



Small Self-Administered Scheme

General Rules for Small Self-Administered Schemes

The following Rules numbered 1A to 13 inclusive are the General Rules referred to in the Trust Deed governing the Scheme.

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1A. Definitions

In the Rules unless the context otherwise requires -

"**Actuary**" means the Actuary of the Scheme appointed in accordance with the Trust Deed.

"**Alternatively Secured Pension Fund**" shall have the same meaning as in paragraph 11 of Schedule 28 to the Finance Act 2004.

"**Alternatively Secured Pension Year**" shall have the same meaning, in relation to a Member, as in paragraph 12 of Schedule 28 to the Finance Act 2004 or, in relation to a Dependant, as in paragraph 26 of that Schedule.

"**Annuity Protection Lump Sum Death Benefit**" shall have the same meaning as in paragraph 16 of Schedule 29 to the Finance Act 2004.

"**Appropriate Percentage**" shall have the meaning given to it by section 51ZA(1)(a) of the Pensions Act 1995.

"**Assured Lump Sum**" means in respect of a Member the amount, if any, of the lump sum benefit payable on his death which is not payable out of the Member's Interest and is or is to be secured by a term assurance contract with an Insurer.

"**Authorised Member Payment**" shall have the same meaning as in section 164 of the Finance Act 2004.

"**Authorised Surplus Payment**" shall have the same meaning as in section 177 of the Finance Act 2004.

"**Charity Lump Sum Death Benefit**" shall have the same meaning as in paragraph 18 of Schedule 29 to the Finance Act 2004.

"**Civil Partnership**" has the meaning given to it by the Civil Partnership Act 2004 and any reference to 'Civil Partner' is to be read accordingly.

"**Dependant**" shall have the same meaning as in paragraph 15 of Schedule 28 to the Finance Act 2004.

"**Dependant's Alternatively Secured Pension Fund**" shall have the same meaning as in paragraph 25 of Schedule 28 to the Finance Act 2004.

"**Dependant's Annuity**" shall have the same meaning as in paragraph 17 of Schedule 28 to the Finance Act 2004.

"**Dependant's Assured Annuity**" means in respect of a Member the amount per annum, if any, of a pension benefit payable on his death to a Dependant (who is not a Dependent Child) which is not payable out of the Member's Interest and is or is to be secured by a term assurance contract with an Insurer.

"**Dependant's Scheme Pension**" shall have the same meaning as in paragraph 16 of Schedule 28 to the Finance Act 2004.

“Dependent Children” means in relation to any person such of that person's children, adopted children and step children and the children, adopted children and step children of his spouse or Civil Partner as are his Dependants (including, after their birth, any such child conceived but not born before the Member's death).

"Dependent Children's Assured Annuity" means in respect of a Member the amount per annum, if any, of a pension benefit payable on his death to the Dependent Children which is not to be payable out of the Member's Interest and is or is to be secured by a term assurance contract with an Insurer.

“Dependant's Unsecured Pension Fund” shall have the same meaning as in paragraph 22 of Schedule 28 to the Finance Act 2004.

“Disqualifying Pension Credit” shall have the same meaning as in paragraph 2(3) of Schedule 29 to the Finance Act 2004.

"Employer" means in relation to any person employed by one or more of the Participating Employers that one or more of them by which that person is employed and in relation to any person no longer employed by any of the Participating Employers that one or more of them by which he was last employed.

“Ex-Spouse” means an individual (including a former Civil Partner) 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.

"Fund" means the fund for the time being held by the Trustees for the purposes of the Scheme.

“Incapacity” means that the Member is (and will continue to be) incapable of carrying on his occupation because of physical or mental impairment.

"Index" means the Government's Index of Retail Prices.

"Insurer" shall have the same meaning as in section 164 of the Finance Act 2004.

“Lifetime Allowance Charge” shall have the same meaning as in section 214(1) of the Finance Act 2004.

“Lifetime Allowance Excess Lump Sum” shall have the same meaning as in paragraph 11 of Schedule 29 to the Finance Act 2004.

“Lifetime Annuity” shall have the same meaning as in paragraph 3 of Schedule 28 to the Finance Act 2004.

"Member" means a person who has become a member of the Scheme in accordance with the Rules and who is neither a person who has ceased to be a member of the Scheme under any of its provisions nor a person in respect of whom all the liabilities of the Trustees to pay or provide benefits have come to an end.

"Member's Interest" means the value as determined by the Actuary of that part of the Fund (excluding the Assured Lump Sum, Dependant's Assured Annuity or Dependent Children's Assured Annuity) which is attributable to contributions (other than voluntary contributions) paid for and by the Member and which has not been designated as an Unsecured Pension Fund or as an Alternatively Secured Pension Fund..

"Normal Benefit Age" in relation to an Ex-Spouse Participant means such date as the Trustees may agree with the Ex-Spouse Participant being a date that is no earlier than the sixtieth anniversary of his birth nor later than the sixty fifth anniversary of his birth.

"Normal Minimum Pension Age" shall have the same meaning as in section 279(1) of the Finance Act 2004.

"Normal Retirement Date" in relation to a Member means the date stated to be his Normal Retirement Date or normal retirement age in his application for membership or such new date as the Trustees may agree with the Employer and the Member and which would have been acceptable under section (3) of Rule 2.

"Participating Employers" means the Principal Employer and every other employer which is permitted to participate in the Scheme by virtue of the provisions of the Trust Deed and has executed the appropriate deed or other instrument but does not include any employer which has ceased to participate save in respect of the time before it ceased to participate.

"Pension Commencement Lump Sum" shall have the same meaning as in paragraph 1 of Schedule 29 to the Finance Act 2004.

"Pension Credit" means a credit under section 29(1)(b) of the Welfare Reform and Pensions Act 1999 or under corresponding Northern Ireland legislation.

"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) to a Pension Credit.

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

"Pension Sharing Order" means any order or provision as is mentioned in section 28(1) of the Welfare Reform Act, Article 25(1) of the Welfare Reform and Pensions (Northern Ireland) Order 1999, Part 4 of Schedule 5 to the Civil Partnership Act 2004 or Part 3 of Schedule 15 to that Act.

"Pension Sharing Rules" means Rule 13 and, unless otherwise stated, all words and expressions defined in the Pension Sharing Rules shall have the same meanings and interpretation in the rest of the Rules.

"Pensionable Service" shall have the meaning ascribed to it by section 70 of the Pension Schemes Act 1993.

“Pensions Act” means the Pensions Act 1995.

“Pensions Legislation” means the Pension Schemes Act 1993, the Pensions Act 1995 and the Pensions Act 2004.

“Qualifying Recognised Overseas Pension Scheme” shall have the same meaning as in section 169(2) of the Finance Act 2004.

“Recognised Overseas Pension Scheme” shall have the same meaning as in section 150(8) of the Finance Act 2004.

“Registered Pension Scheme” shall have the same meaning as in section 150(2) of the Finance Act 2004.

“Relevant Percentage” shall have the meaning given to it by section 51(4) of the Pensions Act 1995 as it applies to a category X pension as defined in section 51(4A) of that Act; and, for the purposes of calculating the relevant percentage, the reference period shall be the 12 months which ends on the last day of the third calendar month before the month in which the relevant anniversary occurs.

“Scheme Administrator” shall have the same meaning as in section 270 of the Finance Act 2004.

“Scheme Pension” shall have the same meaning as in paragraph 2 of Schedule 28 to the Finance Act 2004.

“Service” means continuous service with the Employer.

“Serious Ill-health Lump Sum” shall have the same meaning as in paragraph 4 of Schedule 29 to the Finance Act 2004.

“Special Lump Sum Death Benefits Charge” shall have the same meaning as in section 206 of the Finance Act 2004.

“Transfer Lump Sum Death Benefit” shall have the same meaning as in paragraph 19 of Schedule 29 to the Finance Act 2004.

“Trivial Commutation Lump Sum” shall have the same meaning as in paragraph 7 of Schedule 29 to the Finance Act 2004.

“Trivial Commutation Lump Sum Death Benefit” shall have the same meaning as in paragraph 20 of Schedule 29 to the Finance Act 2004.

“Trust Deed” means the deed by which the Scheme was established together with any deeds or other instruments supplemental thereto; and the words and expressions which are defined in the Trust Deed shall have the meanings thereby given to them.

“Uncrystallised Funds Lump Sum Death Benefit” shall have the same meaning as in paragraph 15 of Schedule 29 to the Finance Act 2004.

“Unsecured Pension Fund” shall have the same meaning as in paragraph 8 of Schedule 28 to the Finance Act 2004.

“Unsecured Pension Fund Lump Sum Death Benefit” shall have the same meaning as in paragraph 17 of Schedule 29 to the Finance Act 2004.

“Unsecured Pension Year” shall have the same meaning, in relation to a Member, as in paragraph 9 of Schedule 28 to the Finance Act 2004 or, in relation to a Dependant, as in paragraph 23 of that Schedule.

“Welfare Reform Act” means the Welfare Reform and Pensions Act 1999.

“Winding-up Lump Sum” shall have the same meaning as in paragraph 10 of Schedule 29 to the Finance Act 2004.

“Winding-up Lump Sum Death Benefit” shall have the same meaning as in paragraph 21 of Schedule 29 to the Finance Act 2004.

