

# **Rules of the DJP Bury Ltd SSAS**

DJP Bury Ltd (1)

and

DARREN JOHN POWELL and UNION PENSION TRUSTEES  
LIMITED (2)

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**THESE RULES** are made as a deed on the date shown in paragraph 1 of the Schedule

**BETWEEN**

- (1) the person shown in paragraph 3 of the Schedule ("the Principal Employer"); and
- (2) the person or persons shown in paragraph 4 of the Schedule ("the Trustees").

## **1 INTERPRETATION AND DEFINITIONS**

- 1.1 The table of contents, the headings to the provisions of these Rules and words in parenthesis describing the import of legislation are for reference only and shall not affect the meaning of these Rules.
- 1.2 Any reference to a statute (or to a particular chapter, part of, section of, or schedule to, a statute) in these Rules includes any modification or re-enactment of it and any regulations made under it or with reference to it (or any such modification or re-enactment).
- 1.3 Any reference to a statute (or to a particular chapter, part or section of, or schedule to, a statute) includes any corresponding legislation in Northern Ireland.
- 1.4 Unless the context otherwise requires words herein importing the singular shall include the plural and vice versa and words importing the masculine gender shall include the feminine gender and vice versa.
- 1.5 In the Rules the following words and expressions shall, where the context so admits, bear the respective meanings assigned to them below:

"1993 Act" means the Pension Schemes Act 1993.

"1995 Act" means the Pensions Act 1995.

"Active Member" means an Eligible Employee who has been admitted to membership of the Scheme in accordance with Rule 5 and whose membership of the Scheme has not ceased but who is not a Withdrawing Member, Pensioner or Ex-Spouse Participant.

"Active Membership" has a corresponding meaning.

"Adhering Employers" means the companies which have bound themselves by deed to observe and perform the Rules for the administration and management of the Scheme.

"Age Non-discrimination Laws" means the requirements not to discriminate on grounds of age in the Equality Act 2010 and the Equality Act (Age Exceptions for Pension Schemes) Order 2010.

"Annuity Protection Lump Sum Death Benefit" means a lump sum which meets the conditions set out in paragraph 16 of Schedule 29 of the Finance Act.

"Authorised Member Payment" means a payment which satisfies the conditions of section 164 of the Finance Act.

"Basic Amount" in relation to contributions to the Scheme means the basic amount defined by section 190(4) of the Finance Act, being £3,600 or such greater amount as may be specified by an order of H. M. Treasury.

"Basis Amount" means the Basis Amount specified in the Finance Act in relation to Drawdown Pension for a Member or a Dependant.

"Benefit Crystallisation Event" has the same meaning as in section 216 of the Finance Act.

"Block Transfer" means a block transfer as defined in paragraph 22(6) of Schedule 36 to the Finance Act, being the transfer in a single transaction of all the sums and assets held for the purposes of (or representing accrued rights under) the Fund Reserves under the pension scheme from which the transfer is made, which relate to the Member in question and at least one other Member of that pension scheme, where before the transfer either the person was not a Member of the pension scheme to which the transfer is made or he has been a Member of that pension scheme for no longer than the relevant period set out under the Finance Act.

"Cash Equivalent" has the meaning in section 94 of the 1993 Act.

"Cash Transfer Sum" means a sum calculated in accordance with regulations made under section 101AF of the 1993 Act.

"Charity Lump Sum Death Benefit" means a lump sum payable on the death of a Member which satisfies the conditions in paragraph 18 of Schedule 29 to the Finance Act.

"Civil Partner" means a person's civil partner under a Civil Partnership.

"Civil Partnership" means a registered civil partnership as described at section 1 of the Civil Partnership Act 2004.

"Commencement Date" means the date shown in paragraph 5 of the Schedule.

"Dependant" in relation to any Member means:

- (a) a person who was married to, or a Civil Partner of, that Member at the date of his death;

- (b) a person who was married to, or a Civil Partner of, that Member when he first became entitled to a pension under the Scheme;
- (c) that Member's child, if the child:
  - (i) has not reached the age of 23, or
  - (ii) has reached that age and, in the opinion of the Trustees, was at the date of that individual's death dependent on him because of physical or mental impairment;
- (d) a person who was neither married to, nor a Civil Partner of, nor a child of, that Member at the date of his death if, in the opinion of the Trustees, at the date of that Member's death-
  - (i) the person was financially dependent on the deceased Member,
  - (ii) the person's financial relationship with the deceased Member was one of mutual dependence, or
  - (iii) the person was dependent on the Member because of physical or mental impairment.

It is for the Trustees to decide whether a person meets this definition.

"Dependant's Annuity" means a pension payable to a Dependant that satisfies the conditions set out in paragraph 17 of Schedule 28 to the Finance Act.

"Dependant's Drawdown Pension" means a pension payable to a Dependant that satisfies the conditions set out in paragraph 18 of Schedule 28 to the Finance Act but subject to the requirements of pension death benefit rule 4 of section 167 of the Finance Act.

"Dependant's Reserve" means the value from time to time of those assets deriving from a Member's Fund Reserve which have been set aside (after the payment of any lump sum benefits) for the purchase of a pension for his Dependant after his death.

"Dependant's Scheme Pension" means a pension payable to a Dependant that satisfies the conditions set out in paragraphs 16, 16A, 16B and 16C of Schedule 28 to the Finance Act.

"Disability Non-discrimination Laws" means the requirements not to discriminate on grounds of disability in the Disability Discrimination Act 1995.



"Drawdown Pension" has the meaning in paragraph 4 of Schedule 28 of the Finance Act but subject to the requirements of pension rule 5 of section 165(1) of the Finance Act (in the case of benefits payable to the Member).

"Drawdown Pension Fund Lump Sum Death Benefit" means a lump sum which complies with the conditions of paragraph 17 of Schedule 29 of the Finance Act.

"Eligible Employee" means a person who is in Service and who at the sole discretion of the Trustees is invited to apply for membership.

"Employee Share Scheme" means:-

- (a) an SAYE option scheme as defined in the SAYE Code under section 516 of the Income Tax (Earnings and Pensions) Act 2003; or
- (b) a share incentive plan as defined in the SIP Code under section 488 of the Income Tax (Earnings and Pensions) Act 2003.

"Employer" in relation to a particular Eligible Employee or Member means that Participating Employer by which he is employed or was last employed. But if that employer has ceased to participate in the Scheme, it means the Principal Employer.

"Excess Contributions Condition" means the excess contributions condition described at paragraph 6 of Schedule 29 to the Finance Act, which is met where a Member has paid contributions in excess of the Basic Amount or 100% of Relevant UK Earnings in the relevant Tax Year, whichever is higher.

"Excess Contributions Lump Sum" means a refund of excess contributions lump sum as described at paragraph 6 of Schedule 29 to the Finance Act.

"Ex-Spouse" means an individual to whom Pension Credit Rights have been or are to be allocated following a Pension Sharing Order, agreement or equivalent provision.

"Ex-Spouse Participant" is an Ex-Spouse who participates in the Scheme. For this purpose the Ex-Spouse 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.

"Finance Act" means Part 4 of the Finance Act 2004.

"Flexible Drawdown Conditions" means the flexible drawdown conditions for a Member or a Dependant (as the case may be) set out at sections 165(3B) and 167(2B) respectively of the Finance Act.

"Fund" means the assets for the time being subject to the Scheme.

"Fund Reserve" means in relation to a Member or Withdrawing Member such appropriate part of the Fund as is notionally attributable to that Member solely for the purpose of calculating benefits.

"General Reserve" means a reserve held by the Trustees within the Fund for the purposes set out in Rule 31.

"Guarantee Period" means a period of up to ten years beginning with the day on which a Member became entitled to benefits under Rule 10.

"HMRC" means Her Majesty's Revenue and Customs.

"Incapacity" means physical or mental impairment which in the opinion of the Trustees having received evidence from a registered medical practitioner has caused (and will continue to cause) a Member to be incapable of carrying on his normal occupation. For a Member to be categorised as suffering from Incapacity, he must have ceased to carry on his occupation.

"Insurance Company" has the meaning given to that phrase in section 275 of the Finance Act.

"Lifetime Allowance" has the meaning given to that phrase by section 218 of the Finance Act.

"Lifetime Allowance Charge" has the meaning given to that phrase by section 214(1) of the Finance Act.

"Lifetime Allowance Excess Lump Sum" has the meaning given to that phrase by paragraph 11 of Schedule 29 to the Finance Act.

"Lifetime Annuity" means a pension payable to a Member that satisfies the conditions set out in paragraph 3 of Schedule 28 to the Finance Act.

"Member" means an Eligible Employee who has been admitted to membership of the Scheme in accordance with Rule 5 and whose who has a Fund Reserve or is in receipt of benefits under the Scheme by virtue of his Active Membership but who is not an Ex-Spouse Participant.

"Member's Scheme Pension Fund" means the funds held for the benefit of the Member subject to the provisions of Rule 13.

"Minimum Pension Age" means age 55 save that any Member as at 5th April 2006 who had an actual or prospective right under the Scheme to a pension from age 50 following a transfer of benefits from another pension scheme shall retain that right on and after that date if that is his protected pension age for the purposes of paragraph 21 of Schedule 36 to the Finance Act.

"Money Purchase Benefits" means money purchase benefits as defined in section 181 of the 1993 Act and 152 of the Finance Act.

"Partial Withdrawing Employer" means any one of the Adhering Employers to which the provisions of Rule 68.2 or Rule 68.3 apply by reason of a notice pursuant to Rule 68.1(a) relating to some (but not all) of its employees who are Members of the Scheme.

"Participating Employers" means the Principal Employer and the Adhering Employers as long as they shall respectively not have become Withdrawing Employers.

"PCB Regulations" means the Pension Sharing (Pension Credit Benefit) Regulations 2000.

"Pensionable Age" has the meaning given in Schedule 4 to the 1995 Act.

"Pensionable Service" shall have the meaning ascribed to it by Section 70(2) of the 1993 Act.

"Pension Commencement Lump Sum" means a lump sum which complies with the conditions of Paragraphs 1 to 3 (inclusive) of Schedule 29 to the Finance Act.

"Pension Credit" means a credit under section 29(1)(b) of the WRPA.

"Pension Credit Benefit" in relation to a scheme, 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) or a Pension Credit.

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

"Pension Date" in relation to a Member is the effective start date of his Scheme Pension Drawdown Pension or a Lifetime Annuity under a Fund Reserve or part of a Fund Reserve as agreed between the Member and the Trustees in Rule 10.1.

"Pension Debit" means a debit under section 29(1)(a) of the WRPA.

"Pensioner" means a person who having been a Member is entitled to the immediate payment of a pension under the Scheme.

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

"Preservation Laws" means the provisions of Chapter I of Part IV of the 1993 Act relating to the rights of a Member on termination of his Membership.

"PSA Pensionable Service" means the aggregate period that counts towards satisfying the three-month condition as defined in, and for the purposes of, section 101AA(2) of the 1993 Act.

"Qualifying Recognised Overseas Pension Scheme" means a qualifying recognised overseas pension scheme as defined for the purposes of Part 4 of the Finance Act.

"Recognised Transfer" means a recognised transfer as defined for the purposes of Part 4 of the Finance Act.

"Registered Medical Practitioner" has the meaning in the Interpretation Act 1978.

"Registered Pension Scheme" means a scheme or arrangement which is a registered pension scheme for the purposes of the Finance Act.

"Registration" means registration of the Scheme by the HMRC under Chapter 2 of the Finance Act subject to Part 1 of Schedule 36 of the Finance Act.

"Relevant Date" shall mean the date of Retirement, leaving Pensionable Service or death as the case may be.

"Relevant Two-Year Period" means the period of two years beginning with the earlier of the day on which the Trustees first know of the Member's death and the day on which the Trustees could first reasonably be expected to have known of it.

"Relevant UK Earnings" means relevant UK earnings as defined in section 189 of the Finance Act.

"Relevant UK Individual" in relation to any particular person and Tax Year means a person who qualifies as a relevant UK individual as defined in section 189 of the Finance Act.

"Relevant Uncrystallised Fund" means such part of a Member's Fund Reserve as will satisfy the conditions of paragraph 15(2) of Schedule 29 to the Finance Act on his death.

"Relievable Pension Contribution" means a relievable pension contribution as defined for the purposes of section 188 of the Finance Act.

"Resident in the UK" means resident and ordinarily resident in the United Kingdom for tax purposes.

"Retirement" means in relation to a Member or Withdrawing Member electing to receive retirement benefits from the Scheme under Rules 10.1.

"Revaluation Laws" means the requirements of Chapter II, Part IV of, and Schedule 3 to the 1993 Act and the Occupational Pension Schemes (Revaluation) Regulations 1991.

"Rule" is a reference to a numbered Rule in these Rules.

"Rules" means these rules of the Scheme.

"Scheme" means the occupational pension scheme established by these Rules which is known by the name shown in paragraph 2 of the Schedule.

"Scheme Administration Member Payment" has the same meaning as in section 171 of the Finance Act.

"Scheme Administrator" means for the purposes of section 270 of the Finance Act the Trustees.

"Scheme Pension" means a pension which is an Authorised Member Payment by virtue of satisfying the conditions of paragraph 2 of Schedule 28 of the Finance Act.

"Serious Ill Health Lump Sum" means a lump sum which complies with the conditions in paragraph 4 of Schedule 29 to the Finance Act.

"Service" shall mean employment (within the meaning in section 181 of the 1993 Act) with the Participating Employers which employ the Member at the Relevant Date together with any previous periods of service with Participating Employers which count towards Service. Provided that no period is to be counted more than once.

"Severe Ill-health Condition" means in relation to a Member's Fund Reserve the severe ill-health condition defined in section 229(4) of the Finance Act.

"Short Service Refund Lump Sum" means a lump sum that qualifies as a short service refund lump sum under section 166 and paragraph 5 of Schedule 29 of the Finance Act.

