

CONSOLIDATED COPY OF
- the -
RULES
- of -
THE UNIVERSITY OF YORK PENSION FUND

DATED 6 APRIL 2006
(up to date as at the date of this deed)⁵

ALLEN & OVERY

Allen & Overy LLP

⁵ The Rules were consolidated by a Deed of Amendment dated 1 October 2009. The amendments from this date are shown in italics.

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PRELIMINARY

1. INTERPRETATION, DEFINITIONS AND GENERAL RULES

- (A) Where the context requires words referring to one gender refer also to the other gender and words referring to the singular refer also to the plural and vice versa.
- (B) Any reference to any Act includes any regulations made under that Act. Any reference to legislation includes:
 - (1) any modification or re-enactment for the time being in force;
 - (2) in relation to a period before the legislation came into force, any corresponding provision of any previous legislation; and
 - (3) where the legislation applies to part only of the United Kingdom, any corresponding provision of any legislation applying to any other part of the United Kingdom.
- (C) Any reference in the Rules to a numbered clause means the clause having that number in the Trust Deed.
- (D) The headings do not affect the meaning of the Rules.
- (E) *⁶In the Rules references to marriage and related expressions are construed as follows:*
 - (1) *husband includes a man who is married to another man;*
 - (2) *wife includes a woman who is married to another woman;*
 - (3) *widower includes a man whose marriage to another man ended with the other man's death;*
 - (4) *widow includes a woman whose marriage to another woman ended with the other woman's death;*
 - (5) *a reference to marriage of a same sex couple is a reference to (i) marriage between two men and (ii) marriage between two women, and a reference to a same sex spouse and a same sex marriage is to be construed accordingly;*
 - (6) *a reference to marriage is to be read as including a reference to marriage of a same sex couple; and a reference to a married couple is to be read as including a reference to a married same sex couple;*
 - (7) *a reference to a person who is married is to be read as including a reference to a person who is married to a person of the same sex;*
 - (8) *a reference to a spouse or Spouse is to be read in accordance with (1) to (7) above.*

Where this Rule requires a reference to be read in a particular way, any related reference is to be read accordingly.

⁶ Amended by deed dated 16 April 2015

(F) In the Rules:

Actuary means the actuary for the time being appointed as the actuary to the Scheme.

Associated Employer means any employer participating in the Scheme (except the Principal Employer).

AVC Account, in relation to a Member, Early Leaver or Pensioner, means the account referred to in Rule 26(B) (The Voluntary Contributions Fund).

Beneficiary means any person absolutely or contingently entitled to a benefit from the Scheme.

Benefit Crystallisation Event has the meaning given by section 216 of the Finance Act and references to crystallisation, crystallised and uncrystallised have the corresponding meanings.

Cash Equivalent and **Cash Transfer Sum** have the meanings given in Chapter IV and 5 of the Pension Schemes Act 1993 and reference to a right to a Cash Equivalent or a Cash Transfer Sum have the corresponding meanings.

Child means a Member's, Early Leaver's or Pensioner's legitimate, legitimised or adopted child (including a child born after the death of a Member) who is either under age 16 or is under age 23 and either is receiving full-time education or full-time vocational training approved by the Trustee or, in the opinion of the Trustee, has a physical or mental impairment which means that he is incapable of undergoing full-time education or unable to support himself. A child who is over age 23 but otherwise qualifies under the preceding sentence of this definition may be included if he qualifies as a dependant under the Finance Act. No person shall become a Child of an Early Leaver or a Pensioner after the date that Early Leaver or Pensioner leaves Employment, retires or exercises an option under Rule 9(D) (Retirement after Normal Pension Age).

The Trustee may, subject to the consent of the Principal Employer and to the individual qualifying as a dependant under the Finance Act, include as a Child any child or stepchild of a Member, Early Leaver or Pensioner not otherwise included by this definition, or waive any of the qualifications relating to age, education and vocational training, for any period it agrees with the Principal Employer.

Civil Partner means a Member's, Early Leaver's or Pensioner's civil partner within the meaning of the Civil Partnership Act 2004. In the case of an Early Leaver or a Pensioner, the civil partner must be his civil partner at the date he leaves, or retires from, Pensionable Employment or exercises an option under Rule 9(D) (Retirement after Normal Pension Age) (whichever occurs first), unless the Trustee decides otherwise in any particular case

Class A Member means any Member who is not a Class B or Class C Member.

Class B Member means a Continued Rights 1989 member as defined in the Pre-6th April, 2006 Rules relating to Pre-6th April, 2006 Tax Approval.

Class C Member means a Continued Rights 1987 member as defined in the Pre-6th April, 2006 Rules relating to Pre-6th April, 2006 Tax Approval.

Contracted-out Employment means a Member's, Early Leaver's or Pensioner's employment which is or was contracted-out employment by reference to the Scheme for the purposes of Part III of the Pension Schemes Act 1993, including employment which is so treated as contracted-out employment by reference to the Scheme as a result of a transfer of his rights.

Contracting-out Rules means the provisions of Rule 27 (Guaranteed Minimum Pensions) and the applicable contracting-out requirements of the Pensions Acts.

Early Leaver means a person who has ceased to be in Pensionable Employment and is entitled to a pension under the Scheme which has not commenced to be paid, but excludes a Member and a Pensioner.

Earnings Cap has the meaning given in paragraph (3) of the Appendix.

Election Window means a period of 28 days during which a Lower Tier Member may elect to become an Upper Tier Member and vice versa in accordance with Rule 3(D) or (E). An Election Window shall commence on (and shall include) the following dates, and/or such other dates as the Principal Employer may, with the Trustee's agreement, notify to Members from time to time:

- (i) for Lower Tier Members who wish to become Upper Tier Members, 1 October 2012 and every subsequent third anniversary of this date;
- (ii) for Upper Tier Members who wish to become Lower Tier Members, 1 October 2010 and every subsequent anniversary of this date; and
- (iii) in respect of a Post-2009 Joiner, his First Election Date.

Employers means the Principal Employer and the Associated Employers. In relation to any employee or former employee or person claiming through him,

Employer means the Employer by which, at the relevant time, he is or was last employed. In addition the use of the definition "Employer" throughout the Trust Deed and the Rules means each of them or all of them as the context requires.

Employment means employment with an Employer.

Finance Act means the Finance Act 2004.

Final Pensionable Salary means at the date a Member ceases to be in Pensionable Employment the highest annual average of Pensionable Salary during the three consecutive years ending at that date.

If at the date of cessation of his Pensionable Employment a Member, Early Leaver or Pensioner was not a Member for three years his Final Pensionable Salary shall be the annual average of his Pensionable Salary over the period of his membership (as determined by his Employer).

Any amount of Final Pensionable Salary which exceeds the Earnings Cap will be ignored for the purposes of calculating pension to be exchanged for a lump sum under Rule 13 (Commutation) if a Member first joined the Scheme on or after 17th March, 1987.

First Election Date is defined in Rule 3.

Full-time Employment means full-time Employment with an Employer.

Fund means the investments, cash and other assets for the time being held by or on behalf of the Trustee on the trusts of the Scheme, other than the investments, cash and other assets of the Voluntary Contributions Fund.

GMP Age means a male's 65th birthday and a female's 60th birthday.

Guaranteed Minimum means in relation to a Member, Early Leaver or Pensioner or his widow or widower or surviving civil partner, a guaranteed minimum (including any increases or prospective increases) as referred to in Rule 27 (Guaranteed Minimum Pensions), or if the context so requires, the pension payable under the Scheme to that Beneficiary, to the extent that its weekly or other equivalent rate is equal to that guaranteed minimum.

HMRC means Her Majesty's Revenue and Customs and its predecessor The Inland Revenue.

Incapacity Retirement Pension is defined in Rule 10(A).

Index means the general index of retail prices (for all items) published by the Office for National Statistics or, if that index is not published for a month, any substituted index or figures published by that office or by any replacement government appointed body.

Lower Tier Member means a Member of the lower tier of the Scheme who makes contributions to the Scheme under Rule 6(A).

Lump Sum Death Benefit means the benefit under Rule 17 (Death of a Member - Lump Sum).

Member means a person who has been admitted to membership of the Scheme, but excludes an Early Leaver, a Pensioner and a Participant as defined in Rule 28 (Pension Sharing).

Member's Lifetime Allowance, availability of the Member's Lifetime Allowance and Standard Lifetime Allowance have the meanings given in sections 218 and 219 of the Finance Act.

Minimum Pension Age in relation to a Member means:

- (a) at any time up to (and including) 5th April, 2010, age 50;
- (b) thereafter age 55 or, if applicable the Member's Protected Pension Age.

⁷**Non-admission Period** means:

- (a) *in respect of the University of York and any employee of the University of York, the period commencing on 1 August 2013 and ending on 31 July 2016, both days inclusive; and*
- (b) *in respect of any other Employer and employees of such Employer, the period which commences on 25th December 2013 and ends on 24th December 2016, both dates inclusive.*

Non-contributory Member means any Member in Employment who for the time being participates in a Salary Sacrifice Pension Arrangement.

⁸**Non-standard Increase** means any increase in the Member's Salary (including, but not limited to, a consolidation of a bonus) which:

- (i) *takes effect on or after 1 February 2011 and within the period of three years immediately preceding the date on which he ceases to be in Pensionable Employment, and*
- (ii) *in the opinion of the Trustee, after consulting the Member's Employer, exceeds what the Trustee would consider to be a standard increase in Salary having regard to the*

⁷ Amended by deed dated 31 July 2013

⁸ Amended by deed dated 25 January 2011

Member's position, experience and current salary level, and the increases awarded to other staff at the relevant time.

Normal Pension Age means a Member's, Early Leaver's or Pensioner's 65th birthday. If a Member retires at Normal Pension Age the previous day is his last day in Employment.

Part-time Employment means Employment with an Employer which is not Full-time Employment. The Member's Employer will decide whether an Employee's Employment at any time is Full-time Employment or Part-time Employment.

Pensionable Employment means a Member's last or only period of membership of the Scheme up to and including the earlier of the date he leaves or retires from Employment or ceases to participate in the Scheme under Rule 12 (Ceasing to be Eligible) or dies.

Pensionable Employment shall be calculated in years and days, each day being counted as 1/365 of a year, and shall not exceed 40 years.

Provided that:

- (1) Pensionable Employment shall be calculated in respect of each period of membership in Part-time Employment as:

the number of days in that period $\times \frac{A}{B}$

where

A = the amount of basic salary actually received or receivable by the Member for that period

and

B = the amount of basic salary which the Member would have received if he had been in Full-time Employment during that period (as determined by the Employer); and

- (2) The Principal Employer may at its discretion include as Pensionable Employment for all or any purposes any period of Employment not otherwise included by this definition.

Pensionable Salary means at any date a Member's Salary. Where a Member participates in a Salary Sacrifice Benefit Arrangement or a Salary Sacrifice Pension Arrangement, his Pensionable Salary is the amount that his Salary would be if he did not participate in such an arrangement ⁹*PROVIDED THAT in respect of any Member who is employed by an Associated Employer and who is not graded within the Higher Education Role Analysis scales, the Trustee may decide at its sole discretion that all or part of any Nonstandard Increase in such a Member's Salary shall not count towards his Pensionable Salary, or shall only count towards his Pensionable Salary subject to certain conditions (which may include, without limitation, a requirement for the Member and/or the Employer paying such additional contributions to the Fund as the Trustee determines under clause 3 of the Trust Deed). Any such decision made by the Trustee will be notified to the Member.*

Pension Credit has the meaning given by section 124(1) of the Pensions Act 1995.

Pensioner means a person who has been a Member and:

- (a) is in receipt of a pension under the Scheme;

⁹ Amended by deed dated 25 January 2011

- (b) who has exercised an option under Rule 9(D) (Retirement after Normal Pension Age); or
- (c) who has taken a lump sum under Rule 13(E) or (F) (serious ill-health and trivial commutation) and/or made an election under Rule 14 (Dependant's Pension Option) in respect of all his pension benefits under the Scheme other than the Guaranteed Minimum, but excludes a person entitled to a pension under clause 14 (Discretionary Pensions).

Pensions Acts means the Pension Schemes Act 1993, the Pensions Act 1995, the Welfare Reform and Pensions Act 1999 and the Pensions Act 2004.

Phased Retirement Member is defined in Rule 16.

Policy means a policy of insurance or an annuity contract provided by an insurance company (as defined in the Finance Act). References to buying a policy include entering into an annuity contract. The policy must satisfy the requirements of applicable legislation.

Post-2009 Joiner is defined in Rule 3.

Pre-6th April, 2006 Beneficiary means each person who under the Pre-6th April, 2006 Rules is on 5th April, 2006:

- (a) in receipt of a pension; or
- (b) entitled to a pension payment which has not started; or
- (c) contingently entitled to a pension or other benefit on the death of another person.

Pre-6th April, 2006 Leaver means a Pre-6th April, 2006 Beneficiary other than one whose entitlement is contingent on the death of another person.

Pre-6th April 2006 Rules means the trust deed and rules of the Scheme which were in force on 5th April, 2006 or, where referred to in relation to a Pre-6th April, 2006 Beneficiary, those trust deeds and rules or any previous ones which govern his entitlement under the Scheme.

Pre-6th April, 2006 Tax Approval means HMRC's published practice for approval before 6th April, 2006 of an exempt approved scheme under Chapter 1 of Part XIV of the Income and Corporation Taxes Act 1988 as it applied to the Scheme.

Principal Employer means The University of York.

Protected Pension Age has the meaning given to that expression in paragraph (4) of the Appendix.

Qualified Member means a Member:

- (a) who has completed at least two years' Qualifying Employment; or
- (b) in respect of whom the Trustee has accepted a transfer payment relating to his rights under a personal pension scheme.

Qualifying Employment is as defined in section 71 of the Pension Schemes Act 1993.

Registered Scheme means a registered pension scheme as defined in section 150(2) of the Finance Act.

Relevant Date means the date of retirement, leaving Pensionable Employment or death as the case may be.

Rules means these Rules as altered or added to from time to time.

Salary means (subject to Rule 6(C) (Members' Contributions) when a Member makes an election following a reduction in his Salary) the annual rate or equivalent (as determined by the Member's Employer) of the basic salary or wage payable to a Member by his Employer, excluding bonuses, overtime and any other fluctuating emoluments, but including shift pay, enhanced payments forming part of a regular shift pattern, and any other payments which are a planned and regular element of his salary or wage;

Provided that for the purpose of calculating Pensionable Salary in respect of a period of Part-time Employment, Salary means the annual rate or equivalent (as determined by the Member's Employer) of the weekly rate of the basic salary or wage paid to him by his Employer, excluding bonuses, overtime and any other fluctuating emoluments but including shift pay, enhanced payments forming part of a regular shift pattern and any other payments which are a planned and regular element of his salary or wage, in respect of each week of Part-time Employment, multiplied by A and divided by B where:

A = the amount of basic salary or wage which the Member would have received if he had been in Full-time Employment during the relevant week (as determined by his Employer); and

B = the amount of basic salary or wage actually received or receivable by the Member for the relevant week.

In relation to calculating the lump sum payable under Rule 17 (Death of a Member Lump Sum), if a Member has been a Member for less than 12 months or his remuneration varies from week to week, his Salary is the annual equivalent of his Salary from his Employer over the period of his membership (as determined by his Employer).

¹⁰ **Salary Sacrifice Benefit Arrangement** means an arrangement made by a Member's Employer under which a Member's Salary is reduced, but the Member instead receives a benefit from his Employment in a different form and on the basis that the reduction in Salary is, nevertheless, treated as pensionable (in terms of the definition of Pensionable Salary).

¹¹ **Salary Sacrifice Pension Arrangement** means an arrangement made by a Member's Employer under which: (1) a Member is not required to make contributions to the Scheme; (2) the Member's Salary is reduced by the amount by which he would otherwise have been required to contribute to the Scheme and (3) the reduction of Salary is treated as being pensionable (in terms of the definition of Pensionable Salary).

Scale Pension means, in relation to a Member, the total of:

1. one-sixtieth of his Final Pensionable Salary multiplied by the period of his Pensionable Employment before 1 October 2009;

¹⁰ Amended by deed dated 2 November 2012

¹¹ Amended by deed dated 2 November 2012

2. one-sixtieth of his Final Pensionable Salary multiplied by the period of his Pensionable Employment as an Upper Tier Member on and from 1 October 2009; and
3. one-eighty-fifth of his Final Pensionable Salary multiplied by the period of his Pensionable Employment as a Lower Tier Member on and from 1 October 2009.

¹²*In relation to a Tier 3 Member, **Scale Pension** means one one-hundredth of his Final Pensionable Salary multiplied by the period of his Pensionable Employment as a Tier 3 Member.*

Scheme means The University of York Pension Fund.

Spouse means a Member's, Early Leaver's or Pensioner's legal widow or widower. In the case of an Early Leaver or a Pensioner the widow or widower must be married to him at the date he leaves, or retires from, Pensionable Employment or exercises an option under Rule 9(D) (Retirement after Normal Pension Age) (whichever occurs first), unless the Trustee decides otherwise in any particular case.

If at the date of his death a male Member or Pensioner is survived by two or more wives of valid polygamous marriages and more than one of those wives was living with him or financially dependent upon him to a substantial extent (as to which the decision of the Trustee shall be final) the Trustee shall decide which one or more of those wives shall be a Spouse.

State Pensionable Age means pensionable age in accordance with Part I of Schedule 4 to the Pensions Act 1995.

¹³***Tier 3 Lump Sum** means, in respect of a Tier 3 Member or an Early Leaver who was a Tier 3 Member when he was in Pensionable Employment, a lump sum equal to three one-hundredths of his Final Pensionable Salary multiplied by his Pensionable Employment as a Tier 3 Member.*

¹⁴***Tier 3 Member** means a Member who makes contributions under Rule 6(BB).*

Trust Deed means the Trust Deed to which these Rules are annexed.

Trustee means The University of York Pension Trust Limited or the other trustees or trustee for the time being of the Scheme.

Ultimate Dissolution Date means the day before the twentieth anniversary of the death of the last survivor of the descendants of King George V born before and living on 31st December, 1964.

Upper Tier Member means a member of the upper tier of the Scheme who makes contributions to the Scheme under Rule 6(B),

¹⁵***USS Employee** means a USS Ill-Health Employee or a person in Employment who ceased to be an active member of the Universities Superannuation Scheme on the date that his terms and conditions of Employment changed as a result of an Employer led redundancy or restructuring exercise.*

¹⁶***USS Ill-Health Employee** means a person in Employment who ceased to be an active member of the Universities Superannuation Scheme on the date that his terms and conditions of Employment changed as a result of an Employer-led initiative due to that person's ill-health or incapacity.*

¹² Amended by deed dated 31 July 2013

¹³ Amended by deed dated 31 July 2013

¹⁴ Amended by deed dated 31 July 2013

¹⁵ Amended by deed dated 16 April 2015

¹⁶ Amended by deed dated 16 April 2015

Voluntary Contributions Fund means the fund which consists of a Member's voluntary contributions paid or deemed to have been paid to it and the investments, cash and other assets for the time being held by or on behalf of the Trustee on the trusts of the Scheme, other than the investments, cash and other assets of the Fund.

(G) Any reference to an actuary may, where permitted by legislation, mean an actuary who has not been appointed by the Trustee under section 47 of the Pension Act 1995 as the Scheme actuary.

(H) **Overriding rules**

The Appendix to the Rules (Finance Act — limits on benefits and transitional provisions) has effect and paragraphs (2) (limits on benefits etc.) and (3) (earnings cap etc.) of the Appendix override any other provision of the Rules except clause 30 of the Trust Deed (Alterations) and the Contracting-out Rules.

MEMBERSHIP AND CONTRIBUTIONS

2. ELIGIBILITY AND ADMISSION

(A) ¹⁷Subject to Rules 2(F)and 3(B) ¹⁸..... no person shall be admitted to membership of the Scheme during the Non-admission Period and no person employed by the relevant Employer shall be admitted to membership at any later time as an ¹⁹....Upper Tier Member or a Lower Tier Member (amended by deed dated 16 April 2015). With effect from the day following the end of the Non-admission Period an employee of the Employer is eligible for admission to membership of the Scheme as a Tier 3 Member if he:

- (1) is (i) in permanent Employment as determined by the Principal Employer or (ii) in Employment and the Principal Employer agrees that the employee is eligible for membership;
- (2) has completed not less than 3 years' continuous Employment;
- (3) is aged not less than 18 but not more than 60; and
- (4) is not eligible to be a member of the Federated Superannuation System for Universities, the Universities Superannuation Scheme, or any other retirement benefits scheme for the time being designated by the Employer and is not a member of the Employers' designated auto-enrolment scheme, unless his membership is in respect of employee contributions only.

