



SHEPHERD+ WEDDERBURN

THE UNIVERSITY OF EDINBURGH STAFF BENEFITS  
SCHEME

TRUST DEED AND RULES

2017



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This **TRUST DEED** is made between:

**THE UNIVERSITY COURT OF THE UNIVERSITY OF EDINBURGH**, incorporated under the Universities (Scotland) Acts 1858 to 1966 and being a charitable body registered in Scotland (Registered Charity Number SC005336), of Charles Stewart House, 9-16 Chambers Street, Edinburgh EH1 1HT (the "**Principal Employer**"); and

**DR ROBERT WILLIAM BLACK**, member of the University Court of the University of Edinburgh, **SARAH JANE SMITH**, the Secretary to the University of Edinburgh, **CELIA TOBY RYE** (also known as **TZYVIA RYE**), **KHUSHAAL JOSHI**, **RICHARD DAVIDSON** and **ALAN JOHNSTON**, member of the University Court of the University of Edinburgh, all of The University of Edinburgh, Old College, South Bridge, Edinburgh (the "**Trustees**").

#### **WHEREAS**

- (A) The University of Edinburgh Staff Benefits Scheme (the "**Scheme**") as it is now known was established by an Interim Trust Deed dated 25 and 28 July 1966 between the Principal Employer and the then Principal of the University of Edinburgh, Secretary to the University of Edinburgh and Accountant to the University of Edinburgh as trustees *ex officio*s of the University of Edinburgh Technicians' Superannuation Fund (as the Scheme was originally known) and is currently governed by a Trust Deed with Rules attached dated 5 and 9 June and 9 September 2016 (the "**Governing Trust Deed and Rules**").
- (B) The Trustees are the current trustees of the Scheme and the Principal Employer is the current principal employer.
- (C) By Clause 34 of the Governing Trust Deed and Rules, the Trustees may with the consent of the Principal Employer amend by deed the provisions of the Governing Trust Deed and Rules, subject to the terms of Clause 34 and to section 67 of the Pensions Act 1995.
- (D) With effect on and from 1 January 2017 (the "**Effective Date**"), the Trustees wish to amend the Scheme by replacing the existing provisions of the Scheme contained in the Governing Trust Deed and Rules in their entirety with the provisions set out in this trust deed (the "**Trust Deed**") and the attached rules (the "**Rules**"). The Principal Employer consents to this amendment, as is evidenced by its execution of the Trust Deed and Rules.

#### **NOW THIS DEED WITNESSES AS FOLLOWS**

- (A) In exercise of the powers conferred under Clause 34 of the Governing Trust Deed and Rules, the Trustees, with the consent of the Principal Employer on its own behalf and on behalf of the Employers (as evidenced by its execution of the Trust Deed and Rules) :
    - (i) cancel the existing provisions of the Scheme by deleting the Governing Trust Deed and Rules; and
    - (ii) replace the Governing Trust Deed and Rules with the Trust Deed and Rules;with effect on and from the Effective Date
- PROVIDED THAT benefits in respect of Members who had ceased to be in Pensionable Service prior to the Effective Date shall be dealt with in accordance with Clause 29 of the Trust Deed.
- (B) The amendments made by the Trust Deed and Rules are not intended to be classified as regulated amendments for the purposes of section 67A(2) of the Pensions Act 1995 and, on



(2)

this basis, no actuarial certification or other action pursuant to section 67 of the Pensions Act 1995 is required in advance of these amendments being made. If and to the extent the amendments made by the Trust Deed and Rules do constitute protected modifications as defined in section 67A(3) or do affect any member's subsisting rights as detrimental modifications for the purpose of section 67A(4), the Principal Employer and the Trustees will amend or add to all or any of the provisions of the Trust Deed and the Rules to ensure that they reflect the intentions of the Principal Employer and the Trustees at the time when they executed the Trust Deed and Rules (as to which a statement signed by or on behalf of both the Principal Employer and the Trustees will be final).

- (C) If any provision of the Trust Deed and Rules is held to be invalid or void, then such provision shall (so far as it is invalid or void) have no effect and shall be deemed not to be included in the Trust Deed and Rules, but without invalidating any of the remaining provisions of the Trust Deed and Rules. The Principal Employer and the Trustees shall then take all reasonable steps available to them having regard to the requirements of the law to replace the invalid or void provision with a valid substitute provision the effect of which is as close as possible to the intended effect of the invalid or void provision (as to which a statement signed by or on behalf of both the Principal Employer and the Trustees will be final).

## PART I: INTERPRETATION

(3)

### 1. Interpretation

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- 1.1 In the Trust Deed and Rules, unless the context requires or stipulates otherwise, words importing the singular shall include the plural and vice versa, words importing the masculine gender shall include the feminine and vice versa, and words importing persons shall, where the context requires, include corporations.
- 1.2 Any reference to a statute (or to a particular chapter, section or part of it) or to regulations (or to a particular regulation) shall include any statutory modification, re-enactment, consolidation or replacement of it and (in the case of a statute) any regulations made under it, for the time being in force.
- 1.3 Where any reference is made in the Rules to emoluments, these shall ignore all emoluments which are not treated for tax purposes as emoluments from an office or employment, all emoluments to which a Member is not beneficially entitled and all emoluments 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 Chapter 3 of Part 6 of the Income Tax (Earnings and Pensions) Act 2003, unless, in each case, the Employer otherwise directs; all emoluments which are treated for tax purposes as emoluments from an office or employment which are non-monetary shall likewise be ignored unless the Employer has directed otherwise.
- 1.4 Any reference to an employee or person employed by or in the employment or service of an Employer shall be construed as a person who is or has been in the Service of that Employer.

### 2. Definitions

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In the Trust Deed and Rules, the following words and expressions shall, unless the context requires otherwise, have the meanings shown below:

<b>Actuary</b>	means the actuary appointed to the Scheme under section 47 of the Pensions Act 1995.
<b>Additional Pension Unit</b>	AVCs payable in accordance with CARE Rule 5.
<b>Adoption Leave</b>	means an absence from Service permitted by Chapter 1A of Part VIII of the Employment Rights Act 1996.
<b>Annual Pension Unit</b>	shall have the meaning set out in CARE Rule 1.2.
<b>Annual Salary</b>	means the amount of basic emoluments actually received by a Member from the Employer for a CARE Year (or for the part of the CARE Year during which the Member was employed in the case of a Member who has not been employed throughout a CARE Year), provided that: <ul style="list-style-type: none"><li>(i) in respect of any period of Pensionable Service during which the Member is participating in a Salary Sacrifice Arrangement, the amount of the Member's basic emoluments shall be calculated as though the Member had been remunerated at the notional basic rates of his emoluments from the Employer from time to time applicable under the Salary Sacrifice Arrangements, instead of at the actual rates of remuneration payable to him;</li><li>(ii) unless the Employer otherwise directs, any reduction in a Member's emoluments owing to his absence from work with the Employer or to incapacity shall be ignored; and</li></ul>

(4)

- (iii) the calculation of Annual Salary is subject to Rule 18 (Maternity and other Family Leave) where this applies.

**AVC Insurer**

means an Insurance Company decided upon by the Trustees with which they have for the time being arranged a policy or policies under which AVCs paid by or in respect of Members under Rule 6 are applied as premiums for the purpose of providing additional benefits.

**AVCs**

means the additional voluntary contributions (if any) paid by a Member under Rule 5.

**Beneficiaries**

means:

- (i) the grandparents of the Member and of his Spouse, all descendants of those grandparents and all Spouses of those descendants;
- (ii) a person who, in the opinion of the Trustees, was immediately prior to the Member's death either in receipt of any regular weekly or monthly voluntary payment from the Member or wholly or partly dependent on the Member for support or maintenance;
- (iii) a person who, in the opinion of the Trustees, at the date of the Member's death, was in a relationship with the Member such that they were financially interdependent and the individual's standard of living depended on the combined income of the Member and such individual;
- (iv) any person or body nominated in writing by the Member to the Trustees;
- (v) any person or body with an interest in the Member's estate;
- (vi) the Member's legal personal representatives;

and for the purposes of this definition:

- I. "descendant" includes those claiming by reason of adoption and step-children; and
- II. the class of Beneficiaries shall be closed at the Member's death except that it shall include persons then conceived who, if born, would have been Beneficiaries.

**CARE Rules**

means the CARE Rules in Schedule 2 and references to a numbered CARE Rule shall mean the rule bearing that number in the CARE Rules.

**CARE Year**

means a calendar year from and including 1 August in one year up to and including 31 July in the next year, provided that the first CARE Year shall be the period from and including 1 January 2011 up to and including 31 July 2011 and the CARE Year running from 1 August 2016 to 31 July 2017 inclusive shall be treated as two separate CARE Years running from and including 1

(5)

August 2016 up to and including 31 December 2016, and from and including 1 January 2017 up to and including 31 July 2017 respectively.

<b>Cash Equivalent</b>	means the cash equivalent, determined in accordance with Chapter IV of Part IV of the Pension Schemes Act 1993, of the benefits payable to and in respect of a Member under the Scheme.
<b>Cash Transfer Sum</b>	shall have the meaning given in section 101AB of the Pension Schemes Act 1993.
<b>Cash Transfer Sum Requirements</b>	means the requirements relating to the payment of Cash Transfer Sums and contribution refunds set out in Chapter 5 of Part IV of the Pension Schemes Act 1993 and the Occupational Pension Schemes (Early Leavers: Cash Transfer Sums and Contribution Refunds) Regulations 2006.
<b>Category X Member</b>	means a Member who was in Pensionable Service before 1 April 1994 and whose Pensionable Service ends on or after 1 August 1994.
<b>Civil Partner and Civil Partnership</b>	shall have the meanings given to those terms in the Civil Partnership Act 2004.
<b>Clause</b>	means a clause of this Trust Deed as amended or replaced from time to time.
<b>Contracted-out Employment</b>	means a Member's contracted-out employment (as defined in section 8(1) of the Pension Schemes Act 1993) by reference to the Scheme.
<b>Contracting-out Laws</b>	means the contracting-out laws of the Pension Schemes Act 1993.
<b>CPI</b>	means the Government's Index of Consumer Prices.
<b>Credited Lump Sum</b>	for any CARE Year or part of a CARE Year shall be a notional amount determined by the Trustees equal to 3/75ths of the amount of Annual Salary that the Member would have received from the Employer for any CARE Year or partial CARE Year commencing on or after 1 January 2017 had he been employed for its duration and had his pensionable remuneration throughout that period been at the rate applicable to him on the date his Pensionable Service ceases.
<b>Credited Pension Unit</b>	for any CARE Year or part of a CARE Year shall be a notional amount determined by the Trustees equal to 1/75th of the amount of Annual Salary that the Member would have received from the Employer for any CARE Year or partial CARE Year commencing on or after 1 January 2017 had he been employed for its duration and had his pensionable remuneration throughout that period been at the rate applicable to him on the date his Pensionable Service ceases.
<b>Death Benefit Only Member</b>	means a Member who has been admitted to membership of the Scheme or whose membership of the Scheme is continued in each case as a Death Benefit Only Member under Rule 1.4 for benefits under Rule 12.1.1(i) and

(6)  
12.1.2(i).

**Dependant**

means:

- (i) the Member's Spouse at the date of the Member's death or the date when his Pension Balance came into payment;
- (ii) an Eligible Child;
- (iii) a person who, in the opinion of the Trustees, at the date of the Member's death, was wholly or substantially dependent on the Member for support or maintenance (whether by reason of Incapacity or otherwise);
- (iv) an individual who, in the opinion of the Trustees, at the date of the Member's death or the date when his Pension Balance came into payment (as the case may be), was in a relationship with the Member such that they were financially interdependent and the individual's standard of living depended on the combined income of the Member and the individual.

**Eligible Child**

means a child (including a legally adopted child of the Member or his Spouse) who:

- (i) is under age 18;
- (ii) is under age 23 and in full-time education or vocational training; or
- (iii) is age 18 or over but was, in the opinion of the Trustees, at the date of the Member's death, dependent on the Member because of physical or mental impairment.

**Eligible Employee**

means an Employee who is under 65 and in any of Grades UE01 to UE05 in the Principal Employer's grading structure.

**Employee**

means a person employed by an Employer (but shall not include a person working overseas if the effect of the inclusion of that person in the Scheme would be to cause the Scheme to be subject to section 287 of the Pensions Act 2004 (cross border schemes).

**Employer**

means an employer participating in the Scheme (including the Principal Employer unless the context shows this was not intended) and, in relation to a particular Member or Employee, means that one of the Employers by which he is, or was last, employed.

**Family Leave**

means a period of Maternity Leave, Paternity Leave, Adoption Leave or Shared Parental Leave, as applicable.

**Final Pensionable Salary**

in relation to a Member means the higher of:

- (i) the highest amount brought out by calculating the basic emoluments received by the Member from the Employer for any period of 12 consecutive months in the last 36 months of actual Pensionable Service ending with the Relevant

- (7) Date (or such other specified date as at which Final Pensionable Salary is to be calculated); and
- (ii) the highest yearly average of the basic emoluments of the Member for any three consecutive years ending at the end of any month which falls not earlier than 10 years before the Relevant Date (or other specified date as at which Final Pensionable Salary is to be calculated);

provided that:

- (A) for any period of Pensionable Service during which the Member is participating in a Salary Sacrifice Arrangement, the amounts of the Member's emoluments under (i) and (ii) above shall be increased by such amount as the Principal Employer certifies in writing from time to time as the additional amount the Member would have received from the Employer had he not participated in the Salary Sacrifice Arrangement;
- (B) if a Member's employment is such that the appropriate emoluments for a full 12 months cannot be determined, the Trustees shall determine them on the basis of the annual equivalents of the appropriate emoluments received or due;
- (C) if emoluments are to be averaged over a period of at least three years but have not been receivable for such a period, the Trustees shall take the yearly average over the period for which they have been receivable;
- (D) unless the Employer otherwise directs, any reduction in a Member's emoluments owing to his absence from work with the Employer or to incapacity shall be ignored;
- (E) the calculation of Final Pensionable Salary is subject to Rule 18 (Maternity and other Family Leave) where this applies; and
- (F) the actual and/or notional emoluments (as the case may be) for any period of 12 consecutive months ending not less than one year before the Relevant Date (or other specified date as at which Final Pensionable Salary is to be calculated) shall be increased in proportion to any increase in the Index as between the figure published for the Index in the last of such 12 consecutive months and the figure last published prior to the Relevant Date (or such other specified date).

**FS Rules**

means the Final Salary Rules in Schedule 1 and references to a numbered FS Rule shall mean the rule bearing that number in the FS Rules.

**Flexible Pension Election**

means an election by a Member in accordance with Rule 11 to bring a proportion of his retirement benefits into

	(8)	payment prior to actual retirement.
<b>First Flexible Election Date</b>		means in relation to a Member, the date from which the first effective Flexible Pension Election made by that Member takes effect.
<b>Fund</b>		means the assets held by the Trustees for the purposes of the Scheme.
<b>GMP</b>		means a guaranteed minimum pension (or accrued right to one) under the Pension Schemes Act 1993.
<b>GMP Model Rules</b>		means the rules relating to GMPs contained in Schedule 3.
<b>HMRC</b>		means Her Majesty's Revenue and Customs.
<b>Incapacity</b>		in the case of a person other than a Member, mental or physical ill health or injury which the Trustees are satisfied (having received evidence to that effect from such medical adviser or advisers as the Trustees may determine pursuant to Rule 8.3) means that, for the long term, such person is unable to follow an occupation or their earning capacity is seriously impaired.
<b>Index</b>		means the Government's Index of Retail Prices
<b>Insurance Company</b>		means an insurance company as defined in section 275 of the Finance Act 2004.
<b>Intermediate Salary</b>	<b>Pensionable</b>	means a Member's Final Pensionable Salary less £100.
<b>Joining Date</b>		means: <ul style="list-style-type: none"> <li>(i) for the purposes of FS Rule 5, any date specified by the Trustees as a Joining Date; and</li> <li>(ii) for the purposes of CARE Rule 5, any date specified by the Trustees as a date on which a Member in Pensionable Service can commence paying AVCs under that Rule;</li> </ul> provided that there shall be at least one Joining Date in each calendar month.
<b>Lifetime Allowance</b>		has the meaning given to that term in section 218 of the Finance Act 2004.
<b>Maternity Leave</b>		means an absence from Service permitted by Chapter I of Part VIII of the Employment Rights Act 1996.
<b>Member</b>		means a person who has been admitted to membership of the Scheme and remains entitled or prospectively entitled to benefit under the Scheme.
<b>Member's Contributions</b>		means ordinary contributions payable by or in respect of a Member under Rule 4.
<b>Normal Retirement Date</b>		means in respect of each Member in Pensionable Service on or after 1 January 2011 the later of (i) the Member's 65th birthday, and (ii) the Member's birthday coincident with or immediately preceding the date on which he attains State Pension Age, provided that all benefits attributable to Pre-1 January 2017 Pensionable Service in respect of a Pre-1 January 2017 Member shall

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be calculated with reference to a Normal Retirement Date that is the Member's 65th birthday.

**Partial Incapacity**

means an adverse change in the mental or physical health of, or an injury to, a Member which does not amount to Total Incapacity but which the Trustees are satisfied (having received evidence to that effect from such medical adviser or advisers as the Trustees may determine pursuant to Rule 8.3) means that, for the long term, the Member will be unable to discharge the duties of either:

- (a) the office, post or employment which is currently held by the Member (or, in the case of a Member who is no longer in Service, which he last held with an Employer); or
- (b) any other office, post or employment (with the Employer or some other person) which has a scope and a nature similar to that described in paragraph (a) of this definition (whether or not any such office, post or employment is available);

and where the Member has in fact ceased to carry on his occupation prior to receipt of benefits.

**Paternity Leave**

means an absence from Service permitted by Chapter 3 of Part VIII of the Employment Rights Act 1996.

**Pension Balance**

means the pension payable to a Member to the extent that it is not paid in respect of Flexible Pension Elections (which in the case of a Member who has made no Flexible Pension Elections is equal to the whole of his pension under the Scheme).

**Pension Commencement Lump Sum**

means a lump sum which is a pension commencement lump sum under paragraph 1 of Part 1 of Schedule 29 to the Finance Act 2004.

**Pensionable Salary**

at a specified date means the annual equivalent of the basic rate of the Member's emoluments from the Employer at that date, provided that:

- (a) if a Member participates in a Salary Sacrifice Arrangement, any reduction in his annual emoluments which arise because he is participating in a Salary Sacrifice Arrangement shall be ignored in calculating his Pensionable Salary;
- (b) unless the Employer otherwise directs, any reduction in the rate of the Member's emoluments owing to his absence from work with the Employer or to incapacity shall be ignored.

**Pensionable Service**

means Qualifying Service for which contributions are paid in respect of a Member, calculated in the case of benefits payable to or in respect of a Member for Pensionable Service to 31 December 2010, in complete years with a proportionate addition for any additional



(10)

days, subject to the following :

- (i) A Member's Pensionable Service shall, for the purpose of calculating the benefits to be provided to or in respect of him, include the amount of any notional additional Pensionable Service credited to him under FS Rule 5 (AVCs – Additional Pensionable Service) or Clause 32 (Transfers to the Scheme);
- (ii) If before his Normal Retirement Date a Member ceases to be employed in Qualifying Service without ceasing to be in Service and has not opted out of Pensionable Service under Rule 2.1, the Trustees shall deem him to be in Pensionable Service while he remains in Service (but not on or after the date with effect from which the Member's Pension Balance comes into payment) or for such shorter period as they may decide, but this paragraph shall apply only to a person transferred to employment which qualifies him for membership of a Related Scheme and only for so long as he cannot become a member of that scheme.
- (iii) If a Member whose Service has terminated re-enters Service then for the purpose of determining when his current period of Pensionable Service starts his earlier period or periods of Service shall be ignored; and, unless (in order to increase the Member's benefits) the Employer decides otherwise, the benefits payable to and in respect of the Member under the Scheme shall be calculated separately for each period of his Service and be related to his emoluments during that period only

Pensionable Service shall not include Service on or after the date with effect from which a Member's Qualifying Service ceases nor, in respect of a person who joined Service on or after 1 August 1985, Service before becoming a Member.

Where a Member is in National Service, the Employer shall decide to what extent this is to be taken into account in calculating a Member's retirement benefits.

References in the Rules to a Member being in Pensionable Service, or leaving or ceasing to be in Pensionable Service, or any other similar expression, shall be interpreted as referring to actual Pensionable Service which is Qualifying Service and not to Pensionable Service which is notional or credited only.

**Pension Sharing Order**

means an order or other provision under section 28(1) of the Welfare Reform and Pensions Act 1999 or a comparable order or provision under equivalent Northern Ireland laws.

**Pre-1 January 2017 Member**

means a Member whose Normal Retirement Date is after his 65th birthday and who has accrued a period of, or

	(11)	otherwise has been in, Pensionable Service prior to 1 January 2017 (which may, for the avoidance of doubt, include any Roslin Member or any Member who was in Pensionable Service on 31 March 1994).
<b>Pre-1 January 2017 Pensionable Service</b>		means Pensionable Service accrued (or credited) up to and including 31 December 2016.
<b>Pre-1 June 1989 Member</b>		means a Member who joined the Scheme before 1 June 1989.
<b>Preservation Laws</b>		means the laws as to the preservation of benefits under the Pension Schemes Act 1993.
<b>Principal Employer</b>		means the University Court of the University of Edinburgh or any other company or body which has been substituted as Principal Employer under Clause 35.2 of the Trust Deed.
<b>Qualifying Member</b>		means a Member who on leaving Pensionable Service either: <ul style="list-style-type: none"> <li>(i) has at least two years' qualifying service, as defined in section 71(7) of the Pension Schemes Act 1993; or</li> <li>(ii) is someone on whose behalf the Trustees have accepted a transfer payment from a personal pension scheme, as defined in the Pension Schemes Act 1993;</li> </ul>
<b>Qualifying Recognised Overseas Pension Scheme</b>		means a recognised overseas pension scheme (as defined in section 150(8) of the Finance Act 2004) which qualifies as a qualifying recognised overseas pension scheme under section 169(2) of the Finance Act 2004.
<b>Qualifying Service</b>		means: <ul style="list-style-type: none"> <li>(a) in respect of a Member whose Pensionable Service started prior to 1 August 2006, Service prior to that date in the non-teaching staff (and for the purposes of this provision non-teaching staff means those members of the manual, clerical, technical, works, computer operating and bindery staff who are not paid on clinical or nonclinical academic or related salary scales) together with Service after that date for which contributions to the Scheme are paid in respect of the Member, until (but not including) the earliest of: <ul style="list-style-type: none"> <li>(i) the date with effect from which the Member, if he is not employed in any of Grades UE01 to UE05 in the Principal Employer's grading structure, ceases to be employed in the post in which he was employed on 1 August 2006;</li> <li>(ii) the date with effect from which the Member, if he is employed in any of Grades UE01 to UE05 in the Principal Employer's grading structure, ceases to be employed in a post falling within those</li> </ul> </li> </ul>

- (12)
  - grades;
  - (iii) the date with effect from which the Member's Qualifying Service is treated as ceasing under Rule 2.1 or with effect from which he otherwise opts to cease active membership by agreement with the Employer;
  - (iv) the date with effect from which the Member's Pension Balance comes into payment; and
  - (v) the day immediately following that on which the Member dies.
- (b) in respect of a Member whose Pensionable Service started on or after 1 August 2006, Service while in any of Grades UE01 to UE05 in the Principal Employer's grading structure until (but not including) the earliest of:
  - (i) the date with effect from which the Member's Service ceases;
  - (ii) the date with effect from which the Member's Qualifying Service is treated as ceasing under Rule 2.1 or with effect from which he otherwise opts to cease active membership by agreement with the Employer;
  - (iii) the date with effect from which the Member's Pension Balance comes into payment; and
  - (iv) the day immediately following that on which the Member dies.

<b>Recognised Transfer</b>	means a transfer which qualifies as a recognised transfer for the purposes of section 169 of the Finance Act 2004.
<b>Reduced Percentage</b>	means, in respect of a Member's accrued rights to benefits to the extent that those rights have been reduced previously on one occasion by virtue of a Flexible Pension Election, 100% less the Flexible Election Percentage applicable to that Flexible Pension Election.
<b>Registered Pension Scheme</b>	means a pension scheme that is registered with HMRC under section 153 of the Finance Act 2004 or deemed to be registered under Part 1 of Schedule 36 to the Finance Act 2004.
<b>Related Scheme</b>	means any Registered Pension Scheme to which an Employer contributes or has contributed.
<b>Relevant Date</b>	means the last day of a Member's Pensionable Service, being the date of his retirement or deemed retirement from Pensionable Service, otherwise ceasing to be in Pensionable Service or death, whichever occurs first.
<b>Relevant Dependant</b>	means an individual who, in the opinion of the Trustees, at the date of the Member's death, was in a relationship

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with the Member such that they were financially interdependent and the individual's standard of living depended on the combined income of the Member and the individual.

<b>Residual Percentage</b>	means in respect of such of a Member's accrued rights to benefits as have been reduced previously on two occasions by virtue of Flexible Pension Elections, the proportion of those rights remaining after the reductions applied in respect of those Flexible Pension Elections.
<b>Revaluation Laws</b>	means the requirements to revalue preserved benefits laid down in Chapter II of Part IV of, and Schedule 3 to, the Pension Schemes Act 1993.
<b>Roslin Member</b>	means a Member whose employment transferred from the Biotechnology and Biological Sciences Research Council to the Principal Employer with effect from 1 May 2008 pursuant to the Transfer of Undertakings (Protection of Employment) Regulations 2006 and who became a Member with effect from that date.
<b>Roslin Scheme Pensionable Service</b>	<b>Linked</b> means, in the case of a Roslin Member, such person's actual pensionable service as a member of the Research Council's Pension Scheme which is continuous with their actual Pensionable Service under the Scheme.
<b>Rules</b>	means the Rules attached to this Trust Deed (including the attached four Schedules) as amended from time to time.
<b>Salary Sacrifice Arrangement</b>	means a salary sacrifice arrangement offered by an Employer to a Member in terms of which a Member's salary is reduced in exchange for an Employer contribution to the Scheme.
<b>Same Sex Marriage</b>	means a legal marriage between two people of the same sex.
<b>Same Sex Spouse</b>	means a person who has entered into a Same Sex Marriage.
<b>Scheme</b>	means the scheme governed by the Trust Deed and Rules known as the University of Edinburgh Staff Benefits Scheme.
<b>Scheme Administrator</b>	means the scheme administrator as defined in section 270 of the Finance Act 2004.
<b>Second Flexible Election Date</b>	means in relation to a Member, the date from which the second effective Flexible Pension Election made by the Member is to take effect.
<b>Service</b>	means continuous service with the Employers provided that if a liquidator is appointed for the purpose of winding up an Employer and a Member enters the service of the liquidator within one week of the day on which his Service with the Employer terminates then, for the purposes of the Scheme, his service with the liquidator shall be deemed to be Service and the termination of Service which would otherwise have occurred solely by virtue of the commencement of the winding up shall be

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ignored.