1B. Interpretation

In the Rules unless the context otherwise requires -

- (1) Words importing the masculine gender shall include females and the words "wife" and "widow" shall include a husband and widower respectively and, but not so as to confer any rights on (or in respect of) a Member whose Member's Interest is applied to provide benefits before 5 December 2005, a Civil Partner. Any reference to being married includes being in a Civil Partnership and any reference to being unmarried excludes being in a Civil Partnership.
- (2) Words in the singular shall include the plural and words in the plural shall include the singular.
- (3) Any reference to an employee or person employed by or in the employ or service of a Participating Employer shall be construed as a reference to a person who is or has been in the Service and as including a director of that Participating Employer.
- (4) Any reference to any enactment shall be construed as a reference to that enactment as amended or re-enacted and to any regulations made thereunder for the time being in force and to any corresponding provisions in force in Northern Ireland.

1C. Calculation of earnings

In determining the emoluments to be used for any purpose of the Scheme -

- (a) the Trustees shall ignore all emoluments which are not treated for tax purposes as emoluments from an office or employment and all emoluments to which a Member is not beneficially entitled and, unless the Employer otherwise directs, all emoluments which are treated for tax purposes as emoluments from an office or employment but which are not monetary; and
- (b) the Trustees shall also ignore any amounts which arise from the acquisition or disposal of shares or an interest in shares or a right to acquire shares or anything in respect of which tax is chargeable by virtue of section 225 or section 226 of the Income Tax (Earnings and Pensions) Act 2003 or under Chapter 3 of Part 6 of that Act; and

- (c) if the emoluments which are to be averaged over a period of at least three years have not been received for such a period, the Trustees shall take the yearly average over the period for which they have been received.

2. Membership

- (1) There shall be eligible to become a member of the Scheme any person who -
 - (a) is or has been in receipt of emoluments which are or were treated for tax purposes as emoluments to which he is beneficially entitled and are from an office or employment with one or more of the Participating Employers
 - (b) would not be a 'qualifying person' as defined in the Occupational Pension Schemes (Cross-border Activities) Regulations 2005; and
 - (c) is invited by the Principal Employer to become a member of the Scheme.
- (2) Each eligible person who wishes to become a member of the Scheme shall complete an application in a form to be prescribed by the Trustees, in which he shall undertake to comply with and be bound by the Rules and state the date at which he wishes to become a Member and his Normal Retirement Date.
- (3) The Trustees shall not accept in respect of any person an application for membership in which the date stated to be the person's Normal Retirement Date is earlier than the Normal Minimum Pension Age or later than the day before the seventy fifth anniversary of his birth; nor shall the Trustees accept any application in which the said date is earlier than the date at which the person's membership is to commence.
- (4) Each person who has made an application in due form which has been accepted by the Trustees shall become a Member as from the date stated in the application and shall be given -
 - (a) a certificate of membership, and
 - (b) a notice of the essential features of the Scheme.

3A. Contributions by Employers

- (1) Subject to Rule 3D and Rule 12A the Participating Employers shall pay such contributions to provide money purchase benefits in respect of each Member as are agreed with the Member and the Trustees together with such contributions as are required to provide any Assured Lump Sum, Dependents' Assured Annuities and Dependent Children's Assured Annuities.
- (2) Subject to Rules 3D and 12A, any regular contributions payable in respect of a Member by a Participating Employer shall stop at the earliest of -
 - (a) any date agreed between the Participating Employer and the Member;
 - (b) the day the Member ceases to be in Service (by reason of his death or otherwise);
 - (c) the Member's Normal Retirement Date;
 - (d) the day the Member becomes a 'qualifying person' as defined in the Occupational Pension Schemes (Cross-border Activities) Regulations 2005;
 - (e) the day on which contributions are terminated in accordance with Rule 12B.

3B. Contributions by Members

- (1) Where it is a condition of his membership that a Member is required to pay contributions, the Member shall pay contributions at the rate notified by the Participating Employer in writing to him and the Trustees.
- (2) The Participating Employer may alter the rates of contributions which a Member is required to pay by virtue of section (1) of this Rule by giving one month's notice in writing to the Member and the Trustees.
- (3) Subject to Rules 3D and 12A, the contributions which a Member is required to pay by virtue of section (1) of this Rule shall be payable at regular intervals in the period commencing with the date he becomes a Member and ending not later than the earliest of -
 - (a) any date agreed between the Participating Employer and the Member;
 - (b) the day he ceases to be in Service (by reason of his death or otherwise);
 - (c) his Normal Retirement Date;
 - (d) the day the Member becomes a 'qualifying person' as defined in the Occupational Pension Schemes (Cross-border Activities) Regulations 2005;
 - (e) the day on which contributions are terminated in accordance with Rule 12B.
- (4) A Member's contributions shall be deducted by the Employer so far as possible by weekly or monthly instalments from the payments of his remuneration and shall be paid forthwith to the Trustees.

3C. *Voluntary contributions by Members*

- (1) Subject to Rules 3D, and 12A, and if the conditions set out in section (2) of this Rule are fulfilled, a Member may pay voluntary contributions in excess of any contributions payable by him by virtue of section (1) of Rule 3B in the period commencing with the date he becomes a Member and ending not later than the earliest of -
 - (a) any date agreed between the Participating Employer and the Member;
 - (b) the day he ceases to be in Service (by reason of death or otherwise);
 - (c) his Normal Retirement Date;
 - (d) the day the Member becomes a 'qualifying person' as defined in the Occupational Pension Schemes (Cross-border Activities) Regulations 2005;
 - (e) the day on which contributions are terminated in accordance with Rule 12B.
- (2) The conditions referred to in section (1) of this Rule are -
 - (a) the Member shall give 12 months notice to the Trustees, or such lesser period as is acceptable to them, of his intention to pay a voluntary contribution or pay voluntary contributions at a specified rate or to vary that rate; and
 - (b) in any year commencing on a 6th April and ending on a 5th April, a Member's total voluntary contributions shall not be less than the minimum annual premium acceptable under the policy or policies referred to in section (5) of this Rule.
- (3) The amount available to provide benefits in return for a Member's voluntary contributions shall be the amount determined by the Actuary as being the value of the part of the Fund which is attributable to the Member's voluntary contributions (other than those applied to provide additional death benefits) and shall be additional to any other benefits provided for the beneficiary under the Scheme.
- (4) Where the amount attributable to a Member's voluntary contributions is applied to provide retirement benefits, the benefits shall be of such amounts as are in the opinion of the Actuary equivalent, on a money purchase basis, to the voluntary contributions so applied.
- (5) Where voluntary contributions are applied as the premiums of a policy with an Insurer, in the event of the Member's death or the termination of his Pensionable Service the benefits to be paid by the Trustees referable to those contributions shall be restricted in kind and amount to the benefits payable by the Insurer in that event as the result of the payment of those premiums.

- (6) A Member's voluntary contributions shall be deducted by the Employer as far as possible from the payments of his remuneration and shall be paid forthwith to the Trustees.

3D. *Option to stop contributions*

- (1) While in the Service a Member may give notice to the Employer that he wishes no further contributions to be paid into the Scheme in respect of him.
- (2) Any such notice shall be given in writing and shall specify the last date on which contributions are to be due but that date shall not be earlier than the date at which the notice is delivered to the Employer.
- (3) An Employer who has been given such a notice from a Member shall inform the Trustees forthwith of -
- (a) the last date on which a contribution to provide money purchase benefits for the Member is to be paid; and
 - (b) the contributions (if any) that are to be paid in respect of that Member to provide an Assured Lump Sum, Dependants' Assured Annuities and Dependent Children's Assured Annuities or the amounts (if any) of such benefits;

and the Trustees shall inform the Member of any benefits that are to be payable on his death.

3E. *Contributions in respect of the levy*

A Participating Employer shall pay such contributions as are necessary to meet any levy payable by the Trustees in respect of those Members in relation to which that Participating Employer is the Employer.

4A. *Member's death before his 75th birthday*

- (1) Subject to Rule 4E, if a Member dies before his 75th birthday, there shall be payable one or more Uncrystallised Funds Lump Sum Death Benefits of the amounts specified in section (3) of this Rule.
- (2) The amount available to apply under this Rule shall be the sum of -
- (a) the Assured Lump Sum, if any; and
 - (b) the amount, if any, which the Trustees, acting on the advice of the Actuary having regard to the Member's Interest and such other rules as affect the Member's entitlement to benefit, determine is available.
- (3) Subject to section (5) of this Rule the amount available under this Rule shall be paid by the Trustees to or applied by the Trustees for the benefit of such one or more of the persons specified in section (4) of this Rule and in such proportions as the Employer having absolute discretion may within six months of the Member's death in writing direct:

Provided that –

- (i) the Trustees shall provide each death benefit in the form of an Uncrystallised Funds Lump Sum Death Benefit unless, where the beneficiary is a Dependant or a Dependent Child, they (or the person with parental responsibility for them) direct the Trustees, within 30 days from the date that they are advised that the sum is available, to apply all or part of their death benefit to secure a pension for them under paragraph (b) of section (2) of Rule 4B or 4C or, where the Trustees agree, as a Dependant's Unsecured Pension Fund or as a Dependant's Alternatively Secured Pension Fund in terms of Rules 7E and 7F;
 - (ii) where the Trustees do not receive a direction or any such direction does not deal with the whole of any death benefit payable, the Trustees shall apply the remaining benefit to or for the benefit of such one or more of the Member's beneficiaries and in such proportions as the Trustees in their absolute discretion shall decide.
- (4) The persons referred to in section (3) of this Rule shall be -
- (a) the Member's spouse or Civil Partner;
 - (b) the Member's grandparents;
 - (c) the grandparents of the Member's spouse or Civil Partner;
 - (d) all descendants of the Member's grandparents and the grandparents of the Member's spouse or Civil Partner;
 - (e) any individual who, in the opinion of the Employer, was immediately prior to the Member's death -
 - (i) in receipt of any regular payment from the Member;
 - (ii) wholly or partly dependent on the Member for the ordinary necessities of life or because of physical or mental disability;
 - (iii) co-habiting with the Member as if they were married to one another (and whether they are of the same or opposite sex) provided that their finances were interdependent with those of the Member;
 - (f) any individual nominated by the Member as a potential beneficiary or who is entitled to any interest in the Member's estate under a testamentary disposition (such as a will); and
 - (g) the Member's legal personal representatives;
- and for the purposes of this Rule a relationship acquired by process of legal adoption shall be as valid as a blood relationship.