(B) An employee who is eligible for membership of the Scheme under (A) ²⁰or (F) of this Rule and who has completed an application for membership in the form required by the Trustee will, subject to Rule 3, become a ²¹..... Member as from the date on which he becomes eligible under (A) ²²or (F) of this Rule provided the application form was submitted on or before the last day of the month in which he becomes eligible under sub-rule 2(A) ²³or (F). If the application form was submitted after the last day of the month in which the employee became eligible under sub-rule 2(A) ²⁴or (F), he will become a ²⁵....Member as from the first day of the month in which he submits the application form (subject to sub-rule (C) below).

(C) An employee who does not apply for membership of the Scheme within one month (or any longer period the Principal Employer allows) of becoming eligible may become a ²⁶....Member following a later application only if the Principal Employer agrees, and if it does agree the benefits under the Scheme in respect of that employee shall be varied to the extent (if any) the Principal Employer determines, and may be subject to the provision of medical evidence by the Employee.

(D) If an employee does not satisfy the eligibility conditions set out in (A) of this Rule he may, if the Principal Employer and the Trustee agree, become a ²⁷Tier 3 Member, in which event the benefits under the Scheme in respect of him will, be varied to the extent (if any) the Principal Employer determines.

¹⁷ Amended by deed dated 31 July 2013

¹⁸ Amended by deed dated 16 April 2015

¹⁹ Amended by deed dated 16 April 2015

²⁰ Amended by deed dated 16 April 2015

²¹ Amended by deed dated 16 April 2015

²² Amended by deed dated 16 April 2015

²³ Amended by deed dated 16 April 2015

²⁴ Amended by deed dated 16 April 2015

²⁵ Amended by deed dated 16 April 2015

²⁶ Amended by deed dated 16 April 2015

²⁷ Amended by deed dated 31 July 2013

- (E) If the terms of a Member's Employment are changed with effect from 1 August 2006 as a result of the Higher Education Role Analysis (HERA) exercise with the effect that the Member is placed at grades 6 to 8 and would no longer be eligible for participation in the Scheme under Rule 2(A), the Member may elect to remain in the Scheme, and for such purposes will be treated as fulfilling the eligibility criteria set out in Rule 2(A) until such time as the Member's grading is further changed²⁸ (*and the new grade is one of grade 6 or above*) or, if sooner, a further cessation event occurs as set out in Rule 12(A).
- (F) ²⁹*A USS Employee who fulfils the conditions under sub-rules 2(A)(1), (3) and (4) above will be eligible for admission to membership of the Scheme, subject to the agreement of the Principal Employer and the Trustee, in the category of membership set out below or such other category of membership as the Principal Employer and Trustee determine:*
 - (1) *a USS Employee who commenced continuous Employment before 1 August 2013 will be eligible for admission to membership of the Scheme as an Upper Tier Member or a Lower Tier Member as the USS Employee elects. If a USS Employee fails to make an election, within such reasonable timeframe as is decided by the Trustee and notified to the USS Employee, he will be admitted to the Scheme as a Lower Tier Member; and*
 - (2) *a USS Employee who commenced continuous Employment on or after 1 August 2013 will be eligible for admission to membership of the Scheme as a Tier 3 Member.*

The Non-admission Period will not apply to a USS Employee who is to be admitted to membership under this Rule.

3. CONTINUATION OF AND RE-ADMISSION TO MEMBERSHIP

- (A) A person who became a Member before the date of the Trust Deed and who is in Employment on that date, will continue to be a Member, and to pay contributions in accordance with Rule 6 (Members' Contributions), unless he has given notification under Rule 12(A) (Ceasing to be Eligible) of his intention to cease active participation in the Scheme or he has become ineligible to be a Member. An Employer shall also contribute to the Scheme, in respect of a Non-contributory Member, amounts which are equal to the contributions which the Member would have been liable to pay under Rule 6 if he had not entered into the Salary Sacrifice Pension Arrangement.
- (B) A person who has previously been a Member³⁰ *on or before 31 July 2013*³¹ *or a USS Employee who commenced continuous Employment on or before 31 July 2013 and who has previously been a member* may be re-admitted to the Scheme³² *within 30 days of the date on which he ceased to be a Member* as a Lower Tier Member only with the agreement of the Principal Employer and on terms and conditions (consistent with the requirements of the Pension Schemes Act 1993 and the Pensions Act 1995) determined by the Principal Employer with the agreement of the Trustee after consulting the Actuary.
- (C) On and from 1 October 2009, the Scheme will operate with two categories of Members: Upper Tier Members and Lower Tier Members. A Member of the Scheme must elect, before 1 October 2009 and in such form as the Trustee may require, to become either an Upper Tier Member or a Lower Tier Member from this date. If such a person does not make an election in accordance with this sub-rule, he shall automatically become a Lower Tier Member on and from 1 October 2009.³³ *With effect from the day after the end of the Non-admission Period, in the*

²⁸ Amended by deed dated 31 July 2013

²⁹ Amended by deed dated 16 April 2015

³⁰ Amended by deed dated 31 July 2013

³¹ Amended by deed dated 16 April 2015 w.e.f. 31 July 2014

³² Amended by deed dated 31 July 2013

³³ Amended by deed dated 31 July 2013

case of any Employer, a third category of Members, Tier 3 Members, is introduced. No Tier 3 Member shall be entitled to elect to become an Upper Tier Member or a Lower Tier Member.

(D) Subject to sub-rule (E) below, a Lower Tier Member may elect to become an Upper Tier Member and vice versa³⁴ or a Lower Tier Member or an Upper Tier Member may elect to become a Tier 3 Member during any Election Window by notifying the Trustee in such form as it requires.³⁵ A Tier 3 Member may not make any election.³⁶ Any such election to become an Upper Tier Member shall take effect on the first day of the Election Window. Any such election to become a Lower Tier Member or a Tier 3 Member shall take effect on the first day of the month immediately following the end of the Election Window.

(E) This sub-rule applies in respect of any person who, after 1 October 2009³⁷ and before the start of the Non-admission Period, is admitted or re-admitted as a Lower Tier Member of the Scheme under sub-rule (B) above or Rule 12(D) (a "Post-2009 Joiner"):

- (1) Unless the Principal Employer and the Trustee otherwise agree, a Post-2009 Joiner may not elect to become an Upper Tier Member until the third anniversary of the date on which he was admitted or re-admitted to the Scheme as a Lower Tier Member (the "**First Election Date**").
- (2) On the First Election Date, a single additional Election Window shall commence in respect of the Post-2009 Joiner, during which period the Post-2009 Joiner may elect to become an Upper Tier Member by notifying the Trustee in such form as it requires.³⁸ Any such election shall take effect on the first day of the Election Window (the "**Effective Date**").
- (3) On and from the Effective Date, the Post-2009 Joiner shall be entitled to make elections to change his category of membership during any subsequent Election Window in accordance with sub-rule (D) above.

4. TEMPORARY ABSENCE, MATERNITY, PARENTAL AND DEPENDANTS' LEAVE

Temporary absence other than maternity, parental or dependants' leave

(A) If a Member is absent from work:

- (1) because of incapacity, for a period not exceeding 2½ years (or any other period the Principal Employer approves); or
- (2) for any other reason which does not fall within sub-rule (E) below (including secondment) for a period not exceeding one year (or any other period the Principal Employer approves), and for so long as
- (3) there is, in the opinion of the Principal Employer, a definite expectation of return to work (except if the absence is because of incapacity and the Member is receiving pay which will not continue beyond Normal Pension Age under a sick pay or permanent health insurance scheme); and
- (4) he does not become a member of any other retirement benefits scheme during his absence unless the Principal Employer agrees; and
- (5) he does not give notification under Rule 12(A)(2) (Ceasing to be Eligible) that he is

³⁴ Amended by deed dated 31 July 2013

³⁵ Amended by deed dated 31 July 2013

³⁶ Amended by deed dated 16 April 2015 w.e.f. 31 July 2014

³⁷ Amended by deed dated 31 July 2013

³⁸ Amended by deed dated 16 April 2015 w.e.f. 31 July 2014

to cease active participation in the Scheme,

he will continue to be either (i) an Upper Tier Member (if he was an Upper Tier Member immediately before his absence commenced) or (ii) a Lower Tier Member (if he was a Lower Tier Member immediately before his absence commenced) or ³⁹ (iii) a Tier 3 Member (if he was a Tier 3 Member immediately before his absence commenced) during the period of absence (whether or not he continues to be employed by an Employer) on the basis set out in sub-rules (B) to (D) (inclusive) below and, subject to sub-rule (B) of this Rule, continue to pay contributions (unless he is a Non-contributory Member) accordingly.

If the Member has not returned to work at the end of the period of absence he will cease to be a Member and the appropriate provisions of Rule 10 (Retirement before Normal Pension Age), relating to retirement before Normal Pension Age, or Rule 11 (Leaving Employment), relating to leaving Employment, will apply.

(B) If during any period of absence the remuneration of a Member (other than a Non-contributory Member) is, in the opinion of the Principal Employer, less than it would have been but for that absence, or if the Trustee agrees for any other reason, such a Member may suspend payment of contributions.

Any part of a period of absence in respect of which a Member does not pay contributions, whether or not he is a Non-contributory Member, will not be Pensionable Employment, except to the extent determined by the Principal Employer.

(C) If a Member receives no remuneration from his Employer during a period of absence or receives remuneration at a lower rate than the rate immediately before his absence, his Pensionable Salary and Final Pensionable Salary during that period will be as determined from time to time by his Employer and notified to the Trustee, except that his Pensionable Salary and Final Pensionable Salary will not (1) be less than their respective amounts immediately before the period of absence, or (2) exceed amounts which in the opinion of his Employer would have been applicable if the Member had not been absent.

(D) Notwithstanding sub-rules (A), (B) and (C) of this Rule, the Member's Employer may, except where absence is because of incapacity, give written notice to the Trustee, either at the commencement of a Member's absence from work or subsequently that the death benefits under Rule 17(A)(2) (Death of a Member – Lump Sum) and/or Rule 20 (Death of a Member – Pension Benefits) shall either cease to apply or be reduced during any period of temporary absence. Any pension payable to a Member's widow or widower or surviving civil partner will not be less than the appropriate Guarantee Minimum.

Maternity, parental or dependants' leave

(E)(1) If a Member is absent from work for a period of leave covered by this Rule, Rule 11 (Leaving Employment) does not apply to the Member but the Member's membership as either (i) an Upper Tier Member (if he was an Upper Tier Member immediately before his absence commenced) or (ii) a Lower Tier Member (if he was a Lower Tier Member immediately before his absence commenced) or (iii) a Tier 3 Member (if he was a Tier 3 Member immediately before his absence commenced) continues during the leave subject to the special provisions set out in this Rule. In this Rule:

section refers to a section of the Employment Rights Act 1996;

ordinary adoption leave is as defined in section 75A;

additional adoption leave is as defined in section 75B;

³⁹ Amended by deed dated 16 April 2015 w.e.f. 31 July 2014

ordinary maternity leave is defined in section 71;

additional maternity leave is as defined in section 73;

parental leave is as defined in section 76;

⁴⁰**shared parental leave** is as defined in section 75E or 75G;

paternity leave is as defined in section 80A or 80B;

other family leave means a period of absence from work for family reasons (within the meaning of Schedule 5 to the Social Security Act 1989) excluding any period of maternity, adoption, paternity or parental leave;

Notional Pensionable Salary means Pensionable Salary on the basis that the person was working normally and receiving remuneration likely to have been paid for so doing as decided by the Employer from time to time.

(2) This sub-rule (2) applies to a period of:

- ordinary maternity leave;
- ordinary adoption leave;
- additional maternity leave during which remuneration is paid;
- paternity leave;
- parental leave;
- ⁴¹*paid shared parental leave*;
- additional adoption leave during which remuneration is paid;
- other family leave during which remuneration is paid.

If a Member is absent from work for a period to which this sub-rule applies, the period of absence is Pensionable Employment on the following basis.

- (a) the Member (other than a Non-contributory Member) need pay contributions only on actual remuneration received (falling within the type of remuneration constituting Pensionable Salary) but not exceeding Notional Pensionable Salary;
- (b) the benefits of a Member (other than a Non-contributory Member) are based on Notional Pensionable Salary except that during a period of ⁴²..... other family leave, the Member's benefits, other than the, Lump Sum Death Benefit, are based on his actual remuneration received (falling within the type of remuneration constituting Pensionable Salary); the Lump Sum Death Benefit continues to apply ⁴³..... during other family leave based on Notional Pensionable Salary.

⁴⁰ Amended by deed dated 16 April 2015

⁴¹ Amended by deed dated 16 April 2015

⁴² Amended by deed dated 16 April 2015

⁴³ Amended by deed dated 16 April 2015

(c) ⁴⁴*If the Member is a Non-contributory Member, the Member's Employer will make appropriate arrangements for the period of absence from work having regard to the Salary Sacrifice Pension Arrangement in which he participates.*

(3) This sub-rule (3) applies to a period of:

- unpaid additional maternity leave;
- unpaid additional adoption leave;
- ⁴⁵*unpaid shared parental leave;*
- unpaid other family leave.

⁴⁶*If a Member is absent from work for a period to which this sub-rule applies the period of absence is not Pensionable Employment but the Member remains a Member. For the purposes of the Lump Sum Death Benefit the benefit is based on the Member's Notional Pensionable Salary.*

(4) If a Member (other than a Non-contributory Member), after a period of unpaid additional maternity leave, unpaid additional adoption leave, ⁴⁷*unpaid shared parental leave* or unpaid other family leave, exercises the right to return to work, he may have any part of his leave treated as Pensionable Employment and as part of the period of two years' qualifying service used to determine whether a Member is a Qualified Member. To do this, the Member must pay the contributions which he would have paid (depending on whether he was an Upper Tier Member or Lower Tier Member ⁴⁸*or Tier 3 Member* immediately before the period of unpaid leave commenced) based on Notional Pensionable Salary for that part of his leave which is to be treated as Pensionable Employment.

(5) ⁴⁹*If sub-rule E(2) provides for a period of leave to count as Pensionable Employment and during the leave the Member informs the Employer that he does not intend to return to work, or loses the right to do so or does not in fact return to work, the Member's Pensionable Employment ends and Rule 11 (Leaving Employment) applies from -*

- (i) *if the period of leave is paid, the day the Member stops receiving pay (whether statutory or contractual) or, if earlier, the date on which his Employment ends or if later, the date in (ii) below;*
- (ii) *in the case of parental leave, paid shared parental leave or ordinary maternity leave, ordinary adoption leave or paternity leave the day when that period of leave ended for the purposes of the Employment Rights Act 1996.*

(6) A Member admitted solely for the purpose of the Lump Sum Death Benefit who is absent from work for a period of leave referred to in this Rule remains a Member for that purpose ⁵⁰*during the period of leave.* The benefit is based on Notional Pensionable Salary ⁵¹.....

(7) During a period, other than paid ordinary maternity leave, paid additional maternity leave, unpaid ordinary maternity leave and unpaid additional maternity leave, during which an employee has a contractual right to maternity leave a Member remains a Member and her Pensionable Employment continues on the basis that her contributions (if any) and benefits are based on

⁴⁴ Amended by deed dated 2 November 2012

⁴⁵ Amended by deed dated 16 April 2015

⁴⁶ Amended by deed dated 16 April 2015

⁴⁷ Amended by deed dated 16 April 2015

⁴⁸ Amended by deed dated 31 July 2013

⁴⁹ Amended by deed dated 16 April 2015

⁵⁰ Amended by deed dated 16 April 2015

⁵¹ Amended by deed dated 16 April 2015

Notional Pensionable Salary.

5. TRANSFERS IN

- (A) The Trustee may accept a transfer payment from another Registered Scheme or Policy.
- (B) The Trustee must provide, for and in respect of the person concerned, benefits of an amount and type and subject to terms and conditions determined by it after consulting the Actuary. The Trustee must inform the Beneficiary in writing accordingly.

6. MEMBERS' CONTRIBUTIONS

- (A) A Lower Tier Member (other than a Non-contributory Member) will, until his Pensionable Employment ceases, pay contributions to the Fund at the rate of 3.75 per cent of his Pensionable Salary unless and until the Principal Employer determines that another percentage rate is to apply, either generally or in respect of a particular Lower Tier Member or category of Lower Tier Members. If such a determination is made the Principal Employer will notify the Member or Members concerned, and the Trustee, in writing, of the revised percentage rate and the date from which it is to take effect.
- (B) An Upper Tier Member (other than a Non-contributory Member) will, until his Pensionable Employment ceases, pay contributions to the Fund at the rate of 7.25 per cent of his Pensionable Salary unless and until the Principal Employer determines that another percentage rate is to apply, either generally or in respect of a particular Upper Tier Member or category of Upper Tier Members. If such a determination is made the Principal Employer will notify the Member or Members concerned, and the Trustee, in writing, of the revised percentage rate and the date from which it is to take effect.
- (BB) ⁵²*A Tier 3 Member (other than a Non-contributory Member) will, until his Pensionable Employment ceases, pay contributions to the Fund at the rate of 7 per cent of his Pensionable Salary unless and until the Principal Employer determines that another percentage rate is to apply, either generally or in respect of a particular Tier 3 Member or category of Tier 3 Member. If such a determination is made the Principal Employer will notify the Member or Members concerned, and the Trustee, in writing, of the revised percentage rate and the date from which it is to take effect.*
- (C) ⁵³*If the Pensionable Salary of a Member (other than a Non-contributory Member) is reduced he may, if both his Employer and the Principal Employer (if different) agree, elect by notice in writing to the Trustee to continue to pay contributions to the Fund on the basis of his Pensionable Salary before the reduction.*

If a Member (other than a Non-contributory Member) makes such an election, his Pensionable Salary for the purposes of calculating benefits and contributions is his Notional Higher Salary (as defined below). However, if his actual Pensionable Salary subsequently increases so that it exceeds that Notional Higher Salary, his benefits will revert to being calculated by reference to his actual Pensionable Salary.

If a Non-contributory Member's Pensionable Salary is reduced he may, if both his Employer and the Principal Employer (if different) agree, elect by notice in writing to the Trustee to have his benefits calculated on the basis of his Pensionable Salary before the reduction.

If a Non-contributory Member makes such an election, his Pensionable Salary for the

⁵² Amended by deed dated 31 July 2013

⁵³ Amended by deed dated 2 November 2012

purposes of calculating his benefits and contributions is his Notional Higher Salary (as defined below). The agreement of the Employer and the Principal Employer may be subject to such terms and conditions as they decide, including terms specifying the amount of Pensionable Salary the Non-contributory Member must sacrifice under a Salary Sacrifice Pension Arrangement in order to continue to have his benefits calculated on the basis of his Notional Higher Salary.

If the Non-contributory Member's actual Pensionable Salary subsequently increases so that it exceeds that Notional Higher Salary, his benefits will revert to being calculated by reference to his actual Pensionable Salary.

Notional Higher Salary for the purpose of this sub-rule 6(C) means a member's Pensionable Salary before reduction, increased at a rate determined from time to time by the Trustee after consulting the Actuary to take account of price inflation.

- (D) A Member's contributions will be deducted from his emoluments (or otherwise collected) by his Employer at intervals it determines and will be paid by his Employer to the Trustee, or as it directs, for the purposes of the Fund at intervals agreed between the Trustee and the Employer.