<b>Shared Parental Leave</b>	means an absence from Service permitted by Chapter 1B of Part VIII of the Employment Rights Act 1996.
<b>Spouse</b>	means the person to whom a Member (or other relevant person) is legally married.
<b>State Pension Age</b>	(i) for the purposes of Schedule 3 (GMP Model Rules) has the meaning given to "pensionable age" in Section 181 of the Pension Schemes Act 1993, and (ii) for all other purposes, has the meaning of pensionable age given by paragraph 1 of Schedule 4 to the Pensions Act 1995.
<b>Tax Year</b>	means the period of 12 months beginning with 6 April in any year.
<b>Total Incapacity</b>	means an adverse change in the mental or physical health of, or an injury to, a Member which the Trustees are satisfied (having received evidence to that effect from such medical adviser or advisers as the Trustees may determine pursuant to Rule 8.3) means that, for the long term, the Member will be unable to discharge the duties of either:  (a) the office, post or employment which is currently held by the Member (or, in the case of a Member who is no longer in Service, which he last held with an Employer); or  (b) any other office, post or employment for which an employer would be likely to pay the Member at a rate which was more than a small fraction of the Member's Pensionable Salary immediately before his Pensionable Service ceases;  and where the Member has in fact ceased to carry on his occupation prior to receipt of benefits.
<b>Transfer Scheme</b>	means any Registered Pension Scheme or Qualifying Recognised Overseas Pension Scheme.
<b>Transfer Value Laws</b>	means the laws on transfer values set out in the Pension Schemes Act 1993.
<b>Trust Deed</b>	means this trust deed as amended from time to time, to which the Rules are attached.
<b>Trustees</b>	means the trustee or trustees for the time being of the Scheme.
<b>Unapplied Proportion</b>	in respect of a Member's Contributions means:  (a) to the extent that such Member's Contributions relate to accrued rights that have been reduced previously on one occasion by virtue of a Flexible Pension Election, a percentage of those Member's Contributions which is the same as the Reduced Percentage applicable to those accrued rights, and  (b) to the extent that such Member's Contributions relate to accrued rights that have been reduced

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previously on two occasions by virtue of Flexible Pension Elections, a percentage of those Member's Contributions which is the same as the Residual Percentage applicable to the last mentioned accrued rights.

**Unauthorised Payment**

has the meaning given in section 160(5) of the Finance Act 2004.

### **3. Civil Partnerships and Same Sex Marriages**

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Any reference in the Trust Deed and Rules to "Spouse" or "spouse", "wife" or "husband" will include a Civil Partner and a Same Sex Spouse, references to a "widow" or "widower" will include a surviving Civil Partner and a surviving Same Sex Spouse (subject to the proviso that any Guaranteed Minimum Pension to which a surviving Civil Partner or Same Sex Spouse is entitled in respect of a Member shall be calculated as though such Civil Partner or Same Sex Spouse was the widower as opposed to the widow of such Member), references to "marriage" (however expressed) will include Civil Partnership and Same Sex Marriage and references to "divorce" will include dissolution of a Civil Partnership and dissolution of a Same Sex Marriage.

### **4. Determination of questions**

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4.1 Subject to Clause 4.2 below, all questions, disputes or differences as to the true intent or meaning of the Trust Deed and Rules or as to their due and proper implementation, shall be submitted to a sole arbitrator to be mutually agreed upon, or failing agreement, to be nominated by the court under the Arbitration (Scotland) Act 2010 on the application of either party to such dispute. The decisions interim or final of the arbitrator, who shall have the power in his option to determine matters summarily and without proof or other formal procedure, shall be final and binding on the parties and not subjected to review or appeal either in fact or law, but the arbitrator may in the course of the proceedings obtain the directions of the court on any questions of law he considers requisite or on which either of the parties to the dispute desires him to obtain such directions

4.2 Clause 4.1 above is subject to the following:

4.2.1 it shall not have effect in circumstances where the Rules provide that any question or matter shall be left for final decision by the Employers or any one of them or to the discretion of the Trustees,

4.2.2 it shall take effect subject to the requirements of Sections 50-50B of the Pensions Act 1995 (Requirement for dispute resolution arrangements),

4.2.3 it shall only have effect save in so far as it does not oust the jurisdiction of any court of competent jurisdiction or the Pensions Ombudsman established under the Pension Schemes Act 1993.

### **5. Governing law**

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The Trust Deed and Rules shall in all respects be governed by and construed according to the law of Scotland.

**PART II:**

**SCHEME PURPOSE AND DECLARATION OF TRUST**

**6. Scheme purpose**

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The main purpose of the Scheme continues to be the provision of pensions for employees of the Principal Employer on their retirement from the Service of the Principal Employer at a specified age. The Scheme shall also provide pensions for employees of Employers other than the Principal Employer on their retirement from the Service of the Employer at a specified age.

**7. Declaration of trust**

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- 7.1 The Trustees shall hold the Fund on irrevocable trust to provide the benefits of the Scheme in accordance with and subject to the terms of the Trust Deed and Rules.
- 7.2 The Fund so held by the Trustees shall include the AVCs paid by a Member under Rule 6 and any monies derived from this so that they are separately identifiable and isolated from the other assets and liabilities of the Scheme and shall apply the same exclusively in the provision of benefits for and in respect of the Member. For the avoidance of doubt, no Member or other beneficiary shall, in respect of any AVCs paid under Rule 6, be entitled to any specific assets of the Fund with his entitlement to benefits under the Scheme being against the Fund as a whole.

**PART III:  
TRUSTEES**

**8. Appointment and removal of Trustees**

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**8.1 Constitution of Trustees**

There shall be at least three Trustees except in case of emergency or where a corporate body is appointed as sole Trustee. If (in the absence of a sole corporate Trustee) the number of Trustees falls below three and is not brought up to at least three in accordance with this Clause 8 within three months of the vacancy arising, the remaining Trustees may appoint a replacement Trustee or Trustees. Pending such appointment, the Trustees may continue to act despite the temporary vacancy in their number.

**8.2 Appointment and removal of Trustees**

8.2.1 The Principal Employer shall appoint as Trustees:

- (i) one person chosen from amongst those persons holding the offices of Principal, Vice-Principal, Secretary or Director of Corporate Services of the University of Edinburgh;
- (ii) one person chosen from amongst those members of the University Court of the University of Edinburgh who are not employees of the Principal Employer (any person who is such a member being referred to as a "**Lay Member**"); and
- (iii) such further persons as it may determine from time to time.

8.2.2 A Trustee appointed (or re-appointed) under Clause 8.2.1 shall be appointed for a period of four years (or such longer period as the Principal Employer shall determine) and shall cease to be a Trustee:

- (i) on the expiry of his term of appointment (unless re-appointed by the Principal Employer for a further period);
- (ii) if removed by the Principal Employer;
- (iii) in the case of a Trustee appointed under Clause 8.2.1(i), on ceasing to hold the office by virtue of which he was appointed unless he is appointed to another of the offices specified in that clause or the Principal Employer resolves that he shall continue in office (for such period as the Principal Employer specifies) as a Trustee appointed under Clause 8.2.1(iii);
- (iv) in the case of a Trustee appointed under Clause 8.2.1(ii), on ceasing to be a Lay Member unless the Principal Employer resolves that he shall continue in office (for such period as the Principal Employer specifies) as a Trustee appointed under Clause 8.2.1(iii);
- (v) if he resigns by giving written notice to the other Trustees;
- (vi) on death, remaining out of the United Kingdom for more than twelve consecutive months, becoming incapable of acting, or becoming prohibited or disqualified from being a trustee under sections 3 or 29 of the Pensions Act 1995.

8.2.3 The Principal Employer will give notice of any appointment under Clause 8.2.1 or removal under Clause 8.2.2(ii) to the Trustees and to any person being appointed or removed as a Trustee.



### **8.3 Member-nominated trustees and directors**

This Clause 8 is subject to the requirements of sections 241 to 243 of the Pensions Act 2004 (Requirements for member-nominated trustees and directors).

## **9. Trustees' meetings and decision making**

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- 9.1 The Trustees may meet together for business, adjourn and otherwise regulate their meetings as they think fit. All business brought before a Trustees' meeting will be decided by a majority of those present (whether in person or by electronic means) and voting. In the event of an equality of votes, the chairman will have a second or casting vote. The chairman of any meeting of the Trustees shall be a Trustee appointed by the Principal Employer under Clause 8.2.1.
- 9.2 Subject to such requirements as may be imposed by law, a majority of the Trustees shall be capable of acting and binding the Trustees, whether acting at a Trustees' meeting or otherwise. A written resolution signed as approved by such a majority of the Trustees shall be as effective as if it had been passed at a meeting of the Trustees and may consist of separate documents in similar form each signed by one or more of the Trustees.
- 9.3 Where a corporate body acts as sole Trustee or one of the Trustees, the powers, duties and discretions of that corporate body will be exercised by its board of directors or its duly authorised officers, employees or agents and it shall conduct its proceedings in accordance with its articles of association.

## **10. Trustees' powers**

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- 10.1 The Trustees shall have and be entitled to exercise all powers, rights and privileges in connection with the Scheme requisite or proper to enable them to carry out any transaction, act, deed or thing arising under or in connection with the Scheme.
- 10.2 The consent or concurrence of either the Employers or the Members or any of them shall not be necessary in connection with the giving of any receipt or discharge or the making of any payment or the doing of any action or thing made or done in the exercise of their powers as Trustees or in connection with the Trust Deed and Rules except where expressly provided otherwise. Persons dealing in good faith with the Trustees shall have no duty and no right or interest to enquire into the application of moneys paid by them to the Trustees but shall be completely exonerated by the Trustees' receipt.
- 10.3 Save to the extent otherwise provided by law, the Trustees shall have the fullest powers, privileges and immunities competent to gratuitous Trustees under the laws of Scotland whether by statute or at common law including but without limitation of the foregoing all the powers specified in section 4 of the Trusts (Scotland) Act 1921, and that without the necessity of applying to the court and without prejudice in any way to the powers, privileges and immunities expressly conferred by the Trust Deed and Rules but subject to the special provisions and restrictions specified in the Trust Deed and Rules.

## **11. Scheme Administrator**

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The Scheme Administrator shall be the Trustees or any person or body appointed by them to be the Scheme Administrator. The Scheme Administrator shall be responsible for the discharge of all the functions duties conferred or imposed on the Scheme Administrator by the Finance Act 2004.

## **12. Delegation**

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- 12.1 Subject to Clause 12.3, the Trustees may delegate (and authorise the sub-delegation of) any of their powers, duties or discretions to any person or body on such terms as the Trustees may decide.

- 12.2 A secretary of the Scheme may be appointed by the Trustees for such period and upon such terms and with such powers as they think fit (including as to any remuneration payable).
- 12.3 The Trustees may only delegate their powers, duties or discretions to make a decision about investments in accordance with section 34 of the Pensions Act 1995 (Power of investment and delegation).
- 12.4 The Trustees shall be entitled to pay suitable remuneration to delegates (including for this purpose any secretary appointed) and the Employers shall be responsible for payment of such remuneration and shall, except in cases where the delegate is in business and providing a trustee service for payment, indemnify the persons concerned from and against all or any claims, costs, loss, damages and expenses they may incur or become liable for and which may have been incurred by them while acting with due care and attention in the proper discharge of their duties in compliance with such proper directions and instructions as may have been given to them by the Trustees, provided that any such person shall also be indemnified by the Employers (notwithstanding that such person may have been negligent) where the Trustees so decide, being satisfied that the person acted in good faith and should reasonably be excused.

### **13. Liability of the Trustees**

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#### **13.1 Personal interest**

- 13.1.1 No decision of, or exercise of a power or discretion by, the Trustees shall be invalidated or questioned on the grounds that any of the Trustees (or any director of a corporate Trustee) is also a beneficiary or has any other direct or indirect personal interest in the result of such decision or in the exercise of any such power or discretion.
- 13.1.2 Any Trustee (or any director of a corporate Trustee) may retain any benefit to which he is entitled as a beneficiary of the Scheme and is not obliged to account for any such benefits.

#### **13.2 Trustee liability**

Except where required by law, no Trustee shall as Trustee of the Scheme or in respect of the exercise of his rights or powers under the Scheme incur any personal responsibilities or be liable for anything whatever except for breach of trust knowingly and intentionally committed by him.

#### **13.3 Indemnity**

- 13.3.1 Subject to Clause 13.3.2, the Employers shall, unless as otherwise required by law, indemnify the Trustees against all and any claims, costs, loss, damages and expenses which may be made against them or which they may pay or incur in connection with the Scheme or as a result of any action of any employee lawfully appointed by them for the carrying out of the trust purposes, except for breach of trust knowingly and intentionally committed by them.
- 13.3.2 The indemnity under Clause 13.3.1 shall not apply to the extent that:
- (i) the Trustee is entitled under the general law or the other provisions of the Trust Deed and Rules to be indemnified out of the Fund, except in the event that (and to the extent that) the Fund is insufficient for that purpose;
  - (ii) the Trustees have cover under an insurance policy.
- 13.3.3 The indemnity under Clause 13.3.1 shall continue in full force and effect after a winding up of the Scheme.

#### **13.4 Insurance**

- 13.4.1 The Trustees may:

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- (i) insure the Scheme against any loss caused by them or any of their delegates; and
- (ii) insure themselves (including the officers and employees of a corporate trustee) and any of their delegates against any liabilities incurred in connection with the Scheme except for breach of trust knowingly and intentionally committed.

13.4.2 The Trustees may pay the premiums for any insurance under Clause 13.4.1 from the Fund.

**PART IV:**

**SCHEME FUNDING AND INVESTMENT**

**14. Investment**

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**14.1 Investment power**

For the purposes of the Scheme, the Trustees shall have power to invest or apply the Fund as if they were absolutely and beneficially entitled to it, subject to the following:

- 14.1.1 the Trustees shall not make any loan to or investment in any of the Employers except where permitted by section 40 the Pensions Act 1995 (Restriction on employer-related investments); and
- 14.1.2 the Trustees shall not make any investment or carry on any trading activity which would prejudice the Scheme's status as a Registered Pension Scheme.

**14.2 Without in any way restricting the scope of Clause 14.1, the Trustees may by way of investment apply all or any part of the Fund:**

14.2.1 in entering into any annuity or assurance or other contracts or policies issued by an Insurance Company providing pensions or other benefits for the purpose of the Scheme. The Trustees shall not be deemed to guarantee the obligations of the Insurance Company concerned under any such contract or policy and shall not be liable for any loss arising in connection with it.

14.2.2 in:

- (i) units in exempt units trusts,
- (ii) any interest in land,
- (iii) any article or commodity which in the opinion of the Trustees will provide a capital profit,
- (iv) underwriting or sub-underwriting contracts.

**14.3 Statement of investment principles**

The Trustees shall prepare, maintain and from time to time revise a written statement of the investment principles governing decisions about the Scheme's investments in accordance with section 35 of the Pensions Act 1995 (Investment principles). The Trustees shall consult with the Employers and take appropriate written advice on the terms of the statement of investment principles as required by section 35.

**14.4 Terms of investment**

The terms of any investments under this Clause 14 shall be as decided by the Trustees. The Trustees may give such guarantees, warranties and indemnities as may be necessary to participate in any investment and may take any ancillary actions in relation to the investment. Investments may be made in the name of the Trustees or in the name of any nominee on the Trustees' behalf.

**14.5 Power to borrow**

Subject to section 36A of the Pensions Act 1995 (Restriction on borrowing by trustees), the Trustees may for the purposes of the Scheme raise or borrow money or other assets on such terms as they think fit.

#### 14.6 **Delegation of investment powers** (22)

Subject to the provisions of sections 34-36 and section 47 of the Pensions Act 1995, the Trustees may delegate all or any of their powers of investment under this Clause 14 to one or more fund managers (and may authorise sub-delegation by any such fund manager).

### 15. **Funding**

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#### 15.1 **Statement of funding principles**

The Trustees shall prepare, and from time to time review and if necessary revise, a written statement of funding principles as required by section 223 of the Pensions Act 2004.

#### 15.2 **Actuarial valuations and reports**

The Trustees will obtain actuarial valuations and reports in accordance with section 224 of the Pensions Act 2004 and will make them available to the Employers within the timescales specified in that section.

#### 15.3 **Schedule of contributions and recovery plan**

The Trustees shall prepare, and from time to time review and if necessary revise, a schedule of the contributions required from the Employers and active Members under section 227 of the Pensions Act 2004. The matters shown in the schedule of contributions, to the extent they have not been previously agreed with the Principal Employer, shall be determined by the Trustees. The Trustees will also prepare a recovery plan if required under section 226 of the Pensions Act 2004.

Rule 3 (Employer contributions) shall, in addition, apply.

#### 15.4 **Accounts**

The Trustees will prepare annual accounts of the Scheme and have them audited by an auditor appointed by them under section 47(1)(a) of the Pensions Act 1995.

#### 15.5 **Annual reports**

The Trustees will prepare an annual report and make it available to Members and other persons in accordance with the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013.

### 16. **Scheme expenses**

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16.1 Subject to Clause 16.2, all expenses of administration and duties and taxes shall be paid by the Trustees from the Fund.

16.2 The Employers will pay any expenses of administration and duties and taxes which in the opinion of the Trustees cannot be met out of the Fund without prejudicing the benefits to be provided. Each Employer shall bear such proportion of the expenses as the Employers may agree or, failing agreement, shall bear such expenses in proportion to the value (as determined by the Actuary) of the proportion of the assets of the Scheme relating to the benefits in respect of the Employees of each Employer.

16.3 The Principal Employer undertakes to the Trustees that the Employers will pay or cause to be paid to the Trustees any expenses, duties or taxes which may arise under Clause 16.2.

### 17. **Surplus assets**

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17.1 In the event of there being a surplus in the Fund, the Trustees may, with the consent of the Principal Employer, subject to compliance with section 37 of the Pensions Act 1995, deal with the surplus in either of the following ways (or partly in one way and partly in the other):

17.1.1 retain the surplus in the Fund; or

- 17.1.2 apply the surplus or part of it to provide benefits for or in respect of a Member but no benefit shall be provided which would be an Unauthorised Payment;
- 17.2 To the extent that the Trustees do not retain or apply the surplus as set out in Clause 17.1, the Trustees shall reduce the contributions of the Employers by the amount of the surplus.
- 17.3 Where a Member has already received a benefit under the Scheme in the form of a cash sum, no surplus shall be applied under Clause 17.1 for his benefit unless the benefits to be provided are payable in the form of pension.
- 17.4 Where a benefit is provided under Clause 17.1, it shall be additional to any other benefits provided for the beneficiary under the Scheme.
- 17.5 The Trustees shall inform the beneficiary in writing of any benefit to be provided under Clause 17.1 and the terms and conditions on which it will be payable. If a Member has been informed of benefits payable in the event of his death, there is no need to also inform the beneficiaries.

**PART V:**

**GENERAL PROVISIONS RELATING TO MEMBERSHIP AND BENEFITS**

**18. Tax status**

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- 18.1 The Scheme will be administered as a Registered Pension Scheme. The Trustees shall not make a payment nor provide benefits under the Scheme in a manner which would prejudice the Scheme's status as a Registered Pension Scheme.
- 18.2 Any provision in the Trust Deed and Rules which would require the Trustees to make an Unauthorised Payment, or to make such a payment if the consent of the Employer or any other person was given to their doing so, shall be construed as conferring a discretion upon the Trustees to make that Unauthorised Payment, subject to obtaining the consent of the Employer or other person whose consent would have been required to make the Unauthorised Payment under the Trust Deed and Rules.

**19. Payment of tax**

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- 19.1 If the Trustees are liable to pay tax in respect of any benefit payable to or in respect of a Member or other beneficiary under the Scheme, or in respect of the growth in value of a Member's benefits, the Trustees shall have power to pay such liability out of the Fund and to reduce the benefits payable or prospectively payable to or in respect of the Member or other beneficiary by an amount determined by the Actuary as reflecting the amount of taxation paid by the Trustees. The Trustees may exercise this power in circumstances where it is jointly liable with any other person to pay the tax.
- 19.2 The Trustees may reduce any benefit in respect of which a lifetime allowance charge arises, so as to fully reflect the amount of tax payable under Section 215 of the Finance Act 2004.
- 19.3 Where a payment is made without deduction of the duty or tax due, the payee shall be obliged to repay the amount of the duty or tax if within two years of making the payment the Trustees or Administrator so demand.

**20. Augmentation**

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- 20.1 With the consent of or at the request of the Principal Employer, the Trustees may provide additional or increased benefits for or in respect of a Member, provided that the Employer shall make an additional contribution or contributions in order to provide such benefits.
- 20.2 Where a Member has already received a benefit under the Scheme in the form of a cash sum, no contribution shall be paid under Clause 20.1 for his benefit unless the benefits to be provided are payable in the form of pension.
- 20.3 Where a benefit is provided under Clause 20.1, it shall be additional to any other benefits provided for the beneficiary under the Scheme.
- 20.4 The Trustees shall inform the beneficiary in writing of any benefit to be provided under Clause 20.1 and the terms and conditions on which it will be payable. If a Member has been informed of benefits payable in the event of his death, there is no need to also inform the beneficiaries.

**21. Discretionary admission**

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- 21.1 The Trustees may with the written consent of the Principal Employer admit to membership of the Scheme (or where appropriate his membership of the Scheme may be confirmed), on

special terms as to contributions,<sup>(25)</sup> benefits or otherwise as the Trustees and the Principal Employer may agree:

- 21.1.1 any employee of any of the Employers who does not otherwise fulfil the criteria for membership specified in the Rules;
  - 21.1.2 any person who is entitled to benefits under a Related Scheme;
  - 21.1.3 any person in the Service of (or who has completed a period of service with) one of the Employers, whether or not they otherwise fulfil the criteria for membership specified in the Rules;
  - 21.1.4 any other person for whom the Scheme is permitted to provide benefits consistent with its status as a Registered Pension Scheme.
- 21.2 In any case where special membership terms are to apply in respect of any person, the Trustees will inform the person in writing of the special terms and their effective date. No modification of the Rules under this Clause 21 shall have effect if it would be inconsistent with the status of the Scheme as a Registered Pension Scheme.

## **22. Payment arrangements and addition of interest**

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- 22.1 Subject to the provisions of this clause, pensions shall be payable by monthly instalments and the amount of each instalment shall be one twelfth of the annual amount of the pension.
- 22.2 Where a pension is to be paid by monthly instalments, the first instalment shall fall due on the last day of the month for which the pension is payable and each instalment after the first shall fall due in each month in that period on the last day of such month. 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.
- 22.3 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.
- 22.4 If, in the opinion of the Trustees, it would be inconvenient or unduly costly to pay or continue paying any pension by monthly instalments, the Trustees may arrange with the beneficiary to substitute for that pension a pension of equal value payable quarterly, half yearly or yearly.
- 22.5 Where contributions are repaid on the death of a Member or on the termination of a Member's Pensionable Service, the Trustees may add interest to the sum repaid at a rate they in their sole discretion shall determine.

## **23. Non-assignability of benefits and forfeiture**

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- 23.1 Except where permitted by sections 91 to 93 of the Pensions Act 1995 and by the Trust Deed and Rules or where required in order to comply with an order or provision falling within section 28(1) of the Welfare Reform and Pensions Act 1999, no person having a beneficial interest under the Scheme shall assign, charge, surrender or commute that interest or any part of it, nor may a right of lien or set-off be exercised against it, nor may it be forfeited.
- 23.2 Where a person purports to enter into, or agrees to, a transaction or dealing with his beneficial interest under the Scheme in a manner which is contrary to section 91 of the Pensions Act 1995, the Trustees shall forfeit such interest and may pay any moneys to which the person would otherwise have been or become entitled to such one or more persons referred to in section 92(3) of the Pensions Act 1995 as the Trustees in their absolute discretion think fit, but in no circumstances shall any payment be made to a purported assignee.



## **24. Beneficiary unable to manage own affairs**

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- 24.1 If the Trustees consider that a person entitled to any benefit under the Scheme is incapable of managing his own affairs (because of illness, mental disorder, minority or otherwise) they may at their discretion apply any amounts due to him for his benefit or may pay them to some other person or persons or institution to do so (including to the trustees of a trust for the benefit of that beneficiary) or may pay or apply any amounts to or for the benefit of any one or more of his relatives or dependants in such shares and in such manner as they see fit. The Trustees may at their discretion set up a trust for the benefit of a beneficiary. The receipt of the person or authorised officer of the institution whom the Trustees pay will discharge the Trustees from any obligation in respect of the amounts concerned. The Trustees may also make any choice which the beneficiary has under the Scheme on his behalf.
- 24.2 A certificate by a qualified medical practitioner that any person is suffering from any physical or mental incapacity may be accepted by the Trustees as conclusive evidence of the fact.

## **25. Failure to claim**

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If any person who is entitled to a payment under the Scheme fails to claim such payment (or, if such person is a child or incapable of acting, no claim is made on behalf of him) within six years of the due date of such payment, then such person shall cease to have any claim for such payment.

## **26. Evidence and information**

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- 26.1 The Trustees may require any Member or beneficiary under the Scheme to produce such evidence and information as they may from time to time reasonably require for the purposes of the Scheme and, if such evidence or information is not produced, the Trustees may withhold any benefit in relation to which the evidence or information was required until such time as it is produced.
- 26.2 The Trustees may require any person on whose death a benefit may become payable to produce such evidence of health or to satisfy such requirements as they 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, 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.
- 26.3 All benefits and contributions payable under the Scheme shall be payable in sterling. If a Members emoluments are payable in another currency, then for the purpose of determining their amount on any date for the purposes of the Scheme, they shall be converted into sterling at the rate of exchange obtainable by the Employer from its bankers at that time.

## **27. War service**

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The Trustees may restrict the amount of any benefit payable on the death of a Member in Pensionable Service where his death occurs directly or indirectly as a result of war (whether war be declared or not) or where he dies while a whole time member of the armed forces or of any organisation engaged in national service of any country.

## **28. Refund of excess contributions**

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If a Member has paid relievable pension contributions in a tax year of more than the maximum amount that can receive tax relief, the Trustees may pay a refund of excess contributions lump sum to the Member where the conditions for payment of such a lump sum set out in paragraph 6 of Schedule 29 to the Finance Act 2004 are satisfied.

## **29. Members who ceased to be in Pensionable Service before 1 January 2017**

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Members who ceased to be in Pensionable Service before 1 January 2017 shall be beneficiaries for the purposes of the Trust Deed and Rules. However, the benefits for these Members (and the benefits payable on their deaths) shall be as described in the Scheme provisions previously in force that would have applied but for this deed. Notwithstanding this, the terms of general application to Scheme Members described in Parts V and VI of the Trust Deed shall apply in place of any corresponding previous provision of the Scheme.

## **30. Contracting-out**

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### **30.1 GMP Model Rules**

The GMP Model Rules set out in Schedule 3 to the Trust Deed and Rules will have effect in relation to the Scheme but do not apply to Pensionable Service on or after 6 April 1997.

### **30.2 Contracted-out Employment on or after 6 April 1997**

For so long as there was any Member in Contracted-out Employment by reference to the Scheme for the purposes of section 9(2B) of the Pension Schemes Act 1993 prior to 6 April 2016, the Principal Employer and the Trustees shall to the extent required ensure that benefits under the Scheme shall, in respect of that Member, be at a level to enable the Actuary to certify that the Scheme (or the relevant part of it) satisfies the Reference Scheme Test (the statutory standard for the purposes of sections 12A and 12B of the Pension Schemes Act 1993). If any of the provisions of the Trust Deed and Rules as they relate to any Member in Contracted-out Employment by reference to the Scheme on this basis are inconsistent with the requirements of section 9(2B) of the Pension Schemes Act 1993, the latter requirements shall prevail.

## **31. Divorce**

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Schedule 4 (Pension Sharing on Divorce) to the Trust Deed and Rules sets out the provisions governing pension sharing on divorce or on the dissolution of a Civil Partnership and overrides the provisions of the Trust Deed and Rules in the event of any inconsistency.

**PART VI:**

**TRANSFERS**

**32. Transfers to the Scheme**

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- 32.1 The Trustees may accept a transfer of assets in respect of a Member from a Transfer Scheme or Insurance Company provided that the transfer is a Recognised Transfer and is consistent with the Scheme's status as a Registered Pension Scheme.
- 32.2 The Trustees shall grant in respect of a transfer under Clause 32.1 such benefits as shall be arranged by the Trustees with the Member. The benefits provided must be consistent with the Scheme's status as a Registered Pension Scheme and with the Contracting-out Laws, the Preservation Laws and the Revaluation Laws.
- 32.3 The Trustees may, if the Employer consents, provide benefits under Clause 32.2 by crediting the Member with an appropriate additional period of Pensionable Service and/or one or more Additional Pension Units. The provisions of FS Rule 5 and/or CARE Rule 5 shall, so far as the Trustees consider appropriate, apply *mutatis mutandis* in relation to any such additional Pensionable Service or Additional Pension Units as though the transfer payment was a contribution under CARE Rule 5.1.1(ii) or an individual lump sum AVC contribution under Scheme rules in force previously from time to time.
- 32.4 The Trustees shall, to the extent they require, obtain from the Member or other beneficiary, administrator, trustees or manager of the Transfer Scheme or Insurance Company concerned any information they need, including the extent to which the transfer arises from the Member's contributions, contributions paid directly to a personal pension scheme or pension credit rights under the Welfare Reform and Pensions Act 1999.
- 32.5 The Trustees shall at the time of acceptance of a transfer of assets under Clause 32.1 inform the Member in writing of any restrictions that are to apply to the benefits secured by the transfer payment and any restrictions on the extent to which any part of the transfer payment representing employee contributions may be refunded to the Member.