"Short-Term Annuity" means a term annuity that satisfies the conditions of paragraph 6 or paragraph 20 of Schedule 28 to the Finance Act.

"Stand-alone Lump Sum" means a lump sum that qualifies as a stand-alone lump sum as defined in article 25 of the Taxation of Pension Schemes (Transitional Provisions) Order 2006 (SI 2006/572).

"Standard Lifetime Allowance" means the standard Lifetime Allowance specified under section 218 of the Finance Act or such amount as is specified by order made by the Treasury under that section.

"Tax" means any tax, charge, imposition, duty, levy, excise duty, surcharge, rate or penalty whatsoever (without limitation) together with any interest charged on it which may be imposed by Her Majesty's Treasury, HMRC or by any other body and includes (without limitation) any Scheme Sanction Charge and the De-registration Charge.

"Tax Year" means a period beginning on 6 April in any calendar year and ending on the following 5 April.

"Transfer Lump Sum Death Benefit" means a lump sum which satisfies the conditions of paragraph 19 of Schedule 29 of the Finance Act.

"Transfer Value Requirements" means the provisions of Chapter IV of Part IV of the Pension Schemes Act 1993 relating to transfer values.

"Trivial Commutation Lump Sum" means a lump sum which complies with the conditions in paragraphs 7 to 9 (inclusive) of Schedule 29 to the Finance Act.

"Trivial Commutation Lump Sum Death Benefit" shall have the meaning given to that phrase by paragraph 20 of Schedule 29 to the Finance Act.

"Trivial Fund" means a Fund Reserve which, if it were paid as a lump sum, would qualify as a Trivial Commutation Lump Sum under paragraph 7 of Schedule 29 to the Finance Act.

"Trustees" shall mean the trustees for the time being of the Scheme.

"Two Years' Qualifying Service" shall have the meaning given to that phrase by section 71 of the 1993 Act.

"Unauthorised Member Payment" has the same meaning as in section 160(2) of the Finance Act.

"Unauthorised Payment" has the same meaning as in section 160(5) of the Finance Act.

"Uncrystallised Funds Lump Sum Death Benefit" means a lump sum which complies with the conditions of paragraph 15 of Schedule 29 of the Finance Act.

"Valid Declaration" means a valid declaration made by a Member or Dependant in the manner prescribed under the Finance Act in respect of the Flexible Drawdown Conditions. Once made and accepted, under the Finance Act a Valid Declaration cannot currently be reversed by the Member or Dependant who made it (though a Member's Valid Declaration does not apply to any Dependant after his death).

"Winding up Date" means whichever of the dates set out in Rule 70 shall first occur.

"Winding-Up Lump Sum" has the meaning as defined in paragraph 10 of Schedule 29 to the Finance Act.

"Winding-Up Lump Sum Death Benefit" has the meaning as defined in paragraph 21 of Schedule 29 to the Finance Act.

"Withdrawal" means in relation to a person who is a Member his ceasing to be employed by the Participating Employers or otherwise withdrawing from membership of the Scheme.

"Withdrawing Employer" means any one of the Adhering Employers to which the provisions of Rule 68.2 or Rule 68.3 apply pursuant to Rule 68.1 (other than a Partial Withdrawing Employer).

"Withdrawing Member" means a person who having been a Member has ceased to be employed by the Participating Employers or has otherwise withdrawn from membership of the Scheme other than on Retirement, unless Rules 26.3 to 26.5 (inclusive) apply.

"WRPA" means the Welfare Reform and Pensions Act 1999.

## **2 BACKGROUND**

- 2.1 The Principal Employer wishes to establish and maintain a pension scheme with the object of providing Authorised Member Payments for and in respect of employees of the Participating Employers.
- 2.2 The Trustees have agreed to be the first trustees of the Scheme.
- 2.3 The Principal Employer with the written consent of the Trustees has determined to adopt these Rules as the rules defining the provisions of the Scheme.

## **3 CONSTITUTION OF THE SCHEME**

- 3.1 The Principal Employer hereby establishes the Scheme under irrevocable trust with effect from the Commencement Date for the purpose of providing benefits to or in respect of persons:
  - (a) on Retirement;
  - (b) on death;
  - (c) on having reached a particular age;
  - (d) on the onset of serious ill-health or incapacity; or



(e) in similar circumstances

as described in these Rules.

- 3.2 The Principal Employer with the written consent of the Trustees evidenced by their execution of this deed hereby adopts the Rules contained in this deed as the rules defining the provisions of the Scheme.
- 3.3 The Principal Employer hereby appoints the Trustees to be the first trustees of the Scheme and the first Scheme Administrator.
- 3.4 The Trustees shall hold the Fund from the Commencement Date on irrevocable trust to apply and dispose of it in accordance with the provisions of these Rules.
- 3.5 The Scheme shall be administered and managed in accordance with the provisions of these Rules.
- 3.6 None of the terms of the Scheme shall have the effect of contravening any requirement for registration of the Scheme under the Finance Act, and any requirement for such registration not specifically set out in these Rules shall be deemed to have been incorporated in those documents.
- 3.7 Members' interests in the Scheme and its benefits shall be governed by these Rules.
- 3.8 The Scheme is established on irrevocable trusts as described in these Rules and Fund Reserves held by the Trustee for the purposes of the Scheme will be held on such trusts for the benefit of the relevant individuals under the Rules.
- 3.9 Each Fund Reserve shall be held separately under the trusts of the Scheme distinct from the other Fund Reserves under the Scheme. Accordingly, the assets of and any liabilities associated with any Fund Reserve shall be entirely separate from the assets of and any liabilities associated with any other Fund Reserve and assets held under one Fund Reserve shall not be used for the purposes of any other Fund Reserve. If the same investment is held by more than one Fund Reserve then the entitlement of each Member in it shall be separately identified and recorded for this and other purposes.
- 3.10 No part of the capital or income of the assets of the Scheme may be paid to any person by way of an Unauthorised Payment or in any way which is not expressly permitted by these Rules, the Finance Act and any other relevant legislation unless the Trustees specifically so decide in their absolute discretion.
- 3.11 The trusts established under these Rules shall continue until the date specified in the Perpetuities and Accumulations Act 2009 unless they may lawfully continue beyond that date in accordance with that Act or otherwise.



#### **4        OVERRIDING LEGISLATION**

4.1        The Principal Employer, the Participating Employers and the Trustees shall comply with:

- (a)        the Finance Act in order to maintain Registered Pension Scheme status;
- (b)        the Preservation Laws;
- (c)        the Revaluation Laws;
- (d)        the law about providing pension scheme members with information;
- (e)        the law on the equal treatment of men and women members of a pension scheme;
- (f)        the Disability Non-discrimination Laws;
- (g)        the Age Non-discrimination Laws;
- (h)        the law on data protection, and
- (i)        any court orders made under sections 25B to 25D of the Matrimonial Causes Act 1973.

4.2        This Rule 4 overrides any other Rule inconsistent with it.

## **MEMBERSHIP AND CONTRIBUTIONS**

### **5 BECOMING A MEMBER**

- 5.1 The Trustees may at their discretion admit to Active Membership any Eligible Employee who applies to become a Member of the Scheme.
- 5.2 A person who wants to become an Active Member must go through an application procedure, as required by the Trustees. The application procedure must include a declaration that the Member agrees to be bound by these Rules.
- 5.3 Subject to the agreement of the Trustees, an Ex-spouse may become a member of the Scheme.

### **6 CONTRIBUTIONS - GENERAL**

- 6.1 The Trustees at their discretion may accept contributions in the following circumstances, subject to Rule 7.5:
- (a) contributions made by an Active Member, in accordance with Rule 7;
  - (b) contributions made by a Participating Employer under Rule 8;
  - (c) with the agreement of the Trustees, contributions made by any other person (including the Member's prospective Employer) on behalf of the Active Member with the knowledge of the Member which will be treated as contributions made by the Member under Rule 7; and
- 6.2 Contributions made to the Scheme, and transfer payments received by it, in respect of each Member shall be allocated by the Trustees to his Fund Reserve.
- 6.3 Any contributions paid by a Participating Employer otherwise than in respect of a Member, or any other sums received by the Trustees for the Scheme which are not paid in respect of any Member or Dependant, shall be applied to the General Reserve.

#### **Payment of Contributions**

- 6.4 Contributions may only be paid:
- (a) in money form by cheque, standing order, direct transfer or via BACS payments as permitted by the Trustees;
  - (b) at the discretion of the Trustees, in the form of eligible shares (as defined by section 195 of the Finance Act) in a company from an employee share scheme; or
  - (c) at the discretion of the Trustees, as assets in specie.

### **Contributions of eligible shares**

- 6.5 The Trustees may in their discretion allow an Active Member to pay a contribution in the form of a transfer of eligible shares (as defined by section 195 of the Finance Act) in a company from an employee share scheme within a permitted period.
- 6.6 Any shares which are to be contributed in this way shall be taken by reference to the market value of the shares at the date of payment, arrived at using section 272 of the Taxation of Chargeable Gains Act 1992.
- 6.7 The contribution from the employee share scheme must be made within a permitted period of ninety days following:
- (a) (in the case of an SAYE option scheme) the date when the Member exercised the right to acquire the shares; or
  - (b) (in the case of a share incentive plan) the date when the Member directed the trustees of the share incentive plan to transfer the ownership of the shares to the Member.

### **Contributions in specie**

- 6.8 The Trustees may in their discretion allow an Active Member to pay a contribution in the form of assets in specie provided the Active Member first states to the Trustees that a contribution of a specific monetary value is to be made and that an asset is to be transferred in satisfaction of the monetary amount.
- 6.9 If a contribution of assets in specie is agreed by the Trustees a formal valuation of the relevant assets must be provided by the Active Member before the Trustees can accept them as a contribution, and the value attributed to the assets must be the market value calculated in accordance with section 272 of the Taxation of Chargeable Gains Act 1992.
- 6.10 If a contribution of assets in specie is agreed by the Trustees, then the Trustees may only accept an asset that has a valuation which is equal to, or less than the monetary amount of the contribution agreed. If the value of the asset to be transferred is less than the amount of the monetary contribution, a cash contribution may be made to make up the balance of the contribution.

### **Use of contributions**

- 6.11 The contributions and their proceeds under the Scheme must be used in accordance with these Rules.

## **7 ACTIVE MEMBERS' CONTRIBUTIONS**

- 7.1 A Member is not required to contribute to the Scheme.
- 7.2 Subject to Rule 7.3, an Active Member may make voluntary contributions to secure additional benefits for himself and/or his Dependants.
- 7.3 The Trustees may in their absolute discretion decide:
- (a) to terminate or suspend for any period the payment of voluntary contributions by the Active Member; or
  - (b) to set minimum and maximum amounts of voluntary contributions that may be paid by a Member; or
  - (c) to allow increases to the amount of a Member's voluntary contributions; or
  - (d) to allow the commencement of new voluntary contributions; or
  - (e) to impose any other conditions relating to the payment of contributions by the Member as they consider appropriate.
- 7.4 The Trustees shall only permit contributions under Rule 7 where the Active Member is a Relevant UK Individual and to the extent that they would not cause the Active Member to meet the excess contributions condition. Rules 7.6 to 7.8 explain in more detail the options which may be available in the event that the condition is met.
- 7.5 When a Member's benefit becomes payable no further contributions may be paid to his Fund Reserve unless:
- (a) the Fund Reserve has become more than one Fund Reserve under Rule 9.5; or
  - (b) the Trustees allow the Member to deal with parts of it separately.

#### **Excess contributions**

- 7.6 Any contributions can be repaid from the Scheme to the Member if they would qualify as an Excess Contributions Lump Sum once any basic rate income tax relief on the excess contributions has been deducted by the Trustees and repaid to HMRC. An Excess Contributions Lump Sum can only be paid from the Scheme in this way within 6 years of the last day of the relevant Tax Year.
- 7.7 With the written consent of the Trustees, the Member can instead retain the amount of the Excess Contributions Lump Sum within the Scheme. In this case the Trustees must maintain a separate record of the payment and the proportion of the Fund Reserve attributable to it. In any other case, however, the Trustees must pay an Excess Contributions Lump Sum to the Member.

- 7.8 The Trustees shall have full discretion to adjust the amount of any excess contributions lump sum to take account of expenses and interest and of any change in the value of the underlying assets during the intervening period.

## **8 PARTICIPATING EMPLOYER CONTRIBUTIONS**

- 8.1 The Participating Employers shall pay to the Trustees in each year such amounts (inclusive of the Active Members' contributions, if any) as they shall notify to the Trustees. A Participating Employer shall not be under any obligation to continue to pay amounts by way of contributions to the Trustees and may at any time reduce suspend or terminate the same.
- 8.2 The Trustees shall take any measures required to comply with sections 87-88 of the 1995 Act (Schedule of Payments to Money Purchase Schemes) if and to the extent that they apply to the Scheme.

## **9 FUND RESERVES AND BENEFIT OPTIONS**

- 9.1 The Trustees shall establish one or more Fund Reserves when each Active Member is admitted to the Scheme which together shall represent his entire beneficial interest in the Scheme. A Member's Fund Reserve shall be an Arrangement in relation to him under the Scheme for the purposes of section 152 of the Finance Act.
- 9.2 (a) If the Trustees establish a single Fund Reserve for the Member, these Rules will apply to that Fund Reserve;
- (b) If the Trustees establish more than one Fund Reserve for the Member, these Rules will apply to each Fund Reserve separately, but the limits described in Rules 7.6 to 7.8 for a Member will apply to all the Fund Reserves together; or
- (c) when a Member's benefits are due to commence to be paid, the Trustees may designate part of his Fund Reserve for the provision of benefits while part is not. Fund Reserves shall not otherwise be capable of partial designation in this way.
- 9.3 Rules 10 to 16 set out the main benefit options that are available to Members and Dependants under the Scheme in relation to each of the Member's Fund Reserves.
- 9.4 Where the Trustees have established more than one Fund Reserve, or where the Trustees permit the Member to deal with parts of his Fund Reserve separately, then, except where stated to the contrary, Rules 10 to 16 apply separately to each Fund Reserve or part of the Fund Reserve so that the Trustees may agree with the Member that payment of his benefits may commence separately and at different times from each Fund Reserve or part of a Fund Reserve.

