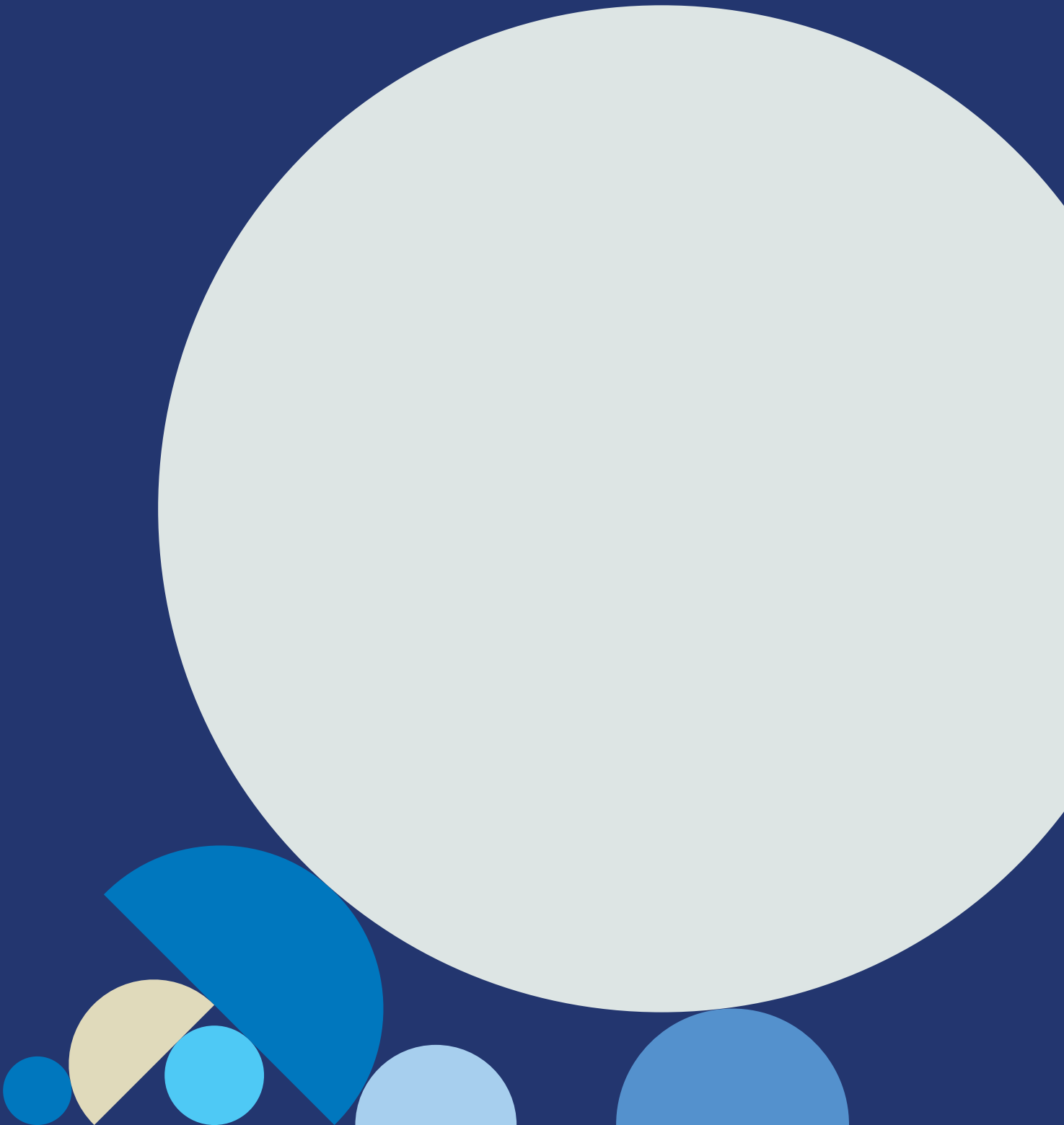


# Occupational pension scheme rules for formerly contracted out schemes

SR8SO Scheme Rules



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# Part 1 - Clauses

## 1 Introduction

### 1.1 Interpretation

The general interpretation and definitions in Rule 1 (Interpretation) apply throughout Part 1 and Part 2 of these Rules.

### 1.2 Constitution of the Fund

The Trustees shall hold all the assets of the Scheme and any income, cash or other assets received for the purposes of the Scheme on trust to be used in accordance with the provisions of these Rules. The assets held on trust by the Trustees for the purposes of the Scheme shall constitute the Fund.

### 1.3 Effect

Subject to Rule 8 (Registered Pension Scheme Requirements) and any overriding legislation, benefits to or in respect of Members who retired, left Pensionable Service or died before 6 April 2024 (the "Effective Date") shall be calculated as set out in the provisions governing the Scheme before the Effective Date if those provisions provide benefits that are higher than would otherwise be provided under these Rules and, for the avoidance of doubt, any options available prior to that date will remain open to the Members concerned. However, Part 1 of these Rules shall apply to such Members in place of any corresponding provisions of the Scheme previously in force.

### 1.4 Applicable law

The law of England and Wales applies to these Rules and to the Scheme and its administration.

## **2 Trustees**

### **2.1 Appointment and removal of Trustees**

- 2.1.1 The Principal Employer may by deed at any time remove all or any of the Trustees or appoint new or additional Trustees (without any limit on numbers) or a corporate body as a sole, new or an additional Trustee (whether or not it is a trust corporation) provided that at all times, there is at least one Trustee.
- 2.1.2 A Trustee may resign from office as a Trustee provided that there remains at least one Trustee, by giving at least one month's written notice to the Principal Employer and the remaining Trustees or such other period of notice as the Principal Employer and the remaining Trustees may permit. The resigning Trustee must take such other action as the remaining Trustees reasonably require.
- 2.1.3 The powers in this Clause 2.1 must be exercised by the Principal Employer and the Trustees in such a manner as to give effect to any arrangements made pursuant to legislation relating to member-nominated trustees and directors.

### **2.2 Remuneration of Trustees**

The Trustees may be paid such remuneration (if any) for fulfilling the role of Trustee as may be agreed with the Principal Employer. Such remuneration shall be paid by the Principal Employer, except to the extent that the Principal Employer agrees that one or more of the Employers shall pay it. Where an order has been made under section 7(3) of the Pensions Act 1995, then the terms of any such order relating to the Trustees' fees and expenses shall prevail.

### **2.3 How Trustees may act**

- 2.3.1 Where there is a corporate body acting as sole Trustee, it shall act in accordance with its Memorandum and Articles of Association.
- 2.3.2 Where Clause 2.3.1 does not apply, the Trustees shall meet together (including by telephone) for business, adjourn and otherwise regulate their meetings as they think fit, and may decide the quorum necessary for the transaction of business. Questions arising at a meeting shall be decided by a unanimity of votes. A written resolution, whether in counterpart or otherwise, signed by (or approved in writing (including e-mail) by) all the Trustees shall be as effective as one passed at a meeting of the Trustees.
- 2.3.3 Where either Clause 2.3.1 or 2.3.2 applies, the Trustees or directors of the Trustee company (as applicable) shall from time to time elect a chairman and the chairman shall preside at all meetings of the Trustees. If the chairman is absent from any meeting the Trustees present shall elect another of their number as chairman for the duration of that meeting.

### **2.4 Power to delegate**

The Trustees may delegate any of their powers (discretionary or otherwise) and duties to a committee of the Trustees or to any one or more persons (whether or not a Trustee) on such terms (including payment) as the Trustees may determine. The power to delegate includes the power to allow sub-delegation.

### **2.5 Conflicts of interest or duty**

- 2.5.1 Any act or decision of the Trustees shall be valid even if a Trustee had an interest or conflicting duty in relation to that act or decision, including for the avoidance of doubt where a Trustee failed to disclose information to any fellow Trustees due to a conflicting duty of confidentiality owed to an Employer or another company in the corporate group of an Employer. Any Member who is a Trustee shall be entitled to retain any beneficial interest or entitlement under the Scheme.
- 2.5.2 If a Trustee is of the opinion that he has an actual or potential conflict of interest or duty in relation to any matter concerning the Scheme, he must declare the existence of such conflict to the other Trustees. In such a case, that Trustee will not, unless the other Trustees agree otherwise, participate in any decision relating to the relevant matter or receive any information relating to it. Where any Trustee is excluded from consideration of an issue in his capacity as a Trustee under this Clause, he will not be obliged to disclose to the other Trustees any confidential information which he has acquired in a capacity other than as a Trustee of the Scheme which relates to that issue.
- 2.5.3 Any declaration under Clause 2.5.2 above will if the Trustees so agree continue to apply for so long as the individual who made it remains a Trustee, and a Trustee does not have to declare the same conflict of interest or duty more than once.
- 2.5.4 Notwithstanding the duty to declare a conflict of interest or duty under Clause 2.5.2 above or any legal duty which might otherwise require the Trustee to disclose information to the other Trustees, if a Trustee is in possession of information which is confidential to any other party, that Trustee may retain that information as confidential and not disclose it to the other Trustees.