**33. Transfers out**

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- 33.1 At the request of, or with the consent of, a Member or other beneficiary, the Trustees may, with the consent of the Employer, transfer to a Transfer Scheme or Insurance Company such part of the Fund as represents the Member's (or other beneficiary's) interest and the interests, if any, of his Dependants, provided the transfer constitutes a Recognised Transfer and complies with the Contracting-out Laws, the Preservation Laws and the Revaluation Laws.
- 33.2 Where a Member has a statutory right under the Pension Schemes Act 1993 to a cash equivalent transfer value or cash transfer sum, the Trustees will give effect to that statutory right in accordance with the Pension Schemes Act 1993.
- 33.3 Where the Trustees pay a transfer in accordance with this Clause 33, the Member or beneficiary concerned shall have no further rights against the Scheme and the receipt of the receiving trustees or managers shall discharge the Trustees of all liability to and in respect of that Member or beneficiary concerned.
- 33.4 The Trustees may make a transfer in respect of a Member which excludes his accrued rights to GMP and/or Section 9(2B) Rights (the "**Excluded Rights**") where:
- 33.4.1 the trustees, managers or administrators of the Transfer Scheme are unwilling or unable to accept a transfer of the Excluded Rights;
- 33.4.2 the Trustees with the consent of the Member so decide; or
- 33.4.3 the Member so requests pursuant to Clause 33.2.

(29)

There shall be excluded from the transfer such amount of the contributions, if any, paid by the Member under the Scheme (other than AVCs) as the Trustees determine are referable to the Excluded Rights. After the transfer, the Member and, where applicable, his Spouse shall continue to be entitled to the Excluded Rights under the Scheme.

**PART VII:**

**AMENDMENTS**

**34. Amendments**

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34.1 Subject to Clauses 34.2 to 34.4, the Trustees may at any time with the consent of the Principal Employer on behalf of the Employers:

34.1.1 by deed amend any of the trusts, powers or provisions of the Trust Deed; and

34.1.2 by deed or resolution in writing passed and signed by a majority of them amend any of the provisions of the Rules, both present and former.

Any such amendment shall be binding on the other Employers, in addition to the Principal Employer, and on the Members (and all other persons having any entitlement under the Scheme) without any requirement for any of them to consent to or approve such action.

34.2 No amendment under Clause 34.1 shall operate so as:

34.2.1 to prejudice the rights or interests of any person already a Member or any person receiving benefit by virtue of the membership of any deceased Member, being rights or interests relating to such benefits as the Actuary shall decide would then be secured on the immediate winding-up of the Scheme in respect of service with the Employers before the date of such amendment and by contributions paid to the Scheme before such date, except with the written consent of the person whose rights or interests are so prejudiced; or

34.2.2 to cause the money held by the Trustees in terms of Clause 7 to be used otherwise than for the purposes laid down in that clause; or

34.2.3 to result in the payment of any part of the moneys or other assets held by the Trustees in connection with the Scheme to any of the Employers other than such payment as may be consistent with the status of the Scheme as a Registered Pension Scheme; or

34.2.4 to alter the main purpose of the Scheme from being the provision of pensions for employees of the Principal Employer on their retirement at a specified age.

34.3 If a contracting-out certificate is in force in respect of the Scheme, amendments must comply with section 37 of the Pension Schemes Act 1993.

34.4 Where the provisions of the Scheme are amended, unless the deed or resolution by which the amendment is made expressly provides otherwise, the amendment shall not add to or alter the amounts of the benefits provided in respect of any Member who ceased to be in Pensionable Service before the effective date of the amendment nor alter the periods for which those benefits are payable.

34.5 The Trustees will notify in writing each Member affected by any amendment made to the Scheme.

**PART VIII:**

**EMPLOYERS**

**35. The Principal Employer**

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- 35.1 The Principal Employer covenants to observe and perform such of the provisions of the Trust Deed and Rules applicable to it as Principal Employer.
- 35.2 If the undertaking (or any substantial part of the undertaking) of the Principal Employer is absorbed in the undertaking of or acquired by any other employer, that other employer may (in anticipation of or within 12 months after such absorption or acquisition) by deed agree with the Trustees to become the Principal Employer and perform all of the obligations of the Principal Employer under the Trust Deed and Rules.

**36. Employers**

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**36.1 Participation by employers**

- 36.1.1 The Principal Employer may, with the written consent of the Trustees, permit an employer which is associated with the Principal Employer to participate in the Scheme, provided its participation in the Scheme would not prejudice the status of the Scheme as a Registered Pension Scheme.
- 36.1.2 An employer which wishes to participate in the Scheme shall execute a deed or other instrument undertaking to comply with and be bound by the Trust Deed and Rules.

**36.2 Termination of participation**

- 36.2.1 An Employer may terminate its participation in the Scheme:
- (i) if it gives the Trustees and Members in its employment one month's written notice of its intention to do so; or
  - (ii) without notice, if its undertaking (or any substantial part of its undertaking) is absorbed in the undertaking of or acquired by another employer.
- 36.2.2 An Employer shall terminate its participation in the Scheme
- (i) if it is being wound up;
  - (ii) 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;
  - (iii) if, not being the Principal Employer, its continued participation would prejudice the Scheme's status as a Registered Pension Scheme; or
  - (iv) if the Principal Employer gives it not less than six months' written notice requiring it to cease participation from such date as may be specified in the notice.
- 36.2.3 In the case of termination under Clause 36.2.2(i) or (ii), the termination shall take effect at a date determined by the Employer after consulting the Trustees, being not later than one year after the event giving rise to the termination. In the case of termination under Clause 36.2.2(iii), it shall take effect at a date determined by the Trustees.
- 36.2.4 When an Employer terminates its participation in the Scheme:

(32)

- (i) each Member in Pensionable Service with that Employer will be treated as leaving Pensionable Service on the date of termination (unless his Service transfers to another Employer);
- (ii) the Employer will remain liable for contributions due in respect of the period prior to termination and for any liability under section 75 of the Pensions Act 1995 but will not be liable for any further contributions to the Scheme.

36.2.5 Where another Employer employs Members who remain in Pensionable Service, the Employer whose participation is terminating shall:

- (i) have no right to any surplus in the Fund; and
- (ii) be liable for its share of any deficiency in the Fund as determined under section 75 of the Pensions Act 1995;

and shall receive a discharge of its obligations under the Trust Deed and Rules where no debt arises under section 75 of the Pensions Act 1995 or on payment of any such debt.

36.2.6 Where no Members remain in Pensionable Service under the Scheme, the Trustees shall, subject to section 38 of the Pensions Act 1995, commence to wind up the Scheme in accordance with Clause 37 (*Winding Up*) at the date that the last Employer terminated its participation in the Scheme. The Trustees may, in their sole discretion, defer the commencement of the winding up of the Scheme until such date as they determine.

**PART IX:**

**WINDING UP**

**37. Winding up**

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**37.1 Application of Fund on winding up**

- 37.1.1 Where the Scheme is to be wound up, the Fund will be realised and the Trustees will pay all costs, charges and expenses of the winding up and of administering the Scheme pending completion of the winding up, setting aside such sums to meet these costs, charges and expenses as appropriate.
- 37.1.2 The Trustees will then secure benefits arising from Members' AVCs (which have been paid on a money purchase basis and are separately identifiable) in accordance with the Trust Deed and Rules.
- 37.1.3 The remaining assets of the Scheme shall then be applied by the Trustees to satisfy the liabilities of the Scheme in accordance with section 73 of the Pensions Act 1995. This may mean that if the assets then available are insufficient to satisfy the entitlement to benefits of any person or to satisfy such entitlement in full, the entitlement of the person concerned shall be reduced accordingly.
- 37.1.4 Subject to ensuring that any relevant requirements of Section 73 of the Pensions Act 1995 regarding the satisfaction of the Scheme's liabilities are observed, the balance of the Fund then remaining shall be applied by the Trustees to the purposes and in the priorities set out in sections (1) – (3) of General Rule 16B as set out in Part III of the Supplemental Trust Deed made between the Principal Employer and the then Trustees dated 26 October 2001 as those provisions stood in their amended form and as they read under the Supplemental Trust Deed.
- 37.1.5 The Trustees may secure the liabilities of the Scheme by any one or more of the following :
- (i) securing them under any of the policies already held by the Trustees for the purposes of the Scheme
  - (ii) purchasing individual policies or bonds (with death benefits where appropriate) from an Insurance Company
  - (iii) making a transfer payment from the Scheme under Clause 32 or Schedule 4
  - (iv) restoring the Member's state pension rights, or
  - (v) in one or more of the ways specified in section 74 of the Pensions Act 1995.

**37.2 Powers during winding up**

Until the Scheme is fully wound up and all assets of the Fund are distributed, all of the powers of the Trustees, the Principal Employer and the Employers shall continue in full force and effect.

**37.3 Surplus on winding up**

- 37.3.1 If, after all the liabilities of the Scheme have been secured, the Trustees are satisfied that there is a surplus in the Fund, they may apply the surplus or part of it to provide benefits for or in respect of a Member but no benefit shall be provided which would be an Unauthorised Payment.
- 37.3.2 Any balance remaining after application of Clause 37.3.1 shall, subject to the provisions of section 76 of the Pensions Act 1995 having been complied with and after deduction of any tax payable, be paid to those Employers participating in the Scheme at or immediately prior to the commencement of its winding-up *pro rata* in



proportion to the respective extent of the aggregate liabilities of the Scheme (as at the date of commencement of the winding-up) to and in respect of the Members in respect of whom each such Employer was the Employer.

**38. Termination of trusts**

When the Trustees have disposed of all the assets of the Scheme in accordance with the Trust Deed and 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.

**IN WITNESS WHEREOF** these presents consisting of this, the preceding 33 pages and the attached Rules (with Schedules 1 - 4) are executed as follows.

**SUBSCRIBED** for and on behalf of **THE UNIVERSITY COURT OF THE UNIVERSITY OF EDINBURGH**

by two authorised signatories

at *OLD COLLEGE*

on *MONDAY 19<sup>th</sup> DECEMBER 2018*

and sealed with the Common Seal of the University Court of the University of Edinburgh:

.....  
*D Bentley*  
Authorised signatory *D. BENTLEY*

.....  
*T Slaven*  
Authorised signatory *T. SLAVEN*

**SUBSCRIBED** by **KHUSHAAL JOSHI**

acting for and on behalf of the Trustees

in terms of authority delegated to him by the Trustees

at *EDINBURGH*

on *16 DECEMBER 2018*

.....  
*K Joshi*

in the presence of the following witness:

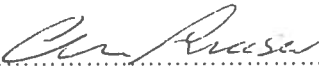
.....  
*Ann Fraser* Witness  
.....  
*ANN FRASER* Full Name  
.....  
*9-16 CHAMBERS STREET* Address  
.....  
*EDINBURGH*

**SUBSCRIBED** by **RICHARD DAVIDSON**  
acting for and on behalf of the Trustees  
in terms of authority delegated to him by the Trustees

at EDINBURGH  
on 16 DECEMBER 2017



in the presence of the following witness:

  
..... Witness  
ANN FRASER ..... Full Name  
9-16 CHAMBERS STREET ..... Address  
EDINBURGH .....

These are the Rules of the University of Edinburgh Staff Benefits Scheme referred to in the forgoing Trust Deed made between The University Court of The University of Edinburgh and the Trustees of the Scheme

## RULES OF THE UNIVERSITY OF EDINBURGH STAFF BENEFITS SCHEME

### 1. **Joining the Scheme**

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- 1.1 An Eligible Employee shall become a Member by submitting an application to join in such form as the Trustees decide.
- 1.2 If an Eligible Employee does not apply to become a Member at his first opportunity but applies subsequently, he shall become a Member on the first day of the month coincident with or immediately following the day on which the application is made if on the day he is to become a Member:
- (i) he is an Eligible Employee; and
  - (ii) the Trustees and the Employer agree to this.
- 1.3 An Employee who was a contributing Member of the Scheme on 1 August 2006 and who has not otherwise ceased accruing benefits under the Scheme satisfies the eligibility conditions for the purposes of this Rule 1.
- 1.4 Subject to Rule 1.5, on ceasing to be a contributory Member of the Scheme in Pensionable Service (either under Rule 2 or otherwise) a Member may, while he remains in Service, be admitted to membership of, or included in the Scheme as, a Death Benefit Only Member with effect on or from the date on which he ceases to be in Pensionable Service, for the purposes of the benefits described in Rule 12.1.1(i) or 12.1.2(i) depending on whichever of these applies to the Member.
- 1.5 A Member may only be admitted to Membership of, or included in the Scheme as Death Benefit Only Member for the purposes of Rule 1.4 if the Principal Employer has confirmed to the Trustees that the Member is a Death Benefit Only Member.
- 1.6 A Death Benefit Only Member shall:
- 1.6.1 remain in Pensionable Service for the sole purpose of benefits on death payable under Rule 12.1.1(i) or 12.1.2(i);
  - 1.6.2 for all other purposes be a Member with a preserved pension and have his benefits determined in accordance with Rule 16 or 16A (as the case may be).
- 1.7 A Death Benefit Only Member shall cease to be a Death Benefit Only Member on whichever is the earliest of:
- 1.7.1 his leaving the Service;
  - 1.7.2 the Principal Employer notifying the Trustees that the Member concerned is no longer a Death Benefit Only Member; or
  - 1.7.3 his opting out of membership as a Death Benefit Only Member by serving one month's written notice on the Trustees.

### 2. **Opting out**

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- 2.1 A Member may opt out of Pensionable Service by giving written notice to the Employer. The Member's Pensionable Service shall cease on the latest of:
- (i) the date stated in the notice;
  - (ii) the day the Employer receives the notice;

- (iii) a date determined by the Employer which does not contravene section 160 of the Pension Schemes Act 1993.

The Employer shall inform the Trustees of the date on which the Member's Pensionable Service is to be treated as ceasing.

- 2.2 A Member who has opted out of the Scheme under this Rule may only be readmitted to the Scheme at a later date with the agreement of the Trustees and subject to him being an Eligible Employee and to such terms and conditions as the Trustees may specify. The Trustees shall notify the Employer of the date of the Member's readmission to the Scheme and any terms and conditions that apply.

### **3. Employer contributions**

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- 3.1 Subject to Clauses 15.3 and 36.2, the Employers shall pay such contributions as are in the opinion of the Trustees required in addition to the Member's Contributions to provide the benefits specified in the Trust Deed and Rules.
- 3.2 The Principal Employer undertakes to the Trustees that the Employers will pay or cause to be paid to the Trustees at least the contribution to be contributed in accordance with the Rules.

### **4. Ordinary contributions by Members**

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- 4.1 In any pay period, a Member in Pensionable Service shall contribute to the Scheme at a rate of 8% of his basic current earnings from his Employer (together with any allowances (whether fixed or variable) which his Employer has informed the Member shall currently be included for the purposes of this Rule 4.1) for that pay period unless he participates in a Salary Sacrifice Arrangement, in which case Rule 4.2 applies.
- 4.2 A Member in Pensionable Service who participates in a Salary Sacrifice Arrangement shall not be required to contribute to the Scheme, but his Employer must pay contributions to the Scheme in respect of him of an amount equal to the contributions the Member would have paid under Rule 4.1 if he had not been participating in a Salary Sacrifice Arrangement.
- 4.3 The Principal Employer and the Trustees may agree to alter the rate of contributions payable under Rules 4.1 and 4.2 with effect from such date as they may agree subject to compliance with any statutory requirements relating to employee consultation.
- 4.4 A Death Benefit Only Member shall not be required to contribute to the Scheme.

### **5. AVCs**

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- 5.1 A Member in Pensionable Service may pay AVCs to the Scheme to secure additional benefits for himself and/or his Dependants. The amount of AVCs paid shall not, when added to the pension input amounts in respect of all other arrangements (as defined in Sections 152 and 229-237 of the Finance Act 2004) which relate to the Member, exceed the Member's allowance for the purposes of Section 228 of the Finance Act 2004.
- 5.2 AVCs may be paid under one or more of Rule 6 below, FS Rule 5 and CARE Rule 5.
- 5.3 Instead of paying AVCs himself, a Member may, with the Employer's agreement, enter into Salary Sacrifice Arrangements under which AVCs are paid in respect of him by the Employer. The provisions of this Rule 5, Rule 6 below, FS Rule 5 and CARE Rule 5 shall apply *mutatis mutandis* to AVCs so paid or payable as though they were AVCs paid or payable by the Member. This is subject to the exception that such AVCs shall not be capable of being refunded under Rule 17.1, although (for the avoidance of doubt) an amount equal to any such AVCs paid under FS Rule 5 or CARE Rule 5 shall where applicable be payable as an additional amount of death benefit under FS Rule 5.3.6 or CARE Rule 5.2.9, as applicable.

## **6. AVCs – money purchase benefits**

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- 6.1 Subject to Rule 5, a Member may pay AVCs to the Scheme under this Rule in such amount as he wishes to secure additional benefits on a money purchase basis by giving the Trustees reasonable notice of his intention to pay AVCs, provided that the Member's total AVCs under this Rule, FS Rule 5 and CARE Rule 5 in any Tax Year are at least equal to the highest minimum level of voluntary contributions that may be imposed in compliance with regulation 2 of the Pension Schemes (Voluntary Contributions Requirements and Voluntary and Compulsory Membership) Regulations 1987 or, if less, the minimum premium acceptable under the policy referred to in Rule 6.5.
- 6.2 A Member may alter the rate at which AVCs are paid or stop or re-start payment by giving such notice in writing to the Trustees as the Trustees may from time to time require.
- 6.3 The benefits to be provided in return for a Member's AVCs paid under this Rule shall be arranged by the Trustees with the Member and shall be additional to any other benefits provided for the beneficiary under the Scheme.
- 6.4 Where a Member's AVCs under this Rule are applied to provide retirement benefits, the benefits shall be of such amounts as are reasonable and in the opinion of the Actuary equivalent, on a money purchase basis, to the AVCs so applied; and where a pension is secured by the application of AVCs as premiums under a policy with an AVC Insurer, the rate at which it may be converted into a lump sum shall be determined by an actuary employed by the AVC Insurer.
- 6.5 Where AVCs paid under this Rule are applied as the premiums under a policy with an Insurance Company, in the event of the Member's death or the termination of his Pensionable Service before the anticipated date of retirement, 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 AVC Insurer.
- 6.6 The Trustees shall hold the AVCs paid by a Member under this Rule and any moneys derived from this so that they are separately identifiable and isolated from the other assets and liabilities of the Scheme and shall apply the same exclusively to provide benefits for or in respect of the Member.

## **7. Normal Retirement Date**

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- 7.1 Except in the case of a Member who is already receiving partial benefits under Rule 11 (Flexible pension drawdown), a Member who retires at Normal Retirement Date, having been in Pensionable Service until that date, shall be entitled to a pension for life comprising the following:
- 7.1.1 an amount calculated in accordance with FS Rule 1, where he was in Pensionable Service prior to 1 January 2011; and
  - 7.1.2 an amount calculated in accordance with CARE Rule 1,
- together with a lump sum benefit calculated in accordance with CARE Rule 6.1.
- 7.2 Any pension to which a Member is entitled under this Rule shall be payable for the period commencing with the day after his Normal Retirement Date and ending with the day he dies.

## **8. Early retirement**

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- 8.1 A Member who is in Pensionable Service may retire before Normal Retirement Date with the consent of his Employer:
- (i) on or after age 55; or
  - (ii) on the grounds of Total Incapacity or Partial Incapacity, provided in both cases that the Ill-health Condition as described in Rule 8.4 is met in cases of retirement before age 55;

- (iii) provided that the consent of the Employer is not required for retirement from age 60 in the case of a Roslin Member or a Member who was in Pensionable Service on 31 March 1994; and
  - (iv) provided further that the consent of the Employer is not required for retirement from age 65 in the case of a Pre-1 January 2017 Member (other than a Roslin Member or a Member who was in Pensionable Service on 31 March 1994).
- 8.2 Except in the case of a Member who is already receiving partial benefits under Rule 11 (Flexible pension drawdown), the Member shall receive a pension for life comprising the following:
  - 8.2.1 an amount calculated in accordance with FS Rule 2, where he was in Pensionable Service prior to 1 January 2011, and
  - 8.2.2 an amount calculated in accordance with CARE Rule 2,  
together with a lump sum benefit calculated in accordance with CARE Rule 6.2.
- 8.3 The Trustees may require any Member who wishes to apply for, or is in receipt of, an early retirement pension on the grounds of Total Incapacity or Partial Incapacity to provide them with such information as they may determine concerning the Member's state of health and employment status and any earnings or income which the Member derives from any occupation or employment and may similarly require the Member to undergo examination by such medical adviser or advisers as the Trustees may determine. When exercising their powers under this Rule 8.3, the Trustees shall not be obliged to accept the opinion or evidence of any medical adviser other than one appointed by them.
- 8.4 In addition to the requirements of Rule 8.3, where the Member retires before age 55 on the grounds of Total Incapacity or Partial Incapacity under this Rule 8, no pension will be paid unless the Ill-health Condition for purposes of Part 1 of Schedule 28 to the Finance Act 2004 is met. This means that the Trustees must obtain evidence from a registered medical practitioner that the Member is (and will continue to be) incapable of carrying on his or her occupation because of physical or mental impairment.
- 8.5 Where a Member has had an application for an early retirement pension on the grounds of Total Incapacity or Partial Incapacity refused on the grounds that the Trustees were not satisfied that the Member was suffering from Total Incapacity or Partial Incapacity, the Member shall not be entitled to make a further application within twelve months after the date of the refusal unless the Member undertakes to the Trustees that, in the event that his later application is also refused on the grounds that the Trustees are not satisfied that the Member is suffering from Total Incapacity or Partial Incapacity, the Member shall meet the costs incurred by the Trustees in obtaining any medical opinion or evidence in connection with that application.
- 8.6 Where an early retirement pension on the grounds of Total Incapacity or Partial Incapacity has been granted, the Trustees may from time to time up to the Member's Normal Retirement Date review whether the Member continues to suffer from Total Incapacity or Partial Incapacity. If in the opinion of the Trustees, having regard to such information and medical advice as has been obtained by them, the health of a Member who is in receipt of such an early retirement pension has improved to such extent that he no longer suffers from Total Incapacity or Partial Incapacity (or, having suffered previously from Total Incapacity, now suffers from Partial Incapacity), as the case may be, the Trustees may at their discretion:
  - 8.6.1 reduce the amount of the Member's pension by such amount and for such period as they consider appropriate, provided that if, as at the date the reduction in pension is applied, the Member has attained the age of 55, the reduced pension shall not be less than the immediate pension which would have been payable from the date of early retirement in accordance with this Rule if the Trustees had never been satisfied that the Member was entitled to a pension on the grounds of Total Incapacity or Partial Incapacity; or

8.6.2 suspend the Member's pension for such period as they consider appropriate, but not if, or beyond the date on which, the Member has attained the age of 55 (provided that the pension payable from the last-mentioned date shall not require to exceed the pension which would have been payable from the date of early retirement in accordance with this Rule if the Trustees had never been satisfied that the Member was entitled to a pension on the grounds of Total Incapacity or Partial Incapacity).

The Trustees will not, however, reduce or suspend the pension described in this Rule to the extent that doing so would result in the pension being treated as an "unauthorised payment" as defined in Section 160(5) of the Finance Act 2004.

8.7 Where the Trustees have reduced the amount of or suspended a Member's pension under Rule 8.6, and subsequently they are satisfied (having received evidence to that effect from such medical adviser or advisers as the Trustees may determine pursuant to Rule 8.3) that there has been a renewed deterioration in the Member's mental or physical health such that the Member is again suffering from Total Incapacity or Partial Incapacity, as the case may be, they may at their discretion at any time up to Normal Retirement Date increase the amount of the Member's pension up to, or recommence payment of a pension of up to, the relevant amount calculated in accordance with the provisions applicable for the purpose of calculating a pension granted on the grounds of Total Incapacity or Partial Incapacity. This Rule 8.7 is subject to the following provisos:

8.7.1 it shall apply only where the Trustees are satisfied (having received evidence from a medical adviser or advisers as referred to above) that the renewed deterioration in the Member's mental or physical health is attributable to the same illness or injury as caused the original Total Incapacity or Partial Incapacity in respect of which he was granted an early retirement pension, or to a medical condition which is directly related to that;

8.7.2 for the avoidance of doubt, a Member originally granted an early retirement pension on the grounds of Partial Incapacity shall not at a later stage be granted a pension under this Rule 8.7 on the basis of Total Incapacity; and

8.7.3 the provisions of this Rule 8.7 shall be subject to the possible renewed application of Rule 8.6 above.

8.8 Subject to Rules 8.6 and 8.7, any pension to which a member is entitled under this Rule shall be payable for the period commencing with the day after he retires and ending with the day he dies.

## **9. Late retirement**

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9.1 If a Member remains in Service after Normal Retirement Date he shall be entitled to either:

9.1.1 cease to be in Pensionable Service and defer payment of his pension until his actual retirement from Service (but not later than age 75) with his benefits determined subject to Rule 9.3 below, in accordance with the applicable provisions of Rule 16 or Rule 16A (as the case may be); or

9.1.2 elect to continue making Member's Contributions and remain in Pensionable Service after Normal Retirement Date until the date of his actual retirement from Service (but not later than age 75); or

9.1.3 in the case of a Pre-1 June 1989 Member only, cease to be in Pensionable Service and take immediate payment of his pension payable from Normal Retirement Date.

PROVIDED THAT for the purposes of Rule 9.1.2, if the Member participates in a Salary Sacrifice Arrangement, Rule 4.2 shall apply as to the actual payment of Member's Contributions.

FURTHER PROVIDED THAT, except in the case of a Pre-1 June 1989 Member, the pension payable for any Member who remains in Service after Normal Retirement Date under Rule 9.1.1 may only start on the member ceasing to be in Service (or age 75, if later) and his

pension shall be deemed to be deferred for the purposes of Rule 16 or Rule 16A which shall then apply until he ceases to be in Service or reaches age 75, if earlier.

- 9.2 Except in the case of a Member who is already receiving partial benefits under Rule 11 (Flexible Pension drawdown), the Member who has been in Pensionable Service until at least Normal Retirement Date shall receive a pension for life comprising the following:
- 9.2.1 an amount calculated in accordance with FS Rule 3, where he was in Pensionable Service prior to 1 January 2011, and
- 9.2.2 an amount calculated in accordance with CARE Rule 3.
- 9.3 Notwithstanding the terms of Rule 9.1.1, where a Pre- 1June 1989 Member remains in Service after Normal Retirement Date he shall on his retirement after Normal Retirement Date be entitled to a pension, which other than a member who is already receiving partial benefits under Rule 11, shall comprise the following:
- 9.3.1 an amount calculated in accordance with FS Rule 3, where he was in Pensionable Service prior to 1 January 2011, and
- 9.3.2 an amount calculated in accordance with CARE Rule 3,  
together with a lump sum benefit calculated in accordance with CARE Rule 6.3.
- 9.4 Any pension to which a Member is entitled under this Rule shall be payable for the period commencing with the day after he retires or is deemed to have retired and ending with the day he dies and shall be subject to compliance with the requirements of Clause 30 (Contracting-out).

## **10. Lump sum and Dependant's pension options**

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### **10.1 Lump sum on retirement**

10.1.1 In addition to any lump sum benefit payable in accordance with CARE Rule 6, a Member may choose to receive a lump sum instead of part of his pension (which may include pension payable in respect of his AVCs):

- (i) in the case of a Member who has made no Flexible Pension Election, when the first instalment of his pension falls due; or
- (ii) in the case of a Member who has made one or more Flexible Pension Elections, on each occasion that a Flexible Pension Election first takes effect and when the first instalment of his Pension Balance becomes due;

provided the total lump sum payable qualifies as a Pension Commencement Lump Sum and does not exceed the maximum amount permitted as a Pension Commencement Lump Sum.