7. MEMBERS' VOLUNTARY CONTRIBUTIONS

- (A) A Member may elect to pay voluntary contributions to the Voluntary Contributions Fund to increase the benefits payable to or in respect of him under the Rules in accordance with Rule 26 (The Voluntary Contributions Fund). He may pay a single contribution or contributions on a regular or irregular basis.
- (B) A Member may elect to reduce or terminate his voluntary contributions. He may suspend his voluntary contributions during any period of temporary absence in the circumstances referred to in Rule 4(A) (temporary absence).
- (C) Payment of voluntary contributions will cease when Pensionable Employment ends.
- (D) An election under (A) or (B) of this Rule must be made in writing by the Member to the Trustee in a form it determines; the Trustee may from time to time impose requirements on the amount and frequency of payment of voluntary contributions and any period of notice to be given by a Member. The amount, frequency or notice periods so determined may differ as between Non-contributory Members and other Members.⁵⁴ *The Trustee and the Principal Employer may agree a policy to determine the limits that apply, from time to time, on the voluntary contributions which may be made towards the provision of any benefits from the Scheme (whether for the Member and/or any other Beneficiary). The Trustee will notify Members in writing of the policy and any amendments to it. On and before 31 July 2014 the following limits applied to the voluntary contributions which may be made towards the provision of any benefits from the Scheme (whether for the Member and/or any other Beneficiary):*
 - (i) in respect of a Member contributing under Rule 6(A), the amount by which 15% of his Pensionable Salary exceeds his contributions under Rule 6(A);
 - (ii) in respect of a Member contributing under Rule 6(B), the amount by which 16% of his Pensionable Salary exceeds his contributions under Rule 6(B); or
 - (iii) ⁵⁵ *in respect of a Member contributing under Rule 6(BB), the amount by which*

⁵⁴ Amended by deed dated 16 April 2015

⁵⁵ Amended by deed dated 31 July 2013

15% of his Pensionable Salary exceeds his contributions under Rule 6(BB);

(iv) in respect of a Non-contributory Member; either:

- (A) the amount by which 15% of his Pensionable Salary exceeds the contributions he would have paid to the Scheme under Rule 6(A); or
- (B) the amount by which 16% of his Pensionable Salary exceeds the contributions he would have paid to the Scheme under Rule 6(B),
- (C) ⁵⁶*the amount by which 15% exceeds the contributions he would have paid to the Scheme under Rule 6(BB),*

had he not been a Non-contributory Member.

Any voluntary contributions in excess of the limits in (i), (ii) and (iii) ⁵⁷and (iv) above must be used to purchase a Policy. (See Rule 26).

- (D) A Member's voluntary contributions will be deducted from his emoluments (or otherwise collected) by his Employer at intervals it determines and shall be paid by the Employer to the Trustee, or as it directs, at intervals agreed between the Trustee and the Employer.

⁵⁶ Amended by deed dated 31 July 2013

⁵⁷ Amended by deed dated 31 July 2013

RETIREMENT BENEFITS

8. RETIREMENT AT NORMAL PENSION AGE

(A) On retirement from Employment at Normal Pension Age, a Member will be entitled to:

- (1) ⁵⁸*an immediate annual pension equal to his Scale Pension, which will not be less than his Guaranteed Minimum; and*
- (2) *in respect of a Tier 3 Member, his Tier 3 Lump Sum.*

(B) If the Member's Normal Pension Age is after the day on which his Contracted-out Employment ends and his pension from the Scheme (if it had been calculated on that day) would have been greater than his Guaranteed Minimum on the day after that day, his pension under this Rule must be increased by the amount (if any) by which the Guaranteed Minimum at retirement is greater than the Guaranteed Minimum on the day after his Contracted-out Employment ended.

9. RETIREMENT AFTER NORMAL PENSION AGE

(A) On retirement from Employment after Normal Pension Age, a Member is entitled to:

- (1) ⁵⁹*an immediate annual pension equal to his Scale Pension; and*
- (2) *in respect of a Tier 3 Member, his Tier 3 Lump Sum.*

(B) If the Member retires after the date on which his Contracted-out Employment ends, and his pension from the Scheme (if it had been calculated on that day) would have been greater than his Guaranteed Minimum on the day after that day, his pension under this Rule at retirement must be increased by the amount (if any) by which the Guaranteed Minimum at retirement is greater than the Guaranteed Minimum on the day after his Contracted-out Employment ended, reduced by the amount of any increase under sub-rule (A) above to that part of his pension which consists of the Guaranteed Minimum.

(C) The pension payable under this Rule after GMP Age must be at least equal to the Guaranteed Minimum and will, if necessary, be increased to that amount.

(D) If a Member remains in Employment after Normal Pension Age he may, if the Trustee agrees, exercise option (1), (2) or (3) below before he retires:

- (1) take an immediate pension ⁶⁰*and Tier 3 Lump Sum (if appropriate)* under sub-rule (A) of this Rule from a date (not later than his retirement from Employment) he agrees with the Trustee (the **agreed date**);
- (2) take a lump sum under Rule 13 (Commutation) on, and the balance of his pension under sub-rule (A) of this Rule from, the agreed date;
- (3) take a lump sum under Rule 13 (Commutation) on the agreed date, and the balance of his pension under sub-rule (A) of this Rule from a later date he agrees with the Trustee (but not later than his retirement from Employment).

A Member who exercises any of the options above will become a Pensioner on the agreed date.

⁵⁸ Amended by deed dated 31 July 2013

⁵⁹ Amended by deed dated 31 July 2013

⁶⁰ Amended by deed dated 31 July 2013

10. RETIREMENT BEFORE NORMAL PENSION AGE

III-Health or Incapacity Retirement

(A) If a Member retires from Employment on or after 1 October 2009 on account of ill-health or incapacity which renders him, in the opinion of the Principal Employer and the Trustee, permanently unable to carry on employment in the post which the member holds, or any other post or occupation reasonably comparable thereto, medical evidence in support of that ill-health or incapacity as may be required by the Principal Employer having been obtained from a medical practitioner selected by the Principal Employer, the Member shall, if the Principal Employer agrees, be entitled to elect to receive (instead of a deferred pension under Rule 11 (Leaving Employment)) an immediate annual pension equal to his Incapacity Retirement Pension (as defined below). That pension shall be at least equal in value to the deferred pension which would have been paid under Rule (Leaving Employment), taking into account the preservation, revaluation and contracting-out requirements of the Pensions Acts including the Contracting-out Rules. This sub-rule (A) will not apply to any Member if that Member retires on account of ill-health or incapacity before completion of five years' Pensionable Employment. No pension will be paid under this sub-rule unless the Trustee has received evidence from a registered medical practitioner that the Member is and will continue to be incapable of carrying on the Member's occupation because of physical or mental impairment.

A Member's "**Incapacity Retirement Pension**" means the total of his Scale Pension⁶¹ and in respect of a Tier 3 Member, his Tier 3 Lump Sum plus, for a Member who has not reached age 63.5:

- (a) for a Member who was an Upper Tier Member immediately before his Pensionable Employment ended, one-sixtieth of his Final Pensionable Salary multiplied by the period of Pensionable Employment which he would have completed had he remained in Employment between the date his Pensionable Employment ended up to age 63.5; or
- (b) for a Member who was a Lower Tier Member immediately before his Pensionable Employment ended, one-eighty-fifth of his Final Pensionable Salary multiplied by the period of Pensionable Employment which he would have completed had he remained in Employment between the date his Pensionable Employment ended up to age 63.5; ⁶² or
- (c) for a Member who was a Tier 3 Member immediately before his Pensionable Employment ended:
 - (i) one one-hundredth of his Final Pensionable Salary multiplied by the period of Pensionable Employment which he would have completed had he remained in Employment between the date his Pensionable Employment ended up to age 63.5; and
 - (ii) a lump sum of three one-hundredths of his Final Pensionable Salary multiplied by the period of Pensionable Employment which he would have completed had he remained in Employment between the date his Pensionable Employment ended up to age 63.5.

⁶¹ Amended by deed dated 31 July 2013

⁶² Amended by deed dated 31 July 2013

(B) If after retirement under sub-rule (A) but before Normal Pension Age, a Pensioner stops suffering, in the opinion of the Trustee, from incapacity of the same degree as gave rise to the entitlement to pension, the Trustee may reduce (on a basis certified as reasonable by the Actuary) the pension entitlement of the Pensioner (and the Trustee may decide to pay no pension up to Normal Pension Age). If he was a Qualified Member, the Pensioner must however, as a minimum, be entitled to receive from Normal Pension Age the deferred pension to which he would have been entitled under Rule 11(B) (Leaving Employment — Qualified Members) if he had become an Early Leaver at the date he retired from Employment reduced by an amount decided by the Trustee and certified by the Actuary as reasonable in relation to the value of benefits received by or in respect of him from the Scheme before Normal Pension Age. Any such reduction or suspension of pension or lump sum is subject to the pension continuing to satisfy the condition in paragraph 2(3) of Schedule 28 to the Finance Act.

Other Retirement

(C) On retirement from Employment before Normal Pension Age (other than on account of incapacity to which sub-rule (A) of this Rule refers):

- (1) on or after his Minimum Pension Age and having completed ten years' Pensionable Employment, and if the Employer agrees; or
- (2) on or after his 60th birthday,

a Member may elect to receive (instead of a deferred pension under Rule 11 (Leaving Employment)) an immediate annual pension equal to his Scale Pension⁶³ and, in respect of a Tier 3 Member, his Tier 3 Lump Sum.

If paid under paragraph (1) above (and not under paragraph (2) above), the pension⁶⁴ and any applicable Tier 3 Lump Sum will be reduced (a) in so far as it is attributable to his period of Pensionable Employment before 1st January, 2004 by an amount determined by the Trustee on a basis certified as reasonable by the Actuary to take account of the period, if any, by which the date of retirement precedes age 60; (b) in so far as it is attributable to his period of Pensionable Employment on or after 1st January, 2004, by an amount determined by the Trustee on a basis certified as reasonable by the Actuary to take account of the period, if any, by which the date of retirement precedes age 63.5; and (c) in so far as it is attributable to his period of Pensionable Employment on or after 1 October 2009, by an amount determined by the Trustee on a basis certified as reasonable by the Actuary to take account of the period, if any, by which the date of retirement precedes age 65.

If paid under paragraph (2) above, the pension⁶⁵ and any applicable Tier 3 Lump Sum will be reduced (a) in so far as it is attributable to his period of Pensionable Employment on or after 1st January, 2004, by an amount determined by the Trustee on a basis certified as reasonable by the Actuary to take account of the period, if any, by which the date of retirement precedes age 63.5; and (b) in so far as it is attributable to his period of Pensionable Employment on or after 1 October 2009, by an amount determined by the Trustee on a basis certified as reasonable by the Actuary to take account of the period, if any, by which the date of retirement precedes age 65.

In either case the value of the immediate pension must, to the reasonable satisfaction of the Trustee, be at least equal, on the date it starts to be payable, to the value of any benefits which have accrued to the Member under the Scheme, taking into account the

⁶³ Amended by deed dated 31 July 2013

⁶⁴ Amended by deed dated 31 July 2013

⁶⁵ Amended by deed dated 31 July 2013

preservation, the revaluation and contracting out requirements of the Pensions Acts including the Contracting-out Rules.

Guaranteed Minimum from GMP Age

(D) A pension payable under sub-rule (A) or (C) of this Rule after GMP Age must not be less than the Guaranteed Minimum and therefore the pension payable up to GMP Age will, if necessary, be reduced, or not be paid, so that the actuarial value of any pension remaining payable up to GMP Age, and the Guaranteed Minimum payable thereafter, is equal to the value of the pension which would otherwise have been payable (ignoring the requirements of Rule 27 (Guaranteed Minimum Pensions)). The actuarial values must be certified as reasonable by the Actuary.

Variable Pension Option

(E) A Member who is entitled to a pension under this Rule may elect in writing to the Trustee in a form acceptable to the Trustee, before that pension starts to be paid, that it should be varied in amount so that:

- (1) it is increased during the period from the date of his retirement from Employment up to State Pensionable Age; and
- (2) it is reduced on and after State Pensionable Age,

but so that the pension payable under (1) must not be greater than the total of the pension payable under (2) and the amount of a single person's basic state pension at State Pensionable Age. The increase under (1) must, to the reasonable satisfaction of the Trustee after consulting the Actuary, be of the same value as the reduction under (2).

(F) Premature Retirement Compensation Scheme

- (i) A Member who retires from Employment on or after his Minimum Pension Age but before Normal Pension Age, by agreement with the Principal Employer, and whose retirement is certified by the Principal Employer to be in its managerial interest is entitled, if the Principal Employer agrees, to an additional pension under this sub-rule (**PRCS pension**). The Principal Employer may also agree, either instead of or as well as agreeing to the grant of a PRCS pension, to waive some or all of any reduction which would otherwise be applied to the Member's pension under Rule 10(C) (**PRCS waiver**). Payment of a PRCS pension and/or application of a PRCS waiver is subject to the Principal Employer paying such additional contributions (if any) to the Fund as the Trustee requires having consulted the Actuary.
- (ii) An Upper Tier Member's PRCS pension is a pension of an annual amount of one-sixtieth of his Final Pensionable Salary multiplied by the number of Scheme Years applicable to the Member.
- (iii) A Lower Tier Member's PRCS pension is a pension of an annual amount of one-eighty-fifth of his Final Pensionable Salary multiplied by the number of Scheme Years applicable to the Member.
- (iv) ⁶⁶*A Tier 3 Member's PRCS pension is:*
 - (a) *a pension of an annual amount of one-hundredth of his Final Pensionable Salary multiplied by the number of Scheme Years applicable to the Member; and*

⁶⁶ Amended by deed dated 31 July 2013

- (b) a lump-sum of three one-hundredths of his Final Pensionable Salary multiplied by the number of Scheme Years applicable to the Member.
- (v) **Scheme Years** for the purpose of ⁶⁷sub-rules (ii) to (iv) means a number of years which the Principal Employer decides will apply for the purposes of calculating the Member's PRCS pension, not exceeding the lowest of:
 - (a) ten years;
 - (b) the number of years between the date of the Member's retirement and his Normal Pension Age or any earlier age at which his contract of employment requires him to retire;
 - (c) the number of years by which the Member's Pensionable Employment is less than 40 years; and
 - (d) the number of years of the Member's Pensionable Employment.
- (vi) A Member's PRCS pension is payable on the same terms and conditions as his pension under Rule 10(C). It will be increased annually in accordance with Rule 24(1) (Payment of Pensions — pension increases).

11. LEAVING EMPLOYMENT

Non-Qualified Members

- (A) In this Rule 11:

Contribution Refund means, in relation to a non-Qualified Member, a sum representing the aggregate of:

- (1) his Employee Contributions to the Scheme; and
- (2) where transfer credits have been allowed to him under the Scheme by virtue of a transfer payment under Rule 5, his employee contributions to the transferring scheme, so far as they:
 - (a) relate to the transfer payment; and
 - (b) do not, in aggregate, exceed the amount of the transfer payment.

Contribution Interest means interest at the rate of 4 per cent. added as at each 1st August on the total of Employee Contributions paid and interest (if any) added up to and including the previous 1st August, but so that no interest is added for any period between the date on which a contribution was paid and the next following 1st August or in respect of the period between the date when a benefit becomes due (not being a 1st August) and the immediately preceding 1st August.

Employee Contributions means, in relation to a non-Qualified Member, contributions made to the Scheme by or on behalf of him on his own account, but does not include:

- (a) a transfer payment by virtue of which transfer credits have been allowed to him under the Scheme, or

⁶⁷ Amended by deed dated 31 July 2013

- (b) any Pension Credit or amount paid to the Scheme which is attributable (directly or indirectly) to a Pension Credit.
- (B) A non-Qualified Member whose Pensionable Employment ends before Normal Pension Age is entitled to a Contribution Refund or a Cash Transfer Sum if, on the date on which his Pensionable Employment ends, the aggregate of the following periods amounts to at least three months and he meets the other applicable statutory requirements: his Pensionable Employment, (including, if he has completed more than one period of Pensionable Employment, any previous period of Pensionable Employment) and period of linked qualifying service under another scheme (within the meaning of section 179 of the Pension Schemes Act 1993).
- (BA) A non-Qualified Member to whom Rule 11(B) applies and who has participated in a Salary Sacrifice Pension Arrangement may choose, as an alternative to his entitlements under Rule 11(B), a deferred annual pension payable from Normal Pension Age.

This pension shall be determined by the Trustee on the advice of the Actuary to be the amount that can be provided by applying the amount of any Contribution Refund, plus Contribution Interest, in providing a pension at Normal Pension Age and contingent death benefits.

For this purpose "Contribution Refund" and "Contribution Interest" shall include any amounts paid by the Employer under the last sentence of Clause 3(A) of the Trust Deed in respect of the non-Qualified Member.

- (C) The Trustee will, within such period after the end of the non-Qualified Member's Pensionable Employment as it decides, notify him of his rights under sub-rule (B) and how he may exercise them and provide information, as required by section 101AC of the Pension Schemes Act 1993. The Trustee will allow him a period after that notification in which to exercise those rights. If he does not exercise them in such manner and by such date as the Trustee has allowed, the Trustee will pay a Contribution Refund subject to sub-rules (D) and (E).
- (D) A Contribution Refund is not payable:
 - (a) to a Member, Early Leaver or Pensioner in relation to whom a Benefit Crystallisation Event has previously occurred in relation to the Scheme;
 - (b) to a Member, Early Leaver or Pensioner who is over age 75;
 - (c) if and to the extent that it would not be a short service refund lump sum as defined in the Finance Act;
 - (d) in respect of any period for which a Member is a Non-contributory Member.
- (E) The following apply if the Trustee pays a Contribution Refund to a Member, Early Leaver or Pensioner:
 - (a) Contribution Interest will be added on his Employee Contributions if and to the extent that the interest qualifies and is paid as a scheme administration member payment as defined in the Finance Act;
 - (b) the amount to be paid will be calculated in accordance with section 101AF of the Pension Schemes Act 1993;

- (c) a contributions equivalent premium will be paid where permitted by section 55 of the Pension Schemes Act 1993;
- (d) a deduction will be made in respect of the contributions equivalent premium (if paid) in the amount applicable under section 61 of the Pension Schemes Act 1993;
- (e) no further benefits are payable to or in respect of the non-Qualified Member.

(F) A non-Qualified Member who does not have an entitlement under sub-rule (B) because the aggregate of the periods described in sub-rule (B) is less than three months is entitled, subject to sub-rule (D), to a Contribution Refund calculated in the same way as for a non-Qualified Member who does have such an entitlement but sub-rule (E)(b) will not apply.

(G) Rule 15 (Transfers Out and Buy-Outs) applies to the payment of a Cash Transfer Sum and, if one is paid, a contributions equivalent premium will not be payable.

Qualified Members

(H) A Qualified Member who leaves Employment before Normal Pension Age is entitled to a deferred annual pension ⁶⁸ and, in respect of a Tier 3 Member, a Tier 3 Lump Sum payable from age 60 or the date of leaving Employment if later or, if the Member left Employment before age 60, from such other date on or after attaining age 60 and before Normal Pension Age which he agrees with the Trustee, equal to the sum of:

- (1) his Scale Pension, reduced (a) in so far as it is attributable to his period of Pensionable Employment on or after 1st January, 2004, by an amount determined by the Trustee on a basis certified as reasonable by the Actuary to take account of the period, if any, by which the date from which the pension is paid precedes age 63.5; and (b) in so far as it is attributable to his period of Pensionable Salary on or after 1 October 2009 by an amount determined by the Trustee on a basis certified as reasonable by the Actuary to take account of the period, if any, by which the date from which the pension is paid precedes age 65. ⁶⁹ Any Tier 3 Lump, Sum payable will be reduced in accordance with this sub-rule.
- (2) if the amount at (1) above exceeds his Guaranteed Minimum on the day after the date he leaves Employment (the amount of the Guaranteed Minimum being calculated subject to the Contracting-out Rules), the amount by which:
 - (a) the excess of the Guaranteed Minimum at GMP Age (excluding any part of it derived from a transfer to the Scheme made, or the subject of an enforceable agreement to transfer, entered into, before 1st January, 1985) over the Guaranteed Minimum (excluding any such part and calculated as aforesaid) on the day after the date of leaving Employment,
is greater than
 - (b) the amount of any increase in his deferred pension granted on or after the date of leaving Employment (excluding any increase under (c) below);

⁶⁸ Amended by deed dated 31 July 2013

⁶⁹ Amended by deed dated 31 July 2013

and

(c) if there are 365 or more days (any 29th February being disregarded) after the date he leaves Employment up to and including his 60th birthday or the date from which the pension is paid (but not later than Normal Pension Age) if later, an amount calculated in accordance with the formula:

$$A \times (B - C)$$

where

A = the appropriate revaluation percentage referred to in Chapter 11 of Part IV of and Schedule 3 to the Pension Schemes Act 1993 determined at age 60 or the date from which the pension is paid (but not later than Normal Pension Age) if later;

B = the pension calculated in accordance with (1) above; and

C = any part of the pension referred to in B above which consists of the Guaranteed Minimum applicable to the Early Leaver on the day after the date he leaves Employment.