2.5.5 In this Clause 2.5 references to Trustees apply equally to directors of a corporate body acting as a Trustee and, for the avoidance of doubt, such a director must comply with the requirements of Clause 2.5.2 and a decision of a corporate body acting as a Trustee will be valid notwithstanding any actual or potential conflict of interest or duty which any of its directors may have or any breach of such duty.

## **2.6 Trustee liability**

- 2.6.1 Subject to the following paragraphs of this Clause a Trustee shall not be liable for any act, omission or breach of trust nor for any act or omission of any agent, delegate or nominee of the Trustee other than one involving his own wilful neglect or default or in the case of a professional trustee arising out of his own negligence.
- 2.6.2 Subject to the following paragraphs of this Clause, each Trustee shall be indemnified by the Principal Employer against all liabilities (including all costs, expenses, claims and other liabilities) incurred by him in the management and administration of the Scheme other than any liabilities arising from his own fraud or crime or, in the case of a professional Trustee, negligence.
- 2.6.3 Subject to Clause 2.6.5 below, a Trustee shall be indemnified by the Principal Employer against the following liabilities, unless they arise from that Trustee's own fraud or crime (or, in the case of a professional trustee, negligence):
- (a) liability to pay any fine or penalty under Section 168(4) of the Pension Schemes Act 1993 or Section 10 of the Pensions Act 1995;
  - (b) any fine imposed by way of penalty for an offence relating to the Scheme of which he is convicted; or
  - (c) any liability which cannot by virtue of Section 33 of the Pensions Act 1995 be excluded or restricted.
- 2.6.4 Subject to Clause 2.6.5, if at any time the indemnity referred to in 2.6.2 above is not or cannot be met by the Principal Employer, each Trustee shall be indemnified by the Employers jointly and severally against the same liabilities.
- 2.6.5 Any Trustee who is also a director of the Principal Employer or of an associated company (as defined in Section 256 of the Companies Act 2006) of the Principal Employer shall not be entitled to an indemnity from the Principal Employer under this Clause to the extent that such an indemnity is prohibited by legislation.
- 2.6.6 For the purposes of Clauses 2.6.1 to 2.6.5 above, the Trustees shall include any former Trustee including those who left office prior to the Effective Date.

## **2.7 Trustee director liability**

- 2.7.1 In the case of a director of a corporate body acting as a Trustee, Clause 2.6 (Trustee liability) applies as if that director were a Trustee, subject to the provisions of this Clause. For the avoidance of doubt, nothing in this Clause 2.7 affects the protection provided to the corporate body itself under Clause 2.6.
- 2.7.2 In the case of a director, this Clause 2.7 and Clause 2.6 (Trustee liability) are subject to any limitations contained in the Companies Act 2006 and no protection provided under either Clause is intended to or shall exceed the limitations under that Act.
- 2.7.3 To the extent prohibited by legislation, a director shall not be entitled to an indemnity from the Employers for:
- (a) any liability incurred by the director to the corporate body acting as a Trustee or an associated company (as defined in Section 256 of the Companies Act 2006);
  - (b) liability to pay a fine imposed in criminal proceedings or a liability incurred in defending criminal proceedings in which he is convicted; or
  - (c) liability to pay a sum payable to a regulatory authority by way of penalty in respect of non-compliance with any requirement of a regulatory nature.
- 2.7.4 No exoneration or indemnity under this Clause 2.7 or Clause 2.6 (Trustee liability) shall apply to any liability arising out of a director's own fraud or crime or in the case of a director who is a professional trustee out of his own negligence.
- 2.7.5 References to a director in this Clause are references to a current or former director or officer of a corporate body which is currently acting or formerly acted as a Trustee including those who left office prior to the Effective Date.

## **2.8 Liability insurance**

- 2.8.1 The Trustees may obtain insurance against liability for any act or omission in relation to the Scheme and may insure the Scheme against claims by beneficiaries who are not known to the Trustees or whom the Trustees have been unable to contact and the Principal Employer shall pay all premiums relating to that insurance. Such insurance may cover any current or former Trustee and any current or former director or officer of a corporate body acting as a Trustee.
- 2.8.2 There will be no exoneration or indemnity by the Principal Employer under Clause 2.6 (Trustee liability) or 2.7 (Trustee director liability) above to the extent that the Trustees (or the directors) have successfully recovered under an indemnity under an insurance arrangement.

## **3 Administration**

### **3.1 Staff and agents**

- 3.1.1 The Trustees may employ such staff and agents as they deem appropriate for the proper administration of the Scheme and on such terms as they consider appropriate.
- 3.1.2 Subject to Clause 3.1.3, the Trustees shall be the Scheme Administrator for the purposes of Section 270 of the Finance Act.
- 3.1.3 The Trustees may agree with another person for that person to become the Scheme Administrator (whether in replacement of or in addition to the Trustees and such person shall become the Scheme Administrator on complying with any requirements under Section 270 of the Finance Act.

### **3.2 Scheme advisers**

- 3.2.1 The Trustees may appoint and remove any adviser to the Scheme including an auditor, lawyer, broker or other professional adviser on such terms as they consider appropriate. The Trustees may remove any such adviser whenever they think fit.
- 3.2.2 The Trustees may act on the advice or opinion of any adviser appointed under this Clause and shall not be responsible for any loss caused by doing so.

### **3.3 Expenses of administration**

- 3.3.1 The Trustees shall be reimbursed by the Principal Employer for all liabilities, costs and expenses incurred by them in the management and administration of the Scheme, but may agree with the Principal Employer that the Employers will bear such of those liabilities, costs and expenses as the Principal Employer shall decide.
- 3.3.2 Where the Principal Employer is unable to meet any liabilities, costs or expenses payable in accordance with 3.3.1, the Trustees shall decide their appropriate allocation and may, where they consider it appropriate, obtain reimbursement out of the Fund and as a consequence adjust Members' Personal Accounts.
- 3.3.3 Where permitted by law, the Trustees may recover any such liabilities, costs and expenses from a Member (whether by deduction from their Personal Account or otherwise).

### **3.4 Accounts**

The Trustees shall cause proper accounts to be kept in accordance with legislative requirements and a copy of such accounts shall be made available to Members on request. The accounting date shall be determined by the Principal Employer.

### **3.5 Notices**

- 3.5.1 Any notice to the Trustees shall, in relation to a corporate body acting as sole Trustee, be sent to the registered office of the Trustee or, where there is more than one Trustee, be sent to the last known address of the secretary to the Trustees or the chairman of Trustees or to the last known address of all of the Trustees. Any notice to the Trustees shall be deemed to be served at the time it is received.
- 3.5.2 Any notice to any Member or other person entitled to any other benefit shall be sent to his last known address. If such notice is delivered by hand, it shall be deemed to have been served at the time of delivery. Any such notice posted by first class shall be deemed to be served on the second day after it was posted and any such notice posted by second class post shall be deemed to have been served on the fifth day after it was posted.

- 3.5.3 Notwithstanding the previous provisions of this Clause, the Trustees may use and may at their discretion accept the use by any person of any communication sent by electronic means (where all the relevant requirements of the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 are met) including by facsimile, e-mail or telephone text message and any such communication shall be deemed to be served at a time determined by the Trustees.
- 3.5.4 The Trustees may at their discretion accept any notice as being validly given notwithstanding that it was not given in writing or did not satisfy any notice period required under these Rules or under legislation.
- 3.5.5 Where any notice is required to be given under these Rules and a time period is specified, time will begin to run from the date the notice is deemed to have been served under this Clause. Any notice will be deemed to be effective from the last day of the notice period or such later date as is specified in the notice.

### **3.6 Power to bind the Scheme**

The Trustees may enter into such agreements and give such undertakings, indemnities or guarantees, as the Trustees shall, with the agreement of the Principal Employer, decide are proper for the efficient administration of the Scheme. For the avoidance of doubt, unless otherwise stated such agreements, undertakings, indemnities or guarantees shall bind the successors in office to the Trustees who entered into those agreements or who originally gave such undertakings, indemnities or guarantees.