- 10.1.2 The Trustees shall convert pension to lump sum at a rate determined by the Actuary.
- 10.1.3 Where a Member exercises the option under this Rule 10.1 and on the same day exercises the option under Rule 10.2, he shall be deemed to have exercised the option under this Rule 10.1 first.

### **10.2 Dependant's pension**

10.2.1 If the Trustees consent, a Member may, by giving prior written notice to the Trustees and subject to Rule 10.2.5 below, surrender part of his Pension Balance on the day the first instalment of his Pension Balance falls due in order to provide a pension (or an additional pension) on his death for a nominated Dependant.

10.2.2 The amount of the Dependant's pension shall be determined by the Trustees on the advice of the Actuary, having regard to the value of the pension surrendered and the age and sex of the Dependant, provided that:

- (i) the total amount of Dependents' pension payable under this Rule 10.2 must not exceed the pension remaining payable to the Member (taking into account



any amounts of pension payable to him in respect of Flexible Pension Elections); and

- (ii) the part of the Member's Pension Balance surrendered must not be so small that were the pension provided by it to become payable on the day the surrender is made a cash sum could be paid under Rule 10.4 in lieu of the pension.

10.2.3 If, before the date on which the surrender is to be made, the Member or the nominated Dependant dies, the nominated Dependant ceases to be a Dependant, or a lump sum is paid to the Member under Rule 10.3, the surrender shall be cancelled automatically.

10.2.4 Any pension to which a Dependant is entitled under this Rule 10.2 shall be payable for the period commencing with the day after the Member dies and ending with the day the Dependant dies, provided that where part of the last instalment of the Member's pension relates to a period for which that pension is not payable and the Trustees take no steps to recover that part, the period for which the Dependant's pension is payable shall not commence until one month after the day on which the last instalment of the Member's pension fell due.

10.2.5 A person who has been nominated by the Member in writing to the Trustees may qualify for benefits under this Rule 10.2 provided he is a Dependant as that term is defined in Clause 2 (Definitions) of the Trust Deed but excluding from that definition for the purposes of this Rule 10.2 and no other purpose, any person who at the date of the surrender is under age 18 or is still receiving full time education or vocational training unless that person (i) is the Member's Spouse, (ii) is suffering from some disability which would in the Trustees' opinion make him permanently dependent on the Member for the ordinary necessities of life were the Member to survive, or (iii) falls within paragraph (iv) of the definition of "Dependant" in Clause 2.

### 10.3 **Serious ill-health lump sum**

It may be that the Trustees receive evidence from a registered medical practitioner that a Member is expected to live for less than a year. If this happens before the Member starts to receive benefits from the Scheme, and if the Contracting out Laws permit, the Trustees may agree to pay a Member's benefits as a serious ill-health lump sum provided all the conditions of paragraph 4 of Part 1 of Schedule 29 to the Finance Act 2004 are satisfied. The lump sum payable will be calculated on a basis certified as reasonable by the Actuary

### 10.4 **Commutation: triviality and other grounds**

The Trustees may at any time allow a pension to be commuted on grounds of triviality, or on any other grounds not otherwise permitted by the Trust Deed and Rules, and on such terms as are decided by the Trustees, provided that the lump sum will be recognised as an authorised member payment for the purposes of section 164 of the Finance Act 2004. The lump sum payable will be calculated on a basis certified as reasonable by the Actuary.

## 11. **Flexible pension drawdown**

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11.1 A Member who is in Pensionable Service may, with the consent of the Employer, elect to bring a proportion of his retirement benefits into payment prior to actual retirement, while remaining in Pensionable Service.

This Rule 11 shall apply to the lump sum benefit calculated in accordance with CARE Rule 6 in a manner consistent with the manner in which it applies to a Member's pension benefits, subject to any restrictions which might apply consistent with the status of the Scheme being a Registered Pension Scheme, any additional restrictions or conditions which the Trustees may impose from time to time and with such modifications to this Rule 11 and other related Scheme rules dealing with flexible pension drawdown as the Trustees and the Principal Employer may from time to time agree.

### **Applying for Flexible Pension Drawdown**

- 11.2 A Member to whom this rule applies may elect by giving not less than two months written notice to the Trustees (or such shorter period as the Trustees may agree) to bring a proportion of his retirement benefits into payment.

The percentage of such benefits the Member elects to take this way on any election is referred to as "the **Flexible Election Percentage**".

### **Conditions applying to Flexible Pension Drawdown**

- 11.3 Any election made shall only be effective as a Flexible Pension Election if the following conditions are met:
- 11.3.1 the Employer must consent
  - 11.3.2 an election may only be made by a Qualifying Member
  - 11.3.3 the election must take effect on or after the Member's 55<sup>th</sup> birthday.
  - 11.3.4 no member may make more than two effective Flexible Pension Elections
  - 11.3.5 a Flexible Pension Election must specify the Flexible Election Percentage to apply under it, which shall be in increments of 5% or in such other proportions as the Trustees may permit
  - 11.3.6 the minimum Flexible Election Percentage applying under each Flexible Pension Election made by the Member shall be 20%
  - 11.3.7 the maximum Flexible Election Percentage applying to the Member's first Flexible Pension Election shall be 80%
  - 11.3.8 the maximum Flexible Election Percentage applying to the Member's second Flexible Pension Election shall be 80% minus the Flexible Election Percentage that applied to the Member's first effective Flexible Pension Election.
  - 11.3.9 Any Flexible Election Percentage specified by the Member shall, in any election made, be limited where required to ensure that the Member's pension shall be not less than the required GMP in respect of Pensionable Service before 6 April 1997.
  - 11.3.10 Any Flexible Pension Election shall not take effect if either the amount of pension payable under it or the amount of the prospective Pension Balance at the time such election would take effect, would be below the level at which a pension may be commuted on the grounds of triviality under the Scheme.
  - 11.3.11 A Flexible Pension Election once it has taken effect shall be irrevocable.
  - 11.3.12 Any pension payable arising from a Flexible Pension Election under this Rule 11 shall be payable for the period commencing with the day on which the Flexible Pension Election takes effect and ending with the day the Member dies.
  - 11.3.13 Any Pension Balance payable to a Member under this Rule 11 shall be payable for the period commencing with the day the Member retires (or is deemed to have retired) and ending with the day he dies; this, however, is subject to the further requirement that where a pension is brought into payment early on the grounds of Total Incapacity or Partial Incapacity under this Rule 11, Rules 8.3 – 8.8 shall apply in the same manner as to any such pension payable under Rule 8.
  - 11.3.14 Any Pension Balance payable to a Member under whichever of Rules 11.9 or – 11.12 apply to him shall be in addition to the benefits payable in respect of Flexible Benefit Elections made by that Member.
  - 11.3.15 For the avoidance of doubt, where this Rule 11 provides for benefits to be calculated on the basis that the Member had been retiring without previously having made a (or any) Flexible Pension Election(s):

- (i) the Member's Final Pensionable Salary shall be calculated as provided for in the definition of Final Pensionable Salary and Rule 20 (part-time employment), and
- (ii) when calculating the amount of an Annual Pension Unit for a CARE Year during or prior to which the Member has made a Flexible Pension Election, the Annual Salary of the member concerned shall mean the amount of the basic emoluments actually received by the Member from the Employer for that CARE Year, subject to the provisos contained in the definition of Annual Salary,

and benefits shall not be determined as though the reduction in the Member's working hours made in terms of Rule 11.4 in connection with any Flexible Pension Election fell to be disregarded.

#### **Additional Conditions: impact on working hours and remuneration**

- 11.4 Upon and following each Flexible Pension Election, the Member's working hours and basic rate of salary shall both be reduced on a basis which is intended to be permanent by at least 20% in each case. For the avoidance of doubt:
- (i) where a Member makes more than one Flexible Pension Election, this requirement shall apply on each occasion the Flexible Pension Election becomes effective
  - (ii) on the Member's second Flexible Pension Election, the minimum percentage reduction shall be 20% of the Member's working hours and basic rate of salary immediately prior to the election taking effect *[for example: on a first Flexible Election, the Member's working hours are reduced by 20% from 5 to 4 days; on the second Flexible Election, the Member's hours are reduced by a further day, from 4 to 3 days, and the percentage reduction is 25%.]*
  - (iii) the percentage reduction in working hours and basic salary applying to any Flexible Pension Election need not be the same as the Flexible Election Percentage applying under that Flexible Pension Election.
- 11.5 Prior to any Flexible Pension Election, the Principal Employer shall provide the Trustees with such information and/or certificates as the Trustees may require in order to establish that the requirements for the reductions to working hours and basic rate of salary referred to above have been met. When determining the percentage reduction in a Member's basic rate of salary, any increase which is being applied generally to the salaries of employees in the same or most closely comparable grade to the Member shall be disregarded, as shall any increase attributable to the Member's appointment to a new or promoted post.
- 11.6 A Flexible Pension Election shall only be effective if the Member making it is continuing in Pensionable Service after the election has been made.

#### **Remaining retirement benefits following Flexible Pension Election**

- 11.7 The remaining retirement benefits of a Member who has been made an effective Flexible Pension Election shall be brought into payment in accordance with the further provisions of this Rule 11 or Rule 16A, unless the Member dies before the remaining retirement benefits concerned are brought into payment.

#### **Retirement Benefits following first Flexible Pension Election**

- 11.8 The retirement benefits to be brought into payment when a first effective Flexible Pension Election takes effect shall be determined in accordance with whichever of 11.8.1 to 11.8.3 below applies.

##### **First Flexible Election at Normal Retirement Date**

- 11.8.1 Where the First Flexible Election Date is the same as the Member's Normal Retirement Date, the Member shall become entitled to a pension equal to the Flexible Election Percentage of the pension that would have been payable under

Rule 7 and the further provisions of the Rules, had they retired on that date without having made a Flexible Pension Election.

**First Flexible Election before Normal Retirement Date**

11.8.2 Where the First Flexible Election Date arises before the Member's Normal Retirement Date, the Member shall become entitled to a pension equal to the Flexible Election Percentage of the pension that would have been payable to the Member under Rule 8 and the further provisions of the Rules, had they retired in normal health on the First Flexible Election Date.

For the avoidance of doubt, the provisos to Rule 8.1 shall not apply to flexible retirement so that any Roslin Member, any Member who was in Pensionable Service on 31 March 1994 and any Pre-1 January 2017 Member shall require the consent of the Employer to any Flexible Pension Election.

**First Flexible Election after Normal Retirement Date**

11.8.3 Where the First Flexible Election Date occurs after the Member's Normal Retirement Date, the Member shall become entitled to a pension equal to the Flexible Election Percentage of the pension that would have been payable to the Member under Rule 9 and the further provisions of the Rules, had they retired on the First Flexible Election Date.

**Options available on First Flexible Election**

11.8.4 For the avoidance of doubt, a Member shall be entitled to exercise the option available under Rule 10.1 (lump sum on retirement) but not that under Rule 10.2 (Dependent's Pension) on a pro-rata basis in respect of any pension to which they become entitled under whichever of Rules 11.8.1 – 11.8.3 above apply.

**Benefits remaining following a single Flexible Pension Election**

11.9 Where a Member has made only a single effective Flexible Pension Election, the residual benefits payable to the Member on subsequent retirement shall be payable in accordance with whichever Rules 11.9.1 – 11.9.3 shall apply. When payable, the residual benefits shall be paid in addition to the pension payable under the Flexible Pension Election, which shall continue to be paid to the Member.

**Retirement at Normal Retirement Date**

11.9.1 Where the Member retires at Normal Retirement Date, the pension he shall become entitled to will comprise:

- (i) where he was in Pensionable Service prior to 1 January 2011, the Reduced Percentage of an amount calculated in accordance with FS Rule 1 and the further provisions of these Rules, on the basis that the Member had been retiring at Normal Retirement Date without previously having made a Flexible Pension Election,
- (ii) for those Annual Pension Units and Additional Pension Units that would have accrued to the Member had he retired on the First Flexible Election Date, the Reduced Percentage of the amount that would have been payable to the Member in respect of those units, calculated in accordance with CARE Rule 1 and the further provisions of the Rules, had the Member been retiring at Normal Retirement Date without previously having made a Flexible Pension Election, and
- (iii) for those Annual Pension Units and Additional Pension Units that have accrued to the Member in addition to those described in 11.9.1(ii) above, the amount payable to the Member in respect of those units, calculated in accordance with CARE Rule 1 and the further provisions of the Rules.

**Retirement before Normal Retirement Date**

- 11.9.2 Where the Member meets the conditions for early retirement under Rule 8 and retires before Normal Retirement Date, he shall be entitled to a pension comprising the following:
- (i) where he was in Pensionable Service prior to 1 January 2011, the Reduced Percentage of an amount calculated in accordance with FS Rule 2 and the further provisions of the Rules as though the Member had been retiring on the Relevant Date without previously having made a Flexible Pension Election,
  - (ii) for those Annual Pension Units and Additional Pension Units that would have accrued to the Member had he retired on the First Flexible Election Date, the Reduced Percentage of the amount that would have been payable to the Member in respect of those units, calculated in accordance with CARE Rule 2, and the further provisions of the Rules, had the Member been retiring on the Relevant Date without previously having made a Flexible Pension Election
  - (iii) for those Annual Pension Units and Additional Pension Units that have accrued to the member in addition to those described in Rule 11.9.2(ii) above, the amount payable to the Member in respect of those units calculated in accordance with CARE Rule (2) and the further provisions of the Rules, and
  - (iv) where the Member retires from Pensionable Service on the grounds of Total Incapacity and has completed at least 5 years' actual Pensionable Service, an increase in the pension in respect of his Credited Pension Units are referred to in CARE Rule 2.1.2.

**Retirement after Normal Retirement Date**

- 11.9.3 Where the Member retires or is deemed to retire after Normal Retirement Date, he shall be entitled to a pension comprising the following :
- (i) where he was in Pensionable Service prior to 1 January 2011, the Reduced Percentage of an amount calculated in accordance with FS Rule 3 and the further provisions of the Rules as though the Member had been retiring without previously having made a Flexible Pension Election
  - (ii) for those Annual Pension Units and Additional Pension Units that would have accrued to the Member had he retired on the First Flexible Election Date, the Reduced Percentage of the amount that would have been payable to the Member in respect of those units, calculated in accordance with CARE Rule 3 and the further provisions of the Rules, had he been retiring on the date of his actual or deemed retirement without previously having made a Flexible Pension Election, and
  - (iii) for those Annual Pension Units and Additional Pension Units that have accrued to the member in addition to those referred to in Rule 11.9.3(ii) above, the amount payable to the Member in respect of those units calculated in accordance with CARE Rule 3 and the further provisions of the Rules.

**Retirement Benefits following a Second Flexible Pension Election**

- 11.10 The retirement benefits to be brought into payment when a second effective Flexible Pension Election takes effect shall be determined in accordance with whichever of Rules 11.10.1 – 11.10.3 below apply.

**Second Flexible Election at Normal Retirement Date**

- 11.10.1 Where the Second Flexible Election Date is the same as the Member's Normal Retirement Date, the Member shall become entitled to a pension equal to the

Flexible Election Percentage of the pension that would have been payable to him in accordance with Rule 11.9.1 and the further provisions of the Rules, had the Member been retiring on that date.

#### **Second Flexible Election before Normal Retirement Date**

11.10.2 Where the Second Flexible Election Date occurs before the Member's Normal Retirement Date, the Member shall become entitled to a pension equal to the Flexible Election Percentage of the pension that would have been payable to the Member in accordance with Rule 11.9.2 and the further provisions of the Rules had the Member been retiring in normal health on the Second Flexible Election Date.

For the avoidance of doubt, the provisos to Rule 8.1 shall not apply to flexible retirement so that any Roslin Member, any Member who was in Pensionable Service on 31 March 1994 and any Pre-1 January 2017 Member shall require the consent of the Employer to any Flexible Pension Election.

#### **Second Flexible Election after Normal Retirement Date**

11.10.3 Where the Second Flexible Election Date occurs after the Member's Normal Retirement Date, the Member shall become entitled to a pension equal to the Flexible Election Percentage of the pension that would have been payable to the Member in accordance with Rule 11.9.3 and the further provisions of the Rules, had the member been retiring on the Second Flexible Election Date.

#### **Options available on Second Flexible Pension Election**

11.11 For the avoidance of doubt:

- 11.11.1 the benefits payable to a Member when a second Flexible Pension Election takes effect are in addition to those which the member is entitled to on their First Flexible Pension Election taking effect
- 11.11.2 a Member shall be entitled to exercise the option available under Rule 10.1 (lump sum on retirement) but not that under Rule 10.2 (Dependant's Pension) on a pro-rata basis in respect of any pension to which they become entitled under whichever of Rules 11.10.1 – 11.10.3 above apply
- 11.11.3 any reference in Rules 11.10 and 11.11 to a Flexible Election Percentage shall be a reference to the Member's second Flexible Pension Election

#### **Benefits remaining following a Second Flexible Election**

11.12 Where a Member has made two effective Flexible Pension Elections, the residual benefits payable to the Member on subsequent retirement shall be payable in accordance with whichever of 11.12.1 – 11.12.3 shall apply. When payable, the residual benefits shall be paid in addition to the pensions payable under each Flexible Pension Elections for the Member concerned, which shall continue to be paid to the Member.

#### **Retirement at Normal Retirement Date**

11.12.1 Where the Member retires at Normal Retirement Date, he shall be entitled to a pension calculated as follows.

In order to determine the pension payable, the Trustees shall establish the following:

- (A) where the Member was in Pensionable Service prior to 1 January 2011, an element of pension payable equal to the Residual Percentage of an amount of pension calculated in accordance with FS Rule 1 and the further provisions of the Rules on the basis that the Member had been retiring at Normal Retirement Date without previously having made any Flexible Pension Election ("**Element 1**")
- (B) the Annual Pension Units and Additional Pension Units that would have accrued to the Member had he retired on the First Flexible Election Date without having made any Flexible Pension Election

- (C) the Annual Pension Units and Additional Pension Units that would have accrued to the Member had he retired on the Second Flexible Election Date without having made any Flexible Pension Elections
- (D) the total Annual Pension Units and Additional Pension Units that would have accrued to the member had he been retiring at Normal Retirement Date without having made any Flexible Pension Elections
- (E) the excess (in terms of number and/or value) of the units referred to in (C) above over those referred to in (B) above
- (F) the excess (in terms of number and/or value) of the units referred to in (D) above over those referred to in (C) above
- (G) the amount that would have been payable to the Member in respect of those units referred to in (B) above, calculated in accordance with CARE Rule 1 and the further provisions of the Rules, had he been retiring at Normal Retirement Date without having made any Flexible Pension Elections
- (H) the amount that would have been payable to the Member in respect of those units referred to in (C) above, calculated in accordance with CARE Rule 1 and the further provisions of the Rules, had he been retiring at Normal Retirement Date without having made any Flexible Pension Elections, and
- (I) the amount that would have been payable to the Member in respect of those units referred to in (D) above, calculated in accordance with CARE Rule 1 and the further provisions of the Rules, had he been retiring at Normal Retirement Date, without having made any Flexible Pension Elections.

The pension payable to the Member under this Rule 11.12.1 shall be calculated as:

**Element 1** (where applicable to the Member)

plus

**Element 2** (being equal to the Residual Percentage of the amount referred to in (G) above)

plus

**Element 3** (being equal to the Reduced Percentage of such part of the amount referred to in (H) above as is attributable to the excess referred to in (E) above

plus

**Element 4** (being such part of the amount referred to in (I) above as is attributable to the excess referred to in (F) above.

**Retirement before Normal Retirement Date**

11.12.2 Where the Member meets the conditions for early retirement under Rule 8 and retire before Normal Retirement Date, he shall become entitled to a pension calculated as follows.

In order to determine the pension payable, the Trustee shall establish the following:

- (A) where the member was in Pensionable Service prior to 1 January 2011, an element of pension payable equal to the Residual Percentage of an amount of pension calculated in accordance with FS Rule 2 and the further provisions of the Rules on the basis that the Member had been retiring on the Relevant Date without previously having made any Flexible Pension Election ("**Element 1**")
- (B) the Annual Pension Units and Additional Pension Units that would have accrued to the Member, had he retired on the First Flexible Election Date without having made any Flexible Pension Election

- (C) the Annual Pension Units and Additional Pension Units that would have accrued to the Member, had he retired on the Second Flexible Election Date without having made any Flexible Pension Elections
- (D) the total Annual Pension Units and Additional Pension Units that would have accrued to the Member, had he been retiring on the Relevant Date without having made any Flexible Pension Elections
- (E) the excess (in terms of number and/or value) of the units referred to at (C) above over those referred to at (B) above
- (F) the excess (in terms of number and/or value) of the units referred to at (D) above over those referred to at (C) above
- (G) the amount that would have been payable to the Member in respect of those units referred to at (B) above, calculated in accordance with CARE Rule 2 and the further provisions of the Rules, had he been retiring on the Relevant Date without having made any Flexible Pension Elections
- (H) the amount that would have been payable to the Member in respect of those units referred to at (C) above, calculated in accordance with CARE Rule 2, and the further provisions of the Rules, had he been retiring on the Relevant Date without having made any Flexible Pension Elections, and
- (I) the amount that would have been payable to the Member in respect of those units referred to at (D) above, calculated in accordance with CARE Rule 2 and the further provisions of the Rules, had he been retiring on the Relevant Date without having made any Flexible Pension Elections.

The pension payable to the Member under this Rule 11.12.2 shall be calculated as:

**Element 1** (where applicable to the Member)

plus

**Element 2** (being equal to the Residual Percentage of the amount referred to at (G) above)

plus

**Element 3** (being equal to the Reduced Percentage of such part of the amount referred to at (H) above as is attributable to the excess referred to at (E) above)

plus

**Element 4** (where applicable to the Member, being such part of the amount referred to at (I) above as is attributable to the excess referred to at (F) above, and

plus

**Element 5** (being applicable only in the case of a Member who retires from Pensionable Service on the grounds of Total Incapacity and has completed at least 5 years' actual Pensionable Service), the increase in the pension in respect of his Credited Pension Units as referred to in CARE Rule 2.1.2

#### **Retirement after Normal Retirement Date**

11.12.3 Where the member retires (or is deemed to retire) after Normal Retirement Date, he shall become entitled to a pension calculated as follows.

In order to determine the pension payable, the Trustees shall establish the following:

- (A) where the Member was in Pensionable Service prior to 1 January 2011, an element of pension payable equal to the Residual Percentage of an amount of pension calculated in accordance with FS Rule 3 and the further provisions of



the Rules as though the Member had been retiring without previously having made any Flexible Pension Election ("**Element 1**")

- (B) the Annual Pension Units and Additional Pension Units that would have accrued to the Member, had he retired on the First Flexible Election Date without having made any Flexible Pension Election
- (C) the Annual Pension Units and Additional Pension Units that would have accrued to the Member, had he retired on the Second Flexible Election Date without having made any Flexible Pension Elections
- (D) the total Annual Pension Units and Additional Pension Units that would have accrued to the Member, had he been retiring on the date of his actual or deemed retirement without having made any Flexible Pension Elections
- (E) the excess (in terms of number and/or value) of the units referred to as (C) above over those referred to at (B) above
- (F) the excess (in terms of number and/or value) of the units referred to at (D) above over those referred to at (C) above
- (G) the amount that would have been payable to the Member in respect of those units referred to at (B) above, calculated in accordance with CARE Rule 3 and the further provisions of the Rules, had he been retiring on the date of his actual or deemed retirement without having made any Flexible Pension Elections,
- (H) the amount that would have been payable to the Member in respect of those units referred to at (C) above, calculated in accordance with CARE Rule 3 and the further provisions of the Rules, had he been retiring on the date of actual or deemed retirement without having made any Flexible Pension Elections, and
- (I) the amount that would have been payable to the Member in respect of those units referred to at (D) above, calculated in accordance with CARE Rule 3 and the further provisions of the Rules, had he been retiring on the date of his actual or deemed retirement without having made any Flexible Pension Elections.

The pension payable to the member under this Rule 11.12.3 shall be calculated as:

**Element 1** (where applicable to the Member)

plus

**Element 2** (being equal to the Residual Percentage of the amount referred to at (G) above)

plus

**Element 3** (being equal to the Reduced Percentage of such part of the amount referred to at (H) above as is attributable to the excess referred to at (E) above

plus

**Element 4** (being such part of the amount referred to at (I) above as is attributable to the excess referred to at (F) above.)

## **12. Lump sum payable on death**

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### **12.1 Death in Pensionable Service**

#### **12.1.1 Member who has made no Flexible Pension Election**

On the death in Pensionable Service of a Member who has not made a Flexible Pension Election, there shall be payable a lump sum equal to the higher of:

- (i) three times the Member's Pensionable Salary as at the day before he died plus an amount equal to the Member's Contributions retained in the Scheme; and
- (ii) the lump sum benefit under CARE Rule 6 that would have been paid plus the value of five years' payments of the pension that would have been payable to him had he retired on the day before his death (calculated, in the case of a Member dying prior to Normal Retirement Date, as if the Member had retired in normal health) meaning that the amount concerned shall be reduced by a percentage calculated on a basis certified as reasonable by the Scheme Actuary having regard to the period between the date the first instalment of the pension would have fallen due and Normal Retirement Date, save to the extent that no reduction would have applied under the relevant provisions of the Rules in the event of such retirement.

#### 12.1.2 Member who has made a Flexible Pension Election

On the death in Pensionable Service of a Member who has made one or more Flexible Pension Elections, there shall be payable a lump sum equal to the higher of:

- (i) three times the Member's Pensionable Salary as at the day before he died plus an amount equal to the Unapplied Proportion of the Member's Contributions retained under the Scheme; and
- (ii) the lump sum benefit under CARE Rule 6 that would have been paid together with the value of five years' payments of the additional amount of pension that would have come into payment had he retired on the day before his death (calculated, in the case of a Member dying prior to Normal Retirement Date, as if the Member had retired in normal health) meaning that the amount concerned shall be reduced by a percentage calculated on a basis certified as reasonable by the Scheme Actuary having regard to the period between the date the first instalment of the pension would have fallen due and Normal Retirement Date, save to the extent that no reduction would have applied under the relevant provisions of the Rules in the event of such retirement;

plus, where the Member dies within five years of any Flexible Pension Election taking effect, an amount equal to the balance of the unpaid instalments of the pension that would have been paid to him in respect of that Flexible Pension Election, had he survived for the remainder of that period.

### 12.2 Death in the 5 years after pension starts

#### 12.2.1 Member who has made no Flexible Pension Election

If a Member who has not made a Flexible Pension Election dies in the five years after his pension starts, the lump sum death benefit shall be equal to the value of the unpaid instalments of pension that would have been paid to him had he survived until the end of the five year period.

#### 12.2.2 Member who has made a Flexible Pension Election

If a Member who has made one or more Flexible Pension Elections:

- (i) dies within five years of any Flexible Pension Election taking effect, there shall be payable an amount equal to the value of unpaid instalments of pension which would have been paid to him in respect of that Flexible Pension Election during the remainder of the five year period if he had not died; together with
- (ii) where the Member dies within five years of the first instalment of his Pension Balance falling due, there shall be payable an amount equal to the value of

the unpaid instalments of the Pension Balance that would have been paid to him during the remainder of the five year period if he had not died,

or

where the Member dies on or after Normal Retirement Date but before the first instalment of his Pension Balance falls due, an amount equal to the lump sum benefit under CARE Rule 6 that would have been paid plus the value of five years' payments of the pension which would have been paid to him in respect of his Pension Balance had he brought it into payment on the day before his death.

### 12.3 **Death of a Member with a preserved pension**

#### 12.3.1 **Death prior to Normal Retirement Date**

If a Member (other than a Roslin Member or a Pre-1 January 2017 Member) with a preserved pension dies before Normal Retirement Date and before payment of any part of his pension has commenced, a lump sum will be payable equal to the Member's Contributions retained under the Scheme.