- 9.5 Despite the availability within the Scheme of Fund Reserves under which a part is designated for the provision of benefits while a part is not, at the discretion of the Trustees a Fund Reserve may later be treated as more than one Fund Reserve if the Member chooses for only part of it to be applied for a pension and (if relevant) a lump sum. Any part of the Fund Reserve which is not to be applied to the provision of benefits will remain as a separate Fund Reserve that has not reached the Member's Pension Date.
- 9.6 The Trustees may at their discretion split or merge any Fund Reserve and may require any Member to exercise choices under the Rules in respect of all Fund Reserves or parts of Fund Reserves or in respect of more than one Fund Reserve at once.

## **BENEFITS FOR THE MEMBER**

### **10 MEMBER TAKES HIS OWN BENEFITS**

10.1 Subject to the remainder of this Rule 10, a Member shall commence to be paid benefits on such date as he agrees with the Trustees from part or all of his Fund Reserve, in the form of one or more of:

- (a) a lump sum as described in Rule 11;
- (b) a pension in the forms permitted in Rules 12 to 15.

10.2 A Member may not agree with the Trustees to commence the payment of his benefits under Rule 10.1 on a date earlier or later than his Minimum Pension Age unless Rules 10.3, 10.4 or 11.2 apply.

10.3 A Member may with the consent of the Trustees elect that his benefits shall commence to be paid under Rule 10.1 on a date earlier than the date the Member achieves his Minimum Pension Age if the Trustees have received evidence from a Registered Medical Practitioner that:

- (a) the Member is (and will continue to be) incapable of carrying on the Member's occupation because of physical or mental impairment, and
- (b) the Member has in fact ceased to carry on the Member's occupation.

If HMRC ask to see such medical evidence, the Trustees must produce it for them.

10.4 There were prior to 6 April 2006 certain occupations for which HMRC recognised an age lower than 50 as being the age at which people in that particular occupation retired. If a Block Transfer has been received for a Member in one of these occupations then he may in certain circumstances prescribed under the Finance Act have retained the right to start to receive some or all of the benefits at any time after he reaches the accepted age.

10.5 If a Member has agreed in accordance with Rule 9.4 that only part of his Fund Reserve shall come into payment, the remainder shall be applied to provide benefits under this Rule on such later date or dates as the Member may agree with the Trustees.

10.6 The Pension Credit rights of an Ex-spouse Participant must come into payment in accordance with this Rule 10 depending on his circumstances – not in accordance with the circumstances of the person from whose benefits they are ultimately derived.

## **11 LUMP SUM FOR THE MEMBER**

11.1 A lump sum under Rule 10.1 may be paid to a Member from his Fund Reserve if it qualifies as a Pension Commencement Lump Sum at the time he is due to commence a pension subject to the following conditions:

- (a) the Pension Commencement Lump Sum cannot be more than the amount permitted by the Finance Act; and
- (b) except in any circumstances where a longer period is prescribed under the Finance Act the Trustees must pay any Pension Commencement Lump Sum to the Member within 12 months after the day on which the Member becomes entitled to it.

11.2 A lump sum under Rule 10.1 may be paid to a Member from his Fund Reserve on any occasion on which:

- (a) it qualifies as a Serious Ill Health Lump Sum if (in addition to meeting the other requirements of the Finance Act) the Trustees has received evidence from a Registered Medical Practitioner that the Member is expected to live for less than one year; or
- (b) it qualifies as a Trivial Commutation Lump Sum paid under Rule 16; or
- (c) it qualifies as a Stand-Alone Lump Sum if the necessary requirements for this are met as prescribed under the Finance Act,

and the payment of the lump sum shall extinguish the Member's entitlement to benefits under the Scheme.

### **Lifetime Allowance**

11.3 Where part of a Fund Reserve remains unused, but by virtue of previous Benefit Crystallisation Events the Member has used up all his Lifetime Allowance, the remainder of his Fund Reserve can be paid, provided the necessary conditions under the Finance Act are fulfilled and the Trustees consent, by way of a Lifetime Allowance Excess Lump Sum. Otherwise, it shall be used to provide benefits in pension form under the Scheme.



## **12 PENSION BENEFITS FOR THE MEMBER**

12.1 After any Pension Commencement Lump Sum has been paid as described in Rule 11.1, the Trustees shall by agreement with the Member apply the remaining part of his Fund Reserve to provide pension benefits for the remainder of his life which start on his Pension Date under (or as required by) Rule 10 through one or more of:

- (a) the provision of a Scheme Pension under Rule 13;
- (b) the provision of income withdrawals in the form of Drawdown Pension under Rule 14; or
- (c) the purchase of a Lifetime Annuity in accordance with Rule 15

provided that a Scheme Pension may only be paid to a Member if the Member has had an opportunity to select a Lifetime Annuity beforehand.

12.2 A Member who is due to draw his pension must indicate his request for pension under Rule 11.1 to the Trustees in writing no later than one month before the date benefit is due to start or within such other timescale as the Trustees may allow.

12.3 The Member may arrange for his Scheme Pension or Lifetime Annuity to be guaranteed to be paid for a period not exceeding ten years. If the Member dies during the Guarantee Period, it may be paid for the rest of that period to another individual, or to the estate of the Member or of another individual who dies after the Member (and the recipient may vary from time to time as provided for in terms of the Scheme Pension or the Lifetime Annuity contract). Alternatively, the Member's Scheme Pension or Lifetime Annuity may make provision for the payment in appropriate circumstances of an Annuity Protection Lump Sum Death Benefit in the event of the Member's death.

12.4 Where the Scheme Pension or Lifetime Annuity continues after the Member's death and is payable to another individual it may either continue for the full Guarantee Period, or be arranged so as to continue for any other period provided it qualifies as an Authorised Member Payment.

## **13 MEMBER'S SCHEME PENSION**

### **Availability and Options**

13.1 Where a Member's Scheme Pension is to be provided in respect of a Pensioner in accordance with this Rule and the Trustees at the request of the Pensioner have agreed to accept a transfer payment in respect of the Pensioner from the Scheme administrator of another Registered Pension Scheme to be applied as a Scheme Pension under the Scheme, the Trustees shall establish a separate Fund Reserve for that purpose. The separate Fund Reserve shall also be subject to this Rule 13.

## **Amount of Scheme Pension**

- 13.2 The Pensioner receiving a Scheme Pension shall be entitled to be paid an amount of income from his Fund Reserve. The Trustees shall calculate the initial rate of Scheme Pension and shall notify the Member about the amount. Any Fund Reserve held for this purpose and any income taken from it shall comply with Pension Rule 4 in section 165(1) of the Finance Act and paragraphs 2 and 2A of Schedule 28 to the Finance Act. From time to time, the Trustees may apply additional conditions or restrictions on the operation of a Scheme Pension and may reduce a Scheme Pension provided they comply with the Finance Act.
- 13.3 A Pensioner is only entitled to have a Scheme Pension from the date of the Benefit Crystallisation Event at which the Trustees applied some or all of his Fund Reserve to create his Scheme Pension until the earliest of:
- (a) the end of any Guarantee Period selected by the Pensioner in accordance with Rule 12.3; or
  - (b) (if no Guarantee Period was selected by the Pensioner in accordance with Rule 12.3) the date of the Pensioner's death; and
  - (c) the date the Member's Fund Reserve is transferred from the Scheme.

## **14 MEMBER'S DRAWDOWN PENSION**

### **Availability and Options**

- 14.1 A Short-Term Annuity is not available under the Scheme unless the Trustees decide otherwise.
- 14.2 The payment of income withdrawals under the Scheme must conform with the requirements in the Finance Act for Drawdown Pension.
- 14.3 A Pensioner may at any time choose to stop income withdrawals by giving the Trustees at least one month's notice in writing and the whole of his Fund Reserve must then be:
- (a) used to secure pension benefits through:
    - (i) a Scheme Pension in accordance with Rule 13; or
    - (ii) a Lifetime Annuity contract in accordance with Rule 15; or
  - (b) transferred by way of a Recognised Transfer to another Registered Pension Scheme or a Qualifying Recognised Overseas Pension Scheme.
- 14.4 If the Trustees permit, the Pensioner may, whilst drawing income withdrawals from a Fund Reserve, use part of it to secure a pension through a Lifetime Annuity purchased

in accordance with Rule 15 whilst continuing to draw income withdrawals from the remainder of his Fund Reserve in accordance with this Rule 14.

#### **Amount of the Member's Drawdown Pension**

14.5 The Member must tell the Trustees the level (which under the Finance Act could currently be of nil amount) of income withdrawals he wishes to take from the Scheme from his Pension Date by way of Drawdown Pension, which must not exceed the maximum income level calculated by the Trustees in accordance with this Rule.

14.6 Unless Rule 14.11 applies, the maximum annual income withdrawals which can be paid as Drawdown Pension will be calculated by the Trustees as required under the Finance Act at the Member's Pension Date by reference to:

- (a) the remaining amount of the relevant part of his Fund Reserve (after any Pension Commencement Lump Sum is paid under Rule 11.1); and
- (b) the maximum amount which will allow the income withdrawals to qualify as Authorised Member Payments under the Finance Act.

14.7 Until the anniversary of the Pension Date immediately following the Pensioner's 75th birthday, these maximum income limits shall be recalculated every three years as at the three-yearly anniversary of the Pension Date. At the Pensioner's request, the Trustees may also undertake a recalculation at any intermediate anniversary of the Pension Date as permitted under the Finance Act. After the Pensioner's 75th birthday, the maximum income limits are recalculated annually. The Pensioner and the Trustees may also agree to recalculate them as at the day before the Member's 75th birthday.

Each recalculation shall take account of any change in the amount of the relevant part of his Fund Reserve and any change in the amount of income withdrawals the Pensioner wishes to take from the Scheme.

14.8 If at any time the Pensioner wishes:

- (a) to increase or decrease the level of income withdrawals from the relevant part of his Fund Reserve by way of Drawdown Pension; or
- (b) to make further parts of his Fund Reserve subject to income withdrawals by way of Drawdown Pension,

he may do so if the Trustees agree.

14.9 The level of Drawdown Pension taken following a change under Rule 14.8 from the Fund Reserve must not exceed the maximum income levels calculated by the Trustees in accordance with Rules 14.5 to 14.10, unless Rule 14.11 applies. On each occasion

when a further part of his Fund Reserve becomes payable under Rule 10.5 by way of Drawdown Pension:

- (a) the Pensioner may choose to take a Pension Commencement Lump Sum as if that occasion was the Pension Date for the purposes of Rule 11.1; and
  - (b) (unless Rule 14.11 applies) there shall be a special interim recalculation under Rule 14.5, but, as provided in the Finance Act, not so as to reduce the Basis Amount. However, only the date from which pension was first taken from the Fund Reserve shall be the Pension Date under the Fund Reserve and it shall be used in order to set calculation dates for all parts of the Fund Reserve under Rule 14.5.
- 14.10 Unless Rule 14.11 applies, the (aggregate) amount of income withdrawals drawn from a Fund Reserve by way of Drawdown Pension in each period of twelve months beginning with the Pension Date or an anniversary of the Pension Date shall not exceed the amount of the maximum income withdrawals which will qualify as Authorised Member Payments on that date calculated by the Trustees when the Fund Reserve was last reviewed under Rule 14.5 in the way required under the Finance Act.

#### **Flexible Drawdown**

14.11 This Rule 14.11 applies to any Fund Reserve if the Member:

- (a) meets the Flexible Drawdown Conditions;
- (b) makes a Valid Declaration to the Trustees to that effect in relation to the Fund Reserve, and
- (c) the Valid Declaration meets any requirements prescribed by the Trustees and the Trustees accept it.

#### **Further Provisions**

- 14.12 Where part of his Fund Reserve is used to purchase a Lifetime Annuity in accordance with Rule 15 any applicable maximum income withdrawal limit under Rules 14.5 to 14.10 applying to the twelve month period in which the purchase takes place is not altered. However, the purchase of such an annuity may lead to an additional review of that limit for the following twelve month periods under Rules 14.5 to 14.10 (unless Rule 14.11 applies).
- 14.13 Where the Pensioner is drawing income withdrawals from more than one Fund Reserve under the Scheme by way of Drawdown Pension and the dates for review of the income withdrawal maximum limits are different then to any extent permitted by HMRC and the Finance Act the Trustees reserve the right (to such extent as they may decide or permit) to group those Fund Reserves for this purpose.

- 14.14 The Trustees may where permitted to do so under the Finance Act make the limit calculations made in accordance with Rules 14.5 to 14.10 at any time of their choosing within the period of sixty days ending on the date the calculation is due to be made in accordance with the requirements of those Rules. The calculation made will be applied as if it had taken place on the due date. The next recalculation will then be due to take place at the end of the next review period. This Rule does not apply to the calculation due on the Pension Date nor to any that is agreed to take place on the day before the Member's 75th birthday.
- 14.15 Where the Pensioner is in receipt of Drawdown Pension and a Pension Sharing Order is subsequently made against the Member then the Trustees must confirm in respect of any Pension Credit arising from his Fund Reserve the extent (if any) to which any amount may be paid out of the Pension Credit by way of lump sum to the relevant Ex-Spouse.
- 14.16 Where his Fund Reserve is reduced by a Pension Sharing Order any applicable maximum income withdrawal limit under Rules 14.5 to 14.10 applying to the twelve month period in which this takes place is not altered. However, this may lead to an additional review of that limit for the following twelve month periods under Rules 14.5 to 14.10.
- 14.17 Any applicable limits imposed through the operation of the rest of these Rules on the level of income withdrawal payable from the Fund Reserve (or Fund Reserves) in question are not altered by the reduction of his Fund Reserve concerned due to the Pension Sharing Order until the next annual valuation date.