### **3.7 Questions of fact and interpretation**

Except where expressly stated otherwise, the Principal Employer has the final decision on all questions or disputes regarding the meaning or interpretation of these Rules and shall determine all issues or questions of fact in relation to the administration of the Scheme.

### **3.8 Power to commence, settle and defend proceedings**

In addition to the powers conferred on the Trustees by general law, the Trustees may, with the agreement of the Principal Employer, commence and pursue legal proceedings relating to the operation of the Scheme, their actions as Trustees or the rights of beneficiaries under the Scheme and may defend any such proceedings. The Trustees may, with the agreement of the Principal Employer settle, compromise or submit to mediation or arbitration any claim or other matter relating to the Scheme.

### **3.9 Confidentiality**

Subject to the requirements of any legislation or to any order of the court or direction of the Pensions Ombudsman, the Trustees shall be entitled to refuse to disclose to any Member, or other actual or potential beneficiary the whole or any part of any documents, minutes, records or other data in their possession and shall not be obliged to provide the reasons for any decision of the Trustees, whether discretionary or otherwise.

## **4. Payment of benefits**

### **4.1 Personal details**

- 4.1.1 Before making any payment out of the Fund, the Trustees may require the production of a certificate, or such other evidence as they may think fit, of the birth, age, marriage, civil partnership, continued existence or death of the Member or other person claiming the benefit or of his Dependants or Survivors or of any other information which may be relevant to a person's entitlement to receive payment from the Fund. Payment of the amount due may be withheld until the required information is provided (but in such a case no interest will be payable in respect of the period for which payment is withheld unless the Trustees agree otherwise).
- 4.1.2 If any beneficiary, or other person on their behalf, provides any incorrect or invalid information to the Trustees or fails to provide any information requested by them, the Trustees may make such arrangements as they consider reasonable to adjust any pension or other benefit payable out of the Fund in order to provide the correct level of benefits to or in respect of that beneficiary.

### **4.2 Payment of benefits**

- 4.2.1 The following provisions shall apply to the payment of pensions or other benefits from the Scheme and, except where the Trustees agree otherwise, to the payment of benefits under any annuity policy purchased by the Trustees for or in respect of a Member.
- 4.2.2 Pensions shall be payable at such intervals (including annually) as the Trustees may decide and may be paid in advance or arrears.
- 4.2.3 Pensions shall be apportioned to the date of death or the date upon which they cease to be payable except where the Trustees decide otherwise.
- 4.2.4 Subject to Section 66A of the Pensions Act 1995, pensions or other payments are payable in any way the Trustees think fit and subject to the Member or beneficiary producing any documentation required by the Trustees. Any agreement by the Trustees for payment through the post or to a bank account other than one in the United Kingdom maintained by the Member or beneficiary shall be at the risk (and where the Trustees consider appropriate, at the expense) of the Member or beneficiary.
- 4.2.5 If the Trustees think that any person entitled to receive a payment from the Fund cannot manage his affairs due to physical or mental infirmity or otherwise or a pension is payable to a child, the following provisions apply:
- (a) the Trustees may pay that sum to any person who undertakes to apply such sum for the maintenance or benefit of the person concerned;
  - (b) the Trustees shall not be obliged to see to the application of any benefit paid to any person who undertakes to apply it for the benefit of the person concerned and his receipt shall be a complete discharge to the Trustees.
- 4.2.6 Where a benefit payable is a refund of contributions and the realisable value to the Trustees of any investments referable to such contributions is less than the amount of the contributions plus interest (if any), only the realisable value will be paid.

### **4.3 Incorrect payments**

Where any Member or other person is paid a sum from the Fund to which they are not then entitled or which exceeds their then entitlement from the Fund, the Trustees may demand repayment of that sum together with interest (if any) at such rate as the Trustees consider appropriate and may, where they consider it to be appropriate, deduct any such sum from future payments due to or in respect of that person, including any payments made after his death, but subject to the requirements of Section 91 of the Pensions Act 1995.

### **4.4 Lump sum in place of trivial pensions**

- 4.4.1 As permitted by the Finance Act and/or the Registered Pension Schemes (Authorised Payments) Regulations 2009 and/or any other relevant legislation, where a trivial pension becomes payable, or is in payment, to a Member or other beneficiary the Trustees may convert that pension into a lump sum in accordance with the terms of the Pension Policy (or where there is no Pension Policy or it is silent, on such basis as the Trustees may decide) and payment of that lump sum shall be a complete discharge to the Trustees in respect of that trivial pension.

4.4.2 For the purposes of this Clause, a trivial pension is

- (a) in respect of any Dependant of a Member any pension payable to that Dependant which is capable of being commuted into a trivial commutation lump sum death benefit for the purposes of the Finance Act; or
- (b) any other benefit which is capable of being commuted on the grounds that the amount or value of the benefits is below a specified limit and is treated as an authorised payment for the purposes of the Finance Act.

4.4.3 For the avoidance of doubt a pension benefit may be commuted under this Clause notwithstanding the fact that the Member had left Pensionable Service prior to 6 April 2006.

4.4.4 Trivial pensions of spouses and Dependents may also be commuted in the same circumstances or may be commuted for a lump sum payable to the Member at the same time as the Member's pension becomes payable.

#### **4.5 Lump sum on serious ill-health**

When a pension benefit first becomes payable to a Member, the Trustees may convert into a single lump sum payment any pension payable to a Member if, having taken advice from a registered medical practitioner, they are satisfied that such commutation is justified owing to the Member being expected to live for less than one year and the payment would qualify as a serious ill-health lump sum for the purposes of the Finance Act. The sum payable shall be calculated as the value of the Member's Personal Account.

#### **4.6 Payments to personal representatives**

Where any sum is payable to the estate of a Member or other beneficiary the Trustees, having considered the specific circumstances relating to the payment of the sum in any single instance and the available evidence relating to identification and status of the person to whom it is proposed to make payment, may pay that sum to any person who the Trustees consider capable of being the personal representative (or executors) of the Member or beneficiary without seeing a grant of representation or other relevant documentation or to any other person the Trustees consider has an interest in the Member's estate and a receipt given by that person is a complete discharge to the Trustees.

#### **4.7 Taxation deductions**

If the Trustees are liable for any tax charge (including the Scheme Sanction Charge as defined in the Finance Act) in respect of any Member or other beneficiary, or otherwise agree to meet a tax charge due in respect of any benefit payable to such a person, the Trustees are entitled to deduct the expected amount of that charge from any payment made under the Scheme or, where appropriate, from the Member's Personal Account, in such manner as the Trustees determine. However, in the event that the actual tax charge is less than the amount deducted, the Trustees shall refund the difference to the Member or other beneficiary in such manner as they determine appropriate.

#### **4.8 Unclaimed benefits**

Subject to the requirements of any applicable legislation, benefits are only payable when claimed by the Member or beneficiary and the Trustees are not obliged to locate the recipient of a benefit in order to inform him of his entitlement to a benefit from the Scheme.

#### **4.9 Annuity in satisfaction of Member's rights**

4.9.1 The Trustees may use the Member's Personal Account (less any expenses deducted from it) to buy from an Insurance Company an insurance policy or annuity contract to satisfy any benefits payable under the Rules. Where a policy or contract is in the name of the beneficiary he shall have no further claim upon or interest in the Fund. The Trustees may buy a policy or contract without the consent of the Member or beneficiary, provided that any relevant conditions in the Occupational Pension Schemes (Preservation of Benefit) Regulations 1991 are satisfied.

4.9.2 When purchasing any such policy or annuity contract the Trustees shall not be obliged to take into account the individual circumstances of the beneficiary or to carry out a review of all available Insurance Companies.

#### **4.10 Pension Sharing Order**

4.10.1 Where the benefits of a Member are subject to the provisions of a Pension Sharing Order the benefits payable to the Member in accordance with these Rules shall be reduced by the debit applicable in accordance with Section 29(1)(a) of the Welfare Reform and Pensions Act.

4.10.2 Any Pension Credit or Pension Credit Benefit may be discharged in any manner consistent with the Welfare Reform and Pensions Act 1999, as determined by the Trustees. Any benefits consequently provided under the Scheme may, where the Trustees decide, be treated as provided separately from any benefits provided under the Scheme for the same individual as an Employee or Dependant or Survivor of an Employee. The Former Spouse shall be regarded as a Member for the purposes of the Rules to the extent considered appropriate by the Trustees.