- (5) If, by the second anniversary of the Member's death, the Trustees have been unable to pay the whole of the said benefit in accordance with this Rule, the Trustees shall apply the benefit in securing a pension for one or more of the Member's Dependants or Dependent Children payable in accordance with section (2) of Rule 4B or Rule 4C or as a Dependant's Unsecured Pension Fund or as a Dependant's Alternatively Secured Pension Fund in terms of Rules 7E and 7F, in such proportions as the Trustees shall decide. If there are no Dependants or Dependent Children, the Trustees shall, where possible, pay the benefit as an Authorised Surplus Payment.

4B. *Dependant's pension on Member's death before his 75th birthday*

- (1) If a Member dies before his 75th birthday and is survived by a Dependant, there shall be payable to that Dependant a pension of the amount specified in section (2) of this Rule:

Provided that a Dependant who is also one of the Member's Dependent Children shall not be treated as a Dependant for the purposes of this Rule unless the Trustees are satisfied that he was, at the date of the Member's death, dependent on the Member because of physical or mental impairment.

- (2) The amount per annum of the Dependant's pension referred to in section (1) of this Rule shall be the sum of -
- (a) the Dependant's Assured Annuity, if any; and
 - (b) the amount, if any, which the Trustees, acting on the advice of the Actuary having regard to the Member's Interest and such other Rules as affect the Member's entitlement to benefit have secured for that Dependant in accordance with section (3) or (5) of Rule 4A.
- (3) Where a pension is being provided under this Rule, the Trustees shall, subject to section (4) of this Rule, provide a Dependant's Scheme Pension and secure that pension by purchasing an annuity from an Insurer on such terms that meet the conditions set out in paragraph 16 of Schedule 28 to the Finance Act 2004.
- (4) Where an amount is to be applied to secure a pension under paragraph (b) of section (2) of this Rule, the Dependant (or the person with parental responsibility for them) may direct the Trustees to secure their pension by purchasing a Dependant's Annuity from an Insurer of the Dependant's choice on such terms that meet the conditions set out in paragraph 17 of Schedule 28 to the Finance Act 2004.
- (5) Subject to Rule 9A, any pension payable to a Dependant under this Rule shall be payable for the period commencing with the day the Member dies and ending with the day the Dependant dies.

4C. *Children's pension on Member's death before his 75th birthday*

- (1) If a Member dies in the Service before his 75th birthday, there shall be payable to or for the benefit of his Dependent Children in equal shares a pension equal to the sum of the amounts of the pensions provided for his Dependent Children, the amount of pension provided for any one child being determined in accordance with section (2) of this Rule.
- (2) The amount per annum of the pension provided for any one child shall be the sum of -
 - (a) the Dependent Children's Assured Annuity, if any; and
 - (b) the amount, if any, which the Trustees, acting on the advice of the Actuary having regard to the Member's Interest and such other Rules as affect the Member's entitlement to benefit have secured for that child in accordance with section (3) or (5) of Rule 4A.
- (3) Where a pension is being provided under this Rule, the Trustees shall, subject to section (4) of this Rule, provide a Dependant's Scheme Pension and secure that pension by purchasing an annuity from an Insurer on such terms that meet the conditions set out in paragraph 16 of Schedule 28 to the Finance Act 2004.
- (4) Where an amount is to be applied to secure a pension under paragraph (b) of section (2) of this Rule, the Dependent Child (or the person with parental responsibility for them) may direct the Trustees to secure their pension by purchasing a Dependant's Annuity from an Insurer of the Dependant's choice on such terms that meet the conditions set out in paragraph 17 of Schedule 28 to the Finance Act 2004.
- (5) Subject to Rule 9A, any Dependant's Scheme Pension payable to a Dependent Child under this Rule shall be payable for the period commencing with the day the Member dies and ending with the earlier of -
 - (a) the day the child attains the age of 18 years or such older age as the Trustees have notified the Member or the child in writing; and
 - (b) the day on which he ceases to be a Dependent Child.
- (6) Where a Dependent Child who is a child of the Member (or the person with parental responsibility for that child) exercises the option under section (4) of this Rule, subject to Rule 9A, their Dependant's Annuity shall be payable for the period commencing with the day the Member dies and ending with the day the child attains the age of 23 years.

5A. Termination of Pensionable Service before Normal Retirement Date

- (1) This Rule applies to a Member who before his Normal Retirement Date ceases to be in Pensionable Service for any reason except his death and in respect of whom retirement benefits are not payable immediately under Rule 6A; and where the Trustees have accepted a transfer of assets in respect of the Member from another retirement benefits scheme the provisions of this Rule shall be subject to the provisions of Rule 8A.
- (2) Subject to the provisions of this Rule and of such other Rules as contain provisions affecting his entitlement to benefit, there shall be payable to a Member to whom this Rule applies a pension of the amount per annum specified in section (2) of Rule 6A payable for the period required under section (3) of Rule 6A and on his survival to Normal Retirement Date he shall be deemed to retire at that date.
- (3) Where under this Rule benefits are to become payable to a Member at his Normal Retirement Date, if at any time before that date he intimates to the Trustees in writing that he wishes all his benefits to be paid on an earlier date, the provisions of the Rules regarding retirement before Normal Retirement Date shall be deemed to apply to the benefits payable under this Rule in the same manner as they apply to benefits payable to a Member retiring from the Service:

Provided that a Member's benefits shall not be paid -
 - (i) before his Normal Retirement Date if his Service has not terminated unless his Employer consents;
 - (ii) before the Normal Minimum Pension Age except on account of Incapacity; and
 - (iii) on account of Incapacity until the Trustees have received satisfactory evidence of the Incapacity from a registered medical practitioner.
- (4) Where under this Rule benefits are to become payable to a Member at his Normal Retirement Date, if at any time before that date he intimates to the Trustees in writing that he wishes all his benefits to be deferred, the provisions of the Rules regarding retirement after Normal Retirement Date shall be deemed to apply to the benefits payable under this Rule in the same manner as they apply to benefits payable to a Member retiring from the Service but not so that a cash sum shall be payable to a Member before any pension becomes payable.
- (4) Where at the date his Pensionable Service terminates a Member -
 - (a) has not been in service with the Participating Employers in respect of which contributions for retirement benefits have been payable under the Scheme for one or more periods totalling at least two years; and
 - (b) has paid contributions to secure retirement benefits; and
 - (c) is not a Member in respect of whom assets have been transferred into the Scheme from a personal pension scheme as defined in section 1 of the Pension Schemes Act 1993;

if he notifies the Trustees in writing within six months after that date that he wishes to take a refund of the contributions paid by him, those contributions shall be repaid to him together with interest (but not so that the sum paid exceeds the Member's Interest) and he shall thereupon cease to be a Member.

- (5) In reckoning periods of service for the purposes of section (4) of this Rule the Trustees shall deem the following service to be service during which contributions for retirement benefits have been payable under the Scheme -
- (a) where the Trustees have accepted a transfer of assets representing the interest of the Member in or derived from another retirement benefits scheme, the actual service which counted for retirement benefits under that scheme; and
 - (b) where between any two periods of the Member's Pensionable Service there is a break (not exceeding one month or because of pregnancy or confinement or a trade dispute) which is required by regulations made under Chapter I of Part IV of the Pension Schemes Act 1993 to be disregarded in determining the length of 'qualifying service' for the purposes of section 71 of that Act, the earlier period to the extent that it would have been service counting for retirement benefits under the Scheme had the member been in the Service, but not in Pensionable Service, during the break.

5B. Alternative benefits option

- (1) Where a Member ceases to be in Pensionable Service without ceasing to be a Member and before he retires he has so requested in writing, the Trustees may apply a sum equal to the value of the prescribed benefits of the Member and his Dependants towards the provision of alternative benefits on a money purchase basis and, if the Trustees do so, the Member and his Dependants shall cease to have a right to the prescribed benefits; and for this purpose the expression "prescribed benefits" means all the benefits to which the Member and his Dependants have rights (including rights subject to a contingency) under the other provisions of the Scheme.
- (2) The provision of benefits in accordance with section (1) of this Rule shall be on the footing that the benefits ultimately payable will be determined by the terms of an insurance policy or annuity contract effected by the Trustees to which the sum allocated for this purpose has been applied and which may be with an Insurer of the Member's choice:
- Provided that -
- (i) no such benefit shall be provided unless it is an Authorised Member Payment; and
 - (ii) any lump sum death benefit payable under the Scheme as a result of the exercise of the option under this Rule shall be paid in accordance with the provisions governing the payment of death benefits payable under Rule 4A.