## **15 LIFETIME ANNUITY FOR THE MEMBER**

- 15.1 Any Lifetime Annuity must pay an income for the life of the Pensioner and must conform to the requirements in the Finance Act for Lifetime Annuities. The Lifetime Annuity contract may also provide benefits for one or more Dependants on the death of the Pensioner in accordance with Rule 18, which must also conform to the requirements of the Finance Act.
- 15.2 The Member has the right to choose the Insurance Company from which any Lifetime Annuity is to be purchased. Once the Member has chosen the Insurance Company, he must write to tell the Trustees which Insurance Company he has chosen.
- 15.3 In order to choose an Insurance Company to provide a Lifetime Annuity from the Member's Fund Reserve, the Member must notify the Trustees within such time limits as they specify by notice to the Member.
- 15.4 The Trustees will not choose an Insurance Company in respect of the purchase of a Lifetime Annuity.

15.5 A Member who chooses the Insurance Company from which his Lifetime Annuity is to be purchased may at the same time choose, insofar as permitted by the Trustees, which of the alternatives detailed in Rules 0, 12.4, 15.6 and 18 apply under the terms of the Lifetime Annuity.

15.6 Where a Member's Lifetime Annuity is being purchased in this way, the Trustees may agree to provide any Dependant's pension to be secured by way of a Dependant's Annuity at the same time as the Member's Lifetime Annuity is purchased. If the Trustees permit, the Dependant's Annuity may be secured under a different contract or from a different Insurance Company than the one providing the Member's Lifetime Annuity, chosen either by the Member or by the specific Dependant for whom the Dependant's pension is being purchased.

## **16 TRIVIAL COMMUTATION OF A MEMBER'S FUND RESERVE**

16.1 The Trustees may pay a lump sum to a Member who has reached the age of 60, if it would qualify as a Trivial Commutation Lump Sum.

16.2 If the Member does not nominate a date for the purpose of paragraph 7 of Schedule 29 of the Finance Act the nominated date shall be the first day of the commutation period mentioned in that paragraph. Following payment of this lump sum, all the rights of the Member under the Scheme shall cease and the liabilities of the Trustees shall be discharged in accordance with these Rules.

## **MEMBER'S DEATH BENEFITS**

### **17 MEMBER DIES BEFORE HIS OWN BENEFITS START**

#### **Insurance benefits**

- 17.1 The Trustees may in respect of each person who is an Active Member or a Withdrawing Member effect and maintain one or more policies of insurance to provide benefits on his death. The premiums for the policies shall be expenses of the Scheme under Rule 43. The amount of any benefits provided by the policies from time to time shall be agreed in writing with the Member concerned.

#### **General Provisions**

- 17.2 A Member may with the written consent of the Trustees choose to provide that all or part of his Fund Reserve which remains a Relevant Uncrystallised Fund in the event of his death whilst an Active Member or a Withdrawing Member shall be used in any one or more of the following ways:
- (a) to provide a pension to or for the benefit of one or more Dependants nominated by him or her as described in this Rule 19; and
  - (b) to be held as a lump sum on the death benefit trusts of Rule 25; and
  - (c) if the Member has no Dependants and has reached the age of 75 at the date of death, to be paid to a charity which he has nominated as a Charity Lump Sum Death Benefit.
- 17.3 In the event that the Member dies before his Pension Date without having made a choice and/or nomination under Rule 17.2 then the Trustees may (but need not) decide how part or all of his Fund Reserve shall be used in accordance with that Rule. In the absence of any choice by the Member and of any such decision by the Trustees, the lump sum shall be held on the death benefit trusts of Rule 25.
- 17.4 A Dependant's pension will start to be paid as soon as practicable after the Member dies and the Trustees have notified the Dependant about his entitlement to benefits.
- ### **18 MEMBER DIES AFTER HIS BENEFITS START**
- 18.1 In addition to any Dependant's Annuity purchased under Rule 15.6, each Pensioner may request the Trustees to provide for the use of all or part of his Fund Reserve which is not a Relevant Uncrystallised Fund in the event of his or death on or after Pension Date in any one or more of the following ways:
- (a) to be applied as a pension to or for the benefit of one or more Dependants nominated by him as described in Rule 19; and



- (b) to be held as a lump sum on the death benefit trusts of Rule 25 if it qualifies as a Drawdown Pension Fund Lump Sum Death Benefit or an Annuity Protection Lump Sum Death Benefit; and
- (c) if the Member has no Dependants and is in receipt of income withdrawals in the form of Drawdown Pension, to be paid to a charity nominated by the Member to receive a Charity Lump Sum Death Benefit.

18.2 The Trustees may (but need not) decide in the event of the Member's death on or after his Pension Date how part or all of his Fund Reserve which is not a Relevant Uncrystallised Fund shall be used in accordance with Rule 18.1 if:

- (a) the Member does not make a request under that Rule which can be implemented when he dies; or
- (b) the Trustees do not consent to the request or
- (c) the Trustees withdraw their consent to the request.

In the absence of any choice by the Member and of any such decision by the Trustees, the Fund Reserve shall be held as a lump sum on the death benefit trusts of Rule 25.

18.3 Where the proceeds of the Member's Fund Reserve are to be applied to provide benefits for more than one Dependant, the Trustees shall effect a separate Dependant's Reserve for each Dependant for whom benefits are to be provided.

#### **Commencement of benefits**

18.4 A Dependant's pension will start to be paid as soon as practicable after the Pensioner dies and the Trustees have notified the Dependant about his entitlement to benefits.



## **BENEFITS FOR DEPENDANTS**

### **19 PENSION BENEFITS FOR THE DEPENDANT**

19.1 The Trustees shall establish a Dependant's Reserve for each Dependant who becomes entitled to a pension on the death of a Member.

19.2 The Trustees may at their discretion split or merge any Dependant's Reserve and may require any Dependant to exercise choices under the Rules in respect of all Dependant's Reserves or parts of Dependant's Reserves or in respect of more than one Dependant's Reserve at once.

19.3 Pension benefits for a Dependant will be provided through one or more of:

- (a) the provision of a Dependant's Scheme Pension;
- (b) the provision of Dependant's Drawdown Pension in the form of income withdrawals; and
- (c) the purchase of a Dependant's Annuity from an Insurance Company

as agreed between the Dependant and the Trustees. A Dependant's Scheme Pension may only be paid to a Dependant if the Dependant has had an opportunity to select a Dependant's Annuity beforehand. In the absence of an agreement within such time limits as the Trustees may specify, the pension shall be provided in accordance with paragraph (b).

19.4 Pension benefits payable to a Member's Dependant, whether paid under a Dependant's Scheme Pension, a Dependant's Annuity or in the form of income withdrawals, may exceed the amount that was paid to the Member.

19.5 Pension benefits payable to a Dependant, whether paid under a Dependant's Scheme Pension, Dependant's Annuity or Dependant's Drawdown Pension, must be paid for the Dependant's life except that:

- (a) they must stop if the Dependant is a child of the Member and ceases to be a Dependant; and
- (b) they may be set up by the Trustees on the basis that they shall stop if the Dependant subsequently marries or enters into a Civil Partnership.

Where the pension benefits are being paid in the form of income withdrawals any Dependant's Reserve remaining at the date of such cessation shall be applied to the General Reserve.

## **20 DEPENDANT'S SCHEME PENSION**

- 20.1 Following the death of a Member, this Rule shall apply to a Dependant where the Trustees have applied all or part of a Dependant's Reserve to create a Dependant's Scheme Pension for his benefit.
- 20.2 If the Trustees have established a Dependant's Scheme Pension for a Dependant and the Trustees at the request of the Dependant have agreed to accept a transfer payment from the Trustees of another Registered Pension Scheme to be applied as a Dependant's Scheme Pension under the Scheme, the Trustees shall establish a separate Dependant's Reserve for that purpose. The separate Dependant's Reserve shall also be subject to this Rule.
- 20.3 The Dependant shall be entitled to be paid an amount of income as a Dependant's Scheme Pension from his Dependant's Reserve. The Trustees shall calculate the initial rate of Scheme Pension and shall notify the Dependant about the amount. Any Dependant's Scheme Pension paid under the Scheme shall comply with pension death benefit rule 1 in section 167 of the Finance Act and paragraphs 16 to 16C of Schedule 28 of the Finance Act. The maximum income shall be restricted in accordance with those limits. From time to time, the Trustees may apply additional conditions or restrictions on the operation of a Dependant's Scheme Pension and may reduce it provided they comply with the Finance Act.
- 20.4 A Dependant is only entitled to have a Dependant's Scheme Pension from the date that the Trustees established it until the earliest of:
- (a) the date that the Dependant ceases to be a Dependant;
  - (b) the date of the Dependant's death; and
  - (c) the date the Dependant's Scheme Pension Fund is transferred from the Scheme.

## **21 DEPENDANTS' DRAWDOWN PENSION**

### **Income withdrawals – Availability and Options**

- 21.1 With the Trustees' consent the Dependant may choose not to secure pension benefits using his Dependant's Reserve through the immediate purchase of a Dependant's Annuity and instead to draw his pension directly by way of Dependant's Drawdown Pension from the Dependant's Reserve in accordance with this Rule 21.
- 21.2 Where Dependant's Drawdown Pension is available, the Dependant shall take it by way of income withdrawals. A Short-Term Annuity is not available under the Scheme unless the Trustees decide otherwise.

- 21.3 The Dependant's Drawdown Pension must start as soon as practicable after the Member dies. If there are multiple Dependents of a Member who elect to take income withdrawals from the Dependant's Reserve income payments for the Dependents must occur at the same time.
- 21.4 The Dependant may at any time choose to stop income withdrawals by giving the Trustees at least one month's notice in writing and the whole of the Dependant's Reserve must then be used to secure pension benefits through a Dependant's Annuity contract as described in Rule 22.
- 21.5 If the Trustees permit, the Dependant may, whilst drawing income withdrawals from one part of the Dependant's Reserve in accordance with Rule 21, use another part of that Dependant's Reserve to secure a pension through Dependant's Annuity purchase in accordance with Rule 22.

#### **Income withdrawals – Amount of Dependant's Drawdown Pension**

- 21.6 The Dependant must tell the Trustees the level (which under the Finance Act could currently be of nil amount) of income withdrawals he wishes to take from the Scheme from the commencement of Drawdown Pension, which must not exceed the maximum income level calculated by the Trustees in accordance with this Rule.

Unless Rule 21.9 applies, the maximum annual Drawdown Pension which can be paid as income withdrawals will be calculated by the Trustees as required under the Finance Act at the date Drawdown Pension begins by reference to:

- (a) the remaining amount of the Dependant's Reserve; and
- (b) the maximum amount which will allow the income withdrawals to qualify as Authorised Member Payments under the Finance Act.

The Trustees shall recalculate these maximum income limits at such frequency as may be required by the Finance Act from the date the Dependant's Drawdown Pension first begins under the Fund Reserve. At the Dependant's request, the Trustees may also undertake a recalculation at any intermediate anniversary of the Pension Date as permitted under the Finance Act.

Each recalculation shall take account of any change in the amount of the Dependant's Reserve and any change in the amount of income withdrawals the Dependant wishes to take from the Scheme.

- 21.7 If at any time the Dependant wishes to increase or decrease the level (which under the Finance Act could currently be of nil amount) of income withdrawals by way of Drawdown Pension he wishes to take from the Scheme by way of Drawdown Pension

he must inform the Trustees. The level of income withdrawals taken in this way from the Fund Reserve must not exceed the maximum income levels calculated by the Trustees in accordance with this Rule, unless Rule 21.9 applies.

21.8 The (aggregate) amount of income withdrawals drawn from a Fund Reserve in each period of twelve months beginning with the commencement of Drawdown Pension and each calculation date under Rule 21.6 shall not exceed the amount of pension purchasable on that date calculated by the Trustees in the way required under the Finance Act, which is currently by reference to:

- (a) the remaining amount of the Dependant's Reserve, and
- (b) the maximum amount which will allow the income withdrawals to qualify as Authorised Member Payments under the Finance Act.

#### **Income withdrawals – Flexible Drawdown**

21.9 This Rule 21.9 applies to any Dependant's Reserve if the Dependant:

- (a) meets the Flexible Drawdown Conditions;
- (b) makes a Valid Declaration to the Trustees to that effect in relation to the Dependant's Reserve, and
- (c) the Valid Declaration meets any requirements prescribed by the Trustees and the Trustees accepts it.

#### **Income withdrawals – Further Provisions**

21.10 The Trustees may where permitted to do so under the Finance Act make the limit calculations made in accordance with Rules 21.6 to 21.8 at any time of their choosing within the period of sixty days ending on the date the calculation is due to be made in accordance with the requirements of those Rules. The calculation made will be applied as if it had taken place on the due date. The next recalculation will then be due to take place at the end of the next review period. This Rule does not apply to the calculation due on the day the Dependant's Drawdown Pension begins.

21.11 Where a Dependant is in receipt of income withdrawals and a Pension Sharing Order is subsequently made against that Dependant then the Trustees must confirm in respect of any Pension Credit arising from the Dependant's Reserve in question that no amount may be paid out of the Pension Credit by way of lump sum to the relevant Ex-spouse.

21.12 Any applicable limit imposed through the operation of the rest of Rules 19 to 23 on the level of income withdrawal payable from the Dependant's Reserve (or Dependant's

Reserves) in question are not altered by the reduction of the Dependant's Reserve concerned due to the Pension Sharing Order until the next annual valuation date.