The pension payable to the Early Leaver from GMP Age will not be less than his Guaranteed Minimum.

Options

(I) An Early Leaver who is entitled to a deferred annual pension ⁷⁰ and, if applicable, a Tier 3 Lump Sum under this Rule may request the Trustee to pay him, instead of ⁷¹ those benefits, a reduced immediate annual pension ⁷² and, if applicable, a reduced Tier 3 Lump Sum, which may not start earlier than his Minimum Pension Age unless he is retiring on account of ill-health or incapacity. The Trustee may agree to or reject that request. If the Trustee agrees to the request it must, having consulted the Actuary, ensure to its reasonable satisfaction that the value of the reduced immediate annual ⁷³ pension and, if applicable, the reduced Tier 3 Lump Sum is at least equal, at the date it starts to be payable, to the value of the benefits which have accrued to or in respect of the Early Leaver under the Scheme, taking into account the preservation, revaluation and contracting-out requirements of the Pensions Acts including the Contracting-out Rules. Additionally the pension payable to the Early Leaver as from GMP Age must not be less than his Guaranteed Minimum.

(J) An Early Leaver who is entitled to a deferred annual pension ⁷⁴ and, if applicable, a Tier 3 Lump Sum under this Rule may, if he is continuing in employment after the date on which ⁷⁵ those benefits become payable under this Rule, request the Trustee to postpone the payment of his pension ⁷⁶ and, if applicable, the Tier 3 Lump Sum until the earlier of the date of his actual retirement from employment and his 70th birthday. The Trustee may agree to or reject that request. If the Trustee agrees to the request it must, after consulting the Actuary, ensure to its reasonable

⁷⁰ Amended by deed dated 31 July 2013

⁷¹ Amended by deed dated 31 July 2013

⁷² Amended by deed dated 31 July 2013

⁷³ Amended by deed dated 31 July 2013

⁷⁴ Amended by deed dated 31 July 2013

⁷⁵ Amended by deed dated 31 July 2013

⁷⁶ Amended by deed dated 31 July 2013

satisfaction that the value of the postponed pension ⁷⁷ and, if applicable, the postponed Tier 3 Lump Sum is at least equal in value at the date it starts to be payable to the benefits which have accrued to or in respect of the Early Leaver under the Scheme, taking into account the preservation, revaluation and contracting-out requirements of the Pensions Acts including the Contracting-out Rules. Additionally the pension payable to the Early Leaver as from the date it starts to be paid must not be less than his Guaranteed Minimum.

(K) An Early Leaver may elect in writing to the Trustee that, instead of receiving a deferred annual pension ⁷⁸ and, if applicable, a Tier 3 Lump Sum under this Rule, the whole of his Cash Equivalent is to be applied by the Trustee in any one or more of the following ways (and, if more than one, in Proportions he notifies the Trustee in writing):

- (1) the payment of a transfer payment under Rule 15 (Transfers Out and Buy-Outs);
- (2) purchasing one or more Policies under Rule 15 (Transfers Out and Buy-Outs);
- (3) subscribing to other pension arrangements which satisfy requirements prescribed under section 95(2)(d) of the Pension Schemes Act 1993.

An election under this sub-rule may not be made:

- (a) after the later of the date which is one year before Normal Pension Age and the date which is six months after the termination of Pensionable Employment; or
- (b) if the Early Leaver's pension, or benefit instead of a pension, becomes payable (in whole or part) before Normal Pension Age; or
- (c) if the Scheme has been wound up.

(L) A Member who is entitled to a Cash Equivalent may exercise that right as mentioned in Rule 15 (Transfers Out and Buy-Outs).

(M) Rule 13 (Commutation) applies if a Member wishes to exchange part or all of his pension for a lump sum.

(N) If a female Member who is entitled to a deferred annual pension requires her Guaranteed Minimum pension to be paid before Normal Pension Age, the balance of her deferred annual pension (reduced as referred to in sub-rule (H)(1)) will start to be paid at the same time.

12. CEASING TO BE ELIGIBLE

(A) A Member's Pensionable Employment ends on the cessation date specified below if:

- (1) he ceases ⁷⁹ to be eligible to participate actively in the Scheme because he ceases to fulfil the conditions in ⁸⁰Rules 2(A) (with the exception of the upper age criterion in Rule 2(A)(3)), 2(E) or 2(F) (Eligibility and Admission), but stays in Employment; or

⁷⁷ Amended by deed dated 31 July 2013

⁷⁸ Amended by deed dated 31 July 2013

⁷⁹ Amended by deed dated 16 April 2015

⁸⁰ Amended by deed dated 16 April 2015

- (2) he gives the Principal Employer not less than one month's notice (or such shorter period as the Principal Employer may agree to accept) of his intention to leave the Scheme, but stays in Employment; or
- (3) he is absent from work and his Pensionable Employment stops under Rule 4(A) or Rule 4(E)(5); or
- (4) his Employer stops participating in the Scheme.

The cessation date in the case of (2) above is the day on which the one month's notice expires and in any other case is the date of the event causing his Pensionable Employment to end.

A Member who is not a Non-contributory Member, will as from the cessation date stop paying contributions to the Fund (except any contribution which were due, but not paid before the cessation date). No further benefits will accrue in respect of a Member after the cessation date and he will no longer be in Contracted-Out Employment.

A Member to whom this Rule applies will become an Early Leaver on the cessation date.

- (B) If an Early Leaver was not a Qualified Member on the cessation date, Rule 11(A) - (G) (Leaving Employment — non-Qualified Members) shall apply as if he had left Employment on that date. If any other Early Leaver retires from or leaves Employment, or dies in Employment, any pension benefits payable to or in respect of him from the Scheme will be calculated as though he had left Employment on the cessation date.
- (C) The election in Rule 11(K) (Leaving Employment) may be made by the Member at any time after the cessation date. It may be made only in respect of his Pensionable Employment as from 6th April, 1988, unless he has ceased to be eligible to participate actively in the Scheme because he has become a member of one of the retirement benefits schemes referred to in ⁸¹Rule 2(A)(4) (Eligibility and Admission), when he may elect for a transfer payment equal to the whole of his Cash Equivalent to be made into that scheme in accordance with Rule 15 (Transfers Out and Buy-Outs).
- (D) If an Early Leaver either becomes, eligible to recommence active participation in the Scheme or, if he gave the notice referred to in sub-rule (A)(2) above, informs the Principal Employer that he wishes to recommence active participation, he may, if the Principal Employer agrees, recommence contributions (unless he recommences as a Non-contributory Member) and his benefits will recommence to accrue as a ⁸²Tier 3 Member, but subject, if he gave notice, to such terms and conditions (consistent with the requirements of the Pension Schemes Act 1993) as the Principal Employer determines after consulting Ike Actuary. If the Member made the election in Rule 11(K) (Leaving Employment) no period of Employment before the recommencement will count as Pensionable Employment. The period of Employment after the cessation date and before the recommencement will not count as Pensionable Employment in any event. ⁸³*This Rule 12(D) will not apply to any Member to whom Rule 3(B) is applicable.*
- (E) The foregoing provisions of this Rule apply to a Member who became a Member under Rule 2(D) (Eligibility and Admission) if the Principal Employer regards him as having ceased to be eligible to continue as a Member.

⁸¹ Amended by deed dated 16 April 2015

⁸² Amended by deed dated 31 July 2013

⁸³ Amended by deed dated 31 July 2013

RETIREMENT BENEFITS - ALTERNATIVES

13. COMMUTATION

(see also the Appendix to these Rules (Pre-6th April, 2006 Tax Approval and enhanced and primary protection))

Pension commencement lump sum

- (A) A Member who is under age 75 and whose Lifetime Allowance is available (wholly or in part) may, with the consent of the Trustee, on becoming entitled to payment of a pension under the Rules, exchange for an immediate lump sum part or all of the pension and the Member's PRCS pension under Rule 10(F) (Retirement before Normal Pension Age — Premature Retirement Compensation Scheme) up to the limit in sub-rule (B) subject to the Contracting-out Rules. If a Member has exchanged part of his pension entitlement for a lump sum before 6th April, 2006 and chosen to defer receipt of all or part of the pension to which the lump sum relates, he is not able to exchange any further part of that pension entitlement for a lump sum.
- (B) The lump sum,⁸⁴ *taking into account, in respect of a Tier 3 Member, any applicable Tier 3 Lump Sum*, must not exceed the lower of (a) and (b) below except where allowed by any of the transitional provisions and savings referred to in the Appendix:
 - (a) the available portion of the Member's lump sum allowance, which is:

CSLA-AAC

4

where:

CSLA is the Standard Lifetime Allowance at the date the Member becomes entitled to the lump sum

AAC is the aggregate of the amounts crystallised by each Benefit Crystallisation Event which has occurred in relation to the Member before the Member becomes entitled to the lump sum multiplied by:

CSLA
P S L A

where:

CSLA as above, and

PSLA is the Standard Lifetime Allowance at the time of the previous Benefit Crystallisation Event.

If no such Benefit Crystallisation Event has occurred, AAC is nil.

If the amount so calculated is negative, no portion of the Member's lump sum allowance is available.

⁸⁴ Amended by deed dated 31 July 2013

(b) 25 per cent. of the aggregate of the amount of the lump sum and the amount crystallised by reason of the Member becoming entitled to the pension, namely the amount of the pension payable in the period of 12

12 months from the date on which the Member becomes entitled to it (assuming it remains payable throughout that period at the rate at which it is payable on that day) multiplied by 20 (or any greater number agreed with HMRC as mentioned in section 276 of the Finance Act).

(C) After he has been informed of his options by the Trustee a Member must notify the Trustee in writing (in the form it requires) of his choice under sub-rule (A) and provide such information as it requires to establish the available portion of his lump sum allowance. He must do this within such period as the Trustee may decide from time to time,

(D) ⁸⁵*The lump sum under sub-rule (A) must be paid within the period beginning six months before, and ending one year after, the day on which the Member becomes entitled to the pension.*

Serious ill-health

(E) If the Trustee receives evidence from a registered medical practitioner that a Beneficiary who is under age 75 and has not become entitled to a pension or lump sum under the Scheme is expected to live for less than one year and the Principal Employer is of the opinion that the Beneficiary is in exceptional circumstances of serious ill-health, the Trustee may, if the Beneficiary so requests and subject to the Beneficiary having confirmed in writing to the Trustee the available portion of his Lifetime Allowance, pay him an immediate lump sum instead of his pension ⁸⁶*together with any applicable Tier 3 Lump Sum* (less, if the Trustee so decides, any tax for which it may be liable or accountable). Payment of a lump sum under this sub-rule does not extinguish rights to any pension payable on the Beneficiary's death. The limit in sub-rule (B) does not apply.

Trivial commutation lump sum – Member

(F) A member who has reached ⁸⁷*the age required under Schedule 29 to the Finance Act* but is below 75 may request that the Trustee extinguish his entitlement to benefits under the Scheme ⁸⁸*(including any survivor's benefits)* and pay a lump sum instead. The Trustee may pay a lump sum under this sub-rule if:

(a) it is paid when no trivial commutation lump sum (within the meaning of Schedule 29 to the Finance Act) has previously been paid to the Member by any Registered Scheme or, if such a lump sum has previously been paid, before the end of the commutation period;

(b) on the nominated date, the value of the Member's pension rights under all Registered Schemes does not exceed the commutation limit;

(c) all or part of his Lifetime Allowance is available.

The Member must provide to the Trustee such information as it requires to establish the application of (a), (b) and (c) above.

⁸⁵ Amended by deed dated 25 January 2011

⁸⁶ Amended by deed dated 31 July 2013

⁸⁷ Amended by deed dated 16 April 2015

⁸⁸ Amended by deed dated 16 April 2015

A Member's request under this sub-rule must be made in such form and by supplying such information as to his entitlements under other Registered Schemes as the Trustee requires.

The Trustee may deduct any tax for which it is liable.

Meaning of expressions used in this sub-rule 13(F)

The **commutation period** is the period beginning with the day on which a trivial commutation lump sum is first paid to the Member by any Registered Scheme and ending 12 months after that day.

The **nominated date** is the day within the period of three months ending with the first day of the commutation period nominated by the Member (or, if no date is nominated, is the first day of the commutation period).

⁸⁹ *The commutation limit has the meaning given to it in Schedule 29 to the Finance Act.*

The value of the Member's pension rights on the nominated date is calculated in accordance with paragraph 7(5) of Schedule 29 to the Finance Act.

Trivial commutation—death benefit

(G) Where a ⁹⁰*person* is entitled under the Scheme to a pension on the death of a Member, the Trustee may extinguish that person's entitlement to the pension and any lump sum death benefit in respect of the Member and pay the ⁹¹*person* a lump sum (less, if it so decides, any tax for which it may be liable or accountable) instead if:

- (a) the Member had not reached age 75 at the date of his death and the lump sum is paid before what would have been his 75th birthday;
- (b) ⁹²*the amount of the lump sum does not exceed the amount referred to in paragraph 20(2) of Schedule 29 to the Finance Act; and*
- (c) *the payment satisfies any other conditions applicable to a trivial commutation lump sum death benefit in accordance with Schedule 29 to the Finance Act.*

⁹³**Other small lump sums**

(H) *The Trustee may pay to a Member a lump sum which meets the applicable conditions in Part 2 of the Registered Pension Schemes (Authorised Payments) Regulations 2009 (the **Regulations**).*

The payment of a lump sum as referred to in Part 2 will extinguish the Member's entitlement to benefits under the Scheme (including any survivor's benefits) or, if made after the Member's death, the payment will represent the total value of all sums and assets held for the purposes of the Scheme in respect of the Member. This sub-rule applies where the Regulations so require it in order for the payment to be an authorised payment under the Finance Act.

Amount of lump sum

⁸⁹ Amended by deed dated 16 April 2015

⁹⁰ Amended by deed dated 16 April 2015

⁹¹ Amended by deed dated 16 April 2015

⁹² Amended by deed dated 16 April 2015

⁹³ Amended by deed dated 16 April 2015

The basis on which a pension is converted to a lump sum under this Rule is decided by the Trustee on the basis of actuarial advice.

Information

Any person to whom a payment is proposed to be made under this Rule must provide to the Trustee such information as it requires to establish that the conditions referred to in this Rule are satisfied, including a written declaration that the conditions will be satisfied if the payment is made by a specified date.

Lifetime Allowance Excess Lump Sum

(I) This sub-rule applies if a Member requests the Trustee to pay a lifetime allowance excess lump sum (as defined in Schedule 28 to the Finance Act).

- (a) The Trustee may pay a lifetime allowance excess lump sum in lieu of all or part of such part of the Member's entitlement to pension from the Scheme as would exceed that part of the Member's Lifetime Allowance available at the time the Member becomes entitled to a pension (or, if the Member is a Phased Retirement Member at the time the Member becomes entitled to the last part of his aggregate pension entitlements from the Scheme).
- (b) Any request made under this sub-rule must be in writing (in such form as the Trustee requires) to the Trustee not later than two months before the date on which the first instalment of pension (or if the Member is a Phased Retirement Member, the first instalment of the last part of the Member's aggregate pension entitlements) is payable.
- (c) If the Trustee pays a lifetime allowance excess lump sum, the Trustee is discharged from all liabilities to and in respect of the Member concerned to which the lifetime allowance excess lump sum relates. This discharge is in addition to and without prejudice to any other discharge given to the Trustee.
- (d) Any lifetime allowance excess lump sum must be paid within three months beginning with the day on which the Member becomes entitled to the pension (or, if the Member is a Phased Retirement Member, the last part of the Member's aggregate pension entitlement) and, if a lump sum is payable under sub-rule (A), at the same time as that lump sum is paid.
- (e) A Member's Lifetime Allowance will be treated as available in full for the purposes of this sub-rule unless the Member has provided evidence in writing to the Trustee that all or part of it is not available.
- (f) No lump sum may be paid under this sub-rule unless the conditions required by the Finance Act for the payment of a lifetime allowance excess lump sum are satisfied.

Interpretation

(J) In this Rule **Member** and **Beneficiary** includes:

- (a) an Early Leaver and a Pensioner;
- (b) a Participant as defined in Rule 28 (Pension Sharing);
- (c) if the Trustee and the Principal Employer decide, a Pre-6th April, 2006 Beneficiary whose entitlement to a pension from the Scheme has not yet arisen

but excluding any person whose only pension entitlement which has not arisen is his guaranteed minimum pension.

Basis of commutation

(K) The basis on which a pension is converted to a lump sum under this Rule is decided by the Trustee on a basis certified as reasonable by the Actuary.

Availability of Lifetime Allowance

(L) A Member's or other Beneficiary's Lifetime Allowance (or part of it) will be treated as not available for the purposes of sub-rules (F), (G) and (I) if the Member has not confirmed its availability in writing to the Trustee.

General

(M) Where a lump sum is being provided under this Rule by way of an exchange of pension, the exchange must take effect at the date from which the pension for which it is exchanged would otherwise have been payable to a Member (even if option (3) in Rule 9(D) (Retirement after Normal Pension Age) has been exercised so that the pension does not come into payment when the Member first becomes entitled to the pension).

(N) A request under this Rule must be made in writing to the Trustee no more than six months before the date on which the first instalment of pension is payable and, unless option (3) in Rule 9(D) (Retirement after Normal Pension Age) has been exercised, not earlier than the exercise of a dependant's pension option under Rule 14 (Dependant's pension option).

14. DEPENDANT'S PENSION OPTION

(A) A Member or an Early Leaver, or a Pensioner who has exercised option (3) in Rule 9(D) (Retirement after Normal Pension Age) and whose pension has not started to be paid, may elect to surrender any part of his pension including his PRCS pension under Rule 10(F) (Retirement before Normal Pension Age - Premature Retirement Compensation Scheme) which is greater than the Guaranteed Minimum to provide for his Spouse, Civil Partner or any other person who in the Trustee's opinion is dependent on the Member, Early Leaver or Pensioner and qualifies as a dependant for the purposes of paragraph 15 of Schedule 28 to the Finance Act (the **nominated beneficiary**) an annual pension of an amount (which shall be at least 1 per cent. of the Standard Lifetime Allowance per annum or any higher figure the Trustee from time to time determines) which, in the Trustee's opinion after consulting the Actuary, is equal in value to the amount of pension surrendered by the Member, Early Leaver or Pensioner.

(B) The pension payable to a nominated beneficiary will not exceed the amount of the Member's, Early Leaver's or Pensioner's pension (including any part of it payable or paid in the form of a lump sum under Rule 13 (Commutation)) as reduced by the part surrendered, but any reduction or cessation in that pension under Rule 10(D) (Retirement before Normal Pension Age — Guaranteed Minimum from GMP Age) up to GMP Age to ensure that the pension payable thereafter will not be less than the Guaranteed Minimum, shall be ignored.

(C) If a nominated beneficiary dies before a Member, Early Leaver or Pensioner but after the Member's, Early Leaver's or Pensioner's pension has become payable, the Member, Early Leaver or Pensioner will remain entitled only to the part of his pension not surrendered under this Rule or commuted for a lump sum under Rule 13

(Commutation). If either a nominated beneficiary or a Member, Early Leaver or Pensioner dies before the Member's, Early Leaver's or Pensioner's pension has become payable the election under sub-rule 14(A) above will be cancelled automatically and deemed not to have been exercised.

- (D) If a nominated ⁹⁴*beneficiary* is under age 16 at the time a pension becomes payable to him, or is under age 23 and receiving full-time education or full-time vocational training, the pension will cease when the nominated beneficiary reaches age 16, or reaches age 23 while receiving full-time education or full-time vocational training, or ceases to be in full-time education or full-time vocational training (or any earlier date determined by the Trustee) unless:
 - (a) in the opinion of the Trustee he has a physical or mental impairment which means that he is incapable of undergoing full-time education or unable to support himself; and
 - (b) the pension continues only as long as it qualifies as an authorised payment.
- (E) An election under this Rule must be made in writing to the Trustee in the form it requires not more than six months before the date on which the first instalment of a Member's, Early Leaver's or Pensioner's pension is payable.