#### 12.3.2 **Death on or after Normal Retirement Date**

If a Member (other than a Roslin Member or a Pre-1 January 2017 Member) with a preserved pension dies on or after Normal Retirement Date but before payment of any part of his pension has commenced, there shall be payable a lump sum equal to the value of five years' payments of the pension which would have been payable to the Member had he brought his pension into payment on the day before his death.

#### 12.3.3 **Death of a Roslin Member**

If a Roslin Member with a preserved pension dies before payment of any part of his pension has commenced, a lump sum will be payable of:

- (i) where he dies before age 60, an amount equal to the Member's Contributions retained under the Scheme;
- (ii) where he dies on or after his 60<sup>th</sup> birthday but before his 65<sup>th</sup> birthday, an amount equal to the aggregate of:
  - (a) an amount equal to the value of five years' payments of the pension that would have been payable to him had he brought his pension into payment on the day before his death, insofar as such pension is attributable to Pensionable Service up to and including 31 December 2010; and
  - (b) the Member's Contributions retained under the Scheme insofar as they were payable in respect of Pensionable Service on and after 1 January 2011;
- (iii) where he dies on or after his 65<sup>th</sup> birthday but before Normal Retirement Date, an amount equal to the aggregate of:
  - (a) an amount equal to the value of five years' payments of the pension that would have been payable to him had he brought his pension into payment on the day before his death, insofar as such pension is attributable to Pensionable Service up to and including 31 December 2016; and
  - (b) the Member's Contributions retained under the Scheme insofar as they were payable in respect of Pensionable Service on and after 1 January 2017, or
- (iv) where he dies on or after Normal Retirement Date, an amount equal to the lump sum benefit under CARE Rule 6 that would have been paid plus the

value of five years' payments of the pension that would have been payable to him had he brought his pension into payment on the day before his death.

#### 12.3.4 **Death of a Pre-1 January 2017 Member**

If a Pre-1 January 2017 Member (other than a Roslin Member) with a preserved pension dies before payment of any part of his pension has commenced, a lump sum will be payable of:

- (i) where he dies before his 65th birthday, an amount equal to the Member's Contributions retained under the Scheme;
- (ii) where he dies on or after his 65th birthday but before Normal Retirement Date, an amount equal to the aggregate of:
  - (a) an amount equal to the value of five years' payments of the pension that would have been payable to him had he brought his pension into payment on the day before his death, insofar as such pension is attributable to Pensionable Service up to and including 31 December 2016; and
  - (b) the Member's Contributions retained under the Scheme insofar as they were payable in respect of Pensionable Service on and after 1 January 2017; or
- (iii) where he dies on or after Normal Retirement Date, an amount equal to the lump sum benefit under CARE Rule 6 that would have been paid plus the value of five years' payments of the pension that would have been payable to him had he brought his pension into payment on the day before his death.

#### 12.4 **Discretionary trusts**

- 12.4.1 Any lump sum death benefit payable under this Rule 12 shall be held by the Trustees on discretionary trusts with power, exercisable within one year of the death of the Member, to pay or apply all or part of it to or for the benefit of any one or more of the Member's Beneficiaries in such proportions as the Trustees may decide.
- 12.4.2 In exercise of their powers under Rule 12.4.1 and so long as no one other than a Beneficiary can become entitled, the Trustees may:
  - (i) direct that all or part of the lump sum death benefit be held by themselves or other trustees on such trusts (including discretionary trusts) and with such powers and provisions (including powers of delegation, selection and variation the powers of appointment and nomination of trustees of such trust, and the power to charge costs whether to the trust fund of such trust or otherwise) as the Trustees think fit; or
  - (ii) pay all or part of the lump sum death benefit to the trustees of any other existing trust.
- 12.4.3 Any lump sum death benefit (or any part thereof) which the Trustees do not dispose of using their discretionary power under this Rule 12.4 within one year of the Member's death shall be paid to the Member's legal personal representatives.
- 12.4.4 Any death benefit payable under this Rule shall be paid by the Trustees as soon as their decision is made or, where payment is to be made to the Member's legal personal representatives, as soon as the legal personal representatives exhibit proof of their title. If by the second anniversary of the Member's death the Trustees have been unable to pay the whole of the death benefit in accordance with this Rule, they may decide to hold the unpaid benefit in a separate account outside the Scheme, failing which the unpaid benefit shall not be payable but shall be retained by them and used for the general purposes of the Scheme.

## **13. Spouse's pension**

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### **13.1 Pension for a Spouse: general rules**

13.1.1 If a Member dies leaving a surviving Spouse, the Spouse will receive a pension for life determined in accordance with, and subject to the conditions set out in, this Rule.

13.1.2 For the purposes of calculating a Spouse's pension payable under this Rule the following shall apply:

(i) In the case of benefits payable under Rules 13.2 and 13.3, the Member's pension on which the Spouse's pension is based shall be that which would have been paid or payable to him if he had not given up any pension for a lump sum under Rule 10.1 where this had occurred.

(ii) In the case of benefits payable under Rule 13.3, the Member's pension on which the Spouse's pension is based shall be that which would have been paid or payable to him if (where applicable) he had not given up any pension for a Dependant's pension under Rule 10.2 or received a cash sum in lieu of pension under Rule 10.3 or Rule 10.4..

(iii) the following shall be ignored:

(a) any part of the Member's pension attributable to AVCs in terms of Rule 6; and

(b) any part of the Member's pension attributable to assets transferred into the Scheme under Clause 32 unless the Trustees shall have agreed otherwise expressly with the Member.

13.1.3 If:

(a) the Member married after having received any part of his Pension Balance (or had received a lump sum under Rule 10) in the period 6 months before his death, or

(b) the Member's Spouse remarries,

the Trustees may in their absolute discretion decide that no benefit shall be payable under this Rule 13. Any Spouse for whom the Scheme is required to provide a GMP or other benefits by virtue of the Reference Scheme Test under the Contracting-out Laws, will, however, always receive that GMP and/or those other benefits.

13.1.4 Subject to Rule 13.1.3, any pension to which a surviving Spouse is entitled under this Rule 13 shall be payable for the period commencing with the day after the Member dies and ending with the day the surviving Spouse dies.

### **13.2 Death in Pensionable Service before Normal Retirement Date**

#### **13.2.1 Member who has made no Flexible Pension Election**

If a Member who has not made a Flexible Pension Election dies in Pensionable Service before Normal Retirement Date, the Spouse's pension will be one half of the pension the Member would have received if he had stayed in Pensionable Service until Normal Retirement Date calculated in accordance with Rule 7 but on the following basis:

(i) for the purpose of calculating the Member's prospective benefits under the FS Rules, Final Pensionable Salary will be calculated as at the day before his death; and

(ii) for the purpose of calculating the Member's prospective benefits under the CARE Rules, the rate of his Pensionable Salary during the period from the date of death until Normal Retirement Date will be the same as the rate as at the day before the Member died.

### 13.2.2 **Member who has made a Flexible Pension Election**

If a Member who has made one or more Flexible Pension Elections dies in Pensionable Service before Normal Retirement Date, the Spouse's pension will be equal to the aggregate of:

- (i) one half of the pension being paid to the Member at the date of death; and
- (ii) one half of the further pension the Member would have received if he had stayed in Pensionable Service until Normal Retirement Date calculated in accordance with Rule 11.9.1 or Rule 11.12.1 but on the following basis:
  - (a) for the purpose of calculating the Member's prospective benefits under the FS Rules, Final Pensionable Salary will be calculated as at the day before his death; and
  - (b) for the purpose of calculating the Member's prospective benefits under the CARE Rules, the rate of his Pensionable Salary during the period from the date of death until Normal Retirement Date will be the same as the rate as at the day before the Member died.

### 13.2.3 **Reduction in Spouse's pension where Relevant Dependant's pension paid**

If the Trustees exercise their discretion under Rule 15 to pay a pension to a Relevant Dependant on the death of a person who became a Member after 26 October 2001, the Trustees may at the same time determine that any pension payable under this Rule 13.2 shall be reduced by an amount which is not greater than the amount of the pension payable under Rule 15, provided that the reduced pension shall not be less than is required to comply with the Reference Scheme Test under the Contracting out Laws.

## 13.3 **Death after retirement or after Normal Retirement Date but before pension starts**

### 13.3.1 **Death after retirement**

If a Member dies after his pension has come into payment in full, the Spouse's pension will be one half of the pension payable to the Member at his death.

### 13.3.2 **Death on or after Normal Retirement Date but before pension starts**

#### (i) **Member who has made no Flexible Pension Election**

If a Member dies on or after Normal Retirement Date but before any part of his pension has come into payment, the Spouse's pension will be one half of the pension the Member would have received if he had retired immediately before his death.

#### (ii) **Member who has made a Flexible Pension Election**

If a Member who has made one or more Flexible Pension Elections dies on or after Normal Retirement Date but before his Pension Balance has come into payment, the Spouse's pension will be the aggregate of:

- (a) one half of the pension being paid to the Member at the date of death; and
- (b) one half of the further pension the Member would have received if he had brought his Pension Balance into payment on retirement immediately before his death

### 13.3.3 **Reduction in Spouse's pension where Relevant Dependant's pension paid**

If the Trustees exercise their discretion under Rule 15 to pay a pension to a Relevant Dependant, the Trustees may reduce the amount of any pension payable under this Rule 13.3:

- (i) in respect of the death of a person who became a Member after 26 October 2001; and/or
- (ii) to the extent that it relates to Pensionable Service occurring after 26 October 2001; and/or
- (iii) to the extent that it relates to AVCs paid under FS Rule 5 and/or CARE Rule 5;

by an amount which is not greater than the amount of the pension payable under Rule 15, provided that the reduced pension shall not be less than is required to comply with the Reference Scheme Test under the Contracting out Laws.

#### **13.4 Death of a Member with a preserved pension before Normal Retirement Date**

##### **13.4.1 Member not in receipt of pension benefits**

If a Member with a preserved pension under Rule 16 or 16A (as the case may be) dies before Normal Retirement Date and before any part of his pension has come into payment, the Spouse's pension will be one-half of the deferred pension to which the Member was prospectively entitled, as if such pension had come into payment immediately prior to his death, including such revaluation as is applicable in accordance with the Contracting-out Laws, provided that:

- (i) insofar as it relates to the Member's Pensionable Service prior to 1 January 2011, the Spouse's pension shall be not less than 1/160th of the Member's Final Pensionable Salary multiplied by his Pensionable Service after 6 April 1978 and prior to 1 January 2011, together with any additional amount required to ensure compliance with the Contracting out Laws; and
- (ii) insofar as it relates to the Member's Pensionable Service prior to 6 April 1997, the Spouse's pension shall be not less than the required GMP.

For the avoidance of doubt, this Rule 13.4.1 shall apply to a Member with a preserved pension under Rule 16A who has made a Flexible Pension Election and dies before his Normal Retirement Date before any instalment of pension payable in respect of that election falls due.

##### **13.4.2 Member in receipt of pension following a Flexible Pension Election**

If a Member with a preserved pension under Rule 16A dies before Normal Retirement Date while in receipt of a pension payable in respect of one or more Flexible Pension Elections but before any instalment of his Pension Balance falls due, the Spouse's pension will be one-half of the aggregate pension to which the Member was prospectively entitled at Normal Retirement Date (which, for the avoidance of doubt, shall be the aggregate of the amounts of the pensions already being paid to him in respect of Flexible Pension Elections and the amount of the Pension Balance that would have come into payment at that date, including such revaluation as is applicable under the Contracting out Laws), provided that insofar as it relates to the Member's Pensionable Service prior to 6 April 1997, the Spouse's pension shall be not less than the required GMP.

## **14. Children's pensions**

- 14.1 If a Member dies in Pensionable Service without leaving a surviving Spouse, or if he leaves a surviving Spouse who subsequently dies, a children's pension will be payable to or for the benefit of the Member's Eligible Children of the same amount as the Spouse's pension which would have been payable (ignoring any reduction in the amount of the Spouse's pension under Rules 13.2.3 or 13.3.3). Where there is more than one Eligible Child, the pension shall be divided equally among them.

- 14.2 The children's pension will be payable for the period commencing with the day after the Member or the Member's surviving Spouse (as applicable) dies and ending with the last date on which there are Eligible Children. In the event of a recipient ceasing to qualify as an Eligible Child, the pension payable to him shall be redistributed in equal shares amongst the remaining Eligible Children (if any). Where part of the last instalment of a surviving Spouse's pension relates to a period for which that pension is not payable and the Trustees take no steps to recover that part, the period for which the children's pension is payable shall not commence until one month after the day on which the last instalment of the Spouse's pension fell due.

## **15. Relevant Dependant's pension**

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### **Death in Pensionable Service**

- 15.1 On the death of a Member in Pensionable Service before Normal Retirement Date, the Trustees may in their absolute discretion pay a pension to a Relevant Dependant of such amount as the Trustees may from time to time determine.
- 15.2 Any pension payable under Rule 15.1 above shall not:
- (i) be greater than the pension payable to the Member's Spouse under Rule 13.2 (or the pension which would have been payable under that Rule, had the Member been survived by a Spouse) before any deduction is applied under Rule 13.2.3;
  - (ii) exceed, when added to any pension actually payable to the Member's Spouse under Rule 13.2 and any children's pensions payable under Rule 14, the amount of pension which would have been payable to the Member from Normal Retirement Date on the basis that he had continued in Pensionable Service until Normal Retirement Date on the assumption that:
    - (a) for the purpose of calculating the Member's benefits under the FS Rules, Final Pensionable Salary will be calculated at the date of his death, and
    - (b) for the purpose of calculating the Member's prospective benefits under the CARE Rules, the rate of his Pensionable Salary during the period from the date of death until Normal Retirement Date will be the same as the rate as at the day before the Member died.

### **Death after retirement or after Normal Retirement Date but before pension starts**

- 15.3 On the death of a Member after retirement or on or after Normal Retirement Date but before payment of his Pension Balance has commenced, the Trustees may in their absolute discretion pay a pension to a Relevant Dependant of such amount as the Trustees may from time to time determine.
- 15.4 The amount of any pension payable under Rule 15.3 shall be subject to the following:
- (i) if the Member's Pension Balance has come into payment at or before Normal Retirement Date, the amount of pension payable shall not be greater than one half of the amount per annum of the Member's pension payable under the Scheme when the Pension Balance first came into payment, which, for the avoidance of doubt, shall be the aggregate of the amounts per annum as at that date of any pensions already being paid to him in respect of Flexible Pension Elections and the amount of the Pension Balance coming into payment at that date.
  - (ii) if the Member's Pension Balance has not come into payment at or before Normal Retirement Date, the amount of the pension payable under Rule 15.3 shall not be greater than one half of the amount per annum of the aggregate pension that would have been payable under the Scheme to the Member at Normal Retirement Date on the basis that his Pension Balance had come into payment at that date (which for the avoidance of doubt shall be the aggregate of the amounts per annum as at Normal Retirement Date of any pensions already being paid to him in respect of Flexible



Pension Elections and the amount of the Pension Balance that would have come into payment at that date).

#### **Duration of Relevant Dependant's Pension**

- 15.5 Any Relevant Dependant's pension payable under this Rule 15 shall commence on the Member's death and normally be payable for life. If, however, the person receiving the Relevant Dependant's pension remarries, or in the opinion of the Trustees becomes financially dependent on some other person, or is living with another person in a relationship which, in the opinion of the Trustees, is such that they are financially interdependent, the Trustees may in their absolute discretion terminate payment of the Relevant Dependant's pension.
- 15.6 Any pension payable to a Relevant Dependant shall be payable for the period commencing with the day after the Member dies and ending with the day on which the Relevant Dependant dies.
- 15.7 If the Relevant Dependant remarries or, in the opinion of the Trustees, becomes financially dependent on some other person or is living with some other person in a relationship which, in the opinion of the Trustees, is such that they are financially interdependent, the Trustees may terminate payment of the pension to the Relevant Dependant.

#### **16. Benefits for early leavers – Qualifying Members with no Flexible Pension Election**

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##### **16.1 Application of this rule**

This Rule 16 applies to a Qualifying Member who (otherwise than by death) leaves Pensionable Service before Normal Retirement Date without having made a Flexible Pension Election and without an immediate pension becoming payable to him or in any other circumstances where this Rule is stated to apply. The options described in Rules 10.1 (Lump sum on retirement) and 10.2 (Dependant's pension) shall apply to such a Qualifying Member, subject to the terms of those Rules.

Any pension payable to a Member under this Rule 16 shall be payable for the period commencing with the day after the Member's pension is brought into payment and ending with the day he dies. This, however, is subject to the further requirements set out in Rule 16.3.4 where a pension is brought into payment early on the grounds of Total Incapacity or Partial Incapacity.

##### **16.2 Retirement at Normal Retirement Date**

16.2.1 A Qualifying Member to whom this Rule 16 applies shall be entitled on reaching Normal Retirement Date to a pension comprising:

(i) an amount calculated in accordance with FS Rule 4.1 if the Member was in Pensionable Service prior to 1 January 2011; and

(ii) an amount calculated in accordance with CARE Rule 4.1;

together with a lump sum benefit calculated in accordance with CARE Rule 6.4

all revalued before they come into payment as follows:

(a) the GMP portion (if any) shall be revalued in accordance with the Contracting-out Laws; and

(b) the remainder shall be revalued in accordance with the Revaluation Laws and may be further increased during this period as the Trustees may with the written consent of the Principal Employer resolve in terms of Clause 20 of the Trust Deed (Augmentation).

16.2.2 The pension shall be payable for the period commencing with the day after Normal Retirement Date and ending with the day he dies

PROVIDED THAT, except in the case of a Pre-1 June 1989 Member, the pension payable for any Member who remains in Service after Normal Retirement Date may only start on the

Member ceasing to be in Service (or age 75, if later) and his pension shall be deemed to be deferred until the relevant date for the purposes of Rule 16.4.

### 16.3 Early retirement

16.3.1 A Qualifying Member to whom this Rule 16.2 applies may (by informing the Trustees in writing), with the Employer's consent, choose a pension starting earlier than Normal Retirement Date (but not earlier than age 55 unless he is suffering from Total Incapacity or Partial Incapacity) provided that the Employer's consent will not be required for Members who:

- (i) were in Pensionable Service on 31 March 1994 or are Roslin Members and who wish payment of their pension to commence on or after their 60th birthday but before Normal Retirement Date; or
- (ii) are Pre-1 January 2017 Members (other than a Roslin Member or a Member who was in Pensionable Service on 31 March 1994) and who wish payment of their pension to commence on or after their 65th birthday but before Normal Retirement Date.

16.3.2 The pension will be payable until the day the Member dies and will, subject to Rule 16.3.3 below, comprise:

- (i) an amount calculated in accordance with FS Rule 4.2 if the Member was in Pensionable Service prior to 1 January 2011; and
  - (ii) an amount calculated in accordance with CARE Rule 4.2,
- together with a lump sum benefit calculated in accordance with CARE Rule 6.4.2.

16.3.3 The Trustees must be reasonably satisfied that the value of the pension benefits are at least equal to the value of the pension benefits that would have been provided to the Member at Normal Retirement Date under Rule 16.2 taking into account the revaluation referred to in that Rule.

16.3.4 Rules 8.3-8.7 shall apply in relation to a pension brought into payment early on the grounds of Total Incapacity or Partial Incapacity under this Rule 16.3

### 16.4 Late retirement

16.4.1 A Qualifying Member to whom this Rule 16 applies may (by informing the Trustees in writing and subject to satisfying any conditions which the Trustees may impose) choose a pension starting later than Normal Retirement Date (but not later than age 75).

16.4.2 The pension will be payable until the day the Member dies and will, subject to Rule 16.4.3 below, comprise:

- (i) an amount calculated in accordance with FS Rule 4.3 if the Member was in Pensionable Service prior to 1 January 2011; and
  - (ii) an amount calculated in accordance with CARE Rule 4.3.
- together with a lump sum benefit calculated in accordance with CARE Rule 6.4.3.

16.4.3 The Trustees must be reasonably satisfied that the value of the pension benefits are at least equal to the value of the pension benefits that would have been provided to the Member at Normal Retirement Date under Rule 16.2 taking into account the revaluation referred to in that Rule.

### 16.5 Treatment of Additional Benefits credited

Where the Member has been credited with one or more amounts of benefit which on his retirement at Normal Retirement Date would have been included in his retirement benefits by virtue of Clause 17.1 or Clause 20.1, each amount so credited shall be reduced so that it bears the same proportion to its amount before reduction as the period of the Member's actual Pensionable Service since the date the credit was made bears to the period commencing with

that date and ending with the day before his Normal Retirement Date, but if the Employer so directs a smaller reduction or no reduction may be made. For the purposes of this Rule 16.5, any reference to "Normal Retirement Date" shall include such other date as the Trustees and the Principal Employer may confirm shall apply for the purposes of any amount credited under either Clause 17.1 or Clause 20.1.

## **16A Benefits for early leavers – Qualifying Members with Flexible Pension Election**

16A.1 This rule 16A.1 applies to a Qualifying Member who (otherwise than by death) ceases to be in Pensionable Service before Normal Retirement Date after having made one or more Flexible Pension Elections and without an immediate pension becoming payable to him.

16A.2 A Member to whom this Rule 16A applies shall continue to be paid the pension(s) payable to him under the one or more Flexible Pension Elections made. In addition, he shall be entitled to further pension benefits in accordance with whichever of Rules 16A.3 or 16A.4 apply to him.

### **Benefits remaining following a single Flexible Pension Election**

16A.3 Where a Member has made only a single effective Flexible Pension Election, the residual benefits payable to the Member shall be payable in accordance with whichever Rules 16A.3.1 – 16A.3.3 apply to him.

### **Pension Balance drawn at Normal Retirement Date**

16A.3.1 Unless **16A.3.2** or **16A.3.3** apply, in the event that the Member survives to Normal Retirement Date, the Pension Balance shall be brought into payment at that time and he shall become entitled to a pension comprising the following:

- (i) where he was in Pensionable Service prior to 1 January 2011, the Reduced Percentage of an amount calculated in accordance with FS Rule 4.1 and the further provisions of these Rules, on the basis that the Member's pension was being brought into payment at Normal Retirement Date without previously having made a Flexible Pension Election,
- (ii) for those Annual Pension Units and Additional Pension Units that would have accrued to the Member had he brought his pension into payment on the First Flexible Election Date, the Reduced Percentage of the amount that would have been payable to the Member in respect of those units, calculated in accordance with CARE Rule 4.1 and the further provisions of the Rules, had the Member's pension been brought into payment at Normal Retirement Date without previously having made a Flexible Pension Election, and
- (iii) for those Annual Pension Units and Additional Pension Units that have accrued to the Member in addition to those described in (ii) above, the amount payable to the Member in respect of those units, calculated in accordance with CARE Rule 4.1 and the further provisions of the Rules.

PROVIDED THAT, except in the case of a Pre-1 June 1989 Member, where the Member is remaining in Service after Normal Retirement Date, his Pension Balance shall not be payable to him before he ceases to be in Services or reaches age 75 (whichever occurs first) and payment of his Pension Balance shall be deemed to have been deferred until the relevant date provided for in Rule 16A.3.3.

The amount of any Pension Balance payable under this Rule 16A.3.1 shall be revalued before coming into payment in the manner and to the extent required as follows:

- (a) The GMP portion (if any) shall be revalued in accordance with the Contracting-out Laws, and
- (b) The remainder shall be revalued in accordance with the Revaluation Laws and may be further increased during this period as the Trustees may within

the written consent of the Principal Employer resolve in terms of Clause 20 of the Trust Deed (Augmentation),

The pension shall be payable for the period commencing the day after Normal Retirement Date and ending with the day he dies.

#### **Pension Balance drawn before Normal Retirement Date**

16A.3.2 A Member may, as an alternative to his Pension Balance being brought into payment at Normal Retirement Date, by informing the Trustees in writing and with the Employer's consent at any time after his Service terminates, that he wishes his Pension Balance to become payable from a date earlier than Normal Retirement Date (but not earlier than age 55 unless he is suffering from Total Incapacity or Partial Incapacity), provided that the Employer's consent will not be required for Members who:

- (i) were in Pensionable Service on 31 March 1994 or are Roslin Members and who wish payment of their pension to commence on or after their 60th birthday but before Normal Retirement Date; or
- (ii) are Pre-1 January 2017 Members (other than a Roslin Member or a Member who was in Pensionable Service on 31 March 1994) and who wish payment of their pension to commence on or after their 65th birthday but before Normal Retirement Date.

Where a Member's benefits are brought into payment early under this Rule 16A.3.2; the pension payable will comprise the following:

- (A) where he was in Pensionable Service prior to 1 January 2011, the Reduced Percentage of an amount calculated in accordance with FS Rule 4.2 and the further provisions of the Rules as though the Member had been bringing his pension into payment without previously having made a Flexible Pension Election,
- (B) for those Annual Pension Units and Additional Pension Units that would have accrued to the Member had he brought his pension into payment on the First Flexible Election Date, the Reduced Percentage of the amount that would have been payable to the Member in respect of those units, calculated in accordance with CARE Rule 4.2, and the further provisions of the Rules, had he been bringing his pension into payment (when that actually occurs) without previously having made a Flexible Pension Election, and
- (C) for those Annual Pension Units and Additional Pension Units that have accrued to the member in addition to those described in (B) above, the amount payable to the Member in respect of those units calculated in accordance with CARE Rule 4.2 and the further provisions of the Rules.

The Trustees must be reasonably satisfied that the value of the pension benefits are at least equal to the value of the pension benefits that would have been provided to the Member at Normal Retirement Date under Rule 16A.3.1 taking into account the revaluation referred to in that Rule

#### **Pension Balance drawn after Normal Retirement Date**

16A.3.3 A Member may, as an alternative to his Pension Balance being brought into payment at Normal Retirement Date, by informing the Trustees in writing at any time before that date, that he wishes his Pension Balance to start at a date later than Normal Retirement Age (but not later than age 75).

The pension payable until the Member dies will comprise the following:

- (i) where he was in Pensionable Service prior to 1 January 2011, the Reduced Percentage of an amount calculated in accordance with FS Rule 4.3 and the further provisions of the Rules as though the Member's pension was being

brought into payment without previously having made a Flexible Pension Election

- (ii) for those Annual Pension Units and Additional Pension Units that would have accrued to the Member had he retired on the First Flexible Election Date, the Reduced Percentage of the amount that would have been payable to the Member in respect of those units, calculated in accordance with CARE Rule 4.3 and the further provisions of the Rules, had his pension been brought into payment (when that actually occurs) without previously having made a Flexible Pension Election, and
- (iii) for those Annual Pension Units and Additional Pension Units that have accrued to the member in addition to those referred to in Rule (ii) above, the amount payable to the Member in respect of those units calculated in accordance with CARE Rule 4.3 and the further provisions of the Rules.

The Trustees must be reasonably satisfied that the value of the pension benefits are at least equal to the value of the pension benefits that would have been provided to the Member at Normal Retirement Date under Rule 16A.3.1 taking into account the revaluation referred to in that Rule

#### **Benefits remaining following a Second Flexible Election**

16A.4 Where a Member has made two effective Flexible Pension Elections, the residual benefits payable to the Member on subsequent retirement shall be payable in accordance with whichever of 16A.4.1 – 16A.4.3 shall apply. When payable, the residual benefits shall be paid in addition to the pensions payable under each Flexible Pension Elections for the Member concerned, which shall continue to be paid to the Member.

#### **Pension Balance drawn at Normal Retirement Date**

16A.4.1 Unless 16A.4.2 or 16A.4.3 apply in the event that the Member survives to Normal Retirement Date, his Pension Balance shall be brought into payment and he shall be entitled to a pension calculated as follows.