## **22 DEPENDANT'S ANNUITY**

- 22.1 The Dependant must choose the Insurance Company which will provide the Dependant's Annuity and the Trustees shall specify the period within which the Dependant must tell the Trustees in writing which Insurance Company he has chosen. It shall be the responsibility of the Dependant to arrange for the appropriate application documents to be passed by the Insurance Company to the Trustees.
- 22.2 If the Dependant has chosen an Insurance Company, he may at the same time decide which options, if any, permitted under the Finance Act will apply to the Dependant's Annuity.

## **23 DEATH OF A DEPENDANT**

- 23.1 Where a Dependant dies who is in receipt of a Dependant's Annuity the available options depend on the terms upon which the Dependant's Annuity was purchased.
- 23.2 Where a Dependant dies in receipt of Drawdown Pension by way of income withdrawals the remaining funds in the Dependant's Reserve will be held as a lump sum death benefit on the discretionary trusts of Rule 25 in the same way as a lump sum payable under Rule 18.1(b) as though the Dependant were the Member but bearing in mind any relevant nomination previously made by the Member or (in its absence) the Dependant.
- 23.3 However, where a Dependant dies in receipt of Drawdown Pension by way of income withdrawals and the Trustees are satisfied that no Dependents of the Member survive, they may instead pay a Charity Lump Sum Death Benefit to any charity nominated by the Member or (in the absence of such a nomination) by the deceased Dependant.

## **24 TRIVIAL PENSION DEATH BENEFITS**

- 24.1 The Trustees may pay a lump sum to a Dependant of a Member in lieu of that Dependant's entitlement to pension under the Scheme on any occasion on which it would qualify as a Trivial Commutation Lump Sum Death Benefit. Any payment under this Rule 24:

- (a) shall extinguish a Dependant's right to benefits under the Scheme; and
- (b) shall fully discharge the Trustees of any obligation to provide benefits to the Dependant under the Scheme

in respect of that Member.

## **25 LUMP SUM DEATH BENEFITS**

25.1 Except to the extent to which it is used otherwise under these Rules, the Trustees shall hold any sum or sums becoming payable as a lump sum upon a Member's death (and which could be paid as an Authorised Member Payment) upon trust to pay or apply in their absolute discretion to such one or more of the following in such proportions as they shall decide:

- (a) any person, charity, association, club, society or other body (including trustees of any trust whether discretionary or otherwise and including in the event of the Member's death where he has no Dependants, another Member's Fund Reserve under the Scheme) whose names the Member has notified to the Trustees in writing prior to the date of the Member's death;
- (b) the Member's surviving spouse or Civil Partner;
- (c) the parents and grandparents of the Member or the Member's surviving spouse or Civil Partner and any children and remoter issue of any of them (including for the avoidance of doubt any children or remoter issue of the Member);
- (d) the Member's Dependants;
- (e) any person, charity, association, club, society or other body entitled under the Member's will to any interest in the Member's estate;
- (f) the Member's legal personal representatives,

For the purpose of this Rule 25.1 a relationship acquired by legal adoption is as valid as a blood relationship.

25.2 The Trustees will pay any lump sum under Rule 25.1 which is a Relevant Uncrystallised Fund within the Relevant Two-Year Period. If this is not practicable then, at the end of two years, the Trustees shall transfer it to a separate account outside the Scheme until it can be paid.

## EARLY LEAVERS

### 26 LEAVERS

- 26.1 A Member shall cease to be an Active Member immediately that:
- (a) he leaves Service;
  - (b) he withdraws from Active Membership having given notice to the Trustees in writing;
  - (c) Rule 68 applies in relation to his Employer;
  - (d) Rule 70 applies;
  - (e) he reaches his Pension Date; or
  - (f) he dies.
- 26.2 A Member who ceases to be an Active Member shall be entitled to retain his Fund Reserve in the Scheme if he has completed at least Two Years' Qualifying Service or the Trustees have received a transfer payment representing his rights under a personal pension scheme.
- 26.3 A Member who ceases to be an Active Member without being entitled to retain his Fund Reserve in the Scheme shall be entitled to receive a refund of the part of his Fund Reserve that represents his contributions, less a deduction in respect of Tax. The refund must qualify as a Short Service Refund Lump Sum. The investment return or interest included in a refund shall not exceed such amount as counts as a Scheme Administration Member Payment. The Trustees shall then cancel the Member's Fund Reserve and hold any remaining balance within the General Reserve. Having paid a refund of contributions under this Rule, the Trustees shall be discharged from any obligation to pay benefits in respect of the Member.
- 26.4 Instead of a refund under Rule 26.3, a Member who ceases to be an Active Member without being entitled to retain his Fund Reserve in the Scheme but who has completed at least three months' PSA Pensionable Service and has a right to a Cash Transfer Sum may elect a Cash Transfer Sum in accordance with section 101AD of the 1993 Act. Any election must be made within the timescale specified by the Trustees.
- 26.5 If a Member has a right to a Cash Transfer Sum but has not exercised that right under Rule 26.4 within the specified timescale, the Trustees may with the consent of the Principal Employer use the Cash Transfer Sum that would otherwise be due to purchase a Policy under Rule 29 (Trustees' Option to Buy Out Benefits), in respect of the Member.



- 26.6 Having paid a Cash Transfer Sum under this Rule, the Trustees shall be discharged from any obligation to pay benefits in respect of the Member.

**27 WITHDRAWING MEMBER'S RIGHT TO TRANSFER OR BUY-OUT**

- 27.1 If a Withdrawing Member has a right to a Cash Equivalent, he may require the Trustees to use it in whichever of the following ways (or combination of them) he chooses:

- (a) to purchase one or more insurance policies chosen by the Member. Any policy must satisfy the Transfer Value Laws and the Preservation Laws and the purchase must qualify as a Recognised Transfer; and
- (b) to acquire rights under another Registered Scheme or Qualifying Recognised Overseas Pension Scheme whose trustees or managers are able and willing to accept a transfer payment. The transfer must satisfy the Transfer Value Laws and the Preservation Laws.

- 27.2 The Withdrawing Member may exercise the right in different ways in relation to different portions of his Cash Equivalent. To exercise his right, the Member must comply with the procedures set out in the Transfer Value Laws. The Trustees must do likewise in the carrying out their responsibilities.

- 27.3 If a Withdrawing Member who is not entitled to a Cash Equivalent:

- (a) has a right to a Cash Transfer Sum;
- (b) has exercised that right in accordance with the 1993 Act; and
- (c) has made his election within the timescale specified by the Trustees and given them notice specifying the way in which he requires the Cash Transfer Sum to be used in accordance with the 1993 Act

the Trustees shall pay the Cash Transfer Sum as the Member has directed them.

- 27.4 If the Trustees have made a transfer under this Rule 27 in respect of a Member, they shall be discharged from any obligation to provide the benefits to which the transfer payment related or to pay any refund of contributions.

- 27.5 If the Trustees receive income or any other assets into the Fund which relate to assets previously transferred under this Rule 27 the Trustees shall have the power to make a second or subsequent transfer payment in accordance with the provisions of those Rules and shall have the power to deduct all costs, charges, Tax and expenses from it. Having made a second or subsequent transfer payment, the Trustees shall be discharged from any obligation to provide the benefits to which the transfer payment related or to pay any refund of contributions.



## **28 TRUSTEES' OPTION TO TRANSFER**

- 28.1 If a Member becomes a member of another Registered Pension Scheme or a Qualifying Recognised Overseas Pension Scheme, the Trustees may make a transfer payment to that scheme instead of paying or preserving the Member's benefits under the Scheme. The transfer must satisfy the Transfer Value Laws and the Preservation Laws. Subject to those laws and Rule 43 (Expenses), the amount transferred in respect of a Member shall be the value of his Fund Reserve as determined by the Trustees or such different amount as the Principal Employer agrees with the Trustees. If the conditions under those laws for a transfer without the Member's consent are satisfied, his consent to a transfer under this Rule 28 shall not be required.
- 28.2 If the Trustees have made a transfer under this Rule 28 in respect of a Member, they shall be discharged from any obligation to provide the benefits to which the transfer payment related or to pay any refund of contributions.
- 28.3 If the Trustees receive income or any other assets into the Fund which relate to assets previously transferred under this Rule 28 the Trustees shall have the power to make a second or subsequent transfer payment and shall have the power to deduct all costs, charges, Tax and expenses from it. Having made a second or subsequent transfer payment, the Trustees shall be discharged from any obligation to provide the benefits to which the transfer related or to pay any refund of contributions.

## **29 TRUSTEES' OPTION TO BUY OUT BENEFITS**

- 29.1 The Trustees may apply an amount in purchasing in the name of, or assigning to, a Withdrawing Member or other beneficiary an Insurance Policy to provide benefits to or in respect of him so long as the transaction constitutes a Recognised Transfer and the Trustees are reasonably satisfied that the payment to the Insurance Company is at least equal to the value of the benefits that have accrued in respect of the Withdrawing Member under the Scheme. The Trustees need not obtain the consent of the Withdrawing Member or other Beneficiary unless the Preservation Laws say that they must.
- 29.2 The benefits provided by the Policy purchased or assigned under this Rule may be different from the Withdrawing Member or other Beneficiary's benefits or entitlement under the Scheme so long as the Trustees are reasonably satisfied that they are benefits of equal value.
- 29.1 Having purchased or assigned a Policy under this Rule 29, the Trustees shall be discharged from any obligation to provide benefits to which the Insurance Policy relates.
- 29.2 If the Trustees receive income or any other assets into the Fund which relate to assets previously transferred under this Rule 29 the Trustees shall have the power to make a

second or subsequent buy-out payment in accordance with the provisions of those Rules and shall have the power to deduct all costs, charges, Tax and expenses from it. Having made a second or subsequent buy-out payment, the Trustees shall be discharged from any obligation to provide the benefits to which the payment related or to pay any refund of contributions.

## **TRANSFERS INTO THE SCHEME**

### **30 RECEIVING TRANSFERS**

30.1 The Trustees may accept a transfer payment in respect of any employee or former employee (including the survivors of either) of an Employer from any Registered Pension Scheme or other pension scheme, or the proceeds of a buy-out policy or annuity contract bought by another pension scheme in the person's name. The Trustees shall provide such benefits consistent with the Preservation, Revaluation and Transfer Value Laws and the status of the Scheme as a Registered Pension Scheme as they decide.

30.2 A transfer payment under this Rule may be accepted in any of the following forms:

- (a) cheque;
- (b) direct transfer;
- (c) BACS payments; or
- (d) in such other form as the Trustees may agree.

Provided the transfer payment has been agreed as a monetary amount and it would not be treated as an Unauthorised Payment, the obligation to make the transfer payment may be settled by way of a transfer of assets to the Fund Reserve of the Member concerned.

30.3 If any part of a transfer payment under this Rule comprises benefits under which the entitlement to payment has arisen, those benefits shall continue to be paid subject to any conditions required by the Registered Pension Schemes (Transfer of Sums and Assets) Regulations 2006.

## GENERAL PROVISIONS ABOUT BENEFITS

### 31 GENERAL RESERVE

31.1 Any part of:

- (a) a Fund Reserve, or
- (b) a Dependant's Reserve

which cannot be applied to provide Authorised Member Payments in respect of that Member and which cannot be paid or held under any other Rule shall be applied to the General Reserve.

31.2 The Trustees may use the General Reserve in such one or more of the following ways as they shall decide:

- (a) to be retained by the Trustees as a reserve in order to be used in the future for the purposes mentioned below;
- (b) to pay expenses and liabilities of the Scheme;
- (c) with the agreement of the Principal Employer, to provide Authorised Member Payments:
  - (i) in addition to the benefits to which Members or their Dependants are already entitled under the Scheme; or
  - (ii) for any employee or former employee who is not a Member and his Dependants.
- (d) to pay interest (at whatever rate the Trustees may in each case decide) on any sums due under the Scheme which are not paid within 28 days;
- (e) to pay any insurance premiums due in respect of the death benefits under Rule 17.1 (Death before retirement);
- (f) to pay contributions under Rule 7 on behalf of the Participating Employers (and they shall do so if requested by the Principal Employer); or
- (g) to be paid to any of the Participating Employers if such payment can be treated as an authorised surplus payment under section 177 of the Finance Act; or
- (h) in such other way as may be specifically agreed with the Principal Employer.

31.3 The General Reserve shall be administered as a separate Fund Reserve which is not attributable to any Member.

- 31.4 No part of the General Reserve shall be paid to any Fund Reserve if it exceeds the Permitted Maximum and section 172C of the Finance Act would apply.

## **32 RIGHTS UNDER THE SCHEME**

- 32.1 A person's only rights under the Scheme are those given under these Rules.
- 32.2 The Scheme must provide Money Purchase Benefits or Scheme Pensions.

## **33 ASSIGNMENT OR SURRENDER**

- 33.1 Rights to a lump sum retirement benefit under the Scheme may not be assigned or surrendered, except to the extent necessary to give effect to comply with a Pension Sharing Order.
- 33.2 No pension secured with a Fund Reserve may be assigned or surrendered except in the following circumstances:
- (a) a pension which continues under a guarantee of up to 10 years to a person's estate after his death may be assigned by his will, or by his personal representatives in distributing his estate, for any of the following reasons:
    - (i) to give effect to his will; or
    - (ii) to give effect to the rights of those entitled on his intestacy;
    - (iii) to appropriate it to a legacy or to a share or interest in the estate;
    - (iv) to the extent necessary to comply with a Pension Sharing Order;
  - (b) as permitted by sections 342A to 342C of the Insolvency Act 1986 and sections 36A to 36C of the Bankruptcy (Scotland) Act 1985, as amended by sections 15 to 16 of the Welfare Reform and Pensions Act 1999;
  - (c) as permitted by section 273 to 278 of the Proceeds of Crime Act 2002;
  - (d) in the case of an assignment or surrender, if the Scheme would not be treated as having made an Unauthorised Payment for the purposes of section 172 or 172A of the Finance Act;
  - (e) as permitted by section 273B to 237E of the Finance Act in relation to a liability to the annual allowance charge;
  - (f) as permitted by any other rule of law, statute, statutory instrument or notice or concession by HMRC; or
  - (g) as otherwise expressly provided in these Rules.

