contacting us at the address above;
- correct any information that is incorrect, inaccurate or incomplete;
- restrict what we do with your information until we correct it or if you believe we are using your data unlawfully.

Your personal information is held for only as long as it is needed to perform our duties. In some cases, legal requirements dictate that we continue to keep some records until a period of time has elapsed. Your information will be deleted, destroyed, or returned when we no longer have a legitimate reason to retain it.

More information is available from the Information Commissioner's office (<https://ico.org.uk>).