In order to determine the pension payable, the Trustees shall establish the following:

- (A) where the Member was in Pensionable Service prior to 1 January 2011, an element of pension payable equal to the Residual Percentage of an amount of pension calculated in accordance with FS Rule 4.1 and the further provisions of the Rules on the basis that the Member's pension had been brought into payment at Normal Retirement Date without previously having made any Flexible Pension Election ("**Element 1**")
- (B) the Annual Pension Units and Additional Pension Units that would have accrued to the Member had he brought his pension into payment on the First Flexible Election Date without having made any Flexible Pension Election
- (C) the Annual Pension Units and Additional Pension Units that would have accrued to the Member had he brought his pension into payment on the Second Flexible Election Date without having made any Flexible Pension Elections
- (D) the total Annual Pension Units and Additional Pension Units that would have accrued to the Member had his pension had been brought into payment at Normal Retirement Date without having made any Flexible Pension Elections
- (E) the excess (in terms of number and/or value) of the units referred to in (C) above over those referred to in (B) above
- (F) the excess (in terms of number and/or value) of the units referred to in (D) above over those referred to in (C) above

- (G) the amount that would have been payable to the Member in respect of those units referred to in (B) above, calculated in accordance with CARE Rule 4.1 and the further provisions of the Rules, had his pension been brought into payment at Normal Retirement Date without having made any Flexible Pension Elections
- (H) the amount that would have been payable to the Member in respect of those units referred to in (C) above, calculated in accordance with CARE Rule 4.1 and the further provisions of the Rules, had his pension been brought into payment at Normal Retirement Date without having made any Flexible Pension Elections, and
- (I) the amount that would have been payable to the Member in respect of those units referred to in (D) above, calculated in accordance with CARE Rule 4.1 and the further provisions of the Rules, had his pension been brought into payment at Normal Retirement Date without having made any Flexible Pension Elections.

The pension payable to the Member under this Rule 16A.4.1 shall be calculated as:

**Element 1** (where applicable to the Member)

plus

**Element 2** (being equal to the Residual Percentage of the amount referred to in (G) above)

plus

**Element 3** (being equal to the Reduced Percentage of such part of the amount referred to in (H) above as is attributable to the excess referred to in (E) above)

plus

**Element 4** (being such part of the amount referred to in (I) above as is attributable to the excess referred to in (F) above.

PROVIDED THAT, except in the case of a Pre-1 June 1989 Member, where the Member is remaining in Service after Normal Retirement Date, his Pension Balance shall not be payable to him before he ceases to be in Service or reaches age 75 (whichever occurs first) and payment of his Pension Balance shall be deemed to have been deferred until the relevant date provided for in Rule 16A.4.3.

The amount of any Pension Balance payable under this Rule 16A.4.1 shall be revalued before coming into payment in the manner and to the extent required as follows:

- (a) the GMP portion (if any) shall be revalued in accordance with the Contracting-out Laws, and
- (b) the remainder shall be revalued in accordance with the Revaluation Laws and may be further increased during this period as the Trustees may within the written consent of the Principal Employer resolve in terms of Clause 20 of the Trust Deed (Augmentation).

**Pension Balance drawn before Normal Retirement Date**

16A.4.2 A Member may, as an alternative to his Pension Balance being brought into payment at Normal Retirement Date, by informing the Trustees in writing and with the Employer's consent at any time after his Service terminates, that he wishes his Pension Balance to become payable from a date earlier than Normal Retirement Date (but not earlier than age 55 unless he is suffering from Total Incapacity or Partial Incapacity), provided that the Employer's consent will not be required for Members who:

- (i) were in Pensionable Service on 31 March 1994 or are Roslin Members and who wish payment of their pension to commence on or after their 60th birthday but before Normal Retirement Date; or
- (ii) are Pre-1 January 2017 Members (other than a Roslin Member or a Member who was in Pensionable Service on 31 March 1994) and who wish payment of their pension to commence on or after their 65th birthday but before Normal Retirement Date.

Where the Member's Pension Balance is brought into payment early under this Rule 16A.4.2, the pension payable until the Member dies will be calculated as follows:

In order to determine the pension payable, the Trustee shall establish the following:

- (A) where the member was in Pensionable Service prior to 1 January 2011, an element of pension payable equal to the Residual Percentage of an amount of pension calculated in accordance with FS Rule 4.2 and the further provisions of the Rules on the basis that the Member had been bringing his pension into payment without previously having made any Flexible Pension Election ("**Element 1**")
- (B) the Annual Pension Units and Additional Pension Units that would have accrued to the Member, had he brought his pension into payment on the First Flexible Election Date without having made any Flexible Pension Election
- (C) the Annual Pension Units and Additional Pension Units that would have accrued to the Member had he had he brought his pension into payment on the Second Flexible Election Date without having made any Flexible Pension Elections
- (D) the total Annual Pension Units and Additional Pension Units that would have accrued to the Member, had he been bringing his pension into payment (when it actually occurs) without having made any Flexible Pension Elections
- (E) the excess (in terms of number and/or value) of the units referred to as (C) above over those referred to at (B) above
- (F) the excess (in terms of number and/or value) of the units referred to at (D) above over those referred to at (C) above
- (G) the amount that would have been payable to the Member in respect of those units referred to at (B) above, calculated in accordance with CARE Rule 4.2 and the further provisions of the Rules, had he been bringing his pension into payment (when that actually occurs) without having made any Flexible Pension Elections
- (H) the amount that would have been payable to the Member in respect of those units referred to at (C) above, calculated in accordance with CARE Rule 4.2, and the further provisions of the Rules, had he been bringing his pension into payment (when that actually occurs) without having made any Flexible Pension Elections, and
- (I) the amount that would have been payable to the Member in respect of those units referred to at (D) above, calculated in accordance with CARE Rule 4.2 and the further provisions of the Rules, had he been bringing his pension into

payment (when that actually occurs) without having made any Flexible Pension Elections.

The pension payable to the Member under this Rule 16A.4.2 shall be calculated as:

**Element 1** (where applicable to the Member)

plus

**Element 2** (being equal to the Residual Percentage of the amount referred to at (G) above)

plus

**Element 3** (being equal to the Reduced Percentage of such part of the amount referred to at (H) above as is attributable to the excess referred to at (E) above, and

plus

**Element 4** (being such part of the amount referred to at (I) above as is attributable to the excess referred to at (F) above.)

The Trustees must be reasonably satisfied that the value of the pension benefits are at least equal to the value of the pension benefits that would have been provided to the Member at Normal Retirement Date under Rule 16A.4.1 taking into account the revaluation referred to in that Rule

#### **Pension Balance drawn after Normal Retirement Date**

16A.4.3 A Member may, as an alternative to his Pension Balance being brought into payment at Normal Retirement Date, by informing the Trustees in writing at any time before that date, that he wishes his Pension Balance to start later than Normal Retirement Date (but not later than age 75).

Where the Member's Pension Balance is brought into payment late in terms of this Rule 16A.4.3, the pension payable until the Member dies will be calculated as follows:

In order to determine the pension payable, the Trustees shall establish the following:

- (A) where the Member was in Pensionable Service prior to 1 January 2011, an element of pension payable equal to the Residual Percentage of an amount of pension calculated in accordance with FS Rule 4.3 and the further provisions of the Rules as though the Member's pension had been brought into payment without previously having made any Flexible Pension Election ("**Element 1**")
- (B) the Annual Pension Units and Additional Pension Units that would have accrued to the Member, had he brought his pension into payment on the First Flexible Election Date without having made any Flexible Pension Election
- (C) the Annual Pension Units and Additional Pension Units that would have accrued to the Member, had he brought his pension into payment on the Second Flexible Election Date without having made any Flexible Pension Elections
- (D) the total Annual Pension Units and Additional Pension Units that would have accrued to the Member, had he brought his pension into payment (when that actually occurs) without having made any Flexible Pension Elections
- (E) the excess (in terms of number and/or value) of the units referred to as (C) above over those referred to at (B) above
- (F) the excess (in terms of number and/or value) of the units referred to at (D) above over those referred to a (C) above
- (G) the amount that would have been payable to the Member in respect of those units referred to at (B) above, calculated in accordance with CARE Rule 4.3 and the further provisions of the Rules, had his pension been brought into



payment (when that actually occurs) without having made any Flexible Pension Elections,

- (H) the amount that would have been payable to the Member in respect of those units referred to at (C) above, calculated in accordance with CARE Rule 4.3 and the further provisions of the Rules, had his pension been brought into payment (when that actually occurs) without having made any Flexible Pension Elections, and
- (I) the amount that would have been payable to the Member in respect of those units referred to at (D) above, calculated in accordance with CARE Rule 4.3 and the further provisions of the Rules, had his pension been brought into payment (when that actually occurs) without having made any Flexible Pension Elections.

The pension payable to the member under this Rule 16A.4.4 shall be calculated as:

**Element 1** (where applicable to the Member)

plus

**Element 2** (being equal to the Residual Percentage of the amount referred to at (G) above)

plus

**Element 3** (being equal to the Reduced Percentage of such part of the amount referred to at (H) above as is attributable to the excess referred to at (E) above)

plus

**Element 4** (being such part of the amount referred to at (I) above as is attributable to the excess referred to at (F) above.

The Trustees must be reasonably satisfied that the value of the pension benefits are at least equal to the value of the pension benefits that would have been provided to the Member at Normal Retirement Date under Rule 16A.4.1 taking into account the revaluation referred to in that Rule

#### **Flexible Pension Drawdown : Additional Conditions**

- 16A.5 The following additional conditions shall apply to benefits payable under this Rule 16A.5.
- 16A.5.1 Any Pension Balance payable to a Member under this Rule 16A shall be payable for the period commencing with the day after the Member's pension is brought into payment and ending with the day he dies; this, however, is subject to the further requirement that where a pension is brought into payment early on the grounds of Total Incapacity or Partial Incapacity under this Rule 16A, Rules 8.3 – 8.8 shall apply equally to any such pension payable under this Rule 16A.
- 16A.5.2 Any Pension Balance payable to a Member under whichever of Rules 16A.3 – 16A.4 apply to him shall be in addition to the benefits payable in respect of Flexible Benefit Elections made by that Member.
- 16A.5.3 For the avoidance of doubt, where this Rule 16A provides for benefits to be calculated on the basis that the Member had been retiring without previously having made a (or any) Flexible Pension Election(s):
  - (i) the Member's Final Pensionable Salary shall be calculated as provided for in the definition of Final Pensionable Salary and Rule 20 (part-time employment)
  - (ii) when calculating the amount of an Annual Pension Unit for a CARE Year during or prior to which the Member has made a Flexible Pension Election, the Annual Salary of the member concerned shall mean the amount of the basic

emoluments actually received by the Member from the Employer for that CARE Year, subject to the provisos contained in the definition of Annual Salary,

and not to be determined as though the reduction in the Member's working hours made in terms of Rule 11.4 in connection with any Flexible Pension Election fell to be disregarded.

**16A.6 Treatment of Additional Benefits credited**

Where the Member has been credited with one or more amounts of benefit which on his retirement at Normal Retirement Date would have been included in his retirement benefits by virtue of Clause 17.1 or Clause 20.1, each amount so credited shall be reduced so that it bears the same proportion to its amount before reduction as the period of the Member's actual Pensionable Service since the date the credit was made bears to the period commencing with that date and ending with the day before his Normal Retirement Date, but if the Employer so directs a smaller reduction or no reduction may be made.

**17. Benefits for early leavers - non Qualifying Members**

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**17.1 Refunds of contributions**

17.1.1 A Member who, on leaving Pensionable Service, is not a Qualifying Member (and who has not chosen to take a Cash Transfer Sum where this option is available to him) shall be entitled to receive a refund of his own contributions (including AVCs) to the Scheme (but not Member's Contributions or AVCs paid in respect of him by the Employer) less tax and less the amount certified for the purposes of section 61(2) of the Pension Schemes Act 1993 in relation to any contributions equivalent premium paid in respect of the Member which is recoverable in accordance with section 61 of the Pension Schemes Act 1993 out of such refund (but so that no deduction shall be made from any AVCs).

17.1.2 Where a refund of contributions is paid under this Rule 17.1, the Member shall cease to have any further interest in the Scheme (save to the extent that the Scheme continues to hold any benefits in respect of him deriving from any period of Contracted-out Employment).

**17.2 Cash Transfer Sums**

A Member who has a right to payment of a Cash Transfer Sum may elect for a Cash Transfer Sum to be paid in respect of him, instead of a refund of the Member's own contributions. The Member shall make such election in accordance with the Cash Transfer Sum Requirements. Any Cash Transfer Sum shall be calculated and paid in accordance with the Cash Transfer Sum Requirements.

**18. Maternity and other Family Leave**

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18.1 This Rule 18 shall only apply to Members who are in Pensionable Service immediately prior to the period of leave described in each sub-rule below.

**18.2 Paid Family Leave**

A Member will be treated as still in Pensionable Service during any period of paid Family Leave.

Member's Contributions shall continue to be paid during a period of paid Family Leave but will be calculated on the basis of the actual pay received from the Employer during these periods. A Member's benefits for these periods will be calculated as if the Member had worked normally and received the normal pay for doing so.

**18.3 Additional unpaid Family Leave**

The Employer and the Trustees may agree to treat a Member as still in Pensionable Service, for some or all purposes of the Scheme, during any period of unpaid Family Leave. If this is

agreed, the Employer and the Trustees will also agree the terms to apply to the Member's Contributions (if any) and benefits for the period.

A period of unpaid Family Leave which is terminated by the Member's death will be treated as Pensionable Service.

If a Member is not treated as still in Pensionable Service during any period of unpaid Family Leave, the Member will be treated as having left Service. However, if the Member returns to work at the end of the period, the Member's Pensionable Service before being treated as having left Service and after returning to work will be treated as continuous (but excluding the break).

## **19. Temporary absence from work (other than on Family Leave)**

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- 19.1 A Member will be treated as still in Pensionable Service during temporary absence from work (other than on Family Leave) for so long as the Member is being paid by the Employer or for such longer period as the Employer determines and as will not prejudice the status of the Scheme as a Registered Pension Scheme.
- 19.2 Member's Contributions shall continue to be paid during a period of absence for so long as the Member is being paid at the normal rate. Where a Member is not being paid at the normal rate, Member's Contributions shall be suspended until the Member returns to work with the Employer. On return to work, the Member may, with the Employer's consent, make up the arrears of contributions. In any event, the Member may continue to pay AVCs during a period of absence from work.
- 19.3 The Employer and the Trustees shall agree the benefits to be provided to a Member in respect of a period of absence during which Member's Contributions have not been paid.

## **20. Part-time employment**

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- 20.1 If at any time during his Pensionable Service a Member has been employed part-time, the Trustees shall calculate any benefit payable to or in respect of him in relation to his Pensionable Service up to and including 31 December 2010 as follows:
- 20.1.1 they shall first ascertain the amount of the benefit which would have been payable in respect of the Member's Pensionable Service up to and including 31 December 2010, had the Member been employed full-time throughout his Pensionable Service, by multiplying any actual or notional emoluments relating to any period referred to in paragraph (i) or (ii) of the definition of "Final Pensionable Salary" during which the Member was employed part-time by the inverse of the Part-time Benefit Ratio for the period to which those emoluments relate;
- 20.1.2 they shall then multiply the amount so ascertained by the Part-time Benefit Ratio for the period of his Pensionable Service up to and including 31 December 2010;
- and for this purpose the "**Part-time Benefit Ratio**" for any period means the ratio that the total number of the Member's basic contractual hours of work in that period bears to the total number of basic contractual hours that a full-time employee engaged in the same or similar work would have worked in that period.
- 20.2 Where a Member who has been employed part-time at any time during his Pensionable Service has been paying AVCs under FS Rule 5 (or its equivalent predecessor Rule), the Trustees shall calculate any benefit payable in respect of the additional Pensionable Service credited to him in respect of those AVCs in accordance with Rules 20.1.1 and 20.1.2, but:
- 20.2.1 with the substitution in Rule 20.1.2 of the words "the Relevant Date" in place of "31 December 2010"; and
- 20.2.2 subject to such adjustment as may be appropriate in the event that allowance was made for the part-time nature of any period of employment of the Member when determining his prospective additional Pensionable Service in respect of such AVCs.

## **21. Pension increases**

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- 21.1 Subject to any statutory minimum pension increases which may from time to time apply, the remaining provisions of this Rule 21, pensions in payment under the Scheme shall be increased with effect from 1 April each year as follows:
- 21.1.1 the GMP attributable to Pensionable Service after 5 April 1988 and prior to 6 April 1997 will be increased in accordance with Schedule 3 (GMP Model Rules) or as otherwise determined by the Trustees and notified to the Member in writing;
  - 21.1.2 the pension in excess of GMP which cannot be exchanged for a cash sum in accordance with Rule 10.1 and is attributable to Pensionable Service prior to 6 April 1997 will be increased in accordance with the same rate of increase as is applicable to pensions under the Pensions (Increase) Acts 1971 and 1974, up to a maximum of 6% compound each year, or otherwise on a date and by a percentage to be determined by the Trustees and notified to the Member in writing;
  - 21.1.3 pension attributable to Pensionable Service on or after 6 April 1997 and prior to 1 January 2011 will be increased in accordance with the same rate of increase as is applicable to pensions under the Pensions (Increase) Acts 1971 and 1974, up to a maximum of 6% compound each year, or otherwise on a date and by a percentage to be determined by the Trustees and notified to the Member in writing;
  - 21.1.4 pension attributable to Pensionable Service on or after 1 January 2011 and prior to 1 January 2017 will be increased by the percentage increase in the Index during the 12 months ending on 30 September in the calendar year prior to that in which the increase is applied up to a maximum of 5%, or by such higher percentage as may be determined by the Trustees and notified to the Member in writing (subject to the Trustees being satisfied that the assets of the Scheme are sufficient to permit such higher percentage increase); and
  - 21.1.5 pension attributable to Pensionable Service on or after 1 January 2017 will be increased by the percentage increase in the CPI during the 12 months ending on 30 September in the calendar year prior to that in which the increase is applied up to a maximum of 5%, or by such higher percentage as may be determined by the Trustees and notified to the Member in writing (subject to the Trustees being satisfied that the assets of the Scheme are sufficient to permit such higher percentage increase).
- 21.2 The pension increases described in this Rule 21 do not apply to any pension payable under Rule 6 (AVCs – money purchase benefits) unless the Member has agreed otherwise with the Trustees.
- 21.3 A pension payable under Rule 10.2, Rule 13.3 or Rule 15.3 (where the Member dies after retirement or on or after Normal Retirement Date but before payment of his Pension Balance has commenced) shall be increased at the due date of the first instalment to such amount as the Trustees consider to be equitable having regard to the rate or rates of increase that would have applied to the pension had the Member died on the day the first instalment of his pension fell due or, if his pension had not come into payment by Normal Retirement Date, had he died on his Normal Retirement Date.
- 21.4 The Principal Employer may require the Trustees to arrange that any percentage increase determined by the Trustees shall not apply to the pension of particular person or to particular descriptions or amounts of pension.
- 21.5 Any children's pensions payable under Rule 14 shall not be increased as provided for in this Rule 21.

## SCHEDULE 1 FINAL SALARY RULES

### 1. Pension on retirement at Normal Retirement Date

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The annual rate of pension payable under this FS Rule 1 shall be equal to the sum of:

- 1.1 1/60th of the Member's Intermediate Pensionable Salary multiplied by his Pensionable Service prior to 1 August 1971 while employed in a non-technical grading or 1/80th of the Member's Final Pensionable Salary multiplied by his Pensionable Service prior to 1 August 1971 while employed in a technical grading; and
- 1.2 1/60th of the Member's Final Pensionable Salary multiplied by the aggregate of his actual Pensionable Service after 31 July 1971 and prior to 1 January 2011 and any additional Pensionable Service credited to him under FS Rule 5;

PROVIDED THAT the annual rate of that part of the Member's pension which is calculated under this Rule shall not be less than:

- (i) in respect of Category X Members

$$[P + L] + [P(1)]$$

- (ii) in respect of Roslin Members

$$[P(2) + P(3) + L]$$

where

P is the amount of pension based on Pensionable Service completed up to and including 31st December 2010 (or, if earlier, up to the Member's 60th birthday) and Intermediate Pensionable Salary or Final Pensionable Salary, as appropriate, as at the Member's 60th birthday;

P(1) is the amount of pension (if any) based on additional Pensionable Service credited to the Member under FS Rule 5 and Final Pensionable Salary as at Normal Retirement Date;

P(2) is the amount of pension based on Pensionable Service completed between 1st August 1994 and 31st December 2010, both inclusive, and Final Pensionable Salary as at the Member's 60th birthday;

P(3) is the amount of pension (if any) based on additional Pensionable Service credited to the Member under FS Rule 5 and Final Pensionable Salary as at the Member's 60th birthday; and

L is an increase in the amount of pension, as advised by the Scheme Actuary, to take account of payment after the Member's 60th birthday;

PROVIDED FURTHER THAT, for a Pre-1 January 2017 Member, any pension payable under this FS Rule 1 which is attributable to Pre-1 January 2017 Pensionable Service shall instead be calculated in accordance with FS Rule 3 with reference to a Normal Retirement Date that is the Member's 65<sup>th</sup> Birthday.

PLUS (in the case of any female member) any additional amount required to satisfy the provision of paragraph 6.1 of the GMP Model Rules.

### 2. Pension on early retirement

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- 2.1 The annual rate of pension payable under this FS Rule 2 shall, subject to FS Rules 2.2, 2.3 and 2.4 below, be:

- 2.1.1 1/60<sup>th</sup> of the Member's Intermediate Pensionable Salary multiplied by his Pensionable Service prior to 1 August 1971 while employed in a non-technical grading or 1/80<sup>th</sup> of the Member's Final Pensionable Salary multiplied by his

Pensionable Service prior to 1 August 1971 while employed in a technical grading; and

- 2.1.2  $1/60^{\text{th}}$  of the Member's Final Pensionable Salary multiplied by the aggregate of his actual Pensionable Service after 31 July 1971 and prior to 1 January 2011 and any additional Pensionable Service credited to him under FS Rule 5;

but then reduced, where applicable, as set out in (i) and (ii) below.

(i) **Early retirement in normal health**

In the case of a Member who retires from Pensionable Service before Normal Retirement Date but on or after age 55 on grounds other than Total Incapacity or Partial Incapacity, it will be reduced by a percentage calculated on a basis certified as reasonable by the Actuary having regard to the period between the date the first instalment of the pension falls due and Normal Retirement Date,

provided that no reduction will be applied in the case of a Member who was in Pensionable Service on 31 March 1994 or is a Roslin Member and who in either case retires on or after his 60th birthday, except that any pension attributable to additional Pensionable Service credited to such Member under FS Rule 5 shall be subject to such reduction;

(ii) **Early retirement due to Partial Incapacity or Total Incapacity**

In the case of a Member who retires from Pensionable Service on grounds of Total Incapacity or Partial Incapacity, no reduction shall be applied for early payment save as may be provided under FS Rule 5 in respect of pension attributable to additional Pensionable Service credited to the Member.

- 2.2 The annual rate of that part of the Member's pension which is calculated under this Rule shall not be less than:

- (i) in respect of Category X Members who retire on or after their 60th birthday:

$$[P + L] + [P(1) - E]$$

- (ii) in respect of Category X Members who retire before their 60th birthday:

$$[P(2) - E(1)] + [P(1) - E]$$

- (iii) in respect of Roslin Members who retire on or after their 60th birthday:

$$[P(3) + P(4) + L]$$

- (iv) in respect of Roslin Members who retire before their 60th birthday:

$$[P(5) - E(1)] + [P(1) - E(1)]$$

where

P is the amount of pension based on Pensionable Service completed up to and including 31st December 2010 (or, if earlier, up to the Member's 60th birthday) and Intermediate Pensionable Salary or Final Pensionable Salary, as appropriate, as at the Member's 60<sup>th</sup> birthday;

P(1) is the amount of pension (if any) based on additional Pensionable Service credited to the Member under FS Rule 5 and Final Pensionable Salary as at the Member's date of retirement;

P(2) is the amount of pension based on Pensionable Service completed up to and including 31st December 2010 and Intermediate Pensionable Salary or Final Pensionable Salary, as appropriate, as at the Member's date of retirement;

P(3) is the amount of pension based on Pensionable Service completed between 1st August 1994 and 31st December 2010, both inclusive, and Final Pensionable Salary as at the Member's 60th birthday;

- P(4) is the amount of pension (if any) based on additional Pensionable Service credited to the Member under FS Rule 5 and Final Pensionable Salary as at the Member's 60th birthday;
- P(5) is the amount of pension (if any) based on Pensionable Service completed between 1st August 1994 and 31st December 2010, both inclusive, and Final Pensionable Salary as at the Member's date of retirement;
- L is an increase in the amount of pension, as advised by the Scheme Actuary, to take account of payment after the Member's 60th birthday;
- E is a reduction in the amount of pension, as advised by the Scheme Actuary, to take account of payment before Normal Retirement Date;
- E(1) is a reduction in the amount of pension, as advised by the Scheme Actuary, to take account of payment before the Member's 60th birthday;

together with

- (a) in the case of any female Member, any additional amount required to satisfy the provisions of paragraph 6.1 of the GMP Model Rules; and
- (b) in the case of both male and female Members, any additional amount which is required to satisfy the provisions of paragraph 5.1 of the GMP Model Rules and is payable only from State Pension Age.
- 2.3 Where a Member notifies the Trustees that he wishes to exercise the option to take a reduced pension commencing before Normal Retirement Date and the reduced amount of pension calculated in accordance with FS Rules 2.1 and 2.2 above (so far as it relates to Pensionable Service before 6 April 1997) would be less than the Member's GMP at State Pension Age, the Trustees may arrange with the Member to substitute for the relevant part of the reduced pension a pension of equal value (calculated on a basis certified as reasonable by the Actuary) but which is of a smaller initial amount per annum increasing at State Pension Age up to an amount which will satisfy the requirements of the GMP Model Rules.
- 2.4 For a Pre-1 January 2017 Member, any pension payable under this FS Rule 2 which is attributable to Pre-1 January 2017 Pensionable Service shall instead be calculated in accordance with the following Rule, as applicable:
- 2.4.1 where the Pre-1 January 2017 Member retires prior to his 65th birthday, this FS Rule 2;
- 2.4.2 where the Pre-1 January 2017 Member retires on his 65th birthday, FS Rule 1; or
- 2.4.3 where the Pre-1 January 2017 Member retires after his 65th birthday, FS Rule 3, in each case, with reference to a Normal Retirement Date that is the Member's 65th Birthday.

### **3. Pension on late retirement**

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The annual rate of pension payable under this FS Rule 3 shall be equal to the higher of:

- 3.1 the amount of pension that would have been paid to the Member under FS Rule 1 at Normal Retirement Date if he had retired then (calculated by reference to his Final Pensionable Salary as at that date and actual Pensionable Service to whichever is the earlier of Normal Retirement Date and 31 December 2010), increased by a percentage calculated on a basis certified as reasonable by the Actuary (having regard both to the period between Normal Retirement Date and the date the first instalment of the pension falls due and the percentage increase that would have been made over such period in the annual amount of the Member's pension, had it come into payment at Normal Retirement Date); and
- 3.2 an amount of pension calculated in respect of him in accordance with FS Rule 1 by reference to his Final Pensionable Salary as at the last day of his actual Pensionable Service and actual Pensionable Service to 31 December 2010, increased where applicable by a percentage calculated on a basis certified as reasonable by the Actuary (having regard both to the period

between the last day of his Pensionable Service and the date the first instalment of the pension falls due and the percentage increase that would have been made over such period in the annual amount of the Member's pension, had it come into payment on the day after his Pensionable Service ended),

together with any further amount attributable to additional Pensionable Service credited to him under FS Rule 5.

PROVIDED THAT, for a Pre-1 January 2017 Member, any pension payable under this FS Rule 3 which is attributable to Pre-1 January 2017 Pensionable Service shall instead be calculated in accordance with this FS Rule 3 with reference to a Normal Retirement Date that is the Member's 65<sup>th</sup> Birthday.