### **34 BANKRUPTCY AND SET-OFF**

- 34.1 Where a Member or other beneficiary is made bankrupt or enters or purports to enter into a transaction within section 91(1) of the 1995 Act in respect of his interest under the Scheme (other than a transaction within section 91(5) of the 1995 Act) and section 11 of the WRPA does not apply his interest under the Scheme shall be determinable, if or to the extent that it is not vested in possession.

In those circumstances, the Trustees shall treat the interest of the individual concerned as determined absolutely so that no further benefits shall be payable to him under the Scheme. Such benefits as would have been payable but for such determination may at the Trustees' discretion be paid to all or any other persons within paragraphs (a) to (d) inclusive of Section 92(3) of the 1995 Act.

- 34.2 If a Member or other beneficiary under the Scheme has incurred a monetary obligation to the Scheme arising out of a criminal, negligent or fraudulent act or omission by him or if he is or has been a trustee of the Scheme, an obligation arising out of a breach of trust by him, the Trustees may at their discretion charge or set off the amount of the monetary obligation against that person's entitlement, or accrued right, to pension under the Scheme.
- 34.3 This Rule shall take effect subject to the provisions of sections 91 to 94 inclusive of the 1995 Act and section 11 of the WRPA.

### **35 PENSION SHARING ON DIVORCE**

- 35.1 Where the benefits of a Member are subject to the provisions of a Pension Sharing Order the following shall apply:
- (a) the benefits payable in respect of the Member in accordance with these Rules shall be reduced by the debit applicable in accordance with Section 29(1)(a) of the WRPA;
  - (b) any Pension Credit may be discharged in any manner consistent with the WRPA, as determined by the Trustees. Any benefits consequently provided under the Scheme shall be treated as provided separately from any benefits provided under the Scheme for the same individual as an Eligible Employee or as a spouse or Dependant of an Eligible Employee. The Ex-Spouse shall be regarded as a Member for the purposes of the Rules to the extent considered appropriate by the Trustees;
  - (c) any Pension Credit Benefit may be discharged in any manner consistent with the WRPA, as determined by the Trustees. Where the Trustees discharge their liability in accordance with the PCB Regulations they shall, where

applicable ensure that the payment, allocation or value of benefits to be provided is at least equal to the amount described in Regulation 11 of the PCB Regulations. If a Pension Credit Benefit has come into payment to an Ex-Spouse, it shall be treated in the same way on the winding-up of the Scheme as the rights of a Pensioner.

- 35.2 If the Ex-Spouse of a Member dies before the Trustees have implemented a Pension Sharing Order in respect of them, then subject to the provisions of this Rule 35 the Trustees shall use the cash equivalent of the Ex-Spouse's Pension Credit Rights under the Pension Sharing Order (calculated in accordance with PCB Regulations) to provide such lump sum benefits on the discretionary trusts of Rule 25 (lump sum death benefits) and pensions for the spouse or Dependants of the Ex-Spouse as they shall decide. For the purposes of this Rule, references to "Member" in Rule 1.1 and the definition of "Dependant" shall be replaced by reference to the "Ex-Spouse". Any pension so payable shall be paid for life or in the case of a child of the Ex-Spouse for so long as the child remains a Dependant.
- 35.3 A Member or Ex-Spouse Member entitled to give notice under section 101F(1) of the 1993 Act may not apply under section 95 of the 1993 Act for a transfer payment unless he also gives and does not withdraw notice under section 101F(1) of the 1993 Act. Withdrawal of notice may only be made in respect of both such notices. This Rule overrides any inconsistent provisions elsewhere in the Scheme except provisions which are necessary in order that Registration is not prejudiced.
- 35.4 Subject to 35.3 above, an Ex-Spouse Member may request that the Trustees arrange a transfer of his Pension Credit Rights to another Registered Pension Scheme. The Trustees must confirm to the receiving scheme or arrangement that the transfer value consists wholly or partly of Pension Credit Rights for the benefit of an Ex-Spouse Member.
- 35.5 The Trustees may accept a transfer payment (and any subsequent payment(s) topping-up an original transfer payment) from another Registered Pension Scheme relating in whole or in part to a Pension Credit or Pension Credit Rights of any Member on terms that the Member shall be entitled to such benefits under the Scheme in respect of the transfer payment as the Trustees may decide. The benefits credited that are derived from the Pension Credit or Pension Credit Rights shall be separately identified and provided under the Scheme in addition to and entirely separately from the benefits to which the Member is otherwise entitled under the Scheme.
- 35.6 The Trustees may recover from a Member and his spouse or Ex-Spouse any costs incurred in connection with the divorce proceedings or anticipated divorce proceedings

of the Member and the making or implementation of a Pensions Sharing Order or earmarking order in the manner and to the extent permitted by law.

### **36 AUGMENTATION OF BENEFITS**

36.1 A Participating Employer may, either generally or in any particular case pay additional contributions to the Scheme in order to:

- (a) augment benefits payable under the Scheme (including increasing pensions in payment);
- (b) provide new or additional benefits for any Eligible Employee or former Eligible Employee or any Dependant of any Eligible Employee or former Eligible Employee; or
- (c) bring forward the date of payment of any benefit.

The Trustees shall then apply the additional contribution in accordance with the Participating Employer's instructions.

36.2 The Trustees may at their discretion make other benefits and benefit options available which are not prohibited under the Finance Act for a Registered Pension Scheme, including:

- (a) providing new or alternative types of benefit from (where applicable) a Fund Reserve, a Dependant's Reserve or otherwise; and
- (b) making new or alternative options available in relation to the benefits described elsewhere in the Rules or introduced under this Rule, subject to any constraints previously imposed by the Trustees and whether or not an unauthorised payment would or might result.

36.3 The Trustees may at their discretion decide not to make benefit options available in order to avoid making an Unauthorised Payment or a payment which it believes to be – or which it expects to be, an Unauthorised Payment following a legislative change or clarification.



## **ADMINISTRATION OF BENEFITS**

### **37 EVIDENCE AND INFORMATION**

37.1 A Member or any other person who is or claims to be entitled or prospectively entitled to any benefit under the Scheme shall provide the Trustees with all:

- (a) evidence as to his age, health, identity, existence, marital status and benefits under other pension schemes; and
- (b) such other information

as the Trustees request in connection with the administration of the Scheme.

The Trustees shall be entitled to reduce or withhold benefits in respect of any Member or other person until the necessary information is supplied.

37.2 A Member or any other person who is entitled or prospectively entitled to any benefit under the Scheme is also obliged to inform the Trustees of any change in circumstances that may have a material effect on any or all of his Fund Reserves. The Trustees shall have power (retrospectively if necessary) to take account of any such change of circumstances on discovering it including, for the avoidance of doubt, power to adjust or cancel any benefit in respect of the relevant Member or person under the Scheme and power to recover any benefit to which the recipient was not entitled.

### **38 PAYMENT OF PENSION**

38.1 Benefit payment made to a Member, or to his Dependants or other beneficiaries after his death, shall be paid at the discretion of the Trustees by any of the following methods provided it would qualify as an Authorised Member Payment:

- (a) cheque;
- (b) direct transfer;
- (c) BACS payments;
- (d) a transfer of assets and any other transfer of money's worth. or
- (e) in such other form as the Trustees may agree.

38.2 The Trustees may apply restrictions on the payment of any pension under the Scheme and may in particular:

- (a) place restrictions as to how it may be invested;
- (b) realise assets to provide sufficient cash to make a payment;

- (c) suspend any payments of income to be taken from it during any period of time; and
- (d) place restrictions on the maximum income that may be taken from it

provided it would be consistent with any requirements of the Finance Act.

#### **Payment intervals**

- 38.3 Scheme Pensions, Dependants' Scheme Pensions and allowances may, in accordance with the options which from time to time are made available by the Trustees, be paid in advance or in arrears by such instalments on such days as the Trustees may from time to time agree.
- 38.4 Any pension paid in the form of Drawdown Pension or Dependant's Drawdown Pension may, in accordance with the options which from time to time are made available by the Trustees, be paid in advance or in arrears and must be paid at least once a year.
- 38.5 Any Lifetime Annuity or Dependant's Annuity may be purchased on terms which include payment in advance or in arrears and must be paid at least once a year. However, if it is payable in arrears, it must be paid at least monthly unless the recipient agrees in writing that it can be paid less often.

#### **Increase in payment**

- 38.6 A pension under the Scheme may be of a level amount or may increase in payment. A pension under the Scheme other than a Scheme Pension may also be of a variable amount.

#### **39 WHEREABOUTS UNKNOWN**

- 39.1 A Member or other person shall cease to be entitled to an amount that he has not claimed for at least six years from the date it became due. The due date includes where a Member has not taken any retirement benefits from his Fund Reserve by the later of a date previously agreed with the Trustees or his 75th birthday. The money or other assets shall be transferred to the General Reserve. If the sum in question is an instalment of a pension, the right to the pension shall not be extinguished but the unclaimed instalment shall be forfeited. If the pension is being paid in the form of Drawdown Pension or Dependant's Drawdown Pension, the Trustees may stop income withdrawals.
- 39.2 The Trustees shall not be obliged to locate a Member or other person who has not kept them informed of a change of address.

#### **40 BENEFICIARY UNABLE TO ACT**

- 40.1 If the Trustees believe that a person entitled to payments is unable to act for any reason, the Trustees may at their discretion arrange that payments, instead of being made to that person, will be made for the maintenance of that person and/or any of that person's Dependants. If any payments are not so made, they (and any proceeds) must be held for the person concerned until that person is again able to act. If that person dies without becoming able to act, payment must be made to that person's estate. Any payment made in accordance with this provision will discharge the Trustees from any obligation to provide the benefits to which it relates.

#### **41 PRISON**

- 41.1 If a person entitled to benefit is serving a period of imprisonment or detention in legal custody, payments which are or become due to that person from a Fund Reserve or payments of a benefit secured with that fund may (but need not) at the discretion of the Trustees be suspended. The value of the suspended payments must then be used for the maintenance of one or more of that person's Dependants.

#### **42 TAX**

- 42.1 The Trustees may deduct from any payment under the Scheme any Tax for which they may be liable, chargeable or accountable in respect of such payment and shall otherwise be entitled to meet from the Fund any liabilities for Tax.
- 42.2 When making a payment from which they may make a deduction under Rule 42.1, the Trustees may apply the benefit in whole or in part in the payment of such Tax and deduct the amount so paid from the benefit or postpone the payment of the benefit until the liability has been met or provision made for it to their satisfaction.
- 42.3 Without prejudice to the generality of Rule 42.1 or to the requirements of section 237E of the Finance Act, the Trustees, without requiring the consent of any Member or beneficiary or of any other person, shall have the following powers in the event that the Trustees are liable to any Tax arising out of or in connection with the Scheme, whether under the Finance Act or otherwise and including any scheme sanction charge (as defined in section 239 of the Finance Act), de-registration charge (as defined in section 242 of the Finance Act) or liability for an annual allowance charge under section 237B of the Finance Act:
- (a) power to recover the amount of the Tax from the relevant Fund Reserves and to discharge the Tax liability from those relevant Fund Reserves;
  - (b) power to recover the amount of the Tax from the other assets of the Scheme and to discharge the Tax liability from those assets;

- (c) power to recover the amount of the Tax from the relevant Members or beneficiaries personally or from the Participating Employers; and
  - (d) power, as attorney for the Member and any other beneficiaries in respect of his Fund Reserve, to sell all or any assets of the Scheme, including assets of the relevant Fund Reserves, in order to discharge the Tax liability from those assets.
- 42.4 If the Trustees ask a Member to declare his available Lifetime Allowance to them before they pay him benefits and the Member fails to comply, the Trustees shall be entitled to assume that he has fully utilised his Lifetime Allowance and to treat all his benefits as subject to the Lifetime Allowance Charge until such time as he provides a declaration.
- 42.5 The Trustees may enter into arrangements with an Insurance Company with whom they have effected an annuity policy to the effect that the Insurance Company will pay to the HMRC any Tax including any special lump sum death benefit charge (as defined under section 206 of the Finance Act) for which the Scheme Administrator would otherwise be liable.
- 42.6 The Trustees may apply to HMRC:
- (a) under section 237D of the Finance Act for the discharge of such part of the joint liability amount of the annual allowance charge under section 237B of the Finance Act for which it is liable; or
  - (b) under section 268 of the Finance Act for the discharge of the Scheme Administrator's liability to the scheme sanction charge in respect of a scheme chargeable payment.

#### **43 EXPENSES**

- 43.1 All expenses incurred in connection with the Scheme including fees or expenses charged or incurred by the Trustees in carrying out their duties and any Taxes for which they may be liable shall, subject to Rule 42 and Rule 43.2 be met by the Participating Employers in such proportions as may be agreed from time to time between them unless, and then only to the extent that, the Trustees shall determine that such expenses shall be paid out of the Fund.
- 43.2 Any Trustee who carries on a profession or business that includes providing a trustee service for payment shall be entitled to be paid from the Fund and to retain all usual professional and other charges, fees or remuneration for acting as Trustee, including acts which a Trustee could have done personally.

43.3 The Trustees may unless they agree otherwise (either generally, or in relation to any particular Fund Reserve), either separately or jointly retain for their own benefit or for the benefit of any associate or connected party with which it arises, any commission, fee, remuneration or other benefit obtained in connection with the Scheme.