## **5 Leaving pensionable service**

### **5.1 Entitlement to Deferred Benefits**

5.1.1 Where a Member leaves Pensionable Service before his Normal Retirement Date he will be entitled to Deferred Benefits in accordance with this Rule if he has satisfied the requirements in section 71(1) of the Pension Schemes Act 1993 (Short service benefit) and is entitled to short service benefits in accordance with that section.

### **5.2 Refunds of contributions**

5.2.1 If a Member leaves Pensionable Service before Normal Retirement Date and is not entitled to Deferred Benefits under Clause 5.1 (Entitlement to Deferred Benefits), the Trustees shall pay to the Member a refund of that part of his Personal Account as the Trustees decide relates to any contributions he has paid to the Scheme, after deduction of any tax due on that refund and including any investment returns and interest that fall within the scope of the definition of scheme administration member payments as set out under Section 171 of the Finance Act.

5.2.2 In this Clause 5.2 references to contributions paid by a Member shall include all contributions paid by him to the Scheme and (so far as allowed) to any other scheme or arrangement in which he formerly participated and which have been transferred to the Scheme.

### **5.3 Preservation Laws**

Notwithstanding the other provisions of these Rules, benefits provided in respect of any Member who leaves Pensionable Service prior to Normal Retirement Date shall be calculated and paid in a manner consistent with the requirements of Part IV of the Pension Schemes Act 1993.

## **6 Forfeiture and alienation**

### **6.1 Charges, lien and set-off**

- 6.1.1 The Employer shall be entitled to a charge over, lien on or set-off against any benefit to which a Member is or may become entitled for the purpose of enabling the Employer to obtain the discharge of some monetary obligation due from the Member to the Employer and arising out of a criminal, negligent or fraudulent act or omission by the Member or other beneficiary.
- 6.1.2 Where a charge, lien or set-off is imposed under this Clause:
- (a) its amount must not exceed the amount of the monetary obligation, or, if less, the value of the benefit;
  - (b) the Trustees shall determine the impact on the benefits otherwise payable to the Member;
  - (c) the Member must be given a certificate showing the amount of the charge, lien or set-off and its effect on his benefits;
  - (d) where there is a dispute about the amount, the charge, lien or set-off must not be exercised until the obligation has become enforceable under a court order or an award of an arbitrator, but the Trustees may (to the extent permissible by law) suspend payment of any benefits until the dispute is resolved; and
  - (e) the charge, lien or set-off cannot be exercised in respect of benefits received following a transfer except where the scheme is attributable to employment with the same Employer or an associated employer and the benefits of which could have been charged or a lien or set-off exercised in respect of them under the scheme from which they were transferred.

### **6.2 Crime, negligence or fraud**

If a Member owes money to his Employer as a result of his criminal, negligent or fraudulent act or omission, the Trustees may forfeit the benefits payable to or in respect of him. The amount forfeited must not exceed the amount of the debt or, if less, the actuarial value of the benefits. If there is a dispute about the amount of the debt, forfeiture must not take place until the debt has become enforceable under a court order or the award of an arbitrator. The Trustees may (to the extent permissible by law) suspend payment of any benefits until the dispute has been resolved. The Member must be given a certificate showing the amount forfeited and the effect on his benefits. The amount forfeited will be paid to the Employer.

### **6.3 Restrictions on alienation and forfeiture**

- 6.3.1 Subject to Clause 6.3.3, no benefit arising under the Scheme shall be capable of being assigned or applied for the benefit of anyone other than the person entitled, or prospectively or contingently entitled to it, and:
- (a) every assignment of, or charge on, any such benefit and any agreement to assign or charge it shall be void, and
  - (b) on the bankruptcy of any such person, the benefit shall not pass to any trustee or other person acting on behalf of the creditors of the person entitled.
- 6.3.2 Upon any attempted assignment, the Member shall cease to be entitled to any benefits which he may otherwise expect to receive under the Rules but the Trustees may then apply an amount equal to such benefits for the benefit of the Member or his Dependants, Survivors or Relatives in such shares and proportions as they think fit.
- 6.3.3 The provisions of this Clause do not apply to any assignment or charge permitted under these Rules or in accordance with:
- (a) legislation in relation to pension rights of individuals adjudged bankrupt;
  - (b) Chapter I of Part IV of the Welfare Reform and Pensions Act 1999 (Sharing of rights under pension arrangements);
  - (c) Sections 166 or 167 of the Pensions Act 1995 (Pensions on divorce); or
  - (d) Schedule 5 to the Civil Partnership Act 2004
- or, subject to the consent of the Trustees, as otherwise permitted under Section 172A of the Finance Act (Surrender).

#### **6.4 Excess contributions on bankruptcy**

Where a court order has been made in relation to a Member under Chapter V of Part IX of the Insolvency Act 1986 (Effect of Bankruptcy on Certain Rights, Transactions, etc), the Trustees may take all steps as are necessary to comply with such an order, including making such adjustments in relation to benefits payable to or in respect of the Member as they consider necessary.

### **7 Investment**

#### **7.1 Investment**

- 7.1.1 All money held in or for the purposes of the Fund shall be placed in an account with a bank or invested in the Pension Policy or in such similar insurance policy issued by an Insurance Company as the Trustees may determine.
- 7.1.2 All investments shall be held in the names of the Trustees or in the name of a nominee or agent appointed by the Trustees on such terms as the Trustees may decide are appropriate.
- 7.1.3 The Trustees shall prepare, maintain and revise from time to time a written statement of investment principles where it is required in accordance with the requirements of Section 35 (1) of the Pensions Act 1995.
- 7.1.4 The Trustees shall not in any event invest in employer-related investments (as defined in Section 40 of the Pensions Act 1995) except with the written consent of each Member and only to the extent permitted by legislation.

### **8. Powers and obligations of the employers**

#### **8.1 Powers of Employers**

- 8.1.1 In exercising any discretionary power or giving any consent under these Rules, the Principal Employer or any other Employer shall not be required to consider anything except its own interests.
- 8.1.2 For so long as the Principal Employer (or other Employer) is in a period of Insolvency all powers and consents otherwise exercisable by the Principal Employer (or other Employer) or any of its subsidiaries under these Rules shall instead be fiduciary and shall be exercised or given by the Trustees but, in relation to the Insolvency of the Principal Employer, only for the period prior to the appointment of a new Principal Employer in accordance with Clause 9.2 (Substitution of Principal Employer).
- 8.1.3 If in respect of any Member a power or consent is expressed to be exercisable by the Employer of that Member but that employer no longer participates in the Scheme, such power or consent shall be exercisable by the Principal Employer.

#### **8.2 Termination of employment**

Nothing in these Rules shall restrict the rights of the Employer to terminate the employment of a Member. The benefits to which a Member might claim to be entitled from the Fund in respect of a period after his contract of service could lawfully be terminated shall not be used as a ground for increasing damages in any action brought by such Member against the Employer.

## **9 Participation of employers**

### **9.1 Participation by employers**

- 9.1.1 Any employer which is a subsidiary company of the Principal Employer and is invited by the Principal Employer to participate in the Scheme shall participate in the Scheme with effect from a date specified by the Principal Employer.
- 9.1.2 Any employer which is associated in some way with the Principal Employer may, with the consent of the Trustees, participate in the Scheme if it is invited to do so by the Principal Employer.
- 9.1.3 As a condition of participating in the Scheme, an employer must enter into a deed with the Principal Employer and Trustees under which it agrees to comply with the provisions of these Rules so far as they relate to it and to its Employees who become Members.
- 9.1.4 When an Employer first participates in the Scheme the Trustees may accept a transfer payment from the trustees of any scheme in which the Employees of the Employer have previously been members and shall apply that transfer payment in accordance with the provisions of Rule 7.5 (Transfers in) in such manner as the Trustees shall determine.

### **9.2 Substitution of Principal Employer**

- 9.2.1 Subject to the following provisions of this Clause and to the approval of the Principal Employer, any company, firm or person which acquires the Principal Employer's function, may assume the rights and obligations of the Principal Employer under the Scheme agreement with the Principal Employer under which it undertakes to observe and comply with the provisions of these Rules.
- 9.2.2 Upon appointment of a new Principal Employer in accordance with this Clause the previous Principal Employer shall be discharged from all future obligations as Principal Employer of the Scheme and all powers or consents of the Principal Employer under the Scheme shall be exercisable by the new Principal Employer.
- 9.2.3 Where any Employer ceases to be the Principal Employer it shall nonetheless continue to be an Employer participating in the Scheme unless and until it ceases to be an Employer under Clause 9.3 (Employer ceasing to participate).