#### **4. Termination of Pensionable Service**

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##### **4.1 Retirement at Normal Retirement Date**

The annual rate of pension payable under this FS Rule 4.1 shall be:

- 4.1.1  $1/60^{\text{th}}$  of the Member's Intermediate Pensionable Salary multiplied by his Pensionable Service prior to 1 August 1971 while employed in a non-technical grading or  $1/80^{\text{th}}$  of the Member's Final Pensionable Salary multiplied by his Pensionable Service prior to 1 August 1971 while employed in a technical grading; and
- 4.1.2  $1/60^{\text{th}}$  of the Member's Final Pensionable Salary multiplied by the aggregate of his actual Pensionable Service after 31 July 1971 and prior to 1 January 2011 and any additional Pensionable Service credited to him under FS Rule 5;

PROVIDED THAT it shall not be less than:

- (i) in respect of Category X Members

$$[P + L] + [P(1)]$$

- (ii) in respect of Roslin Members

$$[P(2) + P(3) + L]$$

where

P is the amount of pension based on Pensionable Service completed up to (but not including) the earliest of:

- (a) 1st January 2011,  
 (b) the Member's 60th birthday, and  
 (c) the date with effect from which the Member's Pensionable Service ceases,

and Intermediate Pensionable Salary or Final Pensionable Salary, as appropriate, as at whichever is the earlier of the Member's 60th birthday and the last day of his actual Pensionable Service;

P(1) is the amount of pension (if any) based on additional Pensionable Service credited to the Member under FS Rule 5 and Final Pensionable Salary as at the last day of his actual Pensionable Service;

P(2) is the amount of pension based on Pensionable Service completed between 1st August 1994 and 31st December 2010, both inclusive, and Final Pensionable Salary as at whichever is the earlier of the Member's 60th birthday and the last day of his actual Pensionable Service;

P(3) is the amount of pension (if any) based on additional Pensionable Service credited to the Member under FS Rule 5 and Final Pensionable Salary as at



whichever is the earlier of the Member's 60th birthday and the last day of his actual Pensionable Service;

- L is an increase in the Member's pension, as advised by the Scheme Actuary, to take account of payment after the Member's 60th birthday;

PROVIDED FURTHER THAT, for a Pre-1 January 2017 Member, any pension payable under this FS Rule 4.1 which is attributable to Pre-1 January 2017 Pensionable Service shall instead be calculated in accordance with FS Rule 4.3 with reference to a Normal Retirement Date that is the Member's 65<sup>th</sup> Birthday.

PLUS (in the case of any female member) any additional amount required to satisfy the provision of paragraph 6.1 of the GMP Model Rules.

## 4.2 Early retirement

The annual rate of pension payable under this FS Rule 4.2 shall be calculated in accordance with whichever is applicable of FS Rules 4.2.1 or 4.2.2 below, subject to FS Rules 4.2.3 and 4.2.4.

- 4.2.1 Where the pension is not being brought into payment early on the grounds of Total Incapacity or Partial Incapacity, the amount shall be the same as it would have been (calculated in accordance with FS Rule 4.1) if the pension had been brought into payment at Normal Retirement Date, but reduced by a percentage calculated on a basis certified as reasonable by the Actuary having regard to the period between the date the first instalment of the pension is payable and Normal Retirement Date, provided that no reduction will be applied in the case of either:

- (i) a Member who was in Pensionable Service on 31 March 1994, or
- (ii) a Roslin Member,

whose pension (in either case) is brought into payment on or after his 60th birthday, except that any pension attributable to additional Pensionable Service credited to the Member under FS Rule 5 shall be subject to such reduction.

- 4.2.2 Where the pension is being brought into payment early on the grounds of Total Incapacity or Partial Incapacity, the amount shall be the same as it would have been (calculated in accordance with FS Rule 4.1) if the pension had been brought into payment at Normal Retirement Date, without any reduction being applied for early payment except that any pension attributable to additional Pensionable Service credited to such Member under FS Rule 5 shall be subject to such reduction.

- 4.2.3 The annual rate of that part of the Member's pension which is calculated under this Rule 4.2 shall, where applicable, not be less than:

- (i) in respect of Category X Members whose pension is brought into payment on or after their 60th birthday:

$$[P + L] + [P(1) - E]$$

- (ii) in respect of Category X Members whose pension is brought into payment before their 60th birthday:

$$[P(2) - E(1)] + [P(1) - E]$$

- (iii) in respect of Roslin Members whose pension is brought into payment on or after their 60<sup>th</sup> birthday:

$$[P(3) + P(4) + L]$$

- (iv) in respect of Roslin Members whose pension is brought into payment before their 60th birthday:

$$[P(5) - E(1)] + [P(1) - E(1)]$$

where

- P is the amount of pension based on Pensionable Service completed up to (but not including) the earliest of:
- (a) 1st January 2011,
  - (b) the Member's 60th birthday, and
  - (c) the date with effect from which the Member's Pensionable Service ceases,
- and Intermediate Pensionable Salary or Final Pensionable Salary, as appropriate, as at whichever is the earlier of the Member's 60th birthday and the last day of his actual Pensionable Service;
- P(1) is the amount of pension (if any) based on additional Pensionable Service credited to the Member under FS Rule 5 and Final Pensionable Salary as at the last day of his actual Pensionable Service;
- P(2) is the amount of pension based on Pensionable Service completed up to (but not including) the earliest of:
- (a) 1st January 2011, and
  - (b) the date with effect from which the Member's Pensionable Service ceases,
- and Intermediate Pensionable Salary or Final Pensionable Salary, as appropriate, as at the last day of his actual Pensionable Service;
- P(3) is the amount of pension based on Pensionable Service completed between 1st August 1994 and 31st December 2010, both inclusive, and Final Pensionable Salary as at whichever is the earlier of the Member's 60th birthday and the last day of his actual Pensionable Service;
- P(4) is the amount of pension (if any) based on additional Pensionable Service credited to the Member under FS Rule 5 and Final Pensionable Salary as at whichever is the earlier of the Member's 60th birthday and the last day of his actual Pensionable Service;
- P(5) is the amount of pension (if any) based on Pensionable Service completed between 1st August 1994 and 31st December 2010, both inclusive, and Final Pensionable Salary as at the last day of his actual Pensionable Service;
- E is a reduction in the amount of pension, as advised by the Scheme Actuary, to take account of payment before Normal Retirement Date;
- E(1) is a reduction in the amount of pension, as advised by the Scheme Actuary, to take account of payment before the Member's 60th birthday; and
- L is an increase in the amount of pension, as advised by the Scheme Actuary, to take account of payment after the Member's 60<sup>th</sup> birthday;
- together with
- (a) in the case of a female Member, any additional amount required to satisfy the provisions of paragraph 6.1 of the GMP Model Rules; and
  - (b) in the case of both male and female Members, any additional amount which is required to satisfy the provisions of paragraph 5.1 of the GMP Model Rules and is payable only from State Pension Age.

- 4.2.4 Where a Member notifies the Trustees that he wishes to exercise the option to take a reduced pension commencing before Normal Retirement Date and the amount of the reduced pension calculated in accordance with the preceding provisions of this FS Rule 4.2 (so far as it relates to Pensionable Service before 6 April 1997) would

be less than the Member's GMP at State Pension Age, the Trustees may arrange with the Member to substitute for the relevant part of the reduced pension a pension of equal value (calculated on a basis certified as reasonable by the Actuary) but which is of a smaller initial amount per annum increasing at State Pension Age up to an amount which will satisfy the requirements of the GMP Model Rules.

4.2.5 For a Pre-1 January 2017 Member, any pension payable under this FS Rule 4.2 which is attributable to Pre-1 January 2017 Pensionable Service shall instead be calculated in accordance with the following Rule, as applicable:

- (i) where the Pre-1 January 2017 Member retires prior to his 65th birthday, this FS Rule 4.2;
- (ii) where the Pre-1 January 2017 Member retires on his 65th birthday, FS Rule 4.1; or
- (iii) where the Pre-1 January 2017 Member retires after his 65th birthday, FS Rule 4.3,

in each case, with reference to a Normal Retirement Date that is the Member's 65th Birthday.

#### 4.3 Late retirement

The annual rate of pension payable under this FS Rule 4.3 shall be the same as it would have been under FS Rule 4.1 if the pension had been brought into payment at Normal Retirement Date, increased by a percentage calculated on a basis certified as reasonable by the Actuary (having regard both to the period between Normal Retirement Date and the date the first instalment of the pension is paid and the percentage increase that would have been made over such period in the annual amount of the Member's pension, had it come into payment at Normal Retirement Date).

PROVIDED THAT, for a Pre-1 January 2017 Member, any pension payable under this FS Rule 4.3 which is attributable to Pre-1 January 2017 Pensionable Service shall instead be calculated in accordance with this FS Rule 4.3 with reference to a Normal Retirement Date that is the Member's 65<sup>th</sup> Birthday.

### 5. AVCs – Additional Pensionable Service

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#### 5.1 Payment of AVCs: previously agreed arrangements for pre- December 2010 members

- 5.1.1 A Member who was in Pensionable Service and paying AVCs for the purposes of securing additional Pensionable Service as at 31 December 2010 may continue to pay AVCs under this FS Rule 5 for that purpose while he remains in Pensionable Service but no increase may be made to the rate at which he is paying AVCs.
- 5.1.2 AVCs are payable under this FS Rule 5 by regular monthly instalments on the basis that their payment by the Member at the rate fixed at the date of commencement to Normal Retirement Date shall entitle the Member to be credited at Normal Retirement Date with such additional number of years and days of additional Pensionable Service as is specified at the time payment of AVCs at that rate commenced.
- 5.1.3 A Member may elect by notice in writing to the Trustees to stop the payment of AVCs under this Rule, or reduce the rate at which he is paying AVCs (subject to the reduced rate being a multiple of 0.5% of his Pensionable Salary), with effect from any Joining Date by giving not less than three months' prior notice in writing to the Trustees (or such shorter period of notice as the Trustees may agree to accept). No such notice may be withdrawn or amended except with the consent of the Trustees and no such notice may be given so as to take effect less than 12 months after the last occasion on which a notice under this FS Rule 5.1.3 took effect. A Member who has discontinued his AVCs will not be permitted to re-start payment and a Member

who has reduced the rate of his AVCs will not be able to increase the rate at a later date.

- 5.1.4 Without prejudice to FS Rule 5.1.3, AVCs shall in any event cease when the Member ceases to be in Pensionable Service or reaches Normal Retirement Date.

## 5.2 Benefits for AVCs paid as a lump sum

- 5.2.1 Prior to 1 January 2011, AVCs could be paid on not more than one occasion in any Tax Year as an individual lump sum of not less than £1,000.
- 5.2.2 Each AVC paid in this way shall, in accordance with calculations made by the Actuary (by applying assumptions agreed from time to time between the Actuary and the Trustees and which shall be such as to ensure that the value of the entitlements provided in respect of AVCs is reasonable having regard to the amount of the AVCs and to the value of the other benefits provided under the Scheme), entitle the Member to be credited with a specified additional number of years and days of notional Pensionable Service on the assumption that his pension entitlement comes into payment at Normal Retirement Date.

## 5.3 Benefits for AVCs paid by regular monthly instalments

- 5.3.1 A Member who pays AVCs under this FS Rule 5 by regular monthly instalments until Normal Retirement Date will be credited with such period of additional Pensionable Service as was specified as being the Member's entitlement in respect of such AVCs in accordance with calculations made by the Actuary by applying assumptions agreed from time to time between the Actuary and the Trustees and which shall be such as to ensure that the value of the entitlements provided in respect of AVCs is reasonable having regard to the amount of the AVCs and to the value of the other benefits provided under the Scheme.
- 5.3.2 Where there has been a change in the percentage rate at which AVCs have been paid under this Rule, separate calculations shall be made as appropriate by reference to the different rates at which AVCs were paid and the periods for which they were so paid.
- 5.3.3 Where a Member suspends payment of AVCs for a period prior to Normal Retirement Date, or where payment of AVCs ceases prior to Normal Retirement Date, the additional Pensionable Service with which the Member would otherwise have been credited shall be reduced proportionately to reflect the period during which AVCs are not paid, provided that no reduction will apply (except in respect of a period during which payment of AVCs was suspended) where a Member:
- (i) dies in Pensionable Service prior to Normal Retirement Date; or
  - (ii) retires before Normal Retirement Date on the grounds of Total Incapacity in accordance with Rule 8.1(ii) and has been paying AVCs under this FS Rule for not less than five years; and

at the time of such death or retirement (as the case may be) such Member was continuing to pay AVCs under this Rule.

- 5.3.4 Where a Member:
- (i) retires before Normal Retirement Date on the grounds of Partial Incapacity in accordance with Rule 8.1(ii);
  - (ii) has been paying AVCs under this Rule for not less than five years, and
  - (iii) at the time of retirement was continuing to pay AVCs under this Rule,

the Member shall be entitled to be credited with a proportion of the additional Pensionable Service determined as being his prospective entitlement in respect of his AVCs, calculated under FS Rule 5.3.3. The immediate pension attributable to such proportionate additional Pensionable Service shall not be reduced in respect of the fact that it has come into payment before Normal Retirement Date.

- 5.3.5 Where a Member retires before Normal Retirement Date on the grounds of Total Incapacity or Partial Incapacity with an entitlement to an immediate pension and has been paying AVCs under this Rule for less than five years, the Member shall be entitled to be credited with a proportion of the additional Pensionable Service determined as being his prospective entitlement in respect of his AVCs, calculated under FS Rule 5.3.3. However, the immediate pension attributable to such proportionate additional Pensionable Service shall be reduced in the same manner as is specified in FS Rule 4.2.1 to take account of the fact that it has come into payment before Normal Retirement Date.
- 5.3.6 Where a Member dies in Pensionable Service and no pension is payable to any surviving Spouse, Dependent Children or Relevant Dependant in respect of such Member, then (in addition to any sum otherwise payable under the Rules in respect of the Member's death) an amount equal to the AVCs paid by the Member under this Rule shall become payable as an additional amount of death benefit in accordance with Rule 12.4.
- 5.3.7 In the event that a Member who is paying AVCs under this Rule changes from full-time to part-time employment, or alters the part-time hours he is working to a different proportion of full-time hours, the benefits payable to him in respect of those AVCs shall be calculated in the adjusted manner specified in Rule 20.2.

#### **5.4 Normal Retirement Date or other Applicable Date**

For the purposes of this FS Rule 5, any reference to Normal Retirement Date shall include such other applicable date as may be specified in arrangements in place for any Member.

## SCHEDULE 2

### CARE RULES

#### 1. Pension on retirement at Normal Retirement Date

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1.1 Subject to CARE Rule 1.5 below, the annual rate of pension payable under this CARE Rule 1 shall be equal to the aggregate of the amounts of the Member's Annual Pension Units and Additional Pension Units, increased to the Relevant Date as set out in CARE Rule 1.3 below.

1.2 An "**Annual Pension Unit**" for the purposes of this CARE Rule 1 means an amount calculated for each CARE Year during all or part of which the Member is in Pensionable Service. It is an amount, prior to the revaluation increases applied in CARE Rule 1.3, equal to:

1.2.1 1/60<sup>th</sup> of the Member's Annual Salary for each CARE Year ending on or prior to 31 December 2016; and

1.2.2 1/75<sup>th</sup> of the Member's Annual Salary for each CARE Year commencing on or after 1 January 2017.

An "**Additional Pension Unit**" concerns the additional benefits payable under this Schedule 2 in respect of AVCs, as more particularly described in CARE Rule 5

1.3 Each Member's Annual Pension Units and Additional Pension Units shall be increased as at 1 August in each year down to the Relevant Date by the Revaluation Percentage, with :

(i) the first such increase occurring on the 1 August in the calendar year after that in which the relevant CARE Year ends, and

(ii) the last such increase occurring on the 1 August last preceding the Relevant Date,

provided that:

1.3.1 the first increase in relation to the CARE Year ending on 31 December 2016 shall occur on 1 August 2018;

1.3.2 no increase shall apply to the Annual Pension Unit or any Additional Pension Unit for the CARE Year during which the Member's Pensionable Service terminates;

1.3.3 the Annual Pension Unit and any Additional Pension Unit for the CARE Year ending on 31 July preceding the Relevant Date will be increased by a pro rata part of the percentage increase in the Index during the 12 month period ending two months prior to the month in which the Relevant Date occurs, the pro rata part being proportionate to the part of the CARE Year during which the Relevant Date occurs that the Member was in Pensionable Service, that proportion being measured in days;

1.3.4 the provisions of this CARE Rule 1.3 will not apply so as to reduce the amount of any Annual Pension Unit or Additional Pension Unit.

1.4 The "**Revaluation Percentage**" for the purposes of this CARE Rule 1.3 means in relation to each 1 August increase date:

1.4.1 in respect of each CARE Year ending on or prior to 31 December 2016, the percentage increase in the Index between the figure published for the Index in the month of May of the calendar year prior to the 1 August concerned and the figure published for the Index in the month of May of the calendar year during which the 1 August increase date occurs; and

1.4.2 in respect of each CARE Year commencing on or after 1 January 2017, the percentage increase in the CPI between the figure published for the CPI in the month of May of the calendar year prior to the 1 August concerned and the figure

published for the CPI in the month of May of the calendar year during which the 1 August increase date occurs up to a maximum of 5%.

- 1.5 For a Pre-1 January 2017 Member, any pension payable under this CARE Rule 1 which is attributable to Pre-1 January 2017 Pensionable Service shall instead be calculated in accordance with CARE Rule 3 with reference to a Normal Retirement Date that is the Member's 65th Birthday.

## **2. Pension on early retirement**

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- 2.1 Subject to CARE Rule 2.3 below, the annual rate of pension payable under this CARE Rule 2 shall be calculated as set out in CARE Rule 1 and adjusted, where appropriate in accordance with whichever is applicable of CARE Rules 2.1.1 to 2.1.3 below.

- 2.1.1 **Early retirement in normal health**

In the case of a Member who retires from Pensionable Service before Normal Retirement Date but on or after age 55 on grounds other than Total Incapacity or Partial Incapacity, the amount will be reduced by a percentage calculated on a basis certified as reasonable by the Actuary having regard to the period between the date the first instalment of the pension falls due and Normal Retirement Date;

- 2.1.2 **Early retirement due to Total Incapacity with 5 years' Pensionable Service**

In the case of a Member who retires from Pensionable Service on grounds of Total Incapacity and has completed at least 5 years' actual Pensionable Service, no reduction shall be applied to the amount for early payment (save as may be provided under CARE Rule 5 in respect of Additional Pension Units), and the annual amount shall be increased to take into account his Credited Pension Units.

- 2.1.3 **Early retirement due to Total Incapacity with less than 5 years' Pensionable Service or due to Partial Incapacity**

In the case of a Member who retires from Pensionable Service on the grounds of Total Incapacity and has completed less than 5 years' actual Pensionable Service or who retires from Pensionable Service on the grounds of Partial Incapacity, no reduction shall be applied to the amount for early payment (save as may be provided under CARE Rule 5 in respect of Additional Pension Units).

For the purposes of CARE Rules 2.1.1 to 2.1.3 above as they apply in relation to a Roslin Member, Roslin Scheme Linked Pensionable Service shall count as actual Pensionable Service.

- 2.2 A Member to whom CARE Rule 2.1.2 applies shall be credited with a Credited Pension Unit for each CARE Year or part of a CARE Year falling during the period that starts with the day after his Pensionable Service ceases and ends with the day on which he is due to reach Normal Retirement Date. For the avoidance of doubt, Credited Pension Units credited under this CARE Rule 2.2 shall not form part of a Member's Pre-1 January 2017 Pensionable Service.

- 2.3 For a Pre-1 January 2017 Member, any pension payable under this CARE Rule 2 which is attributable to Pre-1 January 2017 Pensionable Service shall instead be calculated in accordance with the following Rule, as applicable:

- 2.3.1 where the Pre-1 January 2017 Member retires prior to his 65<sup>th</sup> birthday, this CARE Rule 2;

- 2.3.2 where the Pre-1 January 2017 Member retires on his 65<sup>th</sup> birthday, CARE Rule 1; or

- 2.3.3 where the Pre-1 January 2017 Member retires after his 65<sup>th</sup> birthday, CARE Rule 3, in each case, with reference to a Normal Retirement Date that is the Member's 65<sup>th</sup> Birthday.

### **3. Pension on late retirement**

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The annual rate of pension payable under this CARE Rule 3 where it applies shall be equal to whichever is the higher of:

- 3.1 the amount that would have been payable to the Member if he had retired at Normal Retirement Date (calculated in accordance with CARE Rule 1 by reference to his Annual Pension Units and Additional Pension Units accrued to that date, increased as appropriate to that date in accordance with CARE Rule 1.3), increased by a percentage calculated on a basis certified as reasonable by the Actuary (having regard both to the period between the date on which he reached Normal Retirement Date and the date the first instalment of the pension falls due and the percentage increase that would have been applied over such period to the annual amount of the Member's pension had it come into payment on his reaching Normal Retirement Date); and
- 3.2 an amount calculated in respect of him in accordance with CARE Rule 1 by reference to his Annual Pension Units and Additional Pension Units to the last day of his actual Pensionable Service, increased as appropriate to that date in accordance with CARE Rule 1.3 and further increased where applicable by a percentage calculated on a basis certified as reasonable by the Actuary (having regard both to the period between the last day of his actual Pensionable Service and the date the first instalment of the pension falls due and the percentage increase that would have been applied over such period to the annual amount of the Member's pension had it come into payment on the day after his Pensionable Service ended).

PROVIDED THAT, for a Pre-1 January 2017 Member, any pension payable under this CARE Rule 3 which is attributable to Pre-1 January 2017 Pensionable Service shall instead be calculated in accordance with this CARE Rule 3 with reference to a Normal Retirement Date that is the Member's 65<sup>th</sup> Birthday.

### **4. Termination of Pensionable Service**

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#### **4.1 Retirement at Normal Retirement Date**

The annual rate of pension payable under this CARE Rule 4.1 where it applies shall be equal to the aggregate of the amounts of the Member's Annual Pension Units and Additional Pension Units, as those fall to be increased in accordance with CARE Rule 1.3 to the date on which the Member's Pensionable Service terminated, provided that for a Pre-1 January 2017 Member, any pension payable under this CARE Rule 4.1 which is attributable to Pre-1 January 2017 Pensionable Service shall instead be calculated in accordance with CARE Rule 4.3 with reference to a Normal Retirement Date that is the Member's 65<sup>th</sup> Birthday.

#### **4.2 Early retirement**

The annual rate of pension payable under this CARE Rule 4.2 where it applies shall be shall be calculated in accordance with whichever is applicable of 4.2.1 or 4.2.2 below.

##### **4.2.1 Early retirement in normal health**

Where the pension is not being brought into payment early on the grounds of Total Incapacity or Partial Incapacity, it will be equal to the pension that would have been payable to the Member under this CARE Rule 4 (calculated in accordance with CARE Rule 4.1) had it been brought into payment at Normal Retirement Date, reduced by a percentage calculated on a basis certified as reasonable by the Actuary having regard to the period between the date the first instalment of the pension is paid and Normal Retirement Date.

##### **4.2.2 Early retirement due to Total Incapacity or Partial Incapacity**

Where the pension is being brought into payment early on the grounds of Total Incapacity or Partial Incapacity, it will be equal to the pension that would have been payable to the Member under this CARE Rule 4 (calculated in accordance with CARE Rule 4.1) had it been brought into payment at Normal Retirement Date, without any reduction being applied for early payment except that any pension



attributable to Additional Pension Units credited to such Member under CARE Rule 5 shall be subject to such reduction.

PROVIDED THAT for a Pre-1 January 2017 Member, any pension payable under this CARE Rule 4.2 which is attributable to Pre-1 January 2017 Pensionable Service shall instead be calculated in accordance with the following Rule, as applicable:

- (i) where the Pre-1 January 2017 Member retires prior to his 65th birthday, this CARE Rule 4.2;
- (ii) where the Pre-1 January 2017 Member retires on his 65th birthday, CARE Rule 4.1; or
- (iii) where the Pre-1 January 2017 Member retires after his 65th birthday, CARE Rule 4.3, in each case, with reference to a Normal Retirement Date that is the Member's 65th Birthday.

#### **4.3 Late retirement**

The amount of pension payable under this CARE Rule 4.3 where it applies shall be calculated in accordance with CARE Rule 4.1 as if the pension had been brought into payment at Normal Retirement Date, increased by a percentage calculated on a basis certified as reasonable by the Actuary (having regard both to the period between Normal Retirement Date and the date the first instalment of the pension is paid and the percentage increase that would have been made over such period in the annual amount of the Member's pension, had it come into payment at Normal Retirement Date).

PROVIDED THAT, for a Pre-1 January 2017 Member, any pension payable under this CARE Rule 4.3 which is attributable to Pre-1 January 2017 Pensionable Service shall instead be calculated in accordance with this CARE Rule 4.3 with reference to a Normal Retirement Date that is the Member's 65<sup>th</sup> Birthday.

### **5. AVCs – Additional Pension Units**

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#### **5.1 Payment of AVCs**

5.1.1 Subject to giving the Trustees such period of prior written notice as they may require, a Member in Pensionable Service may:

- (i) with effect from any Joining Date commence payment of AVCs under this Rule through deduction from salary each month; and/or
- (ii) make an individual lump sum AVC of an amount of not less than £1,000 on not more than one occasion in any Tax Year unless the Trustees agree otherwise to the frequency or amount of such lump sum payment under this Rule

in each case under arrangements made by the Trustees with the consent of the Principal Employer

provided that the total amount of AVCs paid in any Tax Year under this Rule and under FS Rule 5 taken together shall not exceed 15 per cent of the Member's Pensionable Salary for that Tax Year.

5.1.2 AVCs under CARE Rule 5.1.1(i) shall be payable at a rate which is a specified percentage of the Member's Pensionable Salary from time to time, being a multiple of 0.5 per cent of such Pensionable Salary (and not less than 0.5 per cent of such Pensionable Salary). Payment of AVCs under CARE Rule 5.1.1(i) shall be made on the basis that their payment by the Member at that percentage rate throughout the period from the Joining Date to Normal Retirement Date shall entitle the Member to be credited at Normal Retirement Date with an Additional Pension Unit in respect of each CARE Year during that period.

5.1.3 Additional Pension Units shall be:

- (i) calculated separately in respect of each CARE Year during which the Member pays AVCs under CARE Rule 5.1.1(i),
- (ii) in each case equal to such proportion (based on calculations made by the Actuary) as is specified at the time payment of AVCs at that rate commences of the Member's ordinary Annual Pension Unit for the relevant CARE Year, and
- (iii) subject to the terms of CARE Rule 5.2 below.

Where the Member will not be paying AVCs throughout the CARE Year in which he commences or ceases payment of such AVCs, his Additional Pension Unit for that CARE Year shall be calculated in accordance with the provisions set out in CARE Rule 5.2.8.

For the avoidance of doubt, an Additional Pension Unit for a CARE Year will not necessarily represent the same proportion of the Member's Annual Salary for that CARE Year as the AVCs for that CARE Year represent as a proportion of such Annual Salary.

- 5.1.4 Each AVC payable under CARE Rule 5.1.1(i) shall entitle the Member to an Additional Pension Unit in respect of the CARE Year during which it is so paid which shall be equal to such proportion as is specified at the time payment of such AVC is made of the ordinary Annual Pension Unit for such CARE Year.
- 5.1.5 A Member in Pensionable Service may increase the percentage rate at which he is paying AVCs under CARE Rule 5.1.1(i) with effect from any Joining Date by giving not less than three months' prior notice in writing (or such shorter period of notice as the Trustees may agree to accept) of the percentage rate at which he wishes to make payment of AVCs in future, provided that such increased rate is a multiple of 0.5 per cent of the Member's Pensionable Salary and subject to the same proviso as applies to CARE Rule 5.1.1. No such notice may be withdrawn or amended except with the consent of the Trustees and no such notice may be given so as to take effect less than twelve months after the last occasion on which a notice under this or the following sub-rule took effect.
- 5.1.6 A Member in Pensionable Service may discontinue the payment of AVCs under CARE Rule 5.1.1(i), or reduce the rate at which he is paying such AVCs (subject to such reduced rate being a multiple of 0.5 per cent of the Member's Pensionable Salary), with effect from any Joining Date by giving not less than three months' prior notice in writing (or such shorter period of notice as the Trustees may agree to accept) of his intention to cease paying AVCs or of the lower percentage rate at which he wishes to make payment of AVCs in future. No such notice may be withdrawn or amended except with the consent of the Trustees and no such notice may be given so as to take effect less than twelve months after the last occasion on which a notice under this or the preceding sub-rule took effect.
- 5.1.7 Without prejudice to CARE Rule 5.1.6, payment of AVCs under CARE Rule 5.1.1(i) shall in any event cease when the Member ceases to be in Pensionable Service or reaches Normal Retirement Date. However, a Member who is in Pensionable Service after Normal Retirement Date may make payment of AVCs under CARE Rule 5.1.1(ii).
- 5.1.8 Payment by a Member of AVCs in accordance with CARE Rule 5.1.1(i) shall be suspended during any period when such Member (although not having ceased to be in Pensionable Service) is not being paid any Salary.