43.4 Any payment to a Member under Rule 43.2 must constitute a Scheme Administration Member Payment.

#### **44 GRANT OF REPRESENTATION**

44.1 No sum shall be payable to the personal representatives of a deceased person until there shall be produced to the Trustees a grant of representation relating to his estate provided however that where a grant of representation has not been produced any sums of money so payable up to an aggregate of £5,000 (or such greater sum as the Trustees may from time to time determine) may be paid at the discretion of the Trustees to such individual (as the Trustees in their discretion may determine) and the receipt of such individual shall be valid discharge in like manner as if it had been given by personal representatives of such deceased person.

#### **45 INFORMATION TO MEMBERS**

45.1 The Trustees will issue an annual statement to Members and others as required under section 113 of the 1993 Act.

## **INVESTMENT AND MANAGEMENT OF ASSETS**

### **46 OWNERSHIP AND CONTROL OF SCHEME ASSETS**

- 46.1 Subject to Rule 46.3, the Trustees shall in their capacity as the trustees of the Scheme be the registered owners of all the assets comprising the Fund except as otherwise required by law and permitted under the Finance Act.
- 46.2 Except as otherwise required by law, the Trustees shall have no responsibility (other than from the assets allocated to the relevant Members' Funds) for the liabilities associated with any Fund Reserve.
- 46.3 All assets comprising the Fund shall be registered as the Trustees decide:
- (a) in the name of the Trustees;
  - (b) in the name of any person as nominee for the Trustees; or
  - (c) in the name of a nominee or custodian or sub-custodian; or
  - (d) in the name of any person so authorised by the Trustees in writing for this purpose.
- 46.4 In relation to two or more Fund Reserves, the Trustees may purchase investments or assets or property to be held on trust in respect of their respective Fund Reserves. Such investments, assets or property and any income or capital gains accruing thereto shall be apportioned equitably at the Scheme Trustee's discretion between the relevant Fund Reserves.
- 46.5 In relation to a Fund Reserve, the Scheme Trustee may join with other persons in purchasing investments or assets or property or commingling assets in common investment funds provided it would not give rise to any Unauthorised Payments.

### **47 BANK ACCOUNTS**

- 47.1 The Trustees may open one or more bank accounts (each such account being the "Group Account") with such bank or banks as the Trustees may decide, on such terms and at such tariff as shall be agreed between the bank and the Trustees. The sole signatories to the Group Account shall be the Trustees unless the Trustees decides otherwise. All cash held within Members' Fund Reserves shall be held in the Group Account.

### **48 INVESTMENT**

- 48.1 In addition to the powers given by section 34 of the 1995 Act (power of investment and delegation), the Trustees shall have the same powers to invest, buy, sell, convert,

transpose and vary the assets comprising the Fund as if they were absolutely entitled to them.

Provided that:

- (a) before any investment of any part of the Fund is made under this Rule 48 or 49 the Trustees must obtain the written agreement of each Trustee who is a Member to the making of the investment;
- (b) to the extent that they are required to do so, the Trustees shall comply with section 35 of the 1995 Act (investment principles) and any regulations arising from it; and
- (c) the Trustees shall ensure that all assets comprising the Fund and all transactions comply with:
  - (i) the requirements of the Rules;
  - (ii) the requirements of the Finance Act and any other requirements for the Scheme to be a Registered Pension Scheme; and
  - (iii) any further matters specified by the Trustees in such regulations as they make from time to time.

48.2 Without prejudice to the generality of the provisions of Rule 48.1 the Trustees:

- (a) may purchase, maintain or effect from or with an Insurance Company policies of assurance, annuity or deferred annuity contracts to provide all or any of the pension benefits to which any Members or other persons are from time to time entitled; and
- (b) may purchase, maintain or effect life assurance for the purpose of re-insuring the whole or some part of the benefits payable under the Rules on the death of any person.

48.3 In addition to any other powers in these Rules the Trustees shall have power to enter into underwriting or sub underwriting contracts on such terms as they in their discretion may think fit.

48.4 As described in Rules 64 and 65, the Trustees shall not have any liability in connection with any investments made in accordance with this Rule 48.

#### **49 MANAGEMENT OF INVESTMENTS**

49.1 The Trustees shall have all powers that could be exercised by a beneficial owner absolutely entitled in relation to the management, protection and improvement of the

investments comprised in the Fund including, without prejudice to the generality of the foregoing, in relation to freehold or leasehold land and buildings:

- (a) power to sell, lease, demise, mortgage and deal with such freehold or leasehold land and buildings or any part thereof; and
- (b) power to apply any monies comprised in the Fund in improving or developing such freehold or leasehold land and any buildings or other structures thereon and to pay professional or other fees in connection herewith.

## **50 BORROWING**

- 50.1 To the extent permitted by section 36A of the 1995 Act, the Trustees may borrow money for any purposes of the Scheme whether on security or otherwise upon such terms and conditions as they shall in their discretion think fit and may replace such borrowing at a future date. Such borrowing must not be unauthorised under the Finance Act.

## **51 DONATIONS**

- 51.1 The Trustees may receive into the Fund donations to be held by them at their discretion either for the general purposes of the trust or to be allocated to the Fund Reserves of one or more Members or to the General Reserve.



## **MANAGEMENT OF THE TRUST**

### **52 AMENDMENT**

- 52.1 Subject to sections 67 to 67I of the 1995 Act, the Principal Employer may with the consent of the Trustees by deed change all or any of the provisions of the Rules or other provisions of the Scheme, including this Rule 52, in any way. Any change may have retrospective or prospective effect.

### **53 TRUSTEE APPOINTMENT AND REMOVAL**

- 53.1 The Trustees must at all times be persons who are not prohibited from acting as trustees under the 1995 Act.
- 53.2 Any person who is appointed as a Trustee shall also be the Scheme Administrator and shall give a declaration to HMRC in accordance with section 270(2) of the Finance Act at the time of his appointment or as soon as is practicable thereafter. A Trustee shall cease to be Scheme Administrator at any time that he ceases to be a Trustee.
- 53.3 The Principal Employer may at any time by deed:
- (a) remove a Trustee as a trustee of the Scheme; or
  - (b) appoint any person as a Trustee.
- 53.4 Unless the Principal Employer and the Trustees agree otherwise in any particular case all the Members shall be appointed as Trustees.
- 53.5 Any of the Trustees wishing to retire shall give to the Principal Employer 28 days' prior written notice and at the expiry of such notice shall cease to be a trustee provided that the Principal Employer shall itself become a Trustee if the Trustees remaining in office after such removal retirement or other event shall be individuals and less than two in number.
- 53.6 The Principal Employer and the Trustees, or all or any of them, shall execute such documents and do whatever is necessary to give effect to any appointment, removal, resignation under this Rule 53 or other transaction.

### **54 TRUSTEES' DECISION MAKING**

- 54.1 The Trustees shall:
- (a) exercise their powers by resolutions either passed unanimously at a meeting where all the Trustees are present or in writing signed by all the Trustees

- (b) save as provided by (a) of this sub-Rule make regulations (including where they so wish regulations for the appointment of a chairman and a secretary) for the conduct of their meetings and the management of their business.

54.2 If any of the Trustees is a corporation it shall in the discharge of its duties and in the exercise of its powers act by its officers and employees duly appointed in that behalf;

54.3 No resolution of the Trustees to wind-up the Scheme shall be effective unless each Trustee votes in favour thereof and the resolution shall not be effective unless it or a copy thereof is signed by each Trustee.

## **55 TRUSTEES' PERSONAL INTERESTS**

55.1 No decision or other act by the Trustees shall be invalidated on the ground that a Trustee had a conflict of duty or of interest, whether direct or indirect, in relation to it. In particular, any Trustee may be a Member or a Dependant of a Member and may retain benefits under the Scheme, including any benefits resulting from the exercise of any power or discretion by the Trustees that he took part in. But this Rule does not affect any duty of disclosure owed by anyone who has such a conflict.

55.2 In this Rule 55, a reference to a Trustee shall include a director, member, officer or employee of a corporate trustee.

## **56 TRUSTEES' GENERAL POWERS**

56.1 The Scheme shall be managed by the Trustees. The Trustees shall have all the powers conferred on them by law, by the Rules and by any other documentation governing the Scheme. The Trustees shall have discretion to exercise or refrain from exercising any such power.

56.2 The Trustees may:

- (a) adopt such procedures; and
- (b) do all such other things

for the administration of their duties as they consider appropriate.

56.3 Without prejudice to any power to effect insurance policies elsewhere in these Rules, the Trustee may deal with insurances whether or not they relate to investments or to risk management or otherwise.

56.4 The Trustees in their capacity as the Scheme Administrator shall not be prevented or restricted from exercising in their own interest any power or discretion (and nor shall they be obliged to account for any benefit as a result of any such exercise) under or in connection with the Scheme.

## **57 DELEGATION AND AGENTS**

57.1 The Trustees may whenever they think it expedient delegate:

- (a) any business relating to the Scheme;
- (b) the investment management of the Fund (or any part of it);
- (c) the giving of receipts and discharges and the signing of any documents required to be signed in the discharge of their duties; and
- (d) all or any of the powers, duties, trusts and discretions whatsoever (including discretions both dispositive and administrative) conferred upon them by the Rules or otherwise

to any person or persons on such terms, for such periods as they think fit. They may authorise their sub-delegation. This power of delegation includes the delegation by the Trustees of their powers and duties of making, holding, registering and managing investments to a nominee. The Trustees shall not be under a duty to supervise any delegate. Nor shall they be responsible for the negligence or default of a delegate (or sub-delegate) or any loss incurred as a result of delegation (or sub-delegation).

57.2 Without prejudice to the general nature of this Rule 57, the Trustees may authorise any person or persons to draw cheques on any banking account, to endorse any cheques or to give receipts and discharges for money which shall be as valid and effectual as if given by them themselves.

57.3 The Trustees may make such arrangements for remunerating any delegate, manager or nominee as they think fit.

57.4 The Trustees may designate or may employ and remunerate any agent or agents to transact any business on their behalf whether of an administrative nature or otherwise and any receipt given to any such agent or person shall be a sufficient discharge of the Trustees' or the Scheme Administrator's liability as appropriate.

57.5 Any person dealing in good faith with the Trustees, or any or all of them, or their agents or delegates appointed under this Rule 57, shall be completely discharged by their receipt for any money or asset.

## **58 PROFESSIONAL ADVISERS**

58.1 The Trustees may from time to time engage and pay accountants, actuaries, solicitors, brokers, medical practitioners, fund managers or any other professional advisers as they think fit in connection with the administration of the Scheme, and shall take any

steps necessary to comply with the requirements of section 47 of the 1995 Act and any regulations arising from it to the extent that they apply to the Trustees.

**59 ACCOUNTS AND RECORDS**

- 59.1 The Trustees shall keep, or cause to be kept, true accounts and records of all monies passing through their hands and shall also keep a record of all Members and of all persons receiving benefits and all other matters necessary to be recorded for the proper operation of the Scheme. They may also cause accounts to be drawn up at such intervals as they consider appropriate.

**60 EXERCISE OF DISCRETIONS BY TRUSTEES**

- 60.1 Where under the Rules the Trustees have a discretion as to whether in any particular circumstances a benefit shall be payable and/or as to the person or persons to whom any benefit is to be paid then any determination made by the Trustees in the exercise of such discretion shall be conclusive and binding on all persons.

**61 NOTICES**

- 61.1 Subject to Rule 61.2, any notice to be given to a person under the Rules must be in writing and given either by delivering it to him or by leaving it at, or sending it by post or email to, his latest address known to the giver of the notice or by posting it on a website that has been notified to him for this purpose. A notice given to a person under the Rules shall be deemed to have been received by him on the day on which it is delivered to him or is left at his address or, if it is sent by post, within at most two days of sending it. A notice sent by email or posted on a website shall be deemed to have been received on the day it is sent or posted.
- 61.2 A notice given to a beneficiary under the Rules shall be deemed to have been received by the beneficiary if any procedure has been followed which appears to the Trustees to be adequate to draw his attention to it.
- 61.3 Where these Rules give a Member or other person any choice, the Trustees may impose any requirements as to the period of the notice to be given by the Member or other person, so long as these do not conflict with any requirements specified in these Rules. The Trustees shall also be entitled to waive any period of notice. However, no such waiver shall diminish the Trustees' right to insist upon the period of notice in the future.

## **62 PROVIDING INFORMATION**

- 62.1 The Trustees may provide such information and make such statements to HMRC as are requisite to the obtaining or the maintaining of the registration of the Scheme under the Finance Act.

## **63 DISPUTES AND MATTERS OF DOUBT**

- 63.1 If the 1995 Act requires them to, the Trustees shall make arrangements in accordance with it for resolving disputes in connection with the Scheme.
- 63.2 Except in relation to matters and powers expressly reserved to the Principal Employer or other Participating Employers the Trustees shall have power (to the extent the law permits) to determine conclusively all matters of question and doubt arising on or in connection with the Rules and the construction thereof and in deciding any question of fact to act upon such evidence or presumption as they shall in their discretion think sufficient.
- 63.3 The Trustees may settle, compromise or submit to mediation or arbitration any claim or other matter relating to the Scheme.

## **64 TRUSTEES' PROTECTION – GENERAL**

- 64.1 Each of Rules 64.2 to 64.6 only applies if and to the extent that it is lawful.
- 64.2 No Trustee shall as trustee of the Scheme or in respect of the exercise or purported exercise of or the omission of the exercise of his rights or powers in relation to the Scheme incur any personal liability or be liable for anything whatsoever except for breach of trust knowingly and intentionally committed by him.
- 64.3 The Trustees shall not incur any liability whatsoever:
- (a) for the act or omission of any person who is not a Trustee;
  - (b) for not having effected insurance or for failing to recover the amount insured under any insurance;
  - (c) in respect of any payment to any person made by mistake in good faith;
  - (d) if the Fund is insufficient to pay the benefits under the Scheme by reason of contributions being insufficient or unpaid;
  - (e) for any loss or depreciation of, or default upon, any assets in the Fund; or
  - (f) otherwise, in connection with any assets in the Fund or borrowing.