- (3) Except to the extent provided in Rule 12B, nothing in this Rule shall affect the operation of Rule 12B.
- (4) This Rule may also apply to an Ex-Spouse Participant and the prescribed benefits of that Participant and his Dependants.

6A. Retirement

- (1) The amount available to apply under this Rule shall be determined by the Trustees, on the advice of the Actuary, having regard to the Member's Interest and such other Rules as affect the Member's entitlement to benefit.
- (2) On the retirement of a Member from the Service at his Normal Retirement Date, the Trustees shall apply the amount available under this Rule to –
 - (a) pay any Lifetime Allowance Charge;
 - (b) pay to the Member a lump sum in accordance with Rule 6B;
 - (c) provide for the Member a pension payable in accordance with section (3) of this Rule and, if the Member so requests and the Insurer is willing to accept such a request, that pension will include either or both of the following death benefits –
 - (i) a pension payable to one or more of the Member's Dependants in accordance with Rule 7A;
 - (ii) guaranteed payment of the Member's pension for a specified period in accordance with section (1) of Rule 7B or Annuity Protection Lump Sum Death Benefit in accordance with section (2) of Rule 7B.
- (3) The Trustees shall secure any pension payable under this Rule by purchasing a Lifetime Annuity from an Insurer of the Member's choice on such terms that meet the conditions set out in paragraph 3 of Schedule 28 to the Finance Act 2004:

Provided that if the Member requests, the Trustees may agree to the Member deferring his pension in terms of section (5) of this Rule or agree to provide the pension by means of a Scheme Pension and, where they do so, the Trustees shall secure that pension by purchasing an annuity from an Insurer selected by them on terms that meet the conditions set out in paragraph 2 of Schedule 28 to the Finance Act 2004.

- (4) If a Member retires from the Service with the consent of the Employer before Normal Retirement Date but on or after the Normal Minimum Pension Age, or retires from the Service at any time before Normal Retirement Date on account of Incapacity informs the Trustees that he wishes his retirement benefits to become payable on his retirement, the Trustees shall apply the amount available under this Rule in the same manner as in section (2) of this Rule:

Provided that his benefits shall not be paid on account of Incapacity until the Trustees have received satisfactory evidence of the Incapacity from a registered medical practitioner.

- (5) Where by arrangement with the Employer a Member remains in the Service after his Normal Retirement Date, he may direct the Trustees to apply the amount available under this Rule in the same manner as in section (2) of this Rule (as though he was retiring at his Normal Retirement Date) or defer his pension until the date he requests his benefits to commence to be paid and, on that date, the Trustees shall apply the amount available under this Rule in the same manner as in section (2) of this Rule:

Provided that if, on the Member's 75th birthday, the Member still has a Member's Interest then the Trustee shall, on that day, apply section (6) of this Rule.

- (6) If the proviso to section (5) applies or, on or after the Member's Normal Minimum Pension Age, the Member asks to designate all of the amount available under this Rule (or a specific proportion of that amount) as an Unsecured Pension Fund and the Trustees agree then the Trustees shall -
- (a) pay any Lifetime Allowance Charge due as a result of the designation; and
 - (b) hold the balance of the designated amount as an Unsecured Pension Fund to be applied under Rule 6C and then, on and after the Member's 75th birthday as an Alternatively Secured Pension Fund to be applied under Rule 6D until the Member directs the Trustee to secure a pension in terms of section (3) of this Rule.

6B. Lump sum on retirement

- (1) On each occasion that the Trustees apply Rule 6A, there shall be payable to the Member a lump sum of the amount specified in this Rule:

Provided that -

- (i) the Trustees shall not pay a lump sum in accordance with this Rule on or after the Member's 75th birthday;
 - (ii) if the Member retires from the Service on the day before his 75th birthday, the lump sum shall be payable on the day that the first instalment of his pension under Rule 6A falls due or the day that he designates his Unsecured Pension Fund under section (6) of that Rule.
- (2) The Member shall specify the amount of the lump sum to be payable in respect of each application of Rule 6A but that amount cannot exceed the amounts that can be payable at that time as -
- (a) a Pension Commencement Lump Sum (taking account of any transitional provisions under Schedule 36 to the Finance Act 2004); and
 - (b) a Lifetime Allowance Excess Lump Sum (from which a Lifetime Allowance Charge shall be payable).

6C. Unsecured Pension

- (1) Where a Member has an Unsecured Pension Fund, the Trustees shall comply with the requirements of paragraphs 8 to 10 of Schedule 28 to the Finance Act 2004.
- (2) Subject to complying with the requirements of Pension Rule 5 (as set out in section 165 of the Finance Act 2004), the Member shall agree with the Trustees the income to be withdrawn from their Unsecured Pension Fund in each Unsecured Pension Year and the number of instalments in which that income is to be paid.
- (3) The Member may direct the Trustees to use their Unsecured Pension Fund to secure a pension for them in accordance with the provisions of section (3) of Rule 6A that commences on a date agreed with them.

6D. Alternatively Secured Pension

- (1) Where a Member has an Alternatively Secured Pension Fund, the Trustees shall comply with the requirements of paragraphs 11 to 13 of Schedule 28 to the Finance Act 2004.
- (2) Subject to complying with the requirements of Pension Rule 7 (as set out in section 165 of the Finance Act 2004), the Member shall agree with the Trustees the income to be withdrawn from their Alternatively Secured Pension Fund in each Alternatively Secured Pension Year and the number of instalments in which that income is to be paid.
- (3) The Trustees may agree with the Member that their Alternatively Secured Pension shall have a guarantee payment period as allowed under Pension Rule 2 (as set out in section 165 of the Finance Act 2004).
- (4) The Member may direct the Trustees to use their Alternatively Secured Pension Fund to secure a pension for them in accordance with the provisions of section (3) of Rule 6A that commences on a date agreed with them.

7A. Pension on death after taking retirement benefits

- (1) Where a Member has requested the Trustees under paragraph (c) of section (2) of Rule 6A to provide a pension for a Dependant after his death, if on his death after taking retirement benefits he is survived by the Dependant, there shall be payable to the Dependant a pension of the amount determined in accordance with this Rule.
- (2) Any request made by the Member under paragraph (c) of section (2) of Rule 6A shall specify the name, address, sex and date of birth of that one or more of the Member's Dependents to whom a pension is to be paid and the amount of pension to be provided (being expressed as a fraction of, or an amount equal to, the Member's pension).

- (3) If the Trustees purchase a Lifetime Annuity for the Member under section (3) of Rule 6A, the pension payable to the Dependant under this Rule shall be a Dependant's Annuity that meets the conditions set out in paragraph 17 of Schedule 28 to the Finance Act 2004; but, if the Trustees agree to the Member's request under section (3) of Rule 6A and secure a Scheme Pension for the Member, the pension payable to the Dependant under this Rule shall be a Dependant's Scheme Pension that meets the conditions set out in paragraph 16 of Schedule 28 to the Finance Act 2004.
- (4) Subject to Rule 9A, any pension payable under this Rule shall be paid by monthly instalments, the first instalment falling due on the day after the day on which the Member dies and the last instalment falling due on the last due date before the Dependant dies:
- Provided that -
- (i) where section (1) of Rule 7B applies and the Member has so agreed with the Trustees, the first instalment of a pension provided under this Rule shall not fall due until one month after the last instalment of the Member's pension falls due;
 - (ii) where the Trustees are securing a Dependant's Annuity for one of the Member's Dependent Children, they shall do so on the basis that the last instalment of the pension shall fall due on the last due date before he attains the age of 23 years unless the Trustees are satisfied at that time that he suffers from a physical or mental impairment which makes it unlikely that he will ever be able to maintain himself;
 - (iii) where the Trustees are securing a Dependant's Scheme Pension for one of the Member's Dependent Children, they may do so on the basis that the last instalment of the pension shall fall due on the last due date before he attains the age of 23 years or at an earlier specified age or event.

7B. *Pension death benefits*

- (1) Where the Trustees have, under paragraph (c) of section (2) of Rule 6A, secured a pension for the Member with a guaranteed payment period and the Member dies after the first instalment of his pension falls due but before the end of the guaranteed payment period, the Member's pension shall continue to be paid to the end of that period:

Provided that the guaranteed payment period may not be more than ten years from the day on which the first instalment of the Member's Scheme Pension or Lifetime Annuity falls due.

- (2) Where the Trustees have, under paragraph (c) of section (2) of Rule 6A, secured a pension for the Member with protection and the Member dies before his 75th birthday, an Annuity Protection Lump Sum Death Benefit (less any Special Lump Sum Death Benefit Charge) shall be payable at the date of the Member's death that is of an amount agreed with the Member but which is no greater than the protection limit set out in paragraph 16 of Schedule 29 to the Finance Act 2004:

Provided that the Trustees shall not agree to secure a pension with protection if the Member has also requested guaranteed payment of his pension for a specified period in accordance with section (1) of this Rule.