Where a Member in Pensionable Service is being paid a Salary at less than the normal rate applicable to the Member (by reason of ill-health or for any other reason), such Member may continue to pay AVCs under this Rule at the agreed percentage of his normal rate of Pensionable Salary or at the agreed percentage of his reduced rate of Salary. The amount of his Additional Pension Unit for any CARE Year during the whole or part of which the Member is being paid a Salary at less

than his normal rate shall, if necessary, be adjusted in such manner as the Trustees shall consider appropriate (based on calculations made by the Actuary), having regard to the AVCs paid during that CARE Year.

- 5.1.9 Where there is a change in the percentage rate at which AVCs are being paid under CARE Rule 5.1.1(i) under any of CARE Rules 5.1.5 to 5.1.8, the proportion which an Additional Pension Unit represents of the ordinary Annual Pension Unit for each CARE Year or part of a CARE Year from the date of that change down to the next such change or to Normal Retirement Date, whichever occurs first, shall be changed to such revised proportion as may be specified at the time of the change (based on calculations made by the Actuary).
- 5.1.10 Where, in terms of this CARE Rule 5.1, calculations are to be made by the Scheme Actuary, they shall be made applying assumptions from time to time agreed between the Actuary and the Trustees and shall be such as to ensure that the value of the entitlements provided in respect of AVCs is reasonable having regard to the amount of the AVCs and to the value of the other benefits provided under the Scheme.

## 5.2 Benefits payable in respect of AVCs

- 5.2.1 A Member who pays AVCs under CARE Rule 5.1.1(i) until Normal Retirement Date shall be entitled to be credited with an Additional Pension Unit in respect of each CARE Year during which such AVCs have been paid by him.
- 5.2.2 Where a Member suspends payment of AVCs for a period at some time prior to Normal Retirement Date, the Additional Pension Unit for each CARE Year during the whole or part of which such suspension of payment continues shall be calculated in accordance with the provisions set out in CARE Rule 5.2.8.
- 5.2.3 This CARE Rule 5.2.3 applies to (1) a Member who is paying AVCs himself under CARE Rule 5.1.1(i), who ceases payment of such AVCs prior to Normal Retirement Date (whether because he ceases to be in Pensionable Service or otherwise) and who does not obtain a refund under Rule 17.1 nor fall within the scope of CARE Rule 5.2.4 and (2) a Qualifying Member who has arranged pursuant to Rule 5.3 for additional contributions to be paid in respect of him by the Employer under CARE Rule 5.1.1(i), payment of which ceases prior to the Member's Normal Retirement Date (whether because he ceases to be in Pensionable Service or otherwise) and who does not fall within the scope of CARE Rule 5.2.4. A Member to whom this CARE Rule 5.2.3 applies shall be entitled to be credited with Additional Pension Units for each CARE Year during the whole or part of which AVCs under CARE Rule 5.1.1(i) were paid by or in respect of him. Where such AVCs were paid during part of a CARE Year only, his Additional Pension Unit for that CARE Year shall be calculated in accordance with the provisions set out in CARE Rule 5.2.8.
- 5.2.4 Where a Member:
- (i) dies in Pensionable Service prior to Normal Retirement Date or
  - (ii) retires before Normal Retirement Date on the grounds of Total Incapacity in accordance with Rule 8.1(ii) with an entitlement to an immediate pension and has been paying AVCs under CARE Rule 5.1.1(i) for not less than five years,

and, at the time of such death or retirement (as the case may be) such Member was continuing to pay AVCs under CARE Rule 5.1.1(i), the Member concerned shall be credited with such further Additional Pension Units as were the Member's prospective entitlement in respect of the further AVCs that would have been paid during the period down to Normal Retirement Date, on the assumptions that he would have continued in Pensionable Service and continued to pay AVCs at the same rate to that date, and that the rates of Pensionable Salary and Annual Salary to which he would have been entitled in respect of that period would have continued at the same levels as they were at the time of such death or retirement.

5.2.5 Where a Member:

- (i) retires before Normal Retirement Date on the grounds of Partial Incapacity in accordance with Rule 8.1(ii) with an entitlement to an immediate pension, and
- (ii) has been paying AVCs under CARE Rule 5.1.1(i) for not less than five years, and
- (iii) at the time of retirement was continuing to pay AVCs under CARE Rule 5.1.1(i),

the Member shall be entitled to such Additional Pension Units as have accrued to him in respect of the AVCs paid under CARE Rule 5.1.1(i) to the date of retirement. The immediate pension attributable to such Additional Pension Units shall not be reduced in respect of the fact that it has come into payment before Normal Retirement Date.

5.2.6 Where a Member retires before Normal Retirement Date on the grounds of Total Incapacity or Partial Incapacity with an entitlement to an immediate pension and has been paying AVCs under CARE Rule 5.1.1(i) for less than five years, the Member shall be entitled to such Additional Pension Units as have accrued to him in respect of the AVCs paid to the date of retirement. However, the immediate pension attributable to such Additional Pension Units shall be reduced in the same manner as is specified in CARE Rule 4.2.1 to take account of the fact that it has come into payment before Normal Retirement Date.

5.2.7 In calculating the Additional Pension Units that have accrued to a Member in respect of AVCs paid under CARE Rule 5.1.1(i) down to the date of retirement, where AVCs have been paid during only part of a CARE Year, the Additional Pension Unit for that CARE Year shall be calculated in accordance with the provisions set out in CARE Rule 5.2.8.

5.2.8 Where this CARE Rule 5.2.8 applies in relation to a CARE Year, the Additional Pension Unit for that CARE Year shall be calculated according to the formula

$$\frac{A \times C \times D}{B}$$

B

where

- A = the number of days in that part of the CARE Year in respect of which AVCs have been paid
- B = the number of days in the CARE Year or, where the Member has received or is deemed to have received Annual Salary in respect of part only of the CARE Year, the number of days in the relevant part
- C = the proportion which an Additional Pension Unit would ordinarily represent of the ordinary Annual Pension Unit for the relevant CARE Year, as determined in accordance with CARE Rule 5.1.2
- D = the amount of the ordinary Annual Pension Unit for the relevant CARE Year.

5.2.9 Where a Member dies in Pensionable Service and no pension is payable to any surviving Spouse, Dependent Children or Relevant Dependant in respect of such Member, then (in addition to any sum otherwise payable under the Rules in respect of the death of the Member) an amount equal to the AVCs paid by the Member under this Rule shall become payable as an additional amount of death benefit in accordance with Rule 12.4.

5.2.10 A Qualifying Member who has paid AVCs himself under CARE Rule 5.1.1(ii), or has arranged pursuant to Rule 5.3 for an additional contribution or contributions to be paid in respect of him by the Employer under CARE Rule 5.1.1(ii), shall be entitled to be credited with the Additional Pension Unit determined as being his prospective entitlement in respect of such AVCs.

5.2.11 The benefits provided under the CARE Rules for and in respect of a Member who is entitled to be credited with Additional Pension Units in terms of this Rule shall be calculated taking account of such Additional Pension Units (save as expressly provided otherwise in the Rules).

### 5.3 Termination of arrangements

The Trustees and the Principal Employer by agreement between them, may at any time determine that no further arrangements for the payment of AVCs under CARE Rule 5.1.1(i) may be entered into (but such closure shall not prevent any Member from continuing to pay AVCs at the same rate as before under any such arrangements entered into prior to such determination) and/or may at any time determine that no further AVCs may be paid under CARE Rule 5.1.1(ii).

## 6. Lump Sum Benefit

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### 6.1 Lump sum benefit on retirement at Normal Retirement Date

The lump sum benefit payable under this CARE Rule 6.1 where it applies shall be equal to the sum of:

6.1.1 a lump sum equal to 3/75ths of the Member's Annual Salary for each CARE Year commencing on or after 1 January 2017, increased to the Relevant Date as described in CARE Rule 1.3 in the same manner as it applies to a Member's Annual Pension Units; and

6.1.2 any additional lump sum arising from a transfer to the Scheme, except to the extent that this is already provided for in the lump sum payable under CARE Rule 6.1.1 above.

### 6.2 Lump sum benefit on early retirement

The lump sum benefit payable under this CARE Rule 6.2 where it applies shall be calculated in accordance with CARE Rule 6.1, adjusted, where appropriate, in accordance with whichever is applicable of CARE Rules 6.2.1 to 6.2.3 below.

#### 6.2.1 Early retirement in normal health

In the case of a Member who retires from Pensionable Service before Normal Retirement Date but on or after age 55 on grounds other than Total Incapacity or Partial Incapacity, the amount will be reduced by a percentage calculated on a basis certified as reasonable by the Actuary having regard to the period between the date the lump sum benefit falls due and Normal Retirement Date;

#### 6.2.2 Early retirement due to Total Incapacity with 5 years' Pensionable Service

In the case of a Member who retires from Pensionable Service on grounds of Total Incapacity and has completed at least 5 years' actual Pensionable Service, no reduction shall be applied to the amount for early payment, and the annual amount shall be increased to take into account his Credited Lump Sum.

#### 6.2.3 Early retirement due to Total Incapacity with less than 5 years' Pensionable Service or due to Partial Incapacity

In the case of a Member who retires from Pensionable Service on the grounds of Total Incapacity and has completed less than 5 years' actual Pensionable Service or who retires from Pensionable Service on the grounds of Partial Incapacity, no reduction shall be applied to the amount for early payment.

A Member to whom CARE Rule 6.2.2 applies shall be credited with a Credited Lump Sum for each CARE Year or part of a CARE Year falling during the period that starts with the day after his Pensionable Service ceases and ends with the day on which he is due to reach Normal Retirement Date.

### 6.3 **Lump sum benefit on late retirement**

The lump sum benefit payable under this CARE Rule 6.3 where it applies shall be equal to whichever is the higher of:

- 6.3.1 the lump sum that would have been payable to the Member if he had retired at Normal Retirement Date (calculated as at that date in accordance with CARE Rule 6.1), increased by a percentage calculated on a basis certified as reasonable by the Actuary (having regard to the period between the date on which he reached Normal Retirement Date and the date the lump sum is actually payable); and
- 6.3.2 an amount calculated in respect of him in accordance with CARE Rule 6.1 as at the last day of his actual Pensionable Service, increased where applicable by a percentage calculated on a basis certified as reasonable by the Actuary (having regard to the period between the last day of his actual Pensionable Service and the date the lump sum is payable).

### 6.4 **Termination of Pensionable Service**

The lump sum benefit payable under this CARE Rule 6.4 where it applies shall be:

- 6.4.1 where the Member retires at Normal Retirement Date, calculated in accordance with CARE Rule 6.1 as at the date on which the Member's Pensionable Service terminated;
- 6.4.2 where the Member retires before Normal Retirement Date, calculated in accordance with CARE Rule 6.1 as at the date on which the Member's Pensionable Service terminated, adjusted, where appropriate, in accordance with whichever is applicable of (i) or (ii) below:
  - (i) **Early retirement in normal health**

In the case of a Member who retires before Normal Retirement Date but on or after age 55 on grounds other than Total Incapacity or Partial Incapacity, the amount will be reduced by a percentage calculated on a basis certified as reasonable by the Actuary having regard to the period between the date the lump sum benefit falls due and Normal Retirement Date;
  - (ii) **Early retirement due to Total Incapacity or Partial Incapacity**

In the case of a Member who retires before Normal Retirement Date on grounds of Total Incapacity or Partial Incapacity, no reduction shall be applied for early payment
- 6.4.3 where the Member retires after Normal Retirement Date, the lump sum that would have been payable to the Member if he had retired at Normal Retirement Date (calculated in accordance with CARE Rule 6.4.1), increased by a percentage calculated on a basis certified as reasonable by the Actuary (having regard to the period between the date on which he reached Normal Retirement Date and the date the lump sum is actually payable).

## SCHEDULE 3 GMP MODEL RULES

### Interpretation

References to any legislation or any provision includes references to any previous legislation or provision relating to the same subject matter and to any modification or re-enactment for the time being in force.

### 1. DEFINITIONS

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In these GMP Model Rules the following words have the following meanings:

<b>The Act</b>	means the Pension Schemes Act 1993.
<b>Actuary</b>	means a Fellow of the Institute of Actuaries or a Fellow of the Faculty of Actuaries, or a person with other actuarial qualifications who is approved by the Secretary of State for Social Security, at the request of the Trustees, as being a proper person to act in this capacity.
<b>Fixed Rate Revaluation</b>	means the method of revaluing a GMP before State Pensionable Age described in Rule 5.1.3 below.
<b>GMP</b>	means the guaranteed minimum pension of a Member, Widow or Widower as defined in the Act.
<b>Insurer</b>	means an insurance company, an EC company or a friendly society as defined in section 32A(2)(a) of the Act.
<b>Limited Rate Revaluation</b>	means the method of revaluing a GMP before State Pensionable Age described in Rule 5.1.2 below.
<b>Member</b>	means a Member of the Scheme (including a person who is not in the pensionable service of any employer participating in the Scheme but to whom, or in respect of whom, benefits are still immediately or prospectively payable under the Scheme in respect of previous membership of the Scheme or another scheme).
<b>Normal Retiring Date</b>	means the day on which a Member attains normal pension age (within the meaning of the Act) under the Scheme.
<b>Rule</b>	(followed by a number) means the Rule (with that number) in this Appendix.
<b>Scheme</b>	means this occupational pension scheme.
<b>Section 53 Salary Related Scheme</b>	means a scheme which was a contracted-out scheme, providing guaranteed minimum pensions and satisfying section 9(2) of the Act, and to which the Secretary of State may give directions under section 53 of the Act.
<b>Section 148 Revaluation</b>	means the method of revaluing a GMP before State Pensionable Age described in Rule 5.1.1 below.
<b>Short Service Benefit</b>	means the benefit to which an early leaver who satisfies the qualifying conditions must be entitled

<b>State Pensionable Age</b>	under the preservation requirements. means a man's 65th birthday and in the case of a woman is, for the purposes of any provision which relates to GMPs, her 60 <sup>th</sup> birthday, notwithstanding the rules contained in paragraph 1 of Schedule 4 to the Pensions Act 1995.
<b>Trustees</b>	means the trustees or administrators of the Scheme.
<b>Widow and Widower</b>	means respectively the widow and the widower of a Member. If a Member has married under a law which allows polygamy and, on the day of the Member's death, has more than one Spouse, the Trustees must decide which, if any, survivor is the Widow or Widower. In reaching that decision, the Trustees must have regard to the practice of the Department of Social Security and any relevant provisions of existing Social Security and any relevant provisions of existing Social Security legislation, in particular section 17(5) of the Act and regulation 2 of the Social Security and Family Allowance (Polygamous Marriages) Regulations 1975 (SI 1975/561).

## **2. OVERRIDING EFFECT OF THESE GMP MODEL RULES**

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- 1.1 These Rules shall apply if any Member has completed a period of contracted-out employment before 6 April 1997 and in circumstances where any GMP has been transferred into the Scheme in accordance with Rule 8. These Rules will only apply for so long as anyone has a GMP or a prospective right to receive a GMP under the Scheme which subjects the Scheme to the continuing supervision of H M Revenue and Customs.
- 1.2 These Rules override any inconsistent provisions elsewhere in the Scheme except provisions which are necessary in order that the status of the Scheme as a Registered Pension Scheme is maintained.
- 1.3 These Rules will be treated as including rules to the effect of any rule that must be included in relation to GMPs. If any of these Rules are inconsistent with the requirements of the Act (and Regulations made under it) in relation to GMPs, the latter will prevail.

## **3. ALTERATIONS TO THESE GMP MODEL RULES**

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### **3.1 Power to alter GMP Model Rules**

The persons or bodies having the power of alteration in relation to the rest of the Scheme may at any time in writing make any alteration to these GMP Model Rules necessary to comply with the contracting-out requirements of the Act applicable to the Scheme from time to time. This power of alteration may be exercised by them without any condition except the one in 3.2 below. It is additional to, and independent of, any other power of alteration, in relation to the Scheme.

### **3.2 Statutory conditions**

No alteration to these GMP Model Rules may be made except as permitted under Section 37 of the Act. This applies whether the alteration is made under 3.1 above or under any power of alteration in relation to the Scheme.



## **4. ENTITLEMENT TO GMP**

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### **4.1 Guaranteed Minimum**

This Rule 4 applies to a Member, Widow or Widower where the Member has a guaranteed minimum in relation to the pension provided for the Member under the Scheme in accordance with section 14 of the Act.

### **4.2 Member's GMP**

The Member shall be entitled to a pension for life in respect of service before 6 April 1997 paid at a rate equivalent to a weekly rate of not less than that guaranteed minimum. The pension will be paid from State Pensionable Age but commencement of the pension may be postponed for any period during which the Member remains in employment after State Pensionable Age:

4.2.1 if the employment is employment to which the Scheme relates and the postponement is not for more than 5 years after State Pensionable Age; or

4.2.2 if the Member consents to the postponement.

### **4.3 Widow's GMP**

Where the Member is a man and dies at any time leaving a Widow, she shall be entitled, subject to 4.4 below, to receive a pension from the Scheme in respect of his service before 6 April 1997 paid at a rate equivalent to a weekly rate of not less than half that guaranteed minimum.

### **4.4 Payment of Widow's GMP**

The pension shall be paid for life to any Widow.

### **4.5 Widower's GMP**

Where the member is a woman and dies at any time on or after 6 April 1989 leaving a Widower, he shall be entitled, subject to 4.6 below, to receive a pension from the Scheme paid at a rate equivalent to a weekly rate of not less than half of that part of the guaranteed minimum which is attributable to earnings for the tax year 1988/1989 and subsequent tax years up to and including the tax year 1996/1997.

### **4.6 Payment of Widower's GMP**

The pension shall be paid for life to any Widower.

### **4.7 Offsetting pension against GMP**

Any pension payable to the Member, Widow or Widower under any other provision of the Scheme may be offset against the pension entitlement under this Rule 4 except to the extent that:

4.7.1 any part of the pension is an equivalent pension benefit within the meaning of the National Insurance Act 1965; or

4.7.2 any part of the other pension is an increase, calculated in accordance with Schedule 3 of the Act and added to the amount that would be payable but for Chapter II of Part IV of the Act or regulations made under it; or

4.7.3 offsetting would contravene the anti-franking legislation (see Rule 7 below); or

4.7.4 offsetting would contravene Regulation 55 of the Occupational Pension Schemes (Contracting Out) Regulations 1996.

## **5. REVALUATION OF GMP**

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### **5.1 Revaluation before State Pensionable Age**

Where a Member ceases to be in contracted-out employment before State Pensionable Age, the Member's GMP at State Pensionable Age or at the Member's earlier death will be

calculated by increasing the accrued rights to GMP at cessation of contracted-out employment under one of the options 5.1.1 – 5.1.3 below.

#### 5.1.1 **Section 148 Revaluation**

The increase will be by the percentage by which earnings factors for the tax year in which Contracted-out Employment ceases are increased by the last order under section 148 of the Social Security Administration Act 1992 to come into force before the tax year in which the Member reaches State Pensionable Age (or dies, if earlier).

#### 5.1.2 **Limited Revaluation (not applicable to Members who cease to be in contracted out employment after 5 April 1997)**

The increase will be by the lesser of:

- (i) 5 per cent (5%) compound for each tax year after that in which Contracted-out Employment ceases up to and including the last complete tax year before the Member reaches State Pensionable Age (or dies, if earlier); and
- (ii) the percentage by which earnings factors for the tax year in which Contracted-out Employment ceases are increased by the last order under section 148 of the Social Security Administration Act 1992 to come into force before the tax year in which the Member reaches State Pensionable Age (or dies, if earlier).

The Trustees must pay a limited revaluation premium in respect of the Member to HM Revenue and Customs.

This option is not available where a member ceases to be in contracted-out employment on or after 6 April 1997.

#### 5.1.3 **Fixed Rate Revaluation**

The increase will be by such rate as regulations made under section 55(5) of the Act specify as being relevant at the date contracted-out employment ceases, for each complete tax year after the tax year containing that date up to and including the last complete tax year before the Member reaches State Pensionable Age (or dies, if earlier).

The Trustees and the Principal Employer shall decide which of the options 5.1.1 - 5.1.3 (where available) applies to the Scheme. They may at any time decide that the other method shall be used, instead of the method currently being used, for all Members ceasing to be in Contracted-out Employment after a specified date.

### 5.2 **Transfers in**

Where a transfer payment is received in respect of a Member from another scheme ("the transferring scheme") which includes accrued rights of the Member to a GMP the earnings factors used in calculating that GMP will normally be revalued using Section 148 Revaluation during the Member's contracted-out employment, and 5.1 above will apply if that Contracted-out Employment ceases before State Pensionable Age. The Trustees may, however, decide, in circumstances where the laws relating to contracting-out allow, to use Fixed Rate Revaluation from the date on which the Member ceased to be in contracted-out employment by reference to the transferring scheme until the Member attains State Pensionable Age (or dies, if earlier), but

- 5.2.1 Limited Revaluation may not be used as regards any part of the GMP being transferred which arose from contracted out employment in relation to a previous scheme and which the transferring scheme is already revaluing by Fixed Rate Revaluation (and vice versa), and

5.2.2 The Trustees may not make that decision if, on becoming a Member, the Member's contracted out employment in relation to a previous scheme is treated as continuing for the purposes of the Act.

Limited Revaluation may only be used where the Member ceased to be in contracted out employment by reference to the transferring scheme before 6 April 1997 and a limited revaluation premium was paid under the transferring scheme.

Where the Scheme accepts the proceeds of, or the assignment of, an insurance policy which consists of, or includes, accrued rights to GMP, the Trustees must use the method of revaluation that was in use under the policy.

### 5.3 **Transfers out**

Where a Member's accrued rights to GMP are transferred to another contracted-out salary related scheme or to a Section 53 salary related scheme, the Trustees may agree with the administrator of that scheme that the Member's GMP shall, instead of being revalued using the method currently being adopted under 5.1 above, be revalued using another method which would be permitted if that scheme contained a rule in the same terms as 5.2 above.

## 6. **INCREASE OF GMP**

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### 6.1 **Increase after State Pensionable Age**

If the commencement of any Member's GMP is postponed for any period after State Pensionable Age, that GMP shall be increased to the extent, if any, specified in section 15 of the Act.

### 6.2 **Increase after State Pensionable Age or Member's death**

Any GMP to which a Member, Widow or Widower is entitled under Rule 4 above shall, insofar as it is attributable to earnings in the tax years 1988/1989 and subsequent tax years up to and including the tax year 1996/1997, be increased in accordance with the requirements of section 109 of the Act.

## 7. **ANTI-FRANKING**

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Except as provided in sections 87-92 and 110 of the Act, no part of a Member's, Widow's or Widower's pension under the Scheme may be used to frank an increase in the Member's, Widow's or Widower's GMP under Rule 5 or Rule 6 above.

## 8. **TRANSFERS INTO THE SCHEME**

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### 8.1 **Acceptance of transfers**

The Trustees may accept:

8.1.1 a transfer payment in respect of the Member's accrued rights to GMPs under a contracted-out salary related scheme, a Section 53 salary related scheme or a policy of insurance or an annuity contract of the type described in section 19 of the Act,

8.1.2 a transfer of the liability for the payment of GMPs to, or in respect of, any person who has become entitled to them.

Transfers may be accepted only as provided in the appropriate regulations.

### 8.2 **Effect of Transfers**

Where a transfer is accepted under 8.1.1 above, the Member's accrued rights to GMPs under the Scheme will be increased accordingly.

Where a transfer is accepted under 8.1.2 above, the Member's accrued rights to GMPs under the Scheme shall be increased accordingly.

## **9. TRANSFERS OUT OF THE SCHEME**

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### **9.1 Conditions for transfer of GMPs**

A transfer made out of the Scheme may include a Member's accrued rights to GMPs or the liability for the payment of GMPs to, or in respect of, any person who has become entitled to them only if the following conditions are fulfilled. These conditions depend on the type of scheme, policy or contract to which the transfer is being made.

#### **9.1.1 Contracted-out salary related schemes**

The transfer must comply with the requirements of Regulation 3 or 4 of SI 1996/No 1462.

#### **9.1.2 Section 19 insurance policy of annuity contract**

The transfer must comply with the requirements of Section 19 of the Act.

#### **9.1.3 Appropriate personal pension schemes and occupational pension schemes which are or were contracted-out by the money purchase test**

The transfer must comply with the requirements of Regulation 5 of SI 1996/No 1462.

#### **9.1.4 Overseas schemes**

The transfer must comply with the requirements of Regulation 6 of SI 1996/No 1462.

### **9.2 Effect of such transfers**

Where the Member's accrued rights to GMPs or liability for GMPs already in payment are transferred in accordance with 9.1 above, the Member and the Member's Widow or Widower will cease to have any entitlement to a GMP under the Scheme. If the transfer does not relate to the whole of the Member's rights to benefits under the Scheme, the Member's remaining benefits under the Scheme may be reduced to allow for the fact that the Member's GMP rights have been transferred.

## **10. COMMUTATION OF GMP**

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Where Section 21 of the Act permits, the Members GMP and the Widow's or Widower's GMP may be commuted.

## **11. SECURING GMPS**

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GMPs may be secured through the Scheme provided it has been established under an irrevocable trust subject to the laws of any part of the United Kingdom. Otherwise, a GMP must be secured by means of an insurance policy or annuity contract with an Insurer.

## **12. SCHEME UNABLE TO RETAIN GMPS**

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If the Scheme is no longer able to retain GMPs in terms of Regulation 76(A) of the Occupational Pension Schemes (Contracting-out) Regulations 1996 (SI 1996/1172), the Trustees must seek the approval of H M Revenue and Customs to any proposed arrangement for securing GMPs.

## **13. SUSPENSION AND FORFEITURE OF GMP**

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Suspension and forfeiture of a GMP is permitted in the circumstances set out in regulation 61 of the Occupational Pension Scheme (Contracting-out) Regulations 1996 (SI 1996/1172).

## **14. CONTRIBUTIONS EQUIVALENT PREMIUMS**

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14.1 The Trustees may elect to pay a contributions equivalent premium in accordance with and subject to the conditions in Sections 55 to 57 of the Act.

Payment of the contributions equivalent premium extinguishes the Member's accrued rights to GMPs under the Scheme.

## **15. CIVIL PARTNERS**

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Where a Member who has formed a civil partnership dies, the surviving civil partner shall be entitled to receive a GMP from the Scheme in accordance with the relevant requirements of the Act.

## SCHEDULE 4 PENSION SHARING ON DIVORCE

### **1. Compliance with Pension Sharing Orders**

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It may be that a Pension Sharing Order requires all or part of a Member's benefits to be transferred to the Member's former Spouse or Civil Partner. If this happens, the Trustees will discharge their liability to the former Spouse or Civil Partner in accordance with the requirements of that Act and of HMRC. The Trustees may provide benefits for the former Spouse or Civil Partner under the Scheme. The Trustees may impose charges as permitted by that Act.

### **2. Benefits under the Scheme**

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If the Trustees provide benefits for the former Spouse or Civil Partner under the Scheme, the benefits will be provided separately from any other benefits to which the former Spouse or Civil Partner may be entitled under the Scheme. The Trustees will provide the former Spouse or Civil Partner with written details of the benefits that will be provided.

### **3. Death of former Spouse/Civil Partner before Pension Sharing Order implemented**

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If the former Spouse or Civil Partner dies after a Pension Sharing Order is made but before it is acted upon by the Trustees, liability in respect of the pension credit shall be discharged in accordance with regulation 6 of the Pension Sharing (Implementation and Discharge of Liability) Regulations 2000.