15. TRANSFERS OUT AND BUY-OUTS

Individual transfers and buy-outs

- (A) A Beneficiary who has a right to a Cash Equivalent or a Cash Transfer Sum may exercise that right as permitted by Chapter IV or 5 (as applicable) of Part IV of the Pension Schemes Act 1993, the Occupational Pension Schemes (Preservation of Benefit) Regulations 1991 and the Contracting-out (Transfer and Transfer Payment) Regulations 1996.
- (B) A transfer payment from the Scheme to another pension scheme must be a recognised transfer within the meaning of section 169 of the Finance Act.
- (C) If a Policy is purchased in respect of a Beneficiary, this must be such as is treated as a recognised transfer for the purpose of that section. If the Beneficiary exercises his right as so permitted, the Trustee must do what is needed to carry out what the Beneficiary 'requires, if the receiving scheme or insurer agrees to accept the transfer.
- (D) The amount of a Cash Equivalent and Cash Transfer Sum (in each case including any reduction) will be decided by the Trustee, and verified and certified by the Actuary, in accordance with the applicable statutory requirements. With the Principal Employer's consent the Trustee may increase the amount of a Cash Equivalent or Cash Transfer Sum.

Bulk transfers

- (E) For the purposes of sub-rules (F) to (J):

Group of Beneficiaries means the Beneficiaries to whom a transfer payment made under sub-rule (F) relates:

Transfer Date means the date the group of Beneficiaries becomes entitled to

⁹⁴ Amended by deed dated 16 April 2015

rights under the receiving scheme or any earlier date selected by the Trustee after consulting the Actuary.

- (F) If some (but not all) Beneficiaries become entitled at the same time to rights under the same pension scheme in which an Employer (or a successor to the whole or part of the undertaking of an Employer) participates, the trustee may, at the request of the Principal Employer and after consulting the Actuary, make a recognised transfer (within the meaning of section 169 of the Finance Act) in respect of all or some of the Beneficiaries concerned as a group.
- (G) The transfer payment proposed in relation to the Group of Beneficiaries may be made only if the Trustee obtains from the Actuary a certificate to the effect that the transfer payment proposed would not be greater than the value, as at the Transfer Date, of the portion of the Fund which, in the opinion of the Actuary, relates to the Group of Beneficiaries (except as a result of making the adjustment referred to in sub-rule (I) or as a result of the application of the Cash Equivalent provisions of the Pension Schemes Act 1993). Without limiting his discretion, the Actuary may reserve assets of the Fund for liabilities relating to one or more categories of Beneficiaries outside the Group of Beneficiaries and may apportion only the remaining assets of the Fund.
- (H) The Principal Employer must approve the amount of the transfer payment unless, to the extent that it relates to Beneficiaries who have rights to Cash Equivalents and Cash Transfer Sums, it is no greater than the aggregate of the Cash Equivalents and Cash Transfer Sums which would have applied in respect of the Group of Beneficiaries had they exercised their rights under sub-rule (A).
- (I) The Trustee may adjust the amount of the transfer payment in a manner to take account of any factors which the Actuary considers appropriate in respect of the period between the Transfer Date and the date the transfer payment is made. Without limitation, this adjustment may relate to contributions received in respect of the Group of Beneficiaries, to investment returns, which may be the investment returns of the Fund or part of it or of a notional portfolio, or to a rate of interest or to more than one of these factors.
- (J) This sub-rule applies if all the Beneficiaries become entitled at the same time to rights under the same pension scheme in which the Principal Employer (or a successor to the whole or part of the undertaking of the Principal Employer) participates. In this case the Trustee may at the request of the Principal Employer transfer all the assets of the Scheme to that scheme if the transfer would be a recognised transfer (within the meaning of section 169 of the Finance Act). The Trustee may, however, reserve an amount in respect of any costs, expenses or other payments due from the Scheme.

Transfer payments and buy-outs - general

- (K) In relation to a transfer payment or Policy purchased under sub-rules (A)-(D) or (F)-(J) the Trustee must give the trustee or other administrator of the receiving scheme or insurer any information reasonably required in connection with the transfer or purchase.
- (L) After making a transfer payment or purchasing a Policy under sub-rules (A)-(D) or (F)-(J), the Trustee is discharged from all liabilities to and in respect of the Beneficiary concerned to which the transfer or Policy relates. This discharge is in addition to and without prejudice to any other discharge given to the Trustee.
- (M) If a Beneficiary has no right to a Cash Equivalent or a Cash Transfer Sum (or if he has a right but has not exercised it), the Trustee may make a recognised transfer (as referred to in sub-rule (A)) in respect of him to another pension scheme or Policy chosen by the Member. The transfer payment will be calculated on a basis consistent with the calculation of a Cash Equivalent. With the Principal Employer's consent the Trustee may increase the amount of a recognised transfer

under this sub-rule. The Beneficiary must provide a discharge to the Trustee in a form required by them.

- (N) As an alternative to providing benefits from the Scheme for any Beneficiary, the Trustee may apply an amount in purchasing a Policy for the Beneficiary concerned. Before doing so the Trustee must obtain the written agreement of the Beneficiary, except where that is not required under the Pension Schemes Act 1993. The amount to be applied or the value of the Policy to be transferred must be calculated by the Trustee, after consulting the Actuary. The Trustee must be reasonably satisfied, on the date the Policy is taken out or transferred, that the premium paid or the Policy's value (as the case may be) is equal to the value of the benefits which have accrued to or in respect of that person under the Scheme, taking into account the preservation and revaluation requirements of the Pensions Acts and the Contracting-out Rules. The premium paid or the Policy's value must not exceed the actuarial value of the Beneficiary's benefits unless the Principal Employer agrees.
- (O) A Policy taken out under sub-rules (A)-(D) or sub-rule -(N) may provide benefits of specific or non-specific amounts which may, to the extent of the excess over any Guaranteed Minimum, differ in form and/or amount from those payable from the Scheme. The terms on which payments are made under the Policy may be different from the terms under the Scheme. The Policy will be issued to the Beneficiary in his name by the insurer (unless the Trustee otherwise decides). The Policy may be issued on a commission paying basis. Instead of purchasing a Policy, the Trustee may transfer to the relevant Beneficiary the benefit of any Policy and references in the Rules to purchasing a Policy will be read accordingly.
- (P) The Trustee may make a transfer payment in respect of a Beneficiary without his written consent only in accordance with the Occupational Pension Schemes (Preservation of Benefit) Regulations 1991.
- (Q) Liabilities relating to a Guaranteed Minimum may be transferred only in compliance with the Contracting-out Rules. If as a result of a Beneficiary exercising his right under sub-rule (A) a recognised transfer is made which does not include the Beneficiary's accrued rights to Guaranteed Minimum pensions, sub-rule (N) applies to the Guaranteed Minimum pensions.
- (R) Any opinion or decision of the Actuary under this Rule and the basis and assumptions underlying it is at his absolute discretion and his certificate on any issue is final and conclusive. The Actuary's certificate for the purposes of sub-rule (G) may relate to a date earlier than the Transfer Date if in the Trustee's opinion it would be more practicable to do that than to give a certificate as at the Transfer Date. In giving the certificate the Actuary may assume the transfer payment relates to all the Group of Beneficiaries even if the transfer payment does not, when made, relate to all of the Group of Beneficiaries.

16. PHASED RETIREMENT

- (A) Subject to sub-rule (B) below, this Rule applies if a Qualified Member who:
 - (a) has attained Minimum Pension Age;
 - (b) is continuing in Employment,requests the Trustee to pay part of his pension entitlement during Employment and his Employer agrees to such phased retirement.

- (B) This Rule does not apply unless and until the Employer, the Trustee and the Qualified Member agree in writing the terms of the phased retirement notified to the Qualified Member under sub-rule (D) below.
- (C) A Member who is drawing part, but not all, of his entitlement under the Scheme while continuing in Employment pursuant to this Rule is referred to as a Phased Retirement Member.
- (D) If this Rule applies, subject to compliance with the Pensions Acts, the Rules are modified to the extent necessary to provide that the Member will not be entitled to benefits (or to elect for a particular allocation of benefits or method of payment) under the other Rules relating to benefit entitlements or options except to the extent decided by the Trustee, agreed with the Employer and notified to the Phased Retirement Member. If the pension is to be paid in parts under this Rule, the Rules are modified to the extent necessary to provide the benefits set out in, or decided under, this Rule and no greater benefits. The amount of pension or lump sum payments to or in respect of the Phased Retirement Member (either during Employment or after Employment ceases) and the terms on which any such pension or lump sum is payable on any event is decided by the Trustee, agreed with the Employer and notified to the Phased Retirement Member, and such benefit arrangements will constitute (and must satisfy the requirements of) alternative arrangements for the purposes of the preservation requirements of the Pensions Acts to the extent applicable.
- (E) The Member's application to draw his pension in parts must be notified to the Employer no later than six months (or such other date as the Employer may agree) before the date on which he would (but for this Rule) become entitled to payment of his whole pension. The notification must state the amount of lump sum by way of commutation (if any) which the Member requests.
- (F) A Member's pension may be paid in two parts, or such other number of parts as the Trustee and Principal Employer may agree from time to time.
- (G) This Rule is subject to the Contracting-out Rules.
- (H) All notifications under this Rule must be made in writing.

DEATH BENEFITS

17. DEATH OF A MEMBER - LUMP SUM

(A) If a Member dies in Employment before Normal Pension Age there will be paid in accordance with Rule 25 (Payment of Lump Sums) a lump sum equal to the sum of:

- (1) the amount in the AVC Account (to the extent that it is not applied to provide benefits for a Spouse, Civil Partner, Child or other dependant of the Member); and
- (2) an amount, subject to a maximum of the Standard Lifetime Allowance at the date of his death, equal to the greater of:
 - (a) three times the annual rate of the Member's Salary (assuming, in the case of a Member who participates in a Salary Sacrifice Benefit Arrangement or a Salary Sacrifice Pension Arrangement, that his Salary is the amount it would be if he did not participate in any such arrangement) at the date of his death; and
 - (b) three times the amount of the Member's basic salary (assuming, in the case of a Member who participates in a Salary Sacrifice Benefit Arrangement or a Salary Sacrifice Pension Arrangement, that his basic salary is the amount it would be if he did not participate in such arrangement) received in the 12 months preceding the date of death.

Provided that the amount payable under (2) above shall not, except to the extent the Trustee and the Employer otherwise agree, exceed the amount of any restricted sum payable on a Member's death as a result of unsatisfactory evidence of health or other underwriting requirements entered into by the Trustee to insure its liability in respect of that amount.

(B) If a Member dies in Employment on or after Normal Pension Age before attaining age 75 the lump sum benefit is payable in accordance with Rule 25 (Payment of Lump Sums). It is equal to:

- (1) ⁹⁵*five times the annual pension which would have been paid to him if it had commenced on the date of his death; and*
- (2) ⁹⁶*in respect of a Tier 3 Member, the Tier 3 Lump Sum which would have been paid to him if he had retired from Employment on the date of his death.*

18. DEATH OF AN EARLY LEAVER - LUMP SUM

(A) If an Early Leaver (other than an Early Leaver who, having taken a refund of contributions, is entitled only to a Guaranteed Minimum under Rule 11(A) (Leaving Employment — non-Qualified Members) dies before his deferred pension commences and before Normal Pension Age there will be paid in accordance with Rule 25 (Payment of Lump Sums) a lump sum equal to the amount in the AVC Account (to the extent that it is not applied to provide benefits for a Spouse, Civil Partner, Child or other dependant of the Early Leaver).

(B) If an Early Leaver has made an election under Rule 11(J) (Leaving Employment) to defer payment of his pension until after Normal Pension Age and dies before

⁹⁵ Amended by deed dated 31 July 2013

⁹⁶ Amended by deed dated 31 July 2013

attaining 75 before his pension commences there shall be paid in accordance with Rule 25 (Payment of Lump Sums).

- (1) ⁹⁷*a lump sum equal to five times the annual pension which would have been paid to him if it had commenced on the date of his death; and*
- (2) ⁹⁸*in respect of a Tier 3 Member, the Tier 3 Lump Sum which would have been paid to him if he had retired from employment on the date of his death.*

19. DEATH OF A PENSIONER - LUMP SUM

(A) If a Pensioner dies before attaining age 75 after starting to receive his pension but before the fifth anniversary of having become entitled to that pension, a lump sum is payable in accordance with Rule 25 (Payment of Lump Sums) equal to the instalments of pension including any PRCS pension under Rule 10(F) (Retirement before Normal Pension Age — Premature Retirement Compensation Scheme) which would have been paid during the remainder of that period if he had survived. If he has exercised the variable pension option under Rule 10(E) (Retirement before Normal Pension Age — Variable Pension Option) the lump sum will be calculated as if he had not exercised that option. If he dies after attaining age 75, those instalments will continue to be paid to his legal personal representatives.

(B) If a Pensioner who is entitled to a pension from the Scheme from GMP Age:

- (1) having, less than five years before GMP Age, commuted part of his pension for a lump sum under Rule 13 (Commutation), and/or surrendered part of his pension in favour of a nominated beneficiary under Rule 14 (Dependant's Pension Option), so that the payment of the excess of his pension is not due to start until GMP Age; or
- (2) having retired less than five years before GMP Age under Rule 10(D) (Retirement before Normal Pension Age — Guaranteed Minimum from GMP Age) so that no pension is payable to him before GMP Age,

dies before attaining age 75 within the period of five years after the date from which the pension would have been paid to him but for that commutation and/or surrender or the application of Rule 10(D) (Retirement before Normal Pension Age), there shall be paid in accordance with Rule 25 (Payment of Lump Sums) a lump sum equal to the instalments of pension which would have been paid during that period if he had survived.

(C) If a Pensioner who has exercised option (3) in Rule 9(D) (Retirement after Normal Pension Age) dies before age 75 and before his pension starts to be payable, a lump sum is payable in accordance with Rule 25 equal to the pension which would have been paid during the five years following the date of his death.

20. DEATH OF A MEMBER - PENSION BENEFITS

Death before Normal Pension Age

(A) If a Member dies in Employment before Normal Pension Age:

- (1) leaving a Spouse or Civil Partner, the Spouse or Civil Partner will be entitled to an annual pension. This annual pension shall be equal to the Accrued Scale

⁹⁷ Amended by deed dated 31 July 2013

⁹⁸ Amended by deed dated 31 July 2013

Pension plus the Projected Scale Pension, where:

Accrued Scale Pension means fifty per cent of the Member's Scale Pension calculated at the date of his death; and

Projected Scale Pension means either (a) in respect of an Upper Tier Member, one one-hundred and twentieth of the Member's Final Pensionable Salary, or (b) in respect of a Lower Tier Member, one one-hundred and seventieth of the Member's Final Pensionable Salary,⁹⁹ or (c) in respect of a Tier 3 Member, one two-hundredth of the Member's Final Pensionable Salary, multiplied by the period of Pensionable Employment which he would have completed between the date his Pensionable Employment ended and the date on which he would have attained Normal Pension Age if he had remained in Employment.

PROVIDED THAT the pension payable to the widow, widower or surviving civil partner of a Member must not be less than the appropriate Guaranteed Minimum;

- (2) leaving one or more Children, each Child will be entitled, subject to Rule 23(E) (Spouses', Civil Partners' and Children's Pensions - Supplementary Provisions), to an annual pension equal to 37.5 per cent of the pension payable to the Member's Spouse or Civil Partner (or, if he is not survived by a Spouse or Civil Partner, equal to one-half of the pension which would have been payable had he been survived by a Spouse or Civil Partner).

Death on or after Normal Pension Age

- (B) If a Member dies in Employment on or after Normal Pension Age:

- (1) leaving a Spouse or Civil Partner, the Spouse or Civil Partner will be entitled to an annual pension equal to fifty per cent of the Member's Scale Pension calculated by reference to the Member's Final Pensionable Salary at Normal Pension Age, increased at a rate determined by the Trustee after consulting the Actuary. If the Spouse or Civil Partner is the widow, widower or surviving civil partner of a Member the pension must not be less than the appropriate Guaranteed Minimum, and in that event the rate of increase must not be less than the rate at which the Guaranteed Minimum applicable to the Member is increased under section 15 of the Pension Schemes Act 1993 by reason of the postponed payment of the Guaranteed Minimum;
- (2) leaving one or more Children, each Child will be entitled, subject to Rule 23(E) (Spouses, Civil Partners' and Children's Pensions - Supplementary Provisions), to an annual pension equal to 37.5 per cent of the pension payable to the Member's Spouse or Civil Partner (or, if he is not survived by a Spouse or Civil Partner, equal to one-half of the pension which would have been payable had he been survived by a Spouse or Civil Partner).

21. DEATH OF AN EARLY LEAVER - PENSION BENEFITS

Death of an Early Leaver who was a Qualified Member on leaving Employment

- (A) ¹⁰⁰.... if an Early Leaver dies after becoming entitled to a deferred annual pension under Rule ¹⁰¹ 11(H) (Leaving Employment — Qualified Member), having left Employment as a Qualified Member, but before that pension starts to be paid:

⁹⁹ Amended by deed dated 31 July 2013

¹⁰⁰ Amended by deed dated 31 July 2013

¹⁰¹ Amended by deed dated 31 July 2013

- (1) leaving a Spouse or Civil Partner, the Spouse or Civil Partner, will be entitled to an annual pension equal to the sum of:
 - (a) fifty per cent. of the Early Leaver's Scale Pension; and
 - (b) if the pension is payable to the widow or widower or surviving civil partner of an Early Leaver and the amount at (a) above exceeds half the Early Leaver's Guaranteed Minimum on the day after the date he left Employment (the Guaranteed Minimum being calculated subject to the requirements of the Pension Schemes Act 1993), the amount by which:
 - (i) the excess of the widow's or widower's or surviving civil partner's Guaranteed Minimum at the date of the Early Leaver's death (excluding any part of it derived from a transfer to the Scheme made, or the subject of an enforceable agreement to transfer entered into, before 1st January, 1985) over half the Early Leaver's Guaranteed Minimum (excluding any such part) on the day after the date he left Employment

is greater than

- (ii) the amount of any increase in the Spouse's or Civil Partner's pension granted on or after the date the Early Leaver left Employment;

but:

- (I) if the pension is payable to the widow, widower or surviving civil partner of an Early Leaver it must not be less than the appropriate Guaranteed Minimum;
- (II) if the Early Leaver dies after Normal Pension Age, his deferred pension being postponed under Rule 11(J) (Leaving Employment), the amount at (1)(a) above will be increased in respect of the period from the Early Leaver's Normal Pension Age until his death at the same rate as would have applied to the Early Leaver's pension under Rule 11(J) (Leaving Employment), but any part of that increase which resulted from the Contracting-out Rules will be ignored if the pension is not payable-to the widow, widower or surviving civil partner of an Early Leaver;
- (2) leaving a legal widow, widower or surviving civil partner whom he married or entered into a civil partnership with after his Pensionable Employment ended, the legal widow, widower or surviving civil partner will be entitled to an annual pension equal to fifty per cent. of the Early Leaver's Scale Pension, PROVIDED THAT in calculating the Early Leaver's Scale Pension for the purposes of this sub-rule (8)(2), any period of Pensionable Employment before 1st April, 1978 shall be disregarded. The pension payable to the widow, widower or surviving civil partner under this sub-rule must not be less than the appropriate Guaranteed Minimum.
- (3) leaving one or more Children, each Child will be entitled, subject to Rule 23(E) (Spouses', Civil Partners' and Children's Pensions - Supplementary Provisions), to an annual pension equal to 37.5 per cent of the pension payable in the relevant circumstances, to the Early Leaver's Spouse or Civil Partner (or, if he is not survived by a Spouse or Civil Partner, equal to one-half of the pension which would have been payable had he been survived by a Spouse or Civil Partner).