- (3) Any benefit payable under this Rule shall be paid to such one or more of the Member's beneficiaries and in such proportions as the Trustee in its absolute discretion shall select from the list of possible beneficiaries set out in section (4) of Rule 4A.

7C. *Unsecured pension death benefits*

- (1) If a Member dies with an Unsecured Pension Fund, the Trustees shall apply that Fund to provide death benefits. The Trustees shall provide each death benefit in the form of an Unsecured Pension Fund Lump Sum Death Benefit (less any Special Lump Sum Death Benefit Charge) unless, where the beneficiary is a Dependant or a Dependent Child, they (or the person with parental responsibility for them) direct the Trustees, within 30 days from the date that they are advised that the sum is available, to apply all or part of their death benefit to secure a pension for them on the same basis as would apply to a pension secured under paragraph (b) of section (2) of Rule 4B or 4C, as appropriate, that commences on a date agreed with them or, if the Trustees agree, for the amount to be held as a Dependant's Unsecured Pension Fund or a Dependant's Alternatively Secured Pension Fund to be applied in terms of Rules 7E and 7F.
- (2) Any benefit payable under this Rule shall be paid to such one or more of the Member's beneficiaries and in such proportions as the Trustee in its absolute discretion shall select from the list of possible beneficiaries set out in section (4) of Rule 4A.

7D. Alternatively secured pension death benefits

- (1) If a Member dies on or after his 75th birthday with an Alternatively Secured Pension Fund, at the date of the Member's death or, if later, at the end of any guarantee payment period, the Trustees shall apply that Fund in providing a Dependant's Scheme Pension for such one or more of the Dependents or Dependent Children as the Trustees in their absolute discretion shall decide and securing that pension by purchasing an annuity from an Insurer on such terms that meet the conditions set out in paragraphs 16 to 16C of Schedule 28 to the Finance Act 2004:

Provided that the Dependant or Dependent Child (or the person with parental responsibility for them) may

- (i) direct the Trustee to secure the pension by purchasing a Dependant's Annuity from an Insurer of the Dependant's or Dependent Child's choice on such terms that meet the conditions set out in paragraph 17 of Schedule 28 to the Finance Act 2004; or
 - (ii) request the Trustees to hold the amount available as a Dependant's Unsecured Pension Fund or a Dependant's Alternatively Secured Pension Fund and, if the Trustees agree, it shall be applied in terms of Rule 7E or 7F.
- (2) Subject to Rule 9A, a pension payable to a Dependant under section (1) of this Rule shall be paid by monthly instalments, the first instalment falling due on the day after the Member dies (or on the day after the end of any guarantee payment period) and the last instalment falling due on the last due date before the Dependant dies.
- (3) Subject to Rule 9A, any Dependant's Scheme Pension payable to a Dependent Child under this Rule shall be payable for the period commencing with the day the Member dies and ending with the earlier of -
- (a) the day the child attains the age of 18 years or such older age as the Trustees have notified the child (or the person with parental responsibility for them) in writing; and
 - (b) the day on which he ceases to be a Dependent Child.
- (4) Where a Dependent Child who is a child of the Member exercises the option under paragraph (i) of the proviso to section (1) of this Rule, subject to Rule 9A, their Dependant's Annuity shall be payable for the period commencing with the day the Member dies and ending with the day the child attains the age of 23 years.
- (5) If the Trustees are unable to apply the Fund in accordance with section (1) of this Rule, it shall be paid as a -
- (a) Charity Lump Sum Death Benefit to one or more charities nominated by the Member; or
 - (b) a Transfer Lump Sum Death Benefit to one or more other Members of the Scheme nominated by the Member:

Provided that, where the Member has made no such nomination, the Scheme Administrator may make a nomination for a Transfer Lump Sum Death Benefit failing which the Fund shall be paid, where possible, as an Authorised Surplus Payment.

7E. Dependants' unsecured pension

- (1) Where a Dependant or Dependent Child has a Dependant's Unsecured Pension Fund, the Trustees shall comply with the requirements of paragraphs 22 to 24 of Schedule 28 to the Finance Act 2004.
- (2) Subject to complying with the requirements of Pension Death Rule 4 (as set out in section 167 of the Finance Act 2004), the Dependant or the Dependent Child (or the person with parental responsibility for them) shall agree with the Trustees the income to be withdrawn from their Unsecured Pension Fund in each Unsecured Pension Year and the number of instalments in which that income is to be paid.
- (3) The Dependant or the Dependant Child (or the person with parental responsibility for them) may direct the Trustees to use their Unsecured Pension Fund to secure a pension for them in accordance with the provisions of paragraph (b) of section (2) of Rule 4B or 4C, as appropriate, that commences on a date agreed with them.
- (4) If a Dependant with an Unsecured Pension Fund reaches the age of 75, their fund shall become an Alternatively Secured Pension Fund subject to Rule 7F.
- (5) Where a Dependant or Dependant Child dies with an Unsecured Pension Fund, Rule 7C will apply to the remaining fund. For the avoidance of doubt, any beneficiary under that Rule must be a Dependant or Dependent Child of the Member.

7F. Dependants' alternatively secured pension

- (1) Where a Dependant has a Dependant's Alternatively Secured Pension Fund, the Trustees shall comply with the requirements of paragraphs 25 to 27 of Schedule 28 to the Finance Act 2004.
- (2) Subject to complying with the requirements of Pension Death Rule 6 (as set out in section 167 of the Finance Act 2004), the Dependant shall agree with the Trustees the income to be withdrawn from their Alternatively Secured Pension Fund in each Alternatively Secured Pension Year and the number of instalments in which that income is to be paid.
- (3) The Dependant may direct the Trustees to use their Alternatively Secured Pension Fund to secure a pension for them in accordance with the provisions of paragraph (b) of section (2) of Rule 4B that commences on a date agreed with them.

- (4) Where a Dependant dies with an Alternatively Secured Pension Fund, Rule 7D will apply to the remaining fund. For the avoidance of doubt, any beneficiary under that Rule must be a Dependant or Dependent Child of the Member but, if the Member has not made a nomination under section (5) of Rule 7D, the Dependant may do so.

8A. *Transfer of assets to the Scheme*

- (1) Where a Member has an interest in a Registered Pension Scheme, a Recognised Overseas Pension Scheme or another form of pension arrangement, policy or scheme (hereinafter called the “**Transferring Scheme**”) the Trustees may, at the request of the Member, accept from the administrator, trustees, managers or insurance company (hereinafter called the “**Managers**”) of the Transferring Scheme transfer of such assets as represent that interest and the interests, if any, of the Member's Dependants or such part of those assets as the Managers of the Transferring Scheme are empowered to transfer; and, if the Trustees do so, the Trustees shall provide benefits in respect of the Member (hereinafter called the “**Transfer Benefits**”) which shall be additional to the other benefits provided in respect of him. The amount of such Transfer Benefits shall be arranged by the Trustees with the Member.
- (2) Where the Trustees have accepted a transfer of assets in accordance with section (1) of this Rule and the Managers of the Transferring Scheme have advised that some or all of the assets transferred represent a Disqualifying Pension Credit, no Pension Commencement Lump Sum shall be payable in respect of any part of the assets transferred which represent that Disqualifying Pension Credit.
- (3) Where the Trustees have accepted a transfer of assets in accordance with section (1) of this Rule and the Managers of the Transferring Scheme have advised that some or all of the assets transferred represent a Member's Unsecured Pension Fund or Alternatively Secured Pension Fund, the Trustees shall, when providing Transfer Benefits under Rule 6C or 6D in respect of such Funds, comply with the requirements of regulation 12 of the Registered Pension Schemes (Transfer of Sums and Assets) Regulations 2006 (SI 2006/499) including setting up a separate arrangement to provide the Transfer Benefits.

8B. *Transfer of assets from the Scheme*

- (1) Subject to section (3) of this Rule and Rule 8D, where a Member so requests in writing, the Trustees may make a Recognised Transfer to the administrator, trustees or managers (hereinafter called the “**Managers**”) of a scheme which qualifies as a Receiving Scheme such assets as represent the Member's interest and the interests, if any, of his Dependants (hereinafter called the “**Transfer Payment**”) and he shall cease to be a Member.

- (2) To qualify as a Recognised Transfer for the purposes of section (1) of this Rule, the Receiving Scheme must be a Registered Pension Scheme or a Qualifying Recognised Overseas Pension Scheme and the transfer must satisfy the requirements of section 169 of the Finance Act 2004.
- (3) Before making a transfer in accordance with section (1) of this Rule the Trustees shall -
- (a) ascertain that the Receiving Scheme is one of the types of scheme described in section (2) of this Rule;
 - (b) in respect of a transfer to a Receiving Scheme which is administered wholly or partly outside the United Kingdom, comply with any requirements for such a transfer set out in the Occupational Pension Schemes (Preservation of Benefits) Regulations 1991 where those regulations apply to the transfer;
 - (c) if any part of the Transfer Payment represents a Disqualifying Pension Credit, advise the Managers of the Receiving Scheme of the amount of that part; and
 - (d) if any part of the Transfer Payment represents a Member's Unsecured Pension Fund or Alternatively Secured Pension Fund, advise the Managers of the Receiving Scheme of the amount of that part.