### **9.3 Employer ceasing to participate**

- 9.3.1 Subject to Clause 9.3.2, an Employer will cease to participate in the Scheme on the happening of any of the following events or the expiry of any notice given in accordance with the following provisions:
  - (a) the Employer ceases to be a subsidiary company of the Principal Employer;
  - (b) the Employer ceases to be associated with the Principal Employer where it was so associated when it commenced participation;
  - (c) the Employer goes into Insolvency or otherwise ceases to trade;
  - (d) the Principal Employer declares by written notice to the Trustees and the Employer concerned that any Employer that has been participating in the Scheme shall cease to participate (participation is deemed to cease on the date specified in that notice or, where no date is specified, the date of the notice itself);
  - (e) the Employer (other than the Principal Employer) gives at least one month's notice in writing to the Trustees that it intends to cease payment of contributions to the Scheme;
- 9.3.2 Where Clauses 9.3.1(a), 9.3.1(b) and 9.3.1(c) apply, the Principal Employer may permit that Employer to continue to participate in the Scheme for such period and on such terms as it may decide.

### **9.4 Consequences of an Employer ceasing to participate**

- 9.4.1 Where an Employer ceases to participate in the Scheme in accordance with Clause 9.3 (Employer ceasing to participate) any Member employed by the retiring employer who was in Pensionable Service shall be deemed to have left Pensionable Service on the date of cessation of his Employer's participation in the Scheme (unless their employment transfers to another Employer with effect from that date and they remain eligible for membership of the Scheme).
- 9.4.2 When an Employer ceases to participate in the Scheme its obligation to contribute to the Scheme shall cease but any amount due from the Employer prior to cessation of participation shall remain payable.

## 10. Termination and winding up

### 10.1 Termination of the Scheme

10.1.1 The Scheme shall be terminated:

- (a) if the Principal Employer gives at least one month's notice of this in writing to the Trustees;
- (b) if all contributions in respect of all Members have been discontinued and the Trustees decide to terminate it;
- (c) on the decision by the Trustees to terminate the Scheme at any time during the Insolvency of the Principal Employer or after it has ceased to trade; or
- (d) in accordance with any requirement of legislation including any order of the Pensions Regulator.

10.1.2 On the termination of the Scheme, Members then in Pensionable Service shall be treated as if their Pensionable Service had terminated and, except where Clause 10.1.3 applies, the Scheme shall be wound up.

10.1.3 Except where winding up is required by legislation, on termination of the Scheme the Trustees may decide to defer the winding up. Where winding up is deferred the Trustees may at any time end the deferral and proceed to wind up the Scheme.

10.1.4 If the Scheme is wound up the power of amendment conferred by Clause 11 (Amendments and declarations) shall continue in relation to the provisions of these Rules.

10.1.5 Upon termination of the Scheme and prior to completion of the winding up, the Trustees must comply with the provisions of Sections 73 to 73B of the Pensions Act 1995.

### 10.2 Application of the Assets of the Fund on a winding up

10.2.1 Upon the winding up of the Scheme the Trustees shall apply the Fund in accordance with and in the order of the provisions of this Clause.

10.2.2 The Trustees shall set aside such part of each Member's Personal Account as the Trustees decide is required to meet expenses relating to the operation and winding-up of the Scheme.

10.2.3 The balance of each Member's Personal Account will be applied to secure benefits in respect of that Member in accordance with Clause 10.3 (Securing benefits on winding up). The benefits to be secured shall be determined in accordance with the provisions of Clause 5.1 (Entitlement to Deferred Benefits).

### 10.3 Securing benefits on winding up

10.3.1 Upon the winding up of the Scheme benefits payable under the Scheme to or in respect of any Member or other beneficiary shall be secured by one or more of the following methods:

- (a) acquiring transfer credits allowed under the rules of another occupational pension scheme which satisfies requirements prescribed by legislation and is able and willing to accept payment in respect of the Member or other beneficiary;
- (b) acquiring rights allowed under the rules of any other Registered Pension Scheme which is able and willing to accept payment in respect of the Member's accrued rights;
- (c) buying one or more annuities which satisfy requirements prescribed by legislation from one or more Insurance Companies which are willing to accept payment in respect of the Member or other beneficiary;
- (d) assigning the benefit of one or more contracts to provide an annuity which satisfies requirements prescribed by legislation;
- (e) commuting the benefit into a lump sum payment to or in respect of the Member or other beneficiary on such terms as the Trustees decide, having taken the advice of an Actuary provided that the lump sum would be an authorised payment for the purposes of the Finance Act.

10.3.2 The Members or any other recipient of a benefit from the Scheme shall not be required to consent to their benefits being secured in accordance with this Clause provided that, in relation to Members with Deferred Benefits who have not reached Normal Retirement Date or commenced receipt of their benefits under Rule 3, the Trustees comply with any relevant conditions set out in legislation (including Regulation 12 of the Occupational Pension Schemes (Preservation of Benefit) Regulations 1991).

## **11. Amendments and declarations**

### **11.1 Power of amendment**

- 11.1.1 Subject to any statutory requirements, the Principal Employer may, in writing, amend all or any part of these Rules whether retrospectively or otherwise. Any provisions so made shall be as valid as if they had been originally made and may be amended in the same way.
- 11.1.2 No such alteration to the Rules shall prejudice or affect any benefit then payable under the Scheme or be made in contravention of Section 67 of the Pensions Act 1995 and no such alteration amendment extension modification or addition shall alter the purpose of the Scheme to provide retirement benefits (as defined in Section 255 of the Pensions Act 2004) for employees or directors of the Employers or of any of them.
- 11.1.3 References in this Clause 11 to an amendment include any alteration, addition to, repeal or replacement of any provision of these Rules.

### **11.2 Declarations**

For the purpose of enabling the Scheme to continue to be a Registered Pension Scheme, the Trustees may give such declarations as may be required by HM Revenue & Customs under Section 153 of the Finance Act (Registration of pension schemes). Any such declaration shall be deemed to be incorporated in the Rules, and, to the extent that it is inconsistent with any of the provisions of the Scheme (including any provision which is stated to be overriding), it shall override that provision.

## Part 2 - Rules

### 1. Interpretation

#### 1.1 General Interpretation

In these Rules:

- (a) unless the context otherwise requires, words importing the singular shall include the plural, and vice versa, and words importing the masculine, feminine or neuter gender shall include either or both of the others, and words importing persons shall include corporations;
- (b) references to an enactment, or any regulation made under it, shall include any corresponding legislation in Northern Ireland and shall include a reference to any statutory modification or re-enactment of it; and
- (c) references to a “spouse” shall be interpreted as including a person who is in a same sex marriage with an individual under the Marriage (Same Sex Couples) Act 2013.

#### 1.2 Definitions

In these Rules, the following words shall, unless the context otherwise requires, have the following meanings and where these words are used they are identified by the first letter being capitalised.

| Definition        | Meaning                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|-------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Active Member     | a Member of the Scheme in Pensionable Service.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Actuary           | an actuary or firm of actuaries appointed by the Trustees.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Announcement      | means in relation to a Member the letter or other document provided to him by his Employer advising him of his admission to the Scheme and detailing the benefits to be provided for him under the Scheme as subsequently amended by his Employer or any similar document provided to a Former Spouse by the Trustees.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Auditor           | an auditor or firm of auditors appointed by the Trustees.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Civil Partner     | a person who is in a civil partnership with the Member under the Civil Partnership Act 2004.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Clause            | a Clause of Part 1 of these Rules.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Deferred Benefits | a Member's entitlement to benefits under Clause 5.1 (Entitlement to Deferred Benefits).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Dependant(s)      | <ul style="list-style-type: none"><li>(a) the spouse or Civil Partner of the Member at the time of his death;</li><li>(b) the spouse or Civil Partner of a Member at the time the Member's benefits under the Scheme came into payment;</li><li>(c) any individuals (other than a child of the Member) who in the opinion of the Trustees were, at the time of the death of the Member, financially dependent on the Member or dependent because of disability, or had a financial relationship of mutual dependence with the Member; and</li><li>(d) any children of the Member (including any adopted and step-children) who have not reached the age of 23 (save that the Scheme Administrator may include older children where permissible under the Finance Act and if any payment due to that child under these Rules would not amount to an unauthorised payment under the terms of that Act) or who were dependent on the Member because of disability at the time of his death.</li></ul> <p>Spouse shall include a person who is in a same sex marriage with a Member in accordance with the Marriage (Same Sex Couples) Act 2013.</p> |