22. DEATH OF A PENSIONER - PENSION BENEFITS

Death of a Pensioner after Retirement at Normal Pension Age

(A) If a Pensioner dies in receipt of a pension under Rule 8 (Retirement at Normal Pension Age) after retirement at Normal Pension Age:

- (1) leaving a Spouse or Civil Partner, the Spouse or Civil Partner will be entitled to an annual pension equal to fifty per cent. of the Pensioner's Scale Pension, but if the pension is payable to the widow, widower or surviving civil partner of a Pensioner it must not be less than the appropriate Guaranteed Minimum;
- (2) leaving one or more Children, each Child will be entitled, subject to Rule 23(E) (Spouses', Civil Partners' and Children's Pensions - Supplementary Provisions), to an annual pension equal to 37.5 per cent of the pension payable to the Pensioner's Spouse or Civil Partner (or, if he is not survived by a Spouse or Civil Partner, equal to one half of the pension which would have been payable had he been survived by a Spouse or Civil Partner).

Death of a Pensioner after Retirement later than Normal Pension Age

(B) If a Pensioner dies either in receipt of a pension under Rule 9(A) (Retirement after Normal Pension Age) after retirement later than Normal Pension Age, or while in Employment after Normal Pension Age after having exercised an option under Rule 9(D) (Retirement after Normal Pension Age):

- (1) leaving a Spouse or Civil Partner, the Spouse or Civil Partner will be entitled to an annual pension equal to fifty per cent. of the Pensioner's Scale Pension calculated by reference to his Final Pensionable Salary at Normal Pension Age, increased by an amount determined by the Trustee after consulting the Actuary, but if the pension is payable to the widow, widower or surviving civil partner of a Pensioner (a) it must not be less than the appropriate Guaranteed Minimum and (b) the rate of increase determined by the Trustee shall not be less than the rate at which the Guaranteed Minimum applicable to the Pensioner was increased under section 15 of the Pension Schemes Act 1993 by reason of the postponed payment of that Guaranteed Minimum;
- (2) leaving one or more Children, each Child will be entitled, subject to Rule 23(E) (Spouses', Civil Partners' and Children's Pensions - Supplementary Provisions), to an annual pension equal to 37.5 per cent. of the pension payable to the Pensioner's Spouse or Civil Partner, (or, if he is not survived by a Spouse or Civil Partner, equal to one half of the pension which would have been payable had he been survived by a Spouse or Civil Partner).

Death of a Pensioner after Retirement before Normal Pension Age

(C) If a Pensioner dies in receipt of a pension under Rule 10 (Retirement before Normal Pension Age) after retirement earlier than Normal Pension Age, or if a Pensioner who would have been in receipt of a pension under Rule 10 but for the operation of (D) of that Rule dies before GMP Age:

- (1) leaving a Spouse or Civil Partner, the Spouse or Civil Partner will be entitled to an annual pension equal to fifty per cent. of the Pensioner's Scale Pension (or, if the Pensioner's pension was paid under Rule 10(A) (Retirement before Normal Pension Age – ill-health or incapacity retirement) fifty percent of any Incapacity Retirement

Pension awarded to the Pensioner under Rule 10(A)) reduced, if the pension was paid under Rule 10(C) (Retirement before Normal Pension Age —other retirement), by the same percentage reduction as was applied to the Pensioner's pension under Rule 10(C) but if the pension is payable to the widow, widower or surviving civil partner of a Pensioner it must not be less than the appropriate Guaranteed Minimum;

- (2) leaving one or more Children, each Child will be entitled, subject to Rule 23(E) (Spouses', Civil Partners' and Children's Pensions - Supplementary Provisions), to an annual pension equal to 37.5 per cent of the pension payable to the Pensioner's Spouse or Civil Partner (or, if he was not survived by a Spouse or Civil Partner, equal to one-half of the pension which would have been payable had he been survived by a Spouse or Civil Partner).
- (3) If the Pensioner was in receipt of a PRCS pension under Rule 10(F) (Retirement before Normal Pension Age — Premature Retirement Compensation Scheme) and dies leaving a Spouse, Civil Partner or Children, the Scheme Years credited to the Pensioner under Rule 10(F) will be counted as Pensionable Employment as an Upper Tier Member in calculating his Spouse's, Civil Partner's or Children's pension, unless the Pensioner was a Lower Tier Member at the time he retired from Employment, in which case the Scheme Years credited to him under Rule 10(F) will be counted as Pensionable Employment as a Lower Tier Member in calculating his Spouse's, Civil Partner's or Children's pension¹⁰² or unless the Pensioner was a Tier 3 Member at the time he retired from Employment, in which case the Scheme Years credited to him under Rule 10(F) will be counted as Pensionable Employment as a Tier 3 Member in calculating his Spouse's, Civil Partner's or children's pension.

Death of a Pensioner who was not a Qualified Member on leaving Employment

- (D) If a Pensioner dies in receipt of a pension under Rule 11(A) (Leaving Employment —non-Qualified Member), having left Employment other than as a Qualified Member, leaving a Spouse or Civil Partner who is the Pensioner's widow, widower or surviving civil partner, the Spouse or Civil Partner will be entitled to an annual pension equal to the appropriate Guaranteed Minimum.

Death of a Pensioner who was a Qualified Member on leaving Employment

- (E) If a Pensioner dies in receipt of a pension under Rule 11(B) (Leaving Employment — Qualified Members) having left Employment as a Qualified Member:
 - (1) leaving a Spouse or Civil Partner, the Spouse or Civil Partner will be entitled to an annual pension equal to the sum of:
 - (a) fifty per cent. of the Pensioner's Scale Pension;
 - (i) if the pension is payable to the widow, widower or surviving civil partner of a Pensioner and the amount at (a) exceeds half the Pensioner's Guaranteed Minimum on the day after the date he left Employment (the Guaranteed Minimum being calculated subject to the requirements of the Contracting-out Rules), the amount by which the excess of the widow's, widower's or surviving civil partner's Guaranteed Minimum at the date of the Pensioner's death over half the Pensioner's Guaranteed Minimum (excluding any such part) on the day after the date he left Employment,

¹⁰² Amended by deed dated 31 July 2013

is greater than:

- (ii) the amount of any increase in the widow's, widower's or surviving civil partner's pension granted on or after the date the Pensioner left Employment (excluding any increase under (c) below); and
- (c) if there are 365 or more days (any 29 February being disregarded) after the date the Pensioner left Employment up to and including his 60th birthday or date of leaving Pensionable Employment if later, an amount calculated in accordance with the Revaluation Formula (as defined in sub-rule (F) below);

but:

- (I) if the pension is payable to the widow, widower or surviving civil partner of a Pensioner it must not be less than the appropriate Guaranteed Minimum;
- (II) if the Pensioner has taken his deferred annual pension early under Rule 11(C) (Leaving Employment), the amount at (a) above will be reduced by the same percentage reduction as was applied to the Pensioner's pension under Rule 11(C), and (b) and (c) above will not apply;
- (III) if the Pensioner has postponed his deferred annual pension under Rule 11(1) (Leaving Employment), the amount at (a) above will be increased in respect of the period from the Pensioner's Normal Pension Age until the date his pension started to be paid at the same rate as applied to the Pensioner's pension under Rule 11(J) (Leaving Employment) (but any part of that increase which resulted from the Contracting-out Rules will be ignored if the pension is not payable to the widow, widower or surviving civil partner of a Pensioner), and (b) and (c) above will not apply;

(2) leaving one or more Children, each Child will be entitled, subject to Rule 23(E) (Spouses', Civil Partners' and Children's Pensions --Supplementary Provisions), to an annual pension equal to 37.5 per cent of the pension payable to the Pensioner's Spouse or Civil Partner (or, if he was not survived by a Spouse or Civil Partner, equal to one-half of the pension which would have been payable had he been survived by a Spouse or Civil Partner).

(F) The Revaluation Formula

In sub-rule (E) above, the Revaluation Formula means

$$\frac{A \times B}{C} \times (D - E)$$

where:

A = the revaluation percentage referred to in paragraph 2 of Schedule 3 to the Pension Schemes Act 1993;

B = the period of the Pensioner's Pensionable Employment (including any notional period which has been credited to the Pensioner) which falls after 31st December, 1984;

C = the total period of the Pensioner's Pensionable Employment (including any notional period which has been credited to the Pensioner);

D = the pension calculated, in the case of a Spouse or Civil Partner, in accordance with sub-rule (E)(1)(a) or, in the case of a Child, in accordance with sub-rule (E)(2)(a); and

E = any part of the pension referred to in .D above which consists of the Guaranteed Minimum applicable to the Beneficiary concerned on the day after the date the Pensioner left Employment.

For the purposes of B and C above any notional period of Pensionable Employment which has been credited to the Pensioner shall be taken to have ended immediately before his actual Pensionable Employment began.

23. SPOUSES', CIVIL PARTNERS' AND CHILDREN'S PENSIONS - SUPPLEMENTARY PROVISIONS

- (A) References in this Rule to a Spouse or Civil Partner include, where appropriate, a legal widow, widower or surviving civil partner who, although not a Spouse or Civil Partner as defined in Rule 1(F) (Interpretation and Definitions), is entitled to a pension under sub-rule (B) below.
- (B) If a Member, Early Leaver or Pensioner is survived by a widow, widower or surviving civil partner who is neither (1) a Spouse or Civil Partner as defined in Rule 1(F) nor (2) one of two or more widows of valid polygamous marriages (unless she is entitled to a Category B retirement pension under Regulation 3 of the Social Security and Family Allowances (Polygamous Marriages) Regulations 1975), the widow, widower or surviving civil partner shall be entitled to an annual pension equal to his Guaranteed Minimum.
- (C) The pension payable to a Spouse, Civil Partner or Child (to the extent that it exceeds any Guaranteed Minimum) must not, except to the extent the Trustee and the Employer otherwise agree, exceed the value of any restricted amount payable on the death of a Member, Early Leaver or Pensioner as a result of unsatisfactory evidence of health or other underwriting requirements entered into by the Trustee to insure its liability in respect of that pension.
- (D) If a Spouse or Civil Partner is more than ten years younger than the Member, Early Leaver or Pensioner concerned, the pension payable may be reduced by an amount determined by the Trustee after consulting the Actuary. The reduction will not be greater, as a percentage of the pension payable, than 2.5 per cent. for each complete year (and so in proportion for each complete month) by which the Spouse or Civil Partner is more than ten years younger than the Member, Early Leaver or Pensioner, but the pension payable to the widow, widower or surviving civil partner of a Member, Early Leaver or Pensioner must not be reduced to an amount less than the appropriate Guaranteed Minimum.
- (E) If a Member, Early Leaver or Pensioner is survived by more than two Children, the total annual amount of the pensions payable (so long as there are more than two Children) will be limited to the total annual amount payable in respect of two Children. For any period during which there are more than two Children the total annual amount to which they are entitled will be divided equally among all the Children unless otherwise determined by the Trustee.

- (F) Rule 13(G) (Trivial Commutation — death benefit) applies to trivial pension entitlements.
- (G) The pension payable to a Child will be increased in respect of any period during which no pension is payable to a Spouse or Civil Partner to the amount which would have been payable under the relevant Rule had the Member, Early Leaver or Pensioner not been survived by a Spouse or Civil Partner. Any increase in a Child's pension under this sub-Rule, if it occurs after the pension has started to be payable, will take effect from the date on which the next instalment of that pension falls due.
- (H) No pension is payable to a Spouse, Civil Partner or a Child if a Pensioner has received a lump sum under Rule 13(F) (Commutation) in commutation of all of his pension.

PAYMENT OF BENEFITS

24. PAYMENT OF PENSIONS

Pensioners

(A) A Pensioner's pension will be paid by monthly instalments on the last day of each month during his lifetime. The first instalment ¹⁰³ and, in respect of a Tier 3 Member, the Tier 3 Lump Sum will be paid:

- (1) in the case of a pension under Rule 8 (Retirement at Normal Pension Age), Rule 9(A) (Retirement after Normal Pension Age) or Rule 10 (Retirement before Normal Pension Age), if retirement occurs on the first day of a month, on the last day of that month, otherwise on the last day of the month following the month in which retirement occurs;
- (2) in the case of a pension under Rule 9(D) (Retirement after Normal Pension Age), if the agreed date referred to in that Rule is the first day of a month, on the last day of that month, otherwise on the last day of the month following the month in which the agreed date occurs; and
- (3) in the case of a pension under Rule 11 (Leaving Employment), if Normal Pension Age is the first day of a month, on the last day of that month, otherwise on the last day of the month following the month in which Normal Pension Age occurs, except where the pension is paid early or late under the provisions of that Rule.

The last instalment of pension will be paid on the last day of the month preceding the month in which the Pensioner dies.

(B) If a Pensioner's pension does not start to be paid on the last day of a month an appropriate proportion of the full monthly instalment will be paid with the first monthly instalment.

(C) If a Pensioner dies before the first monthly instalment of pension is due but after the event which gives rise to the payment of the pension, an appropriate proportion of the full monthly instalment will be paid to the Pensioner's personal representatives.

(D) If a Pensioner to whom Rule 10(D) (Retirement before Normal Pension Age - Guaranteed Minimum from GMP Age) applies has received a lump sum under Rule 13 (Commutation) and/or exercised the option under Rule 14 (Dependant's Pension Option) in lieu of all his pension except the Guaranteed Minimum, that Guaranteed Minimum will be paid as if it was a deferred pension under Rule 11 (Leaving Employment).

Spouses and nominated beneficiaries

(E) A Spouse's or Civil Partner's pension, or a nominated beneficiary's pension under Rule 14 (Dependant's Pension Option), will be paid by monthly instalments on the last day of each month during the lifetime of the ¹⁰⁴ beneficiaries ¹⁰⁵ The first instalment will be paid on the last day of the month following the month in which a Member's, Early Leaver's or Pensioner's death occurs. The last instalment will be paid on the last day of the month preceding the month in which the beneficiaries dies ¹⁰⁶ or, if Rule 14(D) applies, on the last day of the month preceding the month in which the relevant event referred to in the relevant Rule occurs.

¹⁰³ Amended by deed dated 31 July 2013

¹⁰⁴ Amended by deed dated 16 April 2015

¹⁰⁵ Amended by deed dated 16 April 2015

¹⁰⁶ Amended by deed dated 16 April 2015

(F) If a pension is payable to the widow, widower or surviving civil partner of a Member, Early Leaver or Pensioner and the widow, widower or surviving civil partner dies before the first instalment of his or her pension is due but after the date of the Member's, Early Leaver's or Pensioner's death, an appropriate proportion of the full monthly instalment (to the extent that it consists of the Guaranteed Minimum) will be paid to the widow's, widower's or civil partner's personal-representatives.

Children

(G) A Child's pension will be paid by monthly instalments until the Child ceases to be a Child as defined in Rule 1(F) (Interpretation and Definitions). The first instalment will be paid on the last day of the month following the month in which a Member's, Early Leaver's or Pensioner's death occurs. The last instalment will be paid on the last day of the month preceding the month in which the event causing its termination occurs. The provisions of Rules 19 (Death of a Pensioner — Lump Sum) and 22 (Death of a Pensioner — Pension Benefits) will apply to the payment of a Child's pension.

Frequency of Payment

(H) The Trustee may determine that the instalments of a pension should be payable other than monthly and/or that the payment date shall be other than the last day of a month, and in either case this Rule, to the extent necessary, will be construed accordingly.

Pension Increases

(I) (1) All pensions under the Scheme (except, unless the Principal Employer decides, pensions payable under clause 14 (Discretionary Pensions) and any pensions provided out of the Member's additional voluntary contributions) increase, after they have started to be paid, on 1st April each year. The rate of increase awarded shall be the same as that awarded to official pensions under Part 1 of the Pensions (Increase) Act 1971, except that the Principal Employer, on the advice of the Actuary:

(a) taking into account the assets of the Fund and the ongoing cost of providing benefits for past and future service; and
(b) after agreement with the Trustee,

may reduce the rate of increase under this sub-rule (1)(1) (which may (i) in respect of any period of Pensionable Employment prior to 6th April, 1997, be a nil rate and (ii) in respect of any period of Pensionable Employment from and including 6th April, 1997, be a rate lower than that awarded to official pensions under Part 1 of the Pensions (Increases) Act 1971 provided that the rate of increase satisfies any minimum rate of increase to pensions in payment specified in any applicable legal requirements from time to time).

(2) The part of the pension which is increased under (1) above is the part which exceeds any Guaranteed Minimum pension. A dependant who is treated as a Spouse or Civil Partner under the last paragraph of the definition of "Spouse" or "Civil Partner" in Rule 1(F) (Interpretation, Definitions and General Rules) is deemed to have a Guaranteed Minimum pension for this purpose. The Trustee will decide its amount and the period when it is payable, after consulting the Actuary.

(3) In accordance with Rule 27(C) (Guaranteed Minimum Pensions) that part of the Guaranteed Minimum pension which is attributable to earnings in the tax years from

and including 1988/89 will be increased in accordance with the requirements of section 109 of the Pension Schemes Act 1993.

- (4) If at the time of the first increase to a pension, the pension has been payable for less than a year, the increase is a proportion of a full increase, and is calculated on a basis decided by the Trustee after consulting the Actuary, which complies with section 54(2) of the Pensions Act 1995 where sub-rule (3) above applies.
- (5) The first increase to a Spouse's, Civil Partner's or Child's pension under (1) above is a proportion of a full year's increase, if at the time the increase is due less than a year has passed:
 - (i) if the pension results from the death of a Pensioner, since the date the Pensioner's pension started to be payable;
 - (ii) if the pension results from the death of a Member or Early Leaver, since the date the Member or Early Leaver died.
- (6) The first increase will be calculated on a basis decided by the Trustee after consulting the Actuary which complies with section 54(2) of the Pensions Act 1995 where sub-rule (2) above applies.

25. PAYMENT OF LUMP SUMS

- (A) For the purposes of this Rule:
 - (1) **Dependants** means any natural persons who, immediately before the death of a Member, Early Leaver or Pensioner, were wholly or partially maintained or financially assisted by him (as to which the decision of the Trustee shall be final) or any persons (including unincorporated associations or trusts) entitled to any interest in his estate under any valid testamentary disposition made by him or upon his intestacy and any persons (including unincorporated associations and trusts) notified in writing by him to the Trustee under sub-rule (E) below; and
 - (2) **Relatives** means the Spouse or Civil Partner of a Member, Early Leaver or Pensioner, the grandparents of a Member, Early Leaver or Pensioner, the descendants of those grandparents and the spouses or civil partners of any of them. A stepchild or adopted child of any person will be treated as that person's child and a natural child of any person who has been adopted by another person shall not be excluded from this definition by reason of the application of the Children Act 1975.
- (B) The Trustee must pay whole or any part of any lump sum benefit payable in accordance with this Rule within two years of the member's death to or for the benefit of all or any one or more of the **Relatives** and **Dependants** of a Member, Early Leaver or Pensioner living at the date of his death, or to his personal representatives, in proportions the Trustee determines.
- (C) The Trustee may, in exercise of the power contained in sub-rule (B) above, pay or transfer the lump sum benefit (or any part of it) to trustees (including for this purpose itself) to be held upon such trusts for any one or more of the **Relatives** and **Dependants** of the Member, Early Leaver or Pensioner (whether or not for other persons also) in shares the Trustee determines; the Trustee may confer on those trustees any powers and discretions (including power to charge remuneration) as the Trustee thinks fit.

- (D) The Trustee shall have power to apply the whole or any part of the lump sum benefit in the purchase of pensions for any one or more of the Dependents and Relatives of the Member, Early Leaver or Pensioner (subject to the person in question qualifying as a dependant for the purposes of paragraph 15 of Schedule 28 to the Finance Act).
- (E) Any Member, Early Leaver or Pensioner may, by notice to the Trustee in the form it prescribes, notify the Trustee of the persons in whose favour he wishes the scope of the powers conferred upon the Trustee by this Rule to be exercised and may (but need not) give his reasons. A notification may be withdrawn (whether or not another is submitted) at any time. A notification (with or without reasons) will neither bind the Trustee nor fetter it in any way in the exercise of its powers under this Rule, but may be taken into account by it.
- (F) If all or any part of the lump sum has not been distributed under this Rule within two years of the Member's death, the amount not distributed will be retained in the Fund for such purposes as the Trustee decides and no benefit will be payable under this Rule.