8C. *Alternative methods of securing benefits*

Where a Member ceases to be in Pensionable Service without ceasing to be a Member or an individual is an Ex-Spouse Participant, the Trustees may at any time thereafter secure for the Member or Ex-Spouse Participant and his Dependants all the benefits to which they have rights (including rights subject to a contingency) by any one of the means which would be appropriate to provide benefits for them under Rule 12B if the Employer ceased to participate in the Scheme and may also take such action in respect of the assets of the Scheme applied to secure the said benefits as they could take under Rule 12C if the Employer ceased to participate:

Provided that any exercise by the Trustees of their powers under this Rule shall be subject to the Member's consent or the Ex-Spouse Participant's consent unless -

- (i) it is the application of part of the Fund to secure a pension by the purchase of an annuity from an Insurer on such terms that the liabilities undertaken by the Insurer in respect of the annuity correspond with the liabilities of the Trustees in respect of the pension;
- (ii) the benefits are or are to be secured with an Insurer of the Member's or Ex-Spouse Participant's choice; or
- (iii) the Member's consent or the Ex-Spouse Participant's consent is not required in circumstances prescribed in Regulations made by virtue of section 73 or section 101D of the Pension Schemes Act 1993, and the Trustees comply with terms and conditions of any such prescribed circumstances.

8D. Option to have a cash equivalent applied

A Member (or Ex-Spouse Participant) who has a right to a cash equivalent under Chapter IV (or Chapter IVA) of Part IV of the Pension Schemes Act 1993 may exercise the option conferred by that Chapter by making an application in writing to the Trustee requiring them to exercise their powers under either or both of Rule 8B (or the Pension Sharing Rules) and Rule 8C, in any way or ways, compatible with the provisions of the appropriate Chapter of that Part, that he chooses.

9A. Provisions affecting pensions payable

- (1) Subject to the provisions of this Rule, every pension becoming payable under the Scheme shall be payable by monthly instalments and the amount of each instalment shall be one twelfth of the annual amount of the pension.
- (2) Where a pension is to be paid by monthly instalments, the first instalment shall fall due on the first day of the period for which the pension is payable and each instalment after the first shall fall due in each month in that period on the day which is designated by the same number as the day of the month on which the first instalment fell due (or, in any month which has no such day, on the last day of such month); and where part of the last instalment of the pension relates to a period for which the pension is not payable the Trustees shall have the right to recover that part but shall not be obliged to do so.
- (3) Except where the first instalment of a pension falls due on the first day of a month, the Trustees may as a matter of administrative convenience defer payment of each monthly instalment until the first day of the month next following the due date of payment of that instalment.
- (4) If in the opinion of the Trustees it would be inconvenient or unduly costly to pay or continue paying any pension in monthly instalments or a beneficiary so requests, the Trustees may arrange with the beneficiary to substitute for that pension a pension of equal value payable quarterly, half yearly or yearly.
- (5) If a Member requests the Trustees to pay a Trivial Commutation Lump Sum and satisfies the Trustees that he meets the conditions set out in paragraph 7 of Schedule 29 to the Finance Act 2004 for the payment of such a sum, the Trustees may agree to pay such a sum to him by applying his Member's Interest to pay the lump sum or, if all or part of his benefits are already in payment, by paying a lump sum instead of those benefits and, if the Trustees do so, the Member and his Dependants shall cease to have any claim for benefits under the Scheme.
- (6) Where the Trustees are satisfied that the conditions set out in paragraph 20 of Schedule 29 to the Finance Act 2004 for the payment of a Trivial Commutation Lump Sum Death Benefit are met, the Trustees may pay such a benefit and the Dependand shall cease to have any claim for any benefits under the Scheme in respect of that Member.

- (7) If, before benefits have become payable under the Scheme to the Member, the Trustees have received satisfactory evidence from a registered medical practitioner that the Member is expected to live for less than one year, the Trustees may apply the Member's Interest in paying a Serious Ill-health Lump Sum to him before his 75th birthday and he shall cease to have any claim for benefits under the Scheme:

Provided that no payment shall be made under this section unless all other conditions set out in paragraph 4 of Schedule 29 to the Finance Act 2004 have been satisfied.

9B. *Automatic adjustments in pensions payable*

- (1) This Rule shall apply where the Trustees determine that a pension or part thereof is to be adjusted during payment or the Member (or if the pension is payable under section (2) of Rule 4B or Rule 4C, the Dependant or the person with parental responsibility for a Dependant Child) so directs, and where this Rule applies the Trustees shall secure a pension, or part thereof, which will -
- (a) increase by a fixed percentage); or
 - (b) be adjusted in step with or in a manner related to the Index; or
 - (c) vary from time to time by reference to fluctuations in the value of or the return from particular investments:

Provided that -

- (i) any pension, or part of a pension, that becomes payable before 6 April 2005 and is attributable in terms of section 51 of the Pensions Act to payments, other than voluntary contributions, in respect of employment carried out on or after 6 April 1997, shall increase annually by at least the Relevant Percentage unless that pension is to increase by the Appropriate Percentage or to increase in terms of paragraph (c) of this section;
- (ii) any pension that becomes payable on or after 6 April 2005 under paragraph (a) of section (2) of Rule 4B or 4C shall increase annually by the Relevant Percentage or by the Appropriate Percentage or by at least 2.5% per annum compound;
- (iii) the terms on which a pension may be adjusted under this section must allow the pension to continue to meet the appropriate conditions set out in paragraphs 2, 3, 16 and 17 of Schedule 28 to the Finance Act 2004.

- (2) Where a pension or part of a pension is to be adjusted in payment in terms of this Rule, the pension shall be adjusted on each anniversary of the day on which the first instalment falls due or, if the Trustees so determine, the anniversary of the day on which the first increase or adjustment was made. However, if the pension is to be adjusted in terms of paragraph (c) of section (2) of this Rule, the pension may, be adjusted on any date.
- (3) Where a pension or part of a pension is to be adjusted in line with the Index, the amount per annum payable from each anniversary of the due date of the first instalment shall be calculated by dividing the initial amount by the figure in that Index appropriate to the third month before that in which the first instalment fell due and multiplying the amount so obtained by the corresponding figure for the third month before that in which the relevant anniversary occurs:

Provided that, where it is not already required to meet the appropriate conditions under Schedule 28 to the Finance Act 2004, the Trustees may specify, if the Member (or if the pension is payable under Rule 4B or Rule 4C, the Dependant or the person with parental responsibility for a Dependant Child) agrees, that any adjustment which would result in a decrease in the annual amount of a pension shall be ignored.
- (4) Where this Rule applies to a pension or part of a pension payable under Rule 7A, the pension, unless the Trustees otherwise determine, shall be altered at the due date of the first instalment to such amount as the Trustees consider to be equitable having regard to the adjustments that would have been made to the pension had the Member died on the earliest date which could have given rise to the pension.
- (5) Where the amount of pension under Rule 4C is determined by reference to another pension, it shall not be adjusted by reference to this Rule but shall be adjusted in step with that other pension.
- (6) If the Index ceases to be in existence, the Trustees shall thereafter adjust pensions in course of payment in a manner which the Actuary recommends to the Trustees as being reasonable.
- (7) Where a pension or part of a pension is to be adjusted in terms of paragraph (c) of section (2) of this Rule the Trustees shall not be responsible for –
 - (a) the level of increases or decreases in the amount of the annuity once it is in payment; or
 - (b) any alterations to the annuity once it is in payment.

10. *Transitional rights*

Subject to the requirements of the Pensions Legislation, nothing in these Rules shall prevent the Trustees giving effect to any transitional provisions and savings permitted under Schedule 36 to the Finance Act 2004 or under regulations made under section 283 of that Act.

11. *Miscellaneous provisions*

- (1) **Benefits non-assignable.** Except where permitted both in terms of sections 91 to 93 of the Pensions Act and in terms of the Rules or Pension Sharing Rules, no person having a beneficial interest in the Scheme shall assign, commute, surrender or charge that interest or any part of it nor can such interest be forfeited or a lien or set-off be exercised in respect of it. Where a person having a beneficial interest in the Scheme agrees to a purported transaction which would, if belonging absolutely to that person, be of no effect under section 91(1) of the Pensions Act, benefits shall cease to be payable to that person under the Scheme and the Trustees may in their absolute discretion apply any moneys which have ceased to be payable to that person for the maintenance or otherwise for the support or benefit of that person or pay the moneys to any other person to which such a payment can be made in terms of section 92(3) of the Pensions Act, but in no circumstances shall any payment be made to a purported assignee.
- (2) **Incapacity of beneficiary.** If any person to whom a benefit is payable under the Scheme is a minor or suffers from any incapacity rendering him in the opinion of the Trustees unable to manage his affairs or is in an institution or in legal custody, the Trustees may at their discretion pay the benefit in whole or in part to any of the guardians, relatives or Dependants of that person or of his Dependants or to the institution, and the receipt of the persons paid shall be a complete discharge to the Trustees for the benefit or part thereof so paid.
- (3) **Recovery of excessive contributions.** Where a court makes an order under section 342A of the Insolvency Act 1986 or section 36A of the Bankruptcy (Scotland) Act 1985 for the recovery of excessive pension contributions paid by, or in respect of, a Member of the Scheme, the Trustees shall, to the extent to which they are required to do so, comply with the terms of that order.
- (4) **Charge on benefits for debt due to the Scheme.** Subject to section 91 of the Pensions Act, all benefits payable or prospectively payable to a beneficiary under the Scheme, shall stand charged with and be subject to reduction on account of a monetary obligation due to the Scheme by the beneficiary and arising out of a criminal, negligent or fraudulent act or omission by the beneficiary, or where the beneficiary is a trustee of the Scheme, arising out of a breach of trust by him. Where the beneficiary disputes the liability, the Trustees shall not exercise the charge unless the obligation has become enforceable under an order of a competent court or the award of an arbitrator or, in Scotland, an arbiter to be appointed (following agreement between the parties) by the sheriff. The amount of the charge must not exceed the amount of the monetary obligation or, if less, the value of the said benefits as determined by the Actuary in the manner prescribed under section 91(6) of the Pensions Act and the Trustees shall give the beneficiary a certificate showing the amount of the charge and its effect on the said benefits.