| Definition                | Meaning                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|---------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Drawdown Pension          | means the benefits provided to or in respect of a Member in accordance with Rule 3.4 (Member's Drawdown Pension) or to a dependant, nominee or successor (each as defined under Schedule 28 of the Finance Act) in accordance with Rule 5.4 (Drawdown Pension following the death of a Member).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Drawdown Pension Fund     | <p>means, as appropriate:</p> <ul style="list-style-type: none"> <li>(a) that part of a Member's Personal Account which has been designated to provide Drawdown Pension in accordance with Rule 3.4 (Member's Drawdown Pension), by way of either a drawdown pension fund or flex-access drawdown fund (as defined under Schedule 28 to the Finance Act); or</li> <li>(b) that part of a Member's Personal Account which following the Member's death is designated by his Survivor to provide Drawdown Pension in accordance with Rule 5.4 (Drawdown Pension following the death of a Member) by way of, where applicable, a dependant's drawdown pension fund, dependant's flexi-access drawdown fund, nominee's flexi-access drawdown fund or successor's flexi-access drawdown fund (each as defined under Schedule 28 to the Finance Act);</li> </ul> <p>The value of the Drawdown Pension Fund shall be calculated by the Trustees in a manner that is consistent with that used to value the rest of the Member's Personal Account and any relevant legislation</p> |
| Electronic Communications | has the same meaning as contained in section 15(1) of the Electronic Communications Act 2000 (and includes, for the avoidance of doubt, the provision of information through a website or via email). Where Electronic Communications are provided by the Scheme to a Member in satisfaction of the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 those communications shall satisfy the provisions of those regulations.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Employee                  | an employee of an Employer or a director of an Employer whose remuneration is not a receipt of a profession or accountable to another employer or company.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Employer                  | the Principal Employer or any other employer which is participating in the Scheme in accordance with Clause 9.1 (Participation by employers). Where the context so requires and subject to Clause 8.1.3 (Powers of Employers), Employer means the Employer which, in relation to a Member, is his employer or was his employer on the date he left Pensionable Service.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Finance Act               | the Finance Act 2004 (as amended).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Former Protected Rights   | those rights under the Scheme which were, immediately prior to 6 April 2012, prescribed as "Protected Rights" for the purposes of Section 10 of the Pension Schemes Act 1993 and, as from 6 April 2012, are now treated as ordinary money purchase benefits under the Scheme (unless otherwise prescribed under the terms of the Pension Policy).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Former Spouse             | an individual to whom a Pension Credit has been allocated in relation to the Scheme.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Fund                      | the pension fund constituted under these Rules, including the group policy or group policies issued by Zurich Assurance Ltd in connection with the Scheme covering the assurances, including all other policies effected under or transferred to or assigned to the Scheme for the purpose of the provision of benefits thereunder.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

| Definition             | Meaning                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Insolvency             | in relation to an Employer or the Principal Employer, its liquidation, provisional liquidation, administration, receivership, administrative receivership or its entering into a voluntary arrangement                                                                                                                                                                                                                                                                                                                        |
| Insurance Company      | has the meaning given by Section 275 of the Finance Act.                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Member                 | an Active Member and, where appropriate, an Employee or a former employee who was an Active Member and retains an entitlement to benefits under the Scheme and any other person who under the Rules has a current or future entitlement to benefits under the Scheme.                                                                                                                                                                                                                                                         |
| Minimum Pension Age    | <p>(a) prior to 6 April 2010, age 50;</p> <p>(b) on or after 6 April 2010 but prior to 6 April 2028, age 55 or such lower age permitted in accordance with the Finance Act 2004; or</p> <p>(c) on or after 6 April 2028, age 57 or such lower age permitted in accordance with the Finance Act.</p>                                                                                                                                                                                                                           |
| Normal Retirement Date | the date as specified in the Announcement provided to the Member as being his Normal Retirement Date being no earlier than age 60 and no later than age 75.                                                                                                                                                                                                                                                                                                                                                                   |
| Paid Family Leave      | any period throughout which a Member is absent from work due to pregnancy or confinement, or on paternity leave, shared parental leave or adoption leave and for which the Employer pays any contractual remuneration or statutory maternity, paternity or adoption pay and any other period during which a Member is absent from work for family reasons during which his employer pays any contractual remuneration and any period of ordinary maternity leave (as that term is defined in the Employment Rights Act 1996). |
| Pension Credit         | means a credit under Section 29(1)(b) of the Welfare Reform and Pensions Act 1999.                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Pension Credit Benefit | the benefits payable under the Scheme to or in respect of a person by virtue of rights under a scheme attributable (directly or indirectly) to a Pension Credit.                                                                                                                                                                                                                                                                                                                                                              |
| Pension Policy         | the Zurich Assurance Ltd Policy issued to the Trustees in respect of each Member (subject to these Rules) in which the Fund is invested and any similar policy of insurance issued to the Trustees by an Insurance Company in which the Fund is invested.                                                                                                                                                                                                                                                                     |
| Pension Sharing Order  | any order, provision or agreement as referred to in Section 28(1) of the Welfare Reform and Pensions Act 1999.                                                                                                                                                                                                                                                                                                                                                                                                                |
| Pensionable Service    | the period of Service during which the Member is contributing to the Scheme or his Employer is contributing on his behalf and such additional period as may be permitted under the Rules. Pensionable Service shall end no later than the day before the Member's 75th birthday.                                                                                                                                                                                                                                              |
| Personal Account       | the value of the Member's interest in the Fund which shall represent the value of units held in the Pension Policy for or in respect of the Member, less any tax, expense or other payments out of the Scheme to or in respect of that Member.                                                                                                                                                                                                                                                                                |

| Definition                | Meaning                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|---------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Principal Employer        | the party bringing these Rules into force or any other company, firm or person which subsequently becomes the Principal Employer under the Scheme in accordance with Clause 9.2 (Substitution of Principal Employer).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Registered Pension Scheme | means a scheme or arrangement which is registered with HM Revenue & Customs under Chapter 2 of Part 4 of the Finance Act (Registration of Pension Schemes).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Relatives                 | <p>in relation to any deceased Member:</p> <ul style="list-style-type: none"> <li>(a) his spouse, former spouses, Civil Partner and former Civil Partners;</li> <li>(b) his and his spouse's (or Civil Partner's) lawful or adoptive parents and grandparents;</li> <li>(c) such parents' and grandparents' widows, widowers, children (which includes legitimate, adoptive and stepchildren and any other children to whom the Trustees believe the Member stood in loco parentis) and their descendants and their spouses or Civil Partners.</li> </ul> <p>Spouse shall include a person who is in a same sex marriage with a Member in accordance with the Marriage (Same Sex Couples) Act 2013.</p> |
| Rules                     | Part 1 and Part 2 of this document as from time to time amended or replaced. References to a particular Rule are to that Rule in Part 2.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Scheme                    | the pension scheme governed by these Rules.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Scheme Administrator      | the person or persons who are from time to time the scheme administrator for the purposes of Section 270 of the Finance Act.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Service                   | the period of employment (or, in the case of a director, the period of office) with any of the Employers and Service shall be deemed continuous although performed with more than one of the Employers, so long as any break in such employment (or office) does not exceed one month.                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Short-term Annuity        | has the meaning given in Rule 3.4.1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Survivor                  | a Member's Dependant or any nominee of the Member selected by the Trustees or, with the consent of the Trustees, selected by the Member in accordance with Schedule 28 to the Finance Act.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Trustees                  | the persons appointed as such in accordance with the Declaration of Trust and/or relevant legislation and any additional or replacement trustee or trustees for the time being of the Scheme.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Unpaid Family Leave       | means any period throughout which a Member is absent from work due to maternity, paternity, shared parental leave or adoption leave for which the Employer does not pay him any contractual remuneration or statutory maternity, paternity, shared parental or adoption pay and any other period during which a Member is absent from work for family reasons and does not receive any contractual remuneration and which is not otherwise treated as Paid Family Leave.                                                                                                                                                                                                                                |

## **2. Membership and contributions**

### **2.1 Membership**

- 2.1.1 Employees who are eligible for membership are all Employees of an Employer who are invited by the Principal Employer to join the Scheme and who are accepted by Zurich Assurance Ltd. In the case of a director, to be eligible for membership he must be beneficially entitled to his director's fees and any other remuneration.
- 2.1.2 Membership of the Scheme shall be optional. Every Employee who has the option to join the Scheme and wishes to exercise his option, must do so in writing in a form approved by the Trustees, which shall constitute his agreement to be bound by and comply with the Rules.
- 2.1.3 An Active Member may opt out of the Scheme at any time on giving one month's written notice to the Trustees. The Member shall cease to be an Active Member of the Scheme on the day after such notice expires and be treated as having left Pensionable Service.
- 2.1.4 An Employer may by notice in writing to the Trustees and the Member concerned terminate contributions in respect of that Member, in which case the Pensionable Service of the Employee shall cease from that point.
- 2.1.5 Employees who do not join the Scheme when first eligible to do so or who opt out of the Scheme in accordance with paragraph 2.1.3 above, but remain in Service, may be permitted to join or rejoin at the discretion of the Principal Employer, subject to the agreement of Zurich Assurance Ltd, and subject to such conditions (including the production of medical evidence and restrictions on benefits) as the Principal Employer may impose.