BENEFITS FROM VOLUNTARY CONTRIBUTIONS

26. THE VOLUNTARY CONTRIBUTIONS FUND

- (A) References in this Rule to a Member include an Early Leaver and/or a Pensioner, as the context requires.
- (B) An account will be maintained for each Member who has paid contributions to the Voluntary Contributions Fund (AVC Account). There will be credited to each AVC Account the contributions the Member has paid to the Voluntary Contributions Fund (except any contributions which he has agreed with the Trustee are to be applied to increase the lump sum death in Employment benefit under Rule 17(A) (2) (Death of a Member - Lump Sum)) and bonuses, interest or other accretions as the Trustee from time to time determines.
- ¹⁰⁷(C) *The amount in the AVC Account will be applied by the Trustee in any one or more of the ways set out in sub-rules (1) to (5) below as the Member agrees in writing with the Trustee. If the Member fails within a reasonable time, as decided by the Trustee, to give the Trustee any proposals as regards the options below, or the Member does not agree the options to be implemented by the Trustee, the Trustee will decide the way in which the AVC Account will be applied (provided that the Member has been or is offered the option of a Policy instead of benefits from the Scheme but has not taken up or does not take up such option). The Trustee has no liability to or in respect of a Member as regards to the selection of any option (or any decision made by the Trustee as to the provisions in default of a selection).*
 - (1) *To increase the Member's pension.*
 - (2) *In paying a lump sum to the Member at the time a pension could be commuted under Rule 13 (Commutation), whether or not it is commuted under that Rule.*
 - (3) *To increase a Spouse's, Civil Partner's or Child's pension.*
 - (4) *To provide a pension for any dependant of the Member who is not a Spouse, Civil Partner or Child.*
 - (5) *To transfer out all or part of the AVC Account to another Registered Scheme or qualifying overseas pension scheme (as defined in the Finance Act) provided that the transfer is a recognised transfer for the purposes of section 169 of the Finance Act. For the avoidance of doubt the discharge contained in Rule 15(L) applies to such a transfer.*
- If sub-rule (2) applies, paragraph (2)(c) of the Appendix will apply in relation to the AVC Account.

The Member may agree in writing with the Trustee that some or all of his voluntary contributions will not be credited to his AVC Account but will be applied to increase the lump sum death in Employment benefit under Rule 17(A)(2) (Death of a Member – Lump Sum).
- (D) The amount or value of the benefits provided under sub-rule (C) above is decided by the Trustee after consulting the Actuary.

¹⁰⁷ Amended by a deed dated 12 April 2018

¹⁰⁸(E) *On a Member's death or retirement the Trustee will transfer the amount in the AVC Account to the Fund (in which event the benefit to be provided by that amount will be paid from and become a liability of the Fund) and/or apply that amount in buying a Policy in accordance with sub-rule (H), subject to the exercise of the Member of any right to a Cash Equivalent or the option set out in Rule 26(C) (5). The Trustee will observe the provisions of Rule 7(D) in determining that part of the AVC Account, the benefit provided from which will be paid from and become a liability of the Fund and that part of the AVC Account which will be applied in buying a Policy.*

(F) If a Member (other than a Member to whom Rule. 11(A) (Leaving Employment—non-Qualified Member) applies) ceases to be in Pensionable Employment the AVC Account will be maintained (but with no further contributions payable by the Member) and at Normal Pension Age (or another date provided under the Rules) the relevant provisions of this Rule will apply in respect of the amount in the AVC Account, unless a transfer payment is made or the Member's benefits are bought out under the Rules.

(G) If the Scheme is wound up completely or partially, each Member affected must elect that his AVC Account is to be applied, in proportions the Trustee approves, to increase the benefits payable to or in respect of him. If the Member does not make an election within the period allowed for the purpose by the Trustee, it will apply the amount in the AVC Account in the manner it thinks fit.

(H) Before a Policy is due to be bought for a Member, Early Leaver or Pensioner under this Rule the Trustee will request the Member, Early Leaver or Pensioner in writing to direct the Trustee as regards the provider of the Policy and such benefits and other provisions of the Policy as the Trustee may request the Member to select. The Trustee must provide the information required by paragraph 7 of Schedule 2 to the Occupational Pension Schemes (Disclosure of Information) Regulations 1996. The Policy may be issued on a commission paying basis.

If the Member fails within a reasonable time, as decided by the Trustee, to make this direction, the Trustee will transfer the amount in the AVC Account to the Fund as described in sub-rule (E).

In complying with any Member's direction, or acting in default of a direction under this sub-rule, the Trustee has no liability to the Member or any Beneficiary as regards the selection of the Policy, its benefits and other provisions or deferral of the purchase of a Policy. The Trustee may not comply with a Member's direction if and to the extent that this is necessary to enable the Trustee to purchase a Policy within such reasonable period as they decide. In these circumstances, the Trustee will inform the Member of the reason for the Trustee's non-compliance and allow him to select different benefits or Policy provisions within such reasonable time as the Trustee decides.

A Policy purchased under this Rule will be issued to the Member in his name by the provider and, once issued, the Trustee is discharged from all liability to or in respect of the Member including any liability relating to the Policy and the provision of benefits which are to be paid to or in respect of the Member from the Policy (including, without limitation, the effect on benefits of any commission paid). This discharge is in addition to and without prejudice to any other discharge given to the Trustee.

(I) Any pension payable from the Scheme under this Rule will be paid for the life of the Beneficiary, unless payable to a Child in which case it will be paid until the Child is no longer a Child as defined in Rule 1(F).

¹⁰⁸ Amended by a deed dated 12 April 2018

(J) If a Qualified Member's Pensionable Employment ends, his AVC Account is maintained unless a transfer payment is made or his benefits are bought out under the Rules. If a non-Qualified Member's Pensionable Employment ends, the contributions credited to his AVC Account will form part of, and be treated in the same way as, a Contribution Refund or Cash Transfer Sum under Rule 11 (Leaving Employment). On the termination of a non-Qualified Member's Pensionable Employment who has participated in a Salary Sacrifice Pension Arrangement, the contributions to his AVC Account will form part of and be treated in the same way as a Contribution Refund, Cash Transfer Sum or a deferred pension under Rule 11(B) or 11(BA), as applicable, but, if he has less than the three month period referred to in Rule 11B, he shall receive a Contribution Refund in respect of his contributions to the AVC Account alone, as though Rule 11F applied to those contributions.

27. GUARANTEED MINIMUM PENSIONS

Contracting-out

(A) The provisions of this Rule override any other provision of the Trust Deed or the Rules which is inconsistent with them except clauses 18 (Benefits not to be assigned), 20 (Unclaimed benefits), 30 (Alterations) and 31 to 33 (termination) inclusive and Rules 13(F) and 23(F) (trivial commutation).

Guaranteed minimum pensions

(B) (1) This sub-rule applies to a Beneficiary who has been a Member and has a guaranteed minimum in relation to the pension for him from the Scheme in accordance with section 14 of the Pension Schemes Act 1993, or has had his rights to a guaranteed minimum pension transferred to the Scheme.

(2) The Beneficiary is entitled to a pension at a rate equivalent to a weekly rate of at least that guaranteed minimum. The pension is payable for life from GMP Age but the start of the pension can be postponed for any period during which the Beneficiary remains in employment after GMT Age:

- (a) if the employment is employment to which the Scheme relates and the postponement is not for more than five years, or
- (b) if the Member consents.

(3) If the Beneficiary is male and dies at any time leaving a widow, she is entitled to a pension at a rate equivalent to a weekly rate of at least one-half of that guaranteed minimum. The pension is payable from the date of the Beneficiary's death for life. However, if the widow is one of two or more widows of valid polygamous marriages, she has no such entitlement unless she is entitled to a Category B retirement pension under regulation 3 of the Social Security and Family Allowances (Polygamous Marriages) Regulations 1975.

(4) If the Beneficiary is female and dies on or after 6th April, 1989 leaving a widower, he is entitled to a pension at a rate equivalent to a weekly rate of at least one-half of the part of the guaranteed minimum which is attributable to earnings for the tax year 1988/89 and later tax years. The pension is payable from the date of the Beneficiary's death for life.

(5) If the Beneficiary dies leaving a civil partner ¹⁰⁹ or same sex spouse, the civil partner ¹¹⁰ or same sex spouse is entitled to a pension at a rate equivalent to a weekly rate of at least one-half of the part of the guaranteed minimum which is attributable to earnings for the tax year 1988/89 and later tax years. The pension is payable from the date of the Beneficiary's death for life.

(6) A pension payable to a Beneficiary under any other provision of the Trust Deed or the Rules may be offset against his entitlement to a guaranteed minimum pension increased as required by sub-rule (C), (D) and (E) under this Rule, except to the extent that:

- (a) it includes equivalent pension benefits (as referred to in sections 13(6) and (7) of the Pension Schemes Act 1993), any benefits resulting from his voluntary contributions, and any amount resulting from the revaluation requirements of that Act; or

¹⁰⁹ Amended by deed dated 16 April 2015

¹¹⁰ Amended by deed dated 16 April 2015

(b) offsetting would contravene sub-rules (F) or (G).

Increases

(C) The guaranteed minimum pensions referred to in sub-rule (B), insofar as they are attributable to earnings in the tax years from and including 1988/89, must be increased in accordance with the requirements of section 109 of the Pension Schemes Act 1993.

Postponed payment

(D) If the start of a guaranteed minimum pension for a Beneficiary to whom sub-rule (B) applies is postponed for any period after GMP Age, it must be increased to the extent (if any) specified in section 15 of the Pensions Schemes Act 1993.

Revaluation

(E) If a Member's Contracted-out Employment ends before GMP Age, his guaranteed minimum at GMP Age or his earlier death is calculated by increasing the guaranteed minimum pension which has accrued up to the date Contracted-out Employment ends by one of the following methods.

- (1) The increase is by the rate specified by regulations made under section 16(3) of the Pension Schemes Act 1993 as being relevant at the date Contracted-out Employment ends, for each tax year after that in which Contracted-out Employment ends, up to and including the last complete tax year before GMP Age or earlier death.
- (2) The increase is by the percentage by which earnings factors for the tax year in which Contracted-out Employment ends are increased by the last order under section 148 of the Social Security Administration Act 1992 to come into force before the tax year in which the Member reaches GMP Age or dies, if earlier.

The Trustee must decide which of these methods is to apply for the time being. In cases permitted by the Pension Schemes Act 1993 a different method may be selected for accrued rights to a guaranteed minimum pension which are transferred to the Scheme. If the Scheme ceases to be contracted-out as a result of the liability of all the Employers to pay contributions to the Fund being terminated, the Trustee may decide that another of the methods in paragraphs (1) and (2) is to replace the method in force in respect of all Members whose Contracted-out Employment terminates.

Anti-franking

(F) No part of a Beneficiary's pension from the Scheme may be treated as satisfying an obligation to increase the Beneficiary's guaranteed minimum pension under sub-rules (C), (D) or (E), except to the extent permitted by Chapter III of Part IV of the Pension Schemes Act 1993.

(G) The pension payable to a Beneficiary from the Scheme must not be less than any minimum applicable at the relevant time under Chapter III of Part IV of the Pension Schemes Act 1993.

Franking minimum

(H) At any time after a guaranteed minimum pension starts to be paid to a Beneficiary under the Scheme, his pension must not be less than any applicable minimum under Chapter 111 of Part IV of the Pension Schemes Act 1993 (a "franking

minimum").

Application of franking minimum

(I) A franking minimum applies in the case of a Member (unless he takes an early retirement pension under Rule 10(C) or an alternative to a deferred pension under Rule 11(1) or 11(J) if:

- (a) there is an interval between the date on which his Contracted-out Employment ends and the date on which his guaranteed minimum pension under the Scheme starts to be paid;
- (b) his pension, calculated at the date on which his Contracted-out Employment ends, exceeds his guaranteed minimum on the day after that date; and
- (c) when his guaranteed minimum pension starts to be paid, or at any later time, it exceeds his guaranteed minimum under the Scheme on the day after his Contracted-out Employment ends.

Franking minimum - spouses and civil partners

(J) A franking minimum applies in the case of a Member's widow, widower or surviving civil partner if:

- (1) there is an interval between the date on which the Member's Contracted-out Employment ends and the earlier of the date on which his guaranteed minimum pension under the Scheme starts to be paid and the date of his death;
- (2) the amount of the pension to which the widow, widower or surviving civil partner would have been entitled under the Scheme, calculated on the assumptions referred to below, exceeds one-half of the Member's guaranteed minimum on the day after the date on which his Contracted-out Employment ends; and
- (3) when a pension under the Scheme starts to be paid to the widow, widower or surviving civil partner or at any later time the widow's, widower's or surviving civil partner's guaranteed minimum under the Scheme exceeds one half of the Member's guaranteed minimum on the day after his Contracted-out Employment ended.

The assumptions referred to in (2) above are (i) that the Member had died on the day after his Contracted-out Employment ended, (ii) that the Member was; on the day after his Contracted-out Employment ended, either married to the person to whom he was married, or in a civil partnership with the person with whom he was in a civil partnership, on the date of his death and (iii) the further period of Pensionable Employment which the Member would have completed if he had remained in Pensionable Employment up to Normal Pension Age is ignored.

Contributions equivalent premium

(J) If an Employer pays a contributions equivalent premium in respect of a Beneficiary the Trustee must, at the request of the Employer, pay to it an amount not greater than that premium.

28. PENSION SHARING

Interpretation and application

(A) Words defined in Rule 1 (Interpretation and Definitions) have the same meanings in this Rule. Additionally:

1993 Act means the Pension Schemes Act 1993 (as amended by the 1999 Act).

1999 Act means the Welfare Reform and Pensions Act 1999.

Child, in relation to a Member or a Participant, has the same meaning as in Rule 1(F) but, in the case of a Participant, as if references to a Member, Early Leaver or Pensioner are read as references to a Participant.

Dependant means, in relation to a Member or a Participant, his Spouse or Civil Partner or Child or any natural person who, immediately before the Member's death, in the Trustee's opinion:

- (a) was financially dependent on the Member;
- (b) had a financial relationship with the Member which was one of mutual dependence; or
- (c) was dependent on the Member because of physical or mental impairment.

Distribution Rule means Rule 25 (Payment of Lump Sums). References to the Distribution Rule are to be read as if the references to a Member, Early Leaver or Pensioner are to an Ex-Spouse/Civil Partner or, according to the context, a Participant.

Ex-Spouse/Civil Partner means an individual to whom Pension Credit Rights have been or are to be allocated following a Pension Sharing Order.

Implementation Period is as defined in section 34 of the 1999 Act.

Member, for the purposes of this Rule, includes an Early Leaver and Pensioner.

Normal Pension Age means the Normal Pension Age which applied to the Member in relation to whom the Pension Credit Benefit arose.

Participant is an Ex-Spouse/Civil Partner in respect of whom, with the Principal Employer's consent, the Trustee has conferred a Pension Credit Benefit in the Scheme. For this purpose, the Participant must participate in the Scheme, either:

- (a) solely for the provision of a Pension Credit Benefit; or
- (b) for the wholly separate provision of a Pension Credit Benefit, where benefits accrue or have accrued to that individual under the Scheme for any other reason

PCB Regulations means the Pension Sharing (Pension Credit Benefit) Regulations 2000 and **PCB Regulation** has the corresponding meaning.

Pension Credit Benefit, means the benefits payable under the Scheme to or in respect of a person by virtue of rights under the Scheme attributable (directly or indirectly) to a Pension Credit.

Pension Credit Rights means rights to future benefits under a scheme which are attributable (directly or indirectly) to a Pension Credit.

Pension Debit means a debit under section 29(1)(a) of the 1999 Act.

Pension Sharing Order means any order or provision as is mentioned in section 28(1) of the 1999 Act.

Relevant Date means the date on which Pensionable Employment terminates.

Transfer Notice is as defined in section 101F of the 1993 Act.

Providing information and giving effect to a Pension Sharing Order

(B)(1) The Trustee must comply with the requirements imposed by the Pensions on Divorce etc. (Provision of Information) Regulations 2000 (the supply of information) in relation to pensions on divorce, separation, nullity or dissolution of a civil partnership.

(2) The Trustee must give effect to a Pension Sharing Order, and implement a Pension Debit and discharge their liability in respect of a Pension Credit, in accordance with Part IV of the 1999 Act and the provisions of this Rule. In relation to a Pension Credit the Trustee will decide which of the methods in (a) and (b) below will apply but the method in (b) is available only if the Principal Employer agrees:

- (a) by paying the Pension Credit to a qualifying arrangement as defined in Schedule 5 to the 1999 Act in accordance with paragraph 1 of that Schedule; or
- (b) by conferring rights to benefits under the Scheme on the person entitled to the Pension Credit in accordance with sub-rule (C) below. The Principal Employer's agreement to conferring benefits in this way may be given in respect of any individual case or for all cases until the agreement is withdrawn by the Principal Employer (by notifying the Trustee).

(3) The Trustee may recover from a Member and/or his Ex-Spouse/Civil Partner any costs of the Trustee in respect of a Pension Sharing Order subject to the Pensions on Divorce etc. (Charging) Regulations 2000.

Participation of Ex-Spouses/Civil Partners in the Scheme

(C) If, in accordance with sub-rule (B)(2)(b), the Trustee, with the Principal Employer's consent, so decides an Ex-Spouse/Civil Partner is entitled to the following benefits as a Participant, subject to compliance with Part WA of the 1993 Act:

(1) Pension for Ex-Spouse/Civil Partner

- (a) On attaining Normal Pension Age or, if later, as from the date the Pension Sharing Order is implemented the Participant will be entitled to a pension payable for life ¹¹¹ and, in the case of a Participant who was formerly a Spouse or Civil Partner of a Tier 3 Member, a lump sum. The amount of the pension ¹¹² and, if relevant, the lump sum and the terms on which it is payable is decided by the Trustee, after taking actuarial advice, and notified to the Participant by the Trustee. The

¹¹¹ Amended by deed dated 16 April 2015

¹¹² Amended by deed dated 16 April 2015

pension will be increased in payment in accordance with the PCB Regulations. The Trustee may at the request of the Participant agree to the payment of the pension earlier or later than stated above if permitted by the PCB Regulations.

- (b) If the Participant is also a Member the pension may, if the Trustee agrees, be paid before he attains Normal Pension Age on grounds of incapacity if he is granted, and simultaneously takes, a pension under the Rules.
- (c) The Participant's pension cannot be commuted, surrendered or assigned except in accordance with sub-rule (2).

(2) **Exchanging pension for lump sum**

- (a) The Participant may, by written notice to the Trustee, choose to take a lump sum in commutation of part of his pension at the time the pension first becomes payable, if it would be an authorised payment under the Finance Act and subject to PCB Regulation 4, Rule 13 (Commutation) and this sub-rule (2).
- (b) The lump sum, ^{¹¹³}*taking into account any lump sum payable under sub-rule 28(C)(I)(a) above*, is limited to the maximum amount in accordance with Rule 13.
- (c) No lump sum may be paid to the Participant where:
 - (i) the relevant Member who was formerly married to or formerly a civil partner of the Participant has already received a lump sum benefit from the Scheme before the date of the implementation' of the Pension Sharing Order; or
 - (ii) all his rights under the Scheme are attributable to a Pension Credit and, when he became entitled to the Pension Credit, the relevant Member (as referred to in (i) above) has an actual right to payment of a pension from the Scheme.

(3) **Death of Participant before pension paid**

- (a) If the Participant dies before his pension comes into payment, a lump sum death benefit will be paid at the discretion of the Trustee in accordance with the Distribution Rule.
- (b) The lump sum will be 25 per cent of the Cash Equivalent of the Pension Credit Rights at the Participant's date of death.
- (c) The balance of that Cash Equivalent will be used to provide a non-commutable pension to one or more Dependents of the Participant as decided by the Trustee.
- (d) The amount of pension payable to a Dependant is decided by the Trustee after taking actuarial advice and notified by the Trustee to the Dependant(s). It is limited to a maximum of two-thirds of the amount of the pension that could have been paid to the Participant at the date of death had the whole of the Cash Equivalent of the Pension Credit Rights

¹¹³ Amended by deed dated 16 April 2015

been used to purchase an annuity at an available market rate. For the purpose of determining the pension which could have been paid to the Participant, it will be assumed that he was aged 50 at the date of death, where he died at an earlier age.