- (5) **Charge on benefits for debt due to the Employer.** Subject to sections 91 and 93 of the Pensions Act, all benefits payable or prospectively payable to a beneficiary under the Scheme shall stand charged with and be subject to reduction on account of a monetary obligation due to the Employer by the beneficiary and arising out of a criminal, negligent or fraudulent act or omission by the beneficiary. This section shall not, however, apply to any Transfer Benefits arranged for a beneficiary in terms of Rule 8A which is not a prescribed transfer credit under section 91 of the Pensions Act. Where the beneficiary disputes the liability, the Trustees shall not exercise the charge unless the obligation has become enforceable under an order of a competent court or the award of an arbitrator or, in Scotland, an arbiter appointed (following agreement between the parties) by the sheriff. The amount of the charge must not exceed the amount of the monetary obligation or, if less, the value of the said benefits as determined in the manner prescribed in section 91(6) of the Pensions Act and the Trustees shall give the beneficiary a certificate showing the amount of the charge and its effect on the said benefits. The Trustees may in their absolute discretion pay the amount of the charge to the Employer.
- (6) **Whereabouts unknown.** Any payment or instalment of pension shall be forfeit if at least six years have passed from the date that the payment or instalment became due and, after making reasonable enquiries, the address of the beneficiary is not known to the Trustees.
- (7) **Liability for duties and taxes.** Where in consequence of making a payment under the Scheme the Trustees will incur a liability for a duty or tax (including any tax for which the Trustees or Scheme Administrator may be liable under Part 4 of the Finance Act 2004), the Trustees or Scheme Administrator may deduct the amount of the duty or tax from the payment; and where a payment is made without such a deduction the payee shall be obliged to repay the amount of the duty or tax if within six months of making the payment the Trustees or Scheme Administrator so demand.
- (8) **Evidence and Information.** The Trustees may require any Member or beneficiary under the Scheme to produce such evidence and information of a personal nature as the Trustees may from time to time reasonably require for the purposes of the Scheme. If such evidence or information is not produced, then notwithstanding anything to the contrary in the Rules, the Trustees may defer the payment of benefits until the latest date permitted under the Rules or withhold any benefit in relation to which the evidence or information was required until such time as it is produced and, where the information relates to the payment of retirement benefits on his Normal Retirement Date, the Member shall be deemed to have informed the Trustees that he wishes the payment of his retirement benefits to be deferred.

- (9) **Evidence of health.** The Trustees may require any person on whose death in Service a benefit may become payable to produce such evidence of health or to satisfy such requirements as the Trustees deem necessary and if that evidence is not produced or if the evidence produced is not satisfactory to the Trustees, or if the requirements are not satisfied, then notwithstanding anything to the contrary in the Rules, the amount of benefit in respect of which the evidence was required or the requirements had to be satisfied shall not be payable or shall be payable subject to such special terms and conditions as the Trustees may decide.
- (10) **Policy restrictions.** If under the terms of the policies effected or to be effected by the Trustees for the purpose of providing the benefits payable on the death of a Member in the Service the Insurer imposes restrictions on the amount of any benefit payable on death as a result of war or while the Member is on National Service or in certain other circumstances, then notwithstanding anything to the contrary in the Rules, the Trustees' liability under the Scheme in such circumstances shall not exceed the amounts, if any, payable by the Insurer under the policies.
- (11) **Payments to a former wife or husband or Civil Partner.** Where the Trustees are required in terms of an order made under the Matrimonial Causes Act 1973 or the Family Law (Scotland) Act 1985 or the Civil Partnership Act 2004 to pay the whole or part of a benefit that has become payable under the Scheme to the former wife, husband or Civil Partner of a Member, the Trustees shall, to the extent to which it is required to do so, comply with the terms of that order.
- (12) **Conversion to sterling.** All benefits and contributions under the Scheme shall be payable in sterling; and if a Member's emoluments are payable in another currency, then for the purpose of determining their amount on any date at which a calculation of his emoluments is to be made for the purposes of the Scheme they shall be converted into sterling at the rate of exchange obtainable by the Employer from its bank at that date.
- (13) **Interest on contributions.** Where there is to be a return of a Member's contributions with interest the amount of interest shall be that amount which the Actuary recommends to the Trustees as being reasonable.
- (14) **Temporary absence.** Where a Member is temporarily absent from his employment in the Service or is seconded to another employer while remaining resident in the United Kingdom with a definite expectation that he will return to employment in the Service, unless the Employer otherwise decides or unless the Member's Pensionable Service has already terminated, Rule 5A shall not apply until a change of circumstances such that there is no longer a definite expectation that the Member will return to employment in the Service:

Provided that -

- (i) where the Member is receiving pay which will not continue beyond his Normal Retirement Date under a sick pay or permanent health scheme, this section shall not apply;
- (ii) where a Member in Pensionable Service is on paid statutory leave in terms of Part VIII of the Employment Rights Act 1996 or a 'period of paid family leave' as defined in Schedule 5 to the Social Security Act 1989, the Employer's contributions to the Fund shall continue to be payable during that period but the Member shall only be required to pay contributions based on the emoluments or statutory pay actually paid to the Member during that period;
- (iii) where a Member in Pensionable Service exercises a right to ordinary maternity leave, ordinary adoption leave or paternity leave under Part VIII of the Employment Rights Act 1996 and receives no emoluments or statutory pay from the Employer during the period of his leave, the contributions payable in respect of him shall continue to be payable during that period to the extent required by Part VIII of that act;
- (iv) where a Member is absent from work on statutory leave in terms of Part VIII of the Employment Rights Act 1996, that Member's Service shall not be deemed to terminate on a date earlier than would be permitted under those provisions.

12A. *Employer ceasing to contribute.*

- (1) A Participating Employer may after consulting, where it is required to do so under regulations made under section 259 of the Pensions Act 2004, any affected member (as defined in those regulations), suspend its contributions to the Fund in whole or in part after giving to the Trustees and to the Members in respect of whom contributions are to be suspended notice in writing of its intention to do so, but not so that its liability for contributions due before the date the notice was given is affected; and subject to section (3) of this Rule the Employer may resume full contributions after giving notice as aforesaid.
- (2) For any period that an Employer's contributions in respect of a Member are wholly suspended the Member shall not pay any contributions in relation to that Member's employment with that Employer unless the Trustees otherwise agree.
- (3) Where the Participating Employer has suspended its contributions under section (1) of this Rule for a period of more than three years the Trustees may, after giving notice in writing to the Participating Employer and to each Member in relation to whom it is the Employer, treat the suspension of contributions as a termination of participation and the provisions of Rule 12B shall apply.
- (4) A Member may suspend his contribution in whole or in part but, except where those contributions are voluntary contributions, he may do so only with the consent of the Employer.

12B. Employer ceasing to participate

- (1) Any Participating Employer may after consulting where it is required to do so under regulations made under section 259 of the Pensions Act 2004, any affected member (as defined in those regulations) terminate its participation in the Scheme after giving to the Trustees and to the Members in its employ one month's notice in writing of its intention to do so.
- (2) Each Participating Employer shall terminate its participation in the Scheme -
 - (a) if it is being wound up; or
 - (b) if, pursuant to Rule 12A, the Trustees so decide; or
 - (c) if the Principal Employer ceases to participate without any other employer undertaking to perform the Principal Employer's obligations under the Trust Deed and Rules; or
 - (d) if, not being the Principal Employer, its association with the Principal Employer has changed;in each case at a date to be determined by it after consulting the Trustees but not later than one year after the event giving rise to the termination or, in the case of termination under paragraph (d) of this section, at such later date as may be agreed with the Trustees.
- (3) Where a Participating Employer terminates its participation in the Scheme, Service for the purposes of the Scheme shall, unless the Member's Service has terminated beforehand, be deemed to cease for each Member in relation to whom it is the Employer. Unless the Trustees make a determination in terms of section (4) of this Rule, the Trustees shall, after providing for all costs, charges and expenses properly payable to the extent that they are not paid by the Participating Employer or the Principal Employer, provide for the persons specified in section (5) of this Rule the benefits specified in section (6) of this Rule by the methods described in section (7) of this Rule.
- (4) Where the participation of a Participating Employer terminates, the Trustees may retain the liabilities in respect of the Members (and of any pre-deceased Members) in relation to whom the Participating Employer ceasing to participate is (or was) the Employer under the Scheme in which event -
 - (a) the following sections of this Rule shall not apply until the Trustees resolve to apply them; and
 - (b) the Participating Employer terminating its participation shall be discharged of its obligations under the Trust Deed and Rules.