### **2.2 Employment with an overseas company**

Employees of Employers that are not resident in the United Kingdom may join the Scheme on such terms and subject to such conditions as the Employer, with the agreement of Zurich Assurance Ltd considers appropriate. Membership of such Employees shall also be subject to the requirements of any legislation.

### **2.3 Contributions**

- 2.3.1 Each Active Member shall contribute to the Fund at the rate (if any) specified in the Announcement. Contributions shall be deductible by the Employer from earnings that become payable to the Member.
- 2.3.2 The Employer shall pay to the Trustees contributions in respect of each Active Member in its employment at the rate specified in the Announcement and as set out in any schedule of payments prepared in accordance with the Pensions Act 1995.
- 2.3.3 If an Active Member wishes to buy added benefits, he may make additional voluntary contributions to the Fund.
- 2.3.4 Contributions cease on attainment of Normal Retirement Date, or leaving Pensionable Service if earlier, or on such later date of retirement as is agreed between the Member and the Employer but not later than the attainment by the member of age 75.
- 2.3.5 All contributions paid to the Fund by or in respect of a Member shall be allocated to the Member's Personal Account and used to purchase units in the Pension Policy for or on behalf of the Member or otherwise used to provide or secure benefits for the Member in accordance with the Rules.
- 2.3.6 Without being obliged to do so, or to carry out relevant checks, the Trustee may refuse to accept contributions paid by or in respect of a Member if those contributions are not:
  - (a) relievable pension contributions for the purposes of Section 188 of the Finance Act; or
  - (b) contributions paid on behalf of the Member by his employer.
- 2.3.7 No contributions shall be paid by or on behalf of a Member on or after the date the Member reaches age 75.

### **2.4 Reduction, suspension or termination of contributions**

The Principal Employer may give notice in writing to the Trustees to reduce, suspend or terminate all or any of its contributions due to the Fund and upon receipt of such notice by the Trustees (or such later date as may be specified in the notice) the Principal Employer shall not be bound to pay any contributions, or more than the reduced contributions, to the Fund but any contributions due before the effective date of that notice remain payable.

## 2.5 Continued membership

With the consent of the Principal Employer, a Member who is in receipt of an annuity under or in respect of the Scheme may nonetheless be an Active Member and remain in Pensionable Service and any contributions paid by or on behalf of the Member during that further period of Pensionable Service shall be allocated to the Member's Personal Account or, where the Trustees decide, to a separate Member's Personal Account for that Member.

## 3. Pension and other benefits

### 3.1 Commencement of benefits

- 3.1.1 Subject to the following provisions of this Rule 3.1, when a Member reaches Normal Retirement Date the Trustees shall use the Member's Personal Account to provide benefits to or in respect of the Member in accordance with the following provisions of this Rule 3.
- 3.1.2 Subject to the circumstances referred to below, with the approval of the Principal Employer (not to be unreasonably withheld), a Member who leaves Pensionable Service may, subject to the consent of the Trustees, request the Trustees to use his Personal Account to provide benefits to or in respect of him prior to his Normal Retirement Date. Benefits may only be provided to or in respect of a Member before the Member reaches his Minimum Pension Age if the Trustees and Employer are satisfied, having considered the opinion of a registered medical practitioner, that the Member is and will continue to be incapable of discharging his duties because of permanent ill-health or incapacity and retires from Service in consequence.
- 3.1.3 Any Member who has attained an age within ten years of his Normal Retirement Date (but not earlier than his Minimum Pension Age) and who leaves Service at the request of the Employer shall (unless the Employer would be entitled to dismiss such Member for good cause other than the physical or mental incapacity of the Member) be entitled to immediate payment of his benefits in accordance with this Rule 3. Such a Member may nevertheless opt to receive a deferred pension under Clause 5 (Leaving Pensionable Service).
- 3.1.4 A Member may, with the consent of his Employer, defer the use of all or part of his Member's Personal Account to provide benefits until after Normal Retirement Date and he may do so whether or not he remains in Service after Normal Retirement Date. Any such part of the Member's Personal Account will remain invested in the Fund until the Member subsequently requests it to be used to provide benefits to or in respect of him. For the avoidance of doubt, retirement cannot be deferred by a Member under this Rule past his 75th birthday.
- 3.1.5 For the purposes of this Rule 3.1, use of the Member's Personal Account to provide benefits to or in respect of the Member involves:
  - (a) its use to pay an annuity or lump sum benefit to the Member in accordance with the provisions of these Rules (not including a lump sum benefit under (c) below); and/or
  - (b) with the consent of Zurich Assurance Ltd and the Trustees, and subject to the requirements of the Pension Policy, to provide a Drawdown Pension in respect of the Member in accordance with the following provisions of these Rules; and/or
  - (c) with the consent of Zurich Assurance Ltd and the Trustees and subject to the requirements of the Pension Policy, any other benefits or lump sum permitted under, and in accordance with the amendments made to the Finance Act by the Taxation of Pensions Act 2014 (which shall, for the avoidance of doubt, include an uncrystallised funds pension lump sum which may be subject such conditions as the Trustees determine).

### 3.2 Lump sum benefits

- 3.2.1 Subject to the terms of this Rule 3.2, each time a Member becomes entitled to benefits in accordance with Rule 3.3 or Rule 3.4, he may elect to use all or part of his Personal Account to provide a lump sum benefit.
- 3.2.2 A lump sum may be in the form of a pension commencement lump sum but must not exceed the maximum amount payable as a pension commencement lump sum under Schedule 29 of the Finance Act. Such lump sum shall be deducted from the Member's Personal Account prior to purchasing an annuity for or in respect of the Member under this Rule.

- 3.2.3 With the consent of the Trustees and Zurich Assurance Ltd, and subject to the requirements of the Pension Policy, a lump sum may be in the form of a winding up lump sum as permitted by the Finance Act, a de minimis lump sum as permitted by The Registered Pension Schemes (Authorised Payments) Regulations 2009 and/or any other lump sum benefit payable as an authorised payment under the Finance Act.
- 3.2.4 With the consent of the Trustees and Zurich Assurance Ltd, and subject to the requirements of the Pension Policy, a lump sum under this Rule may also be in the form of an uncrystallised funds pension lump sum (as defined in the Finance Act). The Trustees may impose such conditions as it may determine appropriate at any time, including conditions in relation to amount, frequency and number of lump sums that may be paid under this Rule 3.2.3. Such conditions must be notified to the Member when they come to claim.
- 3.2.5 Any lump sum under this Rule must comply with any conditions set out in the Finance Act.

### **3.3 Purchase of an annuity**

#### **3.3.1 Subject to Rule 3.3.2:**

- (a) an annuity purchased for a Member in accordance with this Rule shall provide a pension for the Member and such benefits for the Dependants of the Member, payable on his death, as the Member shall decide;
- (b) an annuity provided for the Member or his Dependants shall be payable for life and payment of the annuity may be guaranteed for such period as may be agreed with the Insurance Company (not exceeding 10 years) and may be of a fixed amount or may increase each year in such matter as the Member shall decide; and
- (c) where the Member does not select the benefits to be provided under this Rule 3.3, the Trustees shall provide such benefits in respect of the Member as the Trustees in their absolute discretion decide.

3.3.2 An annuity purchased for the Member shall comply with all other relevant requirements of paragraph 3 of Schedule 28 to the Finance Act (Lifetime Annuity).

3.3.3 An annuity for or in respect of a Member shall be provided by the purchase of a policy or annuity contract with an Insurance Company selected in accordance with Rule 3.3.4. Any such policy will be in the name of the Member unless the Trustees decide to purchase it in the Trustees' name. When purchasing any such policy, the Trustees shall not be obliged to take into account the individual circumstances of the Member nor to carry out a review of all available Insurance Companies.

3.3.4 Prior to the Trustees purchasing an annuity in accordance with Rule 3.3.3, the Trustees must give the Member the opportunity to select an Insurance Company to provide the annuity, or where the Member has failed to make a selection within a reasonable amount of time, the Trustees may select an Insurance Company in their absolute discretion.