Where more than one Dependant's pension is to be paid, the total of all the pensions cannot exceed the amount of the pension that could have been paid to the Participant.

- (e) The terms on which a Dependant's pension is paid are decided by the Trustee but a Dependant's pension must be payable for life, except that a pension paid to a Child must cease when the child ceases to be a Child.

(4) Death of Participant when pension is in payment

- (a) If the Participant dies after his pension has come into payment, a non-commutable pension will be paid to one or more Dependents of the Participant as decided by the Trustee.
- (b) The amount of the pension and the terms on which it is paid are decided by the Trustee after taking actuarial advice and notified by the Trustee to the Dependant(s). It is subject to the limit referred to in (c) below.
- (c) The limit referred to above is a maximum of two-thirds of the initial annual pension which was paid to the Participant as increased ¹¹⁴ *in accordance with Rule 24(I) (Pension increases)*. Where more than one Dependant's pension is to be paid, the total of all the pensions cannot exceed the amount of the initial annual pension which was paid to the Participant, as increased ¹¹⁵ *in accordance with Rule 24(I) (Pension increases)*. For these purposes initial annual pension is calculated on the same basis as for sub-rule (1) above.
- (d) A Dependant's pension must be payable for life, except that a pension paid to a Child must cease when the child ceases to be a Child.

(5) Voluntary transfer or buy-out by Ex-Spouse/Civil Partner of Cash Equivalent of Pension Credit Benefit

The Trustee must act on a Transfer Notice given by a Participant subject to, and in accordance with, Part WA of the 1993 Act. The Trustee must also confirm to the receiving arrangement that the transfer payment consists wholly or partly of rights to a Pension Credit Benefit.

(6) Participants who are also Members

Unless a Participant has only a Pension Credit Benefit, the Trustee must make provision for the Pension Credit Benefit to be treated as provided separately from any benefits provided under the Scheme for the same individual as a Member or as a Dependant of a Member.

Compulsory buy-out of Pension Credit Rights

¹¹⁴ Amended by deed dated 16 April 2015

¹¹⁵ Amended by deed dated 16 April 2015

(D) The Trustee may provide for benefits in respect of a Participant which are different from those set out in sub-rule (C) to be secured by means of a transaction to which section 19 of the 1993 Act applies in accordance with the PCB Regulations.

Compulsory transfer of Pension Credit Rights to another occupational pension scheme

(E) The Trustee may provide for an Ex-Spouse/Civil Partner's Pension Credit Rights to be transferred to another occupational pension scheme without the Ex-Spouse/Civil Partner's consent in accordance with PCB Regulation 10.

Transfers in which include Pension Credit Rights

(F) The Trustee will not, unless the Principal Employer agrees, accept a transfer payment in accordance with the Rules for an individual who is already a Member or is already a Participant if they are informed by the transferer that the transfer value consists wholly or partly of Pension Credit Rights in the former scheme or arrangement. If such a transfer payment is accepted, the Trustee must separately identify the transfer payment relating to the Pension Credit Rights or the part of the transfer payment relating to the Pension Credit Rights, from other rights of the Member or Participant. The Trustee must make provision for the transferred-in Pension Credit Rights, to be treated as provided separately from any benefits provided under the Scheme for the same individual as a Member or as a Dependant of a Member. The individual will then acquire the status of a Participant in the Scheme in relation to his transferred-in Pension Credit Benefits.

Death of Ex-Spouse/Civil Partner before Trustee acts on Pension Sharing Order

(G) (1) If an Ex-Spouse/Civil Partner with Pension Credit Rights dies before the Trustee has discharged its liability in respect of the Pension Credit, a lump sum will be paid at the discretion of the Trustee in accordance with the Distribution Rule.

(2) The lump sum will be 25 per cent of what would have been the Cash Equivalent of the Pension Credit Rights.

Pension Sharing under Scottish Law

(H) The Trustee must follow the principles and apply the provisions of this Rule in relation to the implementation of any Pension Sharing Order which is activated under Scottish law but with the Trustee adapting the provisions of this Rule as required by Scottish law.

APPENDIX 1

FINANCE ACT — LIMITS ON BENEFITS AND TRANSITIONAL PROVISIONS

(1) Interpretation

In this Appendix:

- (a) references to sections and Schedules are to those in the Finance Act;
- (b) references to paragraphs are to paragraphs of this Appendix unless the context otherwise requires.
- (c) In the application of this Appendix, the salary, remuneration or earnings of Members participating in a Salary Sacrifice Benefits Arrangement or a Salary Sacrifice Pension Arrangement shall be treated as being what these amounts would be if they did not participate in such arrangements.

(2) Limits on benefits — Pre-6th April, 2006 Tax Approval — overriding rule

- (a) Subject to paragraphs (3), (5) and (6) and Rule 13 (Commutation), no payment can be made under the Scheme to or in respect of any person (including a Pre-6th April, 2006 Beneficiary) which would not have been authorised by the Pre-6th April, 2006 Rules because of the application of Pre-6th April, 2006 Tax Approval in those Rules, unless the Principal Employer and the Trustee otherwise decide.
- (b) For the purposes of this paragraph (2) any reference in the Pre-6th April, 2006 Rules to "Approval", to payment of "such greater amount as will not prejudice Approval" and all similar expressions will be construed by reference to HMRC's published Pre-6th April, 2006 Tax Approval practice on 5th April, 2006 and will be read subject to paragraph (a) above. The Principal Employer's decision as regards the interpretation and application of this practice will be final and binding on the Trustee and the Beneficiaries affected.
- (c) This sub-paragraph applies if the Pre-6th April, 2006 Rules or paragraph (a) above would:
 - (i) prevent the full value of the AVC Account of a Member or Early Leaver who has not drawn any benefit from his AVC Account being used to provide benefits for and in respect of him; or
 - (ii) prevent the payment of a lump sum in respect of his AVC Account.

In the case of (i) above, the Trustee may allow such a Member or Early Leaver to apply such amount of his unused AVC Account as the Trustee decides in the provision of benefits offered by the Trustee which are authorised payments under section 164 of the Finance Act.

In the case of (ii) above, if the Member or Early Leaver takes a pension commencement lump sum under Rule 13 (Commutation), the Trustee may decide that his AVC Account will be used, to such extent as it decides, in providing the lump sum as stated in that Rule if the Member or Early Leaver so requests.

(3) **Earnings Cap — overriding rule**

(a) In this paragraph **Earnings Cap** means at any date:

- (i) before 6th April, 2006: the permitted maximum from time to time under section 590C of the Income and Corporation Taxes Act 1988.
- (ii) from 6th April, 2006 to 5th April, 2011: the amount which would have been the permitted maximum if that section had not been repealed and in respect of each tax year in this period the Treasury had made the orders required by that section as it had effect immediately before its repeal.
- (iii) after 5th April, 2011: the amount under (ii) above in force on 5th April, 2011 increased on 6th April, 2011 and on each following 6th April by the same percentage as the percentage increase (if any) in the Index (calculated by comparing the level of the Index for the month of September preceding the 6th April on which the increase is to take effect with its level for the previous September) and, if the result is not a multiple of £600, rounding it up to the nearest amount which is such a multiple.

(b) For the period before 6th April, 2006 the Earnings Cap applies to a Member, Early Leaver or Pensioner to whom it applied under the Pre-6th April, 2006 Rules. Thereafter it applies to those persons and any person who becomes a Member after 5th April, 2006.

Any word or expression used in the Rules as a measure of the annual earnings of a Member to whom the Earnings Cap applies for the purpose of calculating benefits and contributions is to be applied as though those earnings do not exceed the Earnings Cap.

(4) **Protected Pension Age**

(a) This paragraph applies to a Member or Early Leaver if condition A or condition B is met.

Condition A is met in relation to the Member or Early Leaver if on 5th April, 2006 the Member or Early Leaver had an actual or prospective right under the rules of the Scheme in force on 10th December, 2003 to a benefit from an age of less than 55 or if he would have had such a right had he been a Member on 10th December, 2003.

Condition B is met if the Member or Early Leaver is a Member or Early Leaver of the Scheme as a result of a block transfer to the Scheme falling within paragraph 22 of Schedule 36 to the Finance Act.

(b) If this paragraph applies, the Member's or Early Leaver's protected pension age in determining his Minimum Pension Age is the age from which the Member or Early Leaver had an actual or prospective right on 5th April, 2006 to a benefit under the Scheme or other applicable pension scheme to which a block transfer relates in accordance with condition B above under the rules of the Scheme or (as the case may be) the other pension scheme in force on 10th December, 2003. However a Member or Early Leaver will only have a protected pension age if:

- (i) the Member or Early Leaver becomes entitled to all the benefits payable to him under the Scheme (to which he did not have an actual entitlement before 6th April, 2006) on the same date, and
- (ii) the Member or Early Leaver is not employed by an Employer after becoming entitled to any benefit under the Scheme or by any sponsoring employer under any other pension scheme to which a block transfer relates in accordance with

condition B above after becoming entitled to any benefit under that scheme.

(5) Entitlement to lump sum exceeding 25 per cent of uncrystallised rights (automatic protection)

The limit on the amount of the lump sum in Rule 13 (Commutation) is modified as set out in paragraph 34 of Schedule 36 if:

- (a) the Member or Early Leaver becomes entitled to and takes all his benefits under the Scheme on the same date;
- (b) he did not have an actual entitlement to those benefits before 6th April, 2006;
- (c) the lump sum percentage of the Member's or Early Leaver's uncrystallised rights under the Scheme on 5th April, 2006 (calculated as set out in paragraph 31 of Schedule 36) exceeded 25 per cent.;
- (d) the Member's or Early Leaver's total lump sum rights (as defined in paragraph 25 of Schedule 36) do not exceed £375,000 on 5th April, 2006; and
- (e) unless the £375,000 amount in (d) above is not exceeded, the Member or Early Leaver does not have primary or enhanced protection.

Paragraph 31(7) of Schedule 36 applies if the Member or Early Leaver is a Member or Early Leaver as a result of a block transfer as set out in that paragraph.

(6) Lump sum rights exceeding £375,000 - primary and enhanced protection

The limit on the amount of the lump sum in Rule 13 (Commutation) is modified as set out in paragraphs 27 to 29 of Schedule 36 if:

- (a) the Member or Early Leaver has primary or enhanced protection (or both); and
- (b) his total lump sum rights (as defined in paragraph 25 of Schedule 36) exceed £375,000 on 5th April, 2006.

(7) Enhanced protection

- (a) This paragraph applies, if a Member has enhanced protection. In this paragraph enhanced protection has the same meaning as in paragraph 24 of Schedule 36 and references to having such protection mean notice of intention having been validly given to HMRC to rely on paragraph 12 of Schedule 36 and, that paragraph has not ceased to apply.
- (b) The Member must give the Trustee not less than two months written notice that the protection is to apply on the basis of either sub-paragraph (c) or sub-paragraph (d). Sub-paragraph (c) is available only to a Qualified Member.
- (c) If this paragraph applies to the Member, his Pensionable Employment will continue and the Rules will continue to apply with the following additional provisions:
 - (i) A Member who has attained Minimum Pension Age may choose to draw his pension entitlement in two parts if he is continuing in Employment as a Member after drawing the first part, subject to having given the Trustee the relevant notifications referred to in this paragraph. A Member who is drawing

part, but not all, of his entitlement under the Scheme while continuing in Employment pursuant to this paragraph is referred to as an **EP Phased Retirement Member**.

- (ii) The amount of the first part of the pension to be drawn under paragraph (i) is his Scale Pension as if his Pensionable Employment had ended on 5th April, 2006 and he had then become entitled to that amount of pension (irrespective of his age).
- (iii) An EP Phased Retirement Member becomes entitled to each part of the pension on the date on which payment of it is to start and is not treated as entitled to the second part of the pension until he has submitted the relevant notification under sub-paragraph (vii) (or, if earlier, the earliest of the date that he leaves Employment or reaches his 75th birthday).
- (iv) Payment of the first part of the Member's entitlement cannot start before Minimum Pension Age. Payment of the remainder of the Member's entitlement must start on the date on or after Normal Pension Age on which the Member leaves Employment or his 75th birthday if earlier and will automatically start on such date if the Member has not notified the Trustee under sub-paragraph (vii) in relation to the balance of his entitlement.
- (v) The Member is entitled to commute each part of the pension when it starts to be paid for a lump sum in accordance with Rule 13 (Commutation).
- (vi) The Member's choice to draw his pension in two or more parts must be notified to the Trustee and Employer no later than six months before the date on which he would (but for this paragraph) become entitled to payment of his whole pension.
- (vii) After the first notification under sub-paragraph (vi) the Member must give the Trustee not less than one month's notice of the date on which payment of the second part of his pension entitlement is to start. He becomes entitled to each part of the pension on the date on which payment of it is to start. It cannot start before he has submitted the relevant notification under this sub-paragraph (or, if earlier, the earlier of the date that he leaves Employment or reaches his 75th birthday).
- (viii) If the pension is to be paid in two parts under this paragraph, the Rules are modified to the extent necessary to provide the benefits set out in this paragraph and no greater benefits. Any provision in the Rules relating to the payment of the relevant benefit applies unless inconsistent with the provisions of this paragraph.
- (ix) Each part of a Member's pension under this paragraph will be payable until his death. The second part of the pension will not be payable if sub-paragraph (x), (xi) or (xii) applies.
- (x) If a Member who is receiving the first part of his pension entitlement dies (while still in Pensionable Employment) a pension will be paid to his Spouse or Civil Partner equal to:
 - (I) one half of the pension being paid to the Member; and
 - (II) one-half of the pension to which the Member would have been entitled to at Normal Pension Age had continued to be a Member in Pensionable Employment to that date and then retired but:
 - A. based on Final Pensionable Salary at the date of death; and

B. the period of Pensionable Employment to be used in the calculation of the pension will not include his Pensionable Employment before 6th April, 2006.

The Spouse or Civil Partner may choose to defer payment of the pension in (I) above until the expiry of five years after the first payment date. No other pension is payable under the Scheme on the death of an EP Phased Retirement Member.

- (xi) If an EP Phased Retirement Member leaves Pensionable Employment before Normal Pension Age while receiving the first part of his pension under this Rule, he will become entitled to a deferred pension payable from Normal Pension Age. The pension will be of an annual amount calculated in accordance with Rule 11 (Leaving Employment) but his Pensionable Employment will not include any period before 6th April, 2006.
- (xii) If a Member who is receiving the first part of his pension under this Rule is granted an ill-health early retirement pension under Rule 10 (Retirement before Normal Pension Age), the Pensionable Employment to be used in the calculation of the pension will not include any period before 6th April, 2006.
- (xiii) This paragraph is subject to the Contracting-out Rules.
- (xiv) All notifications under this paragraph must be made in writing.

(d) If this paragraph applies to the Member, on enhanced protection taking effect this Member will be treated as having left the Scheme under Rule 12 (Ceasing to be Eligible) except that, if the Member is a Qualified Member, his Pensionable Employment will be treated as continuing if and for, so long as it would otherwise have continued if he did not have enhanced protection for the following purposes only:

- (i) the calculation of his Final Pensionable Salary (and so his Scale Pension for the purpose of Rule 11 (Leaving Employment) and the Cash Equivalent if a transfer payment is made);
- (ii) notwithstanding (i) above, his deferred pension under Rule 11 (Leaving Employment) will be increased under Rule 1(E)(2) only as if the pension was based on his Final Pensionable Salary as at the date he is treated as having left the Scheme;
- (iii) the benefits under Rules 17 (Death of a Member - Lump Sum) and 20 (Death of a Member - Pension Benefits);

but subject to the appropriate limit set out in paragraph 15 of Schedule 36 not being exceeded.

(e) Neither the Trustee nor the Principal Employer will have any responsibility for advising the Member as to whether the continuance of his Pensionable Employment under subparagraph (c) or (d) above might cause his enhanced protection to be lost. Nor will they have any liability in respect of any loss of enhanced protection.

(f) The Member must provide to the Trustee a copy of the HMRC certificate relating to the protection.

(8) **Registered Scheme — overriding rule**

- (a) The Scheme is designed so as to be a Registered Scheme.
- (b) No payment can be made under the Scheme to or in respect of any person which is not authorised under section 164 unless:
 - (i) in relation to a payment which would have been required by the Pre-6th April, 2006 Rules, the Trustee otherwise decides;
 - (ii) in respect of any other payment, the Principal Employer and the Trustee otherwise decide.

The Principal Employer and the Trustee may decide to modify a benefit that would otherwise give rise to an unauthorised payment or the terms on which it is paid to the extent necessary to cause payment of the benefit to be an authorised payment. No variation, suspension or termination of any benefit under the Scheme can be made if it would cause the benefit not to be an authorised payment under that section or to become an unauthorised payment under sections 172 to 174 to any extent. No Policy can be purchased in relation to a Beneficiary if its terms would be such as would give rise to an unauthorised payment.

- (c) No payment can be made under the Scheme to or in respect of an Employer which is not authorised under section 175 unless the Principal Employer and the Trustee otherwise decide.
- (d) In this paragraph "payment" has the same meaning as in section 161 and includes a benefit provided as referred in section 173 and value shifting as referred to in section 174 and 181 (as applicable).

(9) ¹¹⁶ **Fixed Protection/Fixed Protection 2014 Members**

- (a) *In this paragraph:*

Paragraph 14 means paragraph 14 of Schedule 18 to the Finance Act 2011.

Paragraph 1 means paragraph 1 of Schedule 22 to the Finance Act 2013.

Fixed Protection Member means a Member who has given notice of intention to HMRC either (i) before 6 April 2012 to rely on Paragraph 14 or (ii) before 6 April 2014 to rely on Paragraph 1, and who has exercised the option described in subparagraph (2).

- (b) A Member who has given notice of intention as mentioned in subparagraph (a) may become a Fixed Protection Member by notifying the Trustee to that effect in such form as it requires and providing to it HMRC's certificate confirming that it has accepted the notice of intention. Having provided that information, the Member will become a Fixed Protection Member with effect on and from 6 April 2012 (in the case of reliance on Paragraph 14) or 6 April 2014 (in the case of reliance on Paragraph 1). The Trustee will issue a notice to him to that effect.

- (c) *In the case of a Fixed Protection Member:*

- (i) *his benefit accrual (within the meaning of Paragraph 14 or Paragraph 1 as applicable) will be restricted so that his entitlement under the Scheme will increase in value in any tax year by no more than the relevant percentage referred to in Paragraph 14 or Paragraph 1 as applicable;*

¹¹⁶ Amended by deed dated 16 April 2015

- (ii) *the Trustee may restrict contributions to the Scheme, benefits arising under or paid from and transfers into and out of the Scheme (including through applying the powers in paragraph (9)) to the extent necessary to ensure that Paragraph 14 or Paragraph 1 does not stop applying to the Fixed Protection Member;*
- (iii) *if on the day immediately before he becomes a Fixed Protection Member he is in Contracted-out Employment, he ceases to be in Contracted-out Employment at the end of that day.*

In applying this paragraph, the Trustee and the Employers may rely on information provided by a Fixed Protection Member (or his personal representatives) and if Paragraph 14 or Paragraph 1 ceases to apply to the Fixed Protection Member, or if a lifetime allowance charge (within the meaning of section 214 of the Finance Act) is levied on or in respect of him, neither the Trustee nor the Employers have any liability relating to that cessation or the payment of the charge if they have relied in good faith on the information provided.

¹¹⁷(10) **Scheme pays**

- (a) *If a Member incurs an annual allowance charge (within the meaning of section 227) notwithstanding paragraph (8) above and the Trustee becomes liable to pay the charge (following receipt of a notice under section 237(B) or otherwise), the Trustee must:*
 - (i) *pay the annual allowance charge by the due date in accordance with arrangements prescribed by HMRC; and*
 - (ii) *make a corresponding adjustment to the Member's benefits under the Scheme.*
- (b) *For this purpose the Trustee may take such steps as it considers appropriate after consulting the Principal Employer and the Member including (without limitation) restricting the Member's Pensionable Salary or adjusting his pension accrual rate or otherwise provided that the adjustment is just and reasonable having regard to normal actuarial practice as advised to the Trustee by the Actuary.*

¹¹⁷ Amended by deed dated 2 May 2012