- (5) The persons referred to in section (3) of this Rule are -
- (a) such of the Members, Ex-Spouse Participants and Dependants of Members or Ex-Spouse Participants as are in receipt of pensions or who have an Unsecured Pension Fund or an Alternatively Secured Pension Fund;
 - (b) the Dependants of those Members or Ex-Spouse Participants who are in receipt of pensions or who have a Dependants' Unsecured Pension Fund or a Dependants' Alternatively Secured Pension Fund or have predeceased the Dependants without an immediate pension becoming payable to those Dependants;
 - (c) the Members whose Normal Retirement Dates (and Ex-Spouse Participants whose Normal Benefit Ages) have occurred but who are not already in receipt of pensions by reason of their retirement having been deferred and the Dependants of those Members and Ex-Spouse Participants; and
 - (d) the Members and Ex-Spouse Participants not hereinbefore specified and their Dependants;

and the Members referred to in this section are those in relation to whom the Participating Employer ceasing to participate is the Employer and who are not on the day after the date of termination in the employ of a Participating Employer continuing to participate; and the Ex-Spouse Participants referred to in this section are those whose Pension Credit Benefit derives from a Member or former Member to whom the Participating Employer is the Employer.

- (6) The benefits referred to in section (3) of this Rule are as nearly as the sufficiency of the assets held by the Trustees and the methods adopted to provide them will allow, firstly, the benefits already being paid under the Scheme to or for the benefit of persons specified in section (5) of this Rule and, secondly, the benefits not already being paid but which would in the opinion of the Actuary have been provided for them under the Scheme if the Employer had continued to participate and each Member in the Service on the date of termination had ceased to be in the Service on that date; and the said benefits shall be in lieu of any other benefits for those persons under the Scheme:

Provided that in so far as the said benefits are not already being paid the benefits for a Member whose Normal Retirement Date (and an Ex-Spouse Participant whose Normal Benefit Age) has not occurred shall not be payable earlier than the earliest date that would have been permitted under Rule 6A nor shall they fall due later than his Normal Retirement Date or Normal Benefit Age and the benefits for an individual whose Normal Retirement Date or Normal Benefit Age has occurred shall fall due at the date of termination.

- (7) The Trustees shall provide the benefits referred to in section (3) of this Rule -
- (a) by securing them under any of the policies already held by the Trustees for the purposes of the Scheme; or
 - (b) by purchasing individual policies or annuity bonds (with death benefits where appropriate) from an Insurer on terms which prohibit their assignment by the persons having a beneficial interest therein; or
 - (c) by making a transfer in accordance with Rule 8B;
- or by such combination of these means as the Trustees think fit and may thereafter alter the method of providing the said benefits but not so that the assets used to provide the said benefits for any person shall be available for other purposes of the Scheme.

12C. Termination of Trusts

- (1) Subject to the provisions of this Rule at any time after any or all of the Participating Employers have ceased to participate the Trustees may dispose of such of the assets of the Scheme as have been applied to provide benefits in accordance with paragraphs (a) and (b) of section (7) of Rule 12B by making over to the beneficiary or to trustees for him a document of title to his benefits.
- (2) Where the conditions set out in paragraph 10 of Schedule 29 to the Finance Act 2004 are met, the Trustees may dispose of the assets of the Scheme by paying one or more Winding-up Lump Sums instead of disposing of the assets available to provide benefits in respect of a Member in terms of section (1) of this Rule and, where the conditions set out in paragraph 21 of Schedule 29 to the Finance Act 2004 are met, the Trustees may dispose of the assets available to provide benefits in respect of a Dependant by paying one or more Winding-up Lump Sum Death Benefits instead of making over a policy or annuity contract to a Dependant in terms of section (1) of this Rule.
- (3) Before taking action which confers any rights on a beneficiary in accordance with section (1) of this Rule, the Trustees shall ensure -
- (a) that the policy or annuity bond contains provisions prohibiting its assignment or surrender except that, where the benefit being secured is the Member's short service benefit (as defined in section 71 of the Pension Schemes Act 1993) or the Ex-Spouse Participant's Pension Credit Benefit, the Member or Ex-Spouse Participant must be able to assign or surrender the policy or annuity bond within the terms permitted by regulations made under section 19 of that Act; and
 - (b) that the rights to be conferred on the beneficiary (which may include rights formerly vested in the Trustees) will be on terms which are consistent with the terms which applied under the Scheme to his benefits at the date of termination.
- (4) When the Trustees have disposed of all the assets of the Scheme in accordance with the Rules, the Scheme shall be terminated and the Trustees shall be discharged from the trusts of the Scheme without the necessity of written discharges or resignations.

13. Pension Sharing on divorce

Provision of Information and Charges

- (1) The Trustees shall comply with the requirements of any regulations made in terms of section 23(1) of the Welfare Reform Act on the supply of information in connection with a divorce or the dissolution of a Civil Partnership.
- (2) The Trustees shall be entitled, where permitted under sections 23, 24 or 41 of the Welfare Reform Act, to make a charge for:
 - (a) any information provided under section 23;
 - (b) complying with any Pension Sharing Order or earmarking order specified in section 24; or
 - (c) any pension sharing activity prescribed under the regulations made in terms of section 41.

The Trustees shall determine how such charges should be recovered (including requiring the payment of those charges before implementing a Pension Sharing Order) but must comply with any requirements for recovery contained in the regulations made under those sections.

Discharge of a Pension Sharing Order

- (3) The Trustees shall discharge their liability in respect of a Pension Credit in accordance with paragraph 1 of Schedule 5 to the Welfare Reform Act by:
 - (a) transferring the amount of the Pension Credit to a qualifying arrangement within the meaning of paragraph 6 of that Schedule; or
 - (b) conferring appropriate rights within the meaning of paragraph 5 of that Schedule under the Scheme.
- (4) Where the Trustees determine or are required to allow the Ex-Spouse to become an Ex-Spouse Participant, the Trustees may deem the Ex-Spouse to be a Member for such of the Rules as are necessary to enable the Trustees to provide the Pension Credit Benefit and satisfy the requirements of Chapter I of Part IVA of the Pension Schemes Act 1993. The Ex-Spouse Participant may select a date no earlier than his 60th birthday and no later than his 65th birthday to be his Normal Benefit Age. If the Ex-Spouse Participant does not select a Normal Benefit Age, the Trustees shall set that age.

Assignment

- (5) Section (1) of Rule 11 is amended to permit the assignment of part or all of the Member's retirement benefits or rights to benefits under the Scheme to his Ex-Spouse to the extent necessary to comply with the Pension Sharing Order, agreement or equivalent provision or the assignment of part or all of the Ex-Spouse Participant's benefits or rights to benefits under the Scheme to his Ex-Spouse to the extent necessary to comply with a Pension Sharing Order, agreement or equivalent provision.

Pension Credit Benefits

- (6) The Trustees must make provision for the Pension Credit Benefits under the Scheme to be treated as provided separately from any benefits provided under the Scheme for the same individual as an employee or as the Dependant of an employee.
- (7) Where the Ex-Spouse Participant does not have a Member's Interest under the Scheme, the Trustees will use the Pension Credit Rights to provide benefits in accordance with the Rules -
 - (a) as if any reference to a Member were a reference to the Ex-Spouse Participant,
 - (b) as if any reference to a Member's Interest were a reference to the Pension Credit Rights, and
 - (c) on the basis that the Member had left Service.

Where the Ex-Spouse Participant also has a Member's Interest, the Trustees will use the Pension Credit Rights to provide benefits at the same time as, and in accordance with the same Rules under which, the Member's Interest is applied to provide benefits.

No Pension Commencement Lump Sum may be paid in respect of any part of a Pension Credit that is a Disqualifying Pension Credit.

Receiving a transfer payment that includes Pension Credit Rights

- (8) Where the Trustees accept a transfer payment for an individual who is already a Member of the Scheme or is already an Ex-Spouse Participant in the Scheme and are informed by the transferer that the transfer value consists wholly or partly of Pension Credit Rights in the former scheme or arrangement, then the Trustees must separately identify the transfer payment relating to the Pension Credit Rights or the part of the transfer payment relating to the Pension Credit Rights from other funds held for the benefit of the Member. Furthermore the Trustees must comply with the requirements of section (6) of this Rule in respect of the transferred-in Pension Credit Rights. Then the individual will acquire the status of an Ex-Spouse Participant in the Scheme in relation to his transferred-in Pension Credit Benefits.

Death of an Ex-Spouse before the discharge of a Pension Sharing Order

- (9) Where the Ex-Spouse dies after a Pension Sharing Order, agreement or equivalent provision is made but before it is acted upon, the Trustees will use the fund which would have provided the Pension Credit Rights to provide benefits in accordance with Rules 4A to 4C if the Ex-Spouse has died before his 75th birthday, or in accordance with Rule 7D if the Ex-Spouse has died on or after his 75th birthday -
- (a) as if any reference to a Member were a reference to the Ex-Spouse,
 - (b) as if any reference to a Member's Interest were a reference to the Pension Credit Rights, and
 - (c) on the basis that the Member had left Service before he died.

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