- 64.4 Each Trustee shall be indemnified from the Fund against all or any liabilities, claims, costs, losses, damages, awards, expenses, Taxes, or fines and penalties which he may pay or incur or which have been made or awarded against him as a trustee of the Scheme except where they arise from a breach of trust knowingly and intentionally committed by him. These include expenses incurred in rebutting alleged liability and any compensation ordered by the Pensions Ombudsman. If a Trustee entitled to be indemnified under this Rule is not fully indemnified from the Fund before the expiry of one month of notice being given to the Trustees calling for payment shall be indemnified to the extent necessary by the Principal Employer. This indemnity shall continue as long as the Scheme has assets. But this indemnity does not apply to the extent that the liability in question is covered by insurance. If he cannot by law be indemnified from the Fund, the Trustee so entitled shall instead be indemnified by the Participating Employers jointly and severally.
- 64.5 The Trustees may insure themselves, any of their delegates and their delegates' employees, and anyone else they see fit against any liabilities they incur in connection with the Scheme. The Trustees may also insure the Fund, or any part of it, against any losses arising from the assets, administration or management of the Scheme. So far as the law permits, the Trustees may pay the premiums for these insurances from the Fund.
- 64.6 As well as applying to the Trustees, this Rule 64 also applies (with any necessary changes) to:
- (a) former Trustees;
  - (b) directors, members, officers, employees, contractors and any other workers of a present or former corporate Trustee and any person who was formerly appointed to, employed in or engaged in any of those capacities;
  - (c) any person giving a decision on a disagreement under section 50 of the Pensions Act 1995,
- and any reference to a Trustee shall include any company associated or formerly associated with a corporate trustee or former corporate trustee of the Scheme. For this purpose companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.
- 64.7 The Trustees shall not be obliged to bring or defend any legal any legal proceedings in relation to the Scheme and shall not be chargeable in any way in connection with any such omission.
- 64.8 This Rule 64 takes effect subject to Section 31 (trustees not to be indemnified for fines and civil penalties) and Section 33 (investment powers: duty of care) of the 1995 Act.

## **65 TRUSTEES' PROTECTION – CORPORATE TRUSTEE**

65.1 This Rule 65 only applies:

- (a) if the Scheme has a corporate Trustee that is associated (within the meaning of section 256 of the Companies Act 2006) with a Participating Employer, and
- (b) to directors of the corporate Trustee, except for anyone who is a professional trustee and is paid for acting as a director (or whose firm is paid).

65.2 If this Rule 65 applies then, subject to Rule 65.4, each of the directors of the corporate Trustee shall be indemnified from the Fund against all liability that:

- (a) attaches to him in connection with any negligence, default, breach of duty or breach of trust in relation to the corporate Trustee, and
- (b) arises in connection with the activities of that company as Trustee of the Scheme.

But this indemnity does not cover:

- (c) any liability a director has to pay:
  - (i) a fine imposed in criminal proceedings, or
  - (ii) a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature (however arising), or
- (d) any liability he incurs in defending criminal proceedings in which he is convicted (within the meaning of section 235 of the Companies Act 2006).

This indemnity continues as long as the Scheme has assets.

65.3 If this Rule 65 applies then, subject to Rule 65.4, the Participating Employers, jointly and severally, indemnify each of the directors of the corporate Trustee against all liability that:

- (a) attaches to him in connection with any negligence, default, breach of duty or breach of trust in relation to the corporate Trustee, and
- (b) arises in connection with the activities of that company as Trustee of the Scheme.

But this indemnity does not cover:

- (c) any liability a director has to pay:

- (i) a fine imposed in criminal proceedings, or
- (ii) a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature (however arising), or
- (d) any liability he incurs in defending criminal proceedings in which he is convicted (within the meaning of section 235 of the Companies Act 2006).

This indemnity only applies to the extent that the liability in question cannot for any reason be met out of the Fund.

This indemnity continues after the Scheme has been wound up.

65.4 Rules 65.2 and 65.3 do not apply:

- (a) where a director's liability arises from a breach of trust knowingly and intentionally committed by him, or
- (b) to the extent that a director's liability is covered by insurance or would be so covered but for Rules 64.4 and 64.5 or this Rule 65.



## **PARTICIPATING EMPLOYERS**

### **66 ADHERING EMPLOYERS**

- 66.1 If the Principal Employer so allows, any employers which are to participate in the Scheme shall execute a deed under which they shall bind themselves to observe and perform such of the provisions and Rules for the administration and management of the Scheme as are from time to time to be observed by the Adhering Employers.

### **67 PRINCIPAL EMPLOYER**

- 67.1 The Principal Employer hereby covenants to observe and perform such of the Rules as are from time to time to be observed and performed by the Principal Employer.
- 67.2 The Principal Employer shall, with the consent of the Trustees, have the power to be exercised by deed to enter into an agreement with a company or body for that company or body to assume the obligations of the Principal Employer hereunder and the Principal Employer shall thereby be released from all obligations hereunder and the Scheme shall thereafter have effect as if such company or body had executed these Rules.

### **68 WITHDRAWAL OF PARTICIPATING EMPLOYERS**

- 68.1 The provisions of Rule 68.2 and Rule 68.3 shall apply in the following events in respect of a company which is one of the Adhering Employers:
- (a) on the expiration of 3 months notice in writing (or such lesser period of notice as the Trustees accept) given to the Trustees of its intention to withdraw from the Scheme in respect of all or any of its employees who are Members of the Scheme or
  - (b) the making of an order or the passing of a resolution for its winding up.
- 68.2 Subject to the provisions of Rule 68.3:
- (a) on one of the Adhering Employers becoming a Withdrawing Employer then such of the employees of such Withdrawing Employer as are Members; or
  - (b) on one of the Adhering Employers becoming a Partial Withdrawing Employer such of the employees of such Partial Withdrawing Employer as are Members and are comprised in the notice given pursuant to paragraph (a) of Rule 68.1 shall be deemed to have become Withdrawing Members and Rule 26 shall apply.

Provided that in the event of an Adhering Employer becoming a Withdrawing Employer the benefits in respect of its employees who are Members or Withdrawing Members shall be secured in accordance with Rules 27 to 29 (inclusive) unless Rule 68.3 applies.

- 68.3 On one of the Adhering Employers becoming a Withdrawing Employer or a Partial Withdrawing Employer the Trustees may direct that in respect of the employees of such Withdrawing Employer or Partial Withdrawing Employer who become members of another Registered Pension Scheme (in lieu of the benefits payable to and in respect of such employees under Rule 68.2) the Trustees shall pay a lump sum equal to the sum of the Fund Reserves in respect of such employees to the trustees of such other Registered Pension Scheme in accordance with Rule 28.

## **69 CHANGE OF CONTROL**

- 69.1 Rule 69.2 shall apply if:

- (a) a person commences to act as an insolvency practitioner (as defined in section 388 of the Insolvency Act 1986) in relation to the Principal Employer or the Principal Employer otherwise enters into liquidation;
- (b) a change in control (as defined in section 1124 of the Corporation Tax Act 2010) takes place of the Principal Employer; or
- (c) there is no Member who is also an Eligible Employee.

- 69.2
- (a) Following any of the events mentioned in Rule 69.1, the powers given by these Rules to the Principal Employer or to the Principal Employer jointly with the Trustees under the Scheme shall be exercisable exclusively by the Trustees and not by or jointly with the Principal Employer;
  - (b) Any power given to the Trustees to be exercised with the consent of the Principal Employer shall be exercisable exclusively by the Trustees and shall not require the consent of the Principal Employer; and
  - (c) To the extent that this Rule 69.2 vests powers in the Trustees previously vested in the Principal Employer, such powers shall forthwith cease to be exercisable by the Principal Employer.

For the purposes of this Rule, "Principal Employer" shall be deemed to include any other Participating Employers.

## **WINDING UP**

### **70 WINDING UP OF THE TRUST**

70.1 The Scheme shall be wound up on the date as at which the Trustees shall determine that the Scheme shall be wound up and the assets comprised in the Fund applied as provided in this Rule 70, save and except that the Trustees may:

- (a) make arrangements by deed with a successor to the Principal Employer for such successor to become the Principal Employer and for the continuation of the Scheme (for which purpose the consent of the current Principal Employer shall not be required); or
- (b) continue the Scheme as a closed fund, under which
  - (i) no further Members may be admitted to the Scheme;
  - (ii) no further contributions shall be due from the Participating Employers; but
  - (iii) contributions may continue to be paid by each Member at such rate as he may agree from time to time with the Trustees

and they may then determine to wind up the Scheme in accordance with this Rule at such time as they think fit.

### **71 APPLYING THE ASSETS ON WIND UP**

71.1 Subject to the provisions of Rule 71.2, following the winding up date the Scheme shall be wound up by applying the assets comprised in the Fund as follows:

- (a) FIRSTLY in paying any costs charges or expenses of or incidental to the winding up of the Scheme which are not recovered from the Participating Employers;
- (b) SECONDLY in securing such benefits for and in respect of each Member or Ex-Spouse Participant as the Trustees decide and which are capable of being paid as Authorised Member Payments, and the Trustees shall then be discharged from any further liability under the Scheme in relation to that Member or Ex-Spouse Participant and any beneficiary claiming through him;
- (c) THIRDLY if having complied with the foregoing paragraphs of this Rule any balance shall remain the Trustees may at their discretion apply the whole or any part of such balance in securing for all or any one or more to the exclusion of others as the Trustees in their absolute discretion may decide of the persons for whom provision has been made in accordance with the foregoing

paragraphs of this Rule any benefits within the descriptions contained in Rule 26.1 – 26.4 (inclusive) by way of augmentation or in addition to the provision made as aforesaid; and

- (d) LASTLY the Trustees shall subject to section 76 of the 1995 Act and payment of any Tax due pay and transfer any assets comprised in the Fund then remaining to the Participating Employers in due proportions as decided by the Trustees

Provided that all references in the foregoing sub paragraphs of this Rule to pensions for Dependants of deceased Members or Pensioners and optional benefits for Members may be deemed by the Trustees to include allowances for Dependants which have or might have been provided under the Scheme and provided further that any policy or policies issued by an Insurance Company under this Rule shall be endorsed to show:

- (i) that the pensions are not assignable and only commutable for a cash sum to the extent that is expressly provided;
- (ii) the cash amounts available on commutation of the pensions at Pension Date and on death before Retirement;
- (iii) the circumstances in which benefits can be taken earlier than the Pension Date;
- (iv) the basis by which any benefits payable earlier than Pension Date shall be calculated;
- (v) that such policy or policies is in the name of the Member Dependant or Pensioner to whom the same is or may be payable; and

and the effecting of such policy or policies as aforesaid shall be in full discharge of all liability of the Trustees in respect of such appropriate benefits.

71.2 Following the winding up date the Trustees shall have the power to effect the winding up of the Scheme by applying all the assets comprised in the Fund towards acquiring rights or transfer credits under another one or more Registered Pension Schemes or by any method set out in section 74 of the 1995 Act. Provided that the Trustees shall obtain a Member's consent before paying or transferring the assets comprised in the Fund to any other Registered Pension Scheme to the extent required by the Occupational Pension Schemes (Winding Up) Regulations 1996.

71.3 The Trustees may commute for a lump sum any Trivial Fund otherwise required to be applied under this Rule if the lump sum qualifies as a Winding-up Lump Sum Death Benefit or Winding-up Lump Sum.

- 71.4 For the avoidance of doubt, if the Trustees receive income or any other assets into the Fund after a transfer under Rule 71.2 the Trustees shall have the power apply such amounts in accordance with the provisions of this Rule 71 including the power to deduct all costs, charges, Tax and expenses.

**SCHEDULE:  
SCHEME PARTICULARS**

**1 DATE OF THIS DEED**

The date on which these Rules are made as a deed is 15 May 2014

**2 NAME OF THE SCHEME**

The name of the Scheme is DJP BURY LTD SSAS

**3 PRINCIPAL EMPLOYER**

The Principal Employer of the Scheme with effect on and from the Commencement Date is DJP BURY LTD (registered no. 08402259) whose registered office is at 59 Bury Road, Dagenham, Essex, RN10 7XR

**4 TRUSTEES**



The Trustees with effect on and from the Commencement Date are:


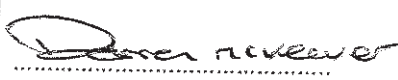
DARREN JOHN POWELL of 59 Bury Road, Dagenham, Essex, RN10 7XR

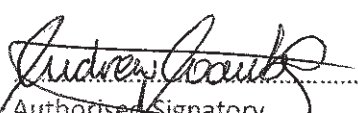

And UNION PENSION TRUSTEES LIMITED whose registered office is at Dunn's House St Pauls Road Salisbury SP2 7BF.

**5 COMMENCEMENT DATE** 15 May 2014

This document has been executed as a deed and is delivered on the date stated at the beginning of it.

Executed as a deed by DJP BURY LTD acting by two directors	 SIGNATURE OF DIRECTOR
	 SIGNATURE OF DIRECTOR

Signed as a deed by DARREN JOHN POWELL	
in the presence of:	 ..... SIGNATURE
 ..... [SIGNATURE OF WITNESS]	
Name of Witness [IN BLOCK CAPITALS]	<u>DARREN MCKEEVER</u>
Address of Witness	<u>61 FORTVIEW PARK</u> <u>KESH CO FERMAUGH BT43 1TB</u>
Occupation of Witness	<u>IFA</u>

Executed as a deed by UNION PENSION TRUSTEES LIMITED in the presence of:	
 ..... Authorised Signatory	
 ..... Authorised Signatory	