### **3.4 Member's Drawdown Pension**

3.4.1 This Rule 3.4 applies where the Trustees agree that it shall apply in relation to all or part of a Member's Personal Account under the Scheme to provide benefits in the form of income withdrawal (as defined in paragraph 7 of Schedule 28 to the Finance Act) or to purchase a Short-term Annuity (as defined under paragraph 6 of Schedule 28 to the Finance Act) as set out below.

3.4.2 Where all or part of a Member's Personal Account is to be used to provide benefits in accordance with Rule 3.1, rather than receive an annuity under Rule 3.3 the Member may, with the consent of Zurich Assurance Ltd and the Trustees and subject to the requirements of the Pension Policy, elect that all or part of that Personal Account be used to provide Drawdown Pension in respect of the Member (subject to such terms and conditions as may be required by the Finance Act). Any such part of his Personal Account shall remain invested in the Fund but shall be separately identified by the Trustees as being the Member's Drawdown Pension Fund. If a Member makes more than one election under this Rule all such amounts shall be added to his Drawdown Pension Fund.

3.4.3 At the Trustees' discretion, the Member may withdraw an income or take lump sum payments from his Drawdown Pension Fund at such rate and on such terms as he may agree with the Trustees. Any such income withdrawal must comply with the requirements of Section 165 and Schedule 28 to the Finance Act and such other requirements as the Trustees may prescribe. The Trustees may reduce the level of income withdrawal or suspend that withdrawal in relation to any Member where it considers it necessary to do so due to the assets in the Member's Drawdown Pension Fund being insufficiently liquid to provide the funds required to pay the income withdrawal or to meet any other amounts payable from the Member's Drawdown Pension Fund.

- 3.4.4 At the request of a Member, the Trustees may, in their discretion, use all or part of the Member's Drawdown Pension Fund to purchase from an Insurance Company selected by the Member a Short-term Annuity (as defined under paragraph 6 of Schedule 28 to the Finance Act) in respect of the Member. Any such annuity must comply with all requirements for a Short-term Annuity under the Finance Act. On the purchase of any such Short-term Annuity, the Scheme (including the Trustees and Principal Employer) shall be discharged from any further liability to or in respect of that part of the Member's Drawdown Pension Fund which was used to purchase the annuity.
- 3.4.5 Any withdrawal of income or any sum used to purchase a Short-term Annuity shall be deducted from the Member's Drawdown Pension Fund.
- 3.4.6 A Member who has elected to receive Drawdown Pension in accordance with this Rule may at any time request the Trustees to use all or part of his remaining Drawdown Pension Fund to purchase an annuity in accordance with Rule 3.3.

### **3.5 Member's benefits at age 75**

Where a Member reaches age 75, the Trustees may decide to use his remaining Personal Account to provide an annuity or another default option in respect of the Member. If so, the Trustees must give the Member the chance to select an Insurance Company to provide that annuity.

## **4. Lump sum benefits on death**

### **4.1 Lump sum benefits under an annuity**

If a Member dies and at the time of his death he is in receipt of an annuity in respect of the Scheme, such lump sums (if any) shall be payable as are provided under the terms of that annuity provided that such lump sum is authorised as a lump sum death benefit under Section 168 of the Finance Act. The provisions of this Rule 4 shall not apply to such benefits.

### **4.2 Lump sum benefits on death of a Member**

- 4.2.1 This Rule applies where a Member dies. Subject to Rule 4.5, any lump sum payable under this Rule shall be held by the Trustees on discretionary trusts in accordance with Rule 4.4 (Payment of lump sum death benefits).
- 4.2.2 Where contributions paid to the Fund by or on behalf of the Member have been used to provide life policies in respect of the Member the proceeds of those policies (or such part as the Trustees decide) shall be payable as a lump sum.
- 4.2.3 Where this Rule applies the Member's Personal Account (or such part of it as the Trustees decide), including the Member's Drawdown Pension Fund (or such part of it as the Trustees decide), shall be payable as a lump sum.
- 4.2.4 Where the Trustees decide not to pay the full amount under Rule 4.2.2 or 4.2.3 as a lump sum, the balance shall be used to provide annuities to the Survivors in accordance with Rule 5.2 (Survivor's benefits - general). When deciding how much of the available sum to provide as a lump sum under this Rule, the Trustees shall endeavour to give effect to any Survivor's benefits set out in the Announcement.

### **4.3 Benefits on death of a Survivor**

Subject to Rule 4.5, where a Survivor dies and at the time of death he was in receipt of or entitled to income withdrawal (as defined in Schedule 28 to the Finance Act) in accordance with Rule 5.4.1 to 5.4.4, the Trustees shall use the remaining Drawdown Pension Fund (or such part of it as the Trustees decide) to provide such benefits as are authorised under the Finance Act and as the Trustees in their absolute discretion shall determine. Any lump sum shall be paid in accordance with Rule 4.4.

### **4.4 Payment of lump sum death benefits**

- 4.4.1 Where on the death of a Member or other beneficiary an amount is stated to be held on discretionary trust in accordance with this Rule 4.4, the Trustees shall, subject to the following provisions of this Rule (and also to Rules 4.5 and 4.7) pay or apply all or any part of that sum to or for the benefit of any Relatives, Dependants, or nominated beneficiaries or Survivors of the deceased Member, his personal representatives or any person entitled to receive any sum from the estate of the Member in such shares as the Trustees decide.
- 4.4.2 The Trustees may establish separate trusts for the benefit of any beneficiary mentioned in Rule 4.4.1 above.
- 4.4.3 For the avoidance of doubt, the Trustees may use any amount held in accordance with this Rule to purchase an annuity for any Survivor of the Member.

- 4.4.4 If the Trustees decide that they will be unable to exercise these powers within two years of the earlier of the day on which the Trustees knew of the death of the Member and the day on which the Trustees could first reasonably have been expected to know of it, they may decide prior to the end of that two year period to hold the sum as a separate fund, outside the Scheme on trust for the personal representatives (or executors) of the deceased Member, or pay the sum to the personal representatives (or executors) of the deceased Member or, if there are none, his statutory next of kin. Otherwise they shall retain the sum as part of the Fund or make such payment or provide such benefits in respect of the Member as the Trustees shall, in their discretion decide.
- 4.4.5 The Trustees may have regard to any document signed by the Member expressing his wishes for the disposal of the sum, and any person charity or unincorporated association named in the document will be a “nominated beneficiary”.
- 4.4.6 Where any sum held under discretionary trust would otherwise be payable to the Crown, the Duke of Lancaster or the Duchy of Cornwall as bona vacantia, the Trustees shall retain that sum as part of the Fund.
- 4.4.7 The Trustees may deduct from any sum payable under this Rule an amount equal to all or part of the costs and expenses relating to the funeral of the Member and shall pay any such sum in settlement of those costs or expenses or to any person who has incurred these costs or expenses. For the avoidance of doubt the Trustees may make a payment under this Rule in advance of exercising their general discretion as to the payment of a lump sum under this Rule.

#### **4.5 Payment to charity**

Where a Member or Survivor dies and at the time of death he was in receipt of a Drawdown Pension, the Trustees shall pay a charity lump sum death benefit where the requirements of paragraph 18 of Schedule 29 to the Finance Act are satisfied.

#### **4.6 Lump sum on death of Former Spouse before implementation of Pension Sharing Order**

If the Former Spouse of a Member dies before the Trustees have implemented the relevant Pension Sharing Order then the Former Spouse shall be treated as if he was entitled to Pension Credit Benefits under the Scheme at the time of his death and the Trustees shall use the cash equivalent of the Former Spouse's benefits under the Pension Sharing Order (calculated in accordance with The Pension Sharing (Pension Credit Benefit) Regulations 2000) to provide such lump sum benefits on discretionary trust in accordance with Rule 4.4 (Payment of lump sum death benefits) and annuities for the Survivors of the Former Spouse as they shall decide. For the purposes of this Rule, references to “Member” in Rule 4.4 and in the definition of “Dependants” and “Survivors” shall be replaced by references to the “Former Spouse”.

#### **4.7 Unused funds**

If following the death of a Member or Survivor the Trustees decide that it is not possible to apply all or the entire Personal Account or Drawdown Pension Fund relating to such Member or Survivor as an authorised payment under the requirements of the Finance Act, any remaining balance in the Personal Account or Drawdown Pension Fund shall be forfeit and shall then be applied in such manner as the Trustees may determine, including meeting any expenses of the Scheme.

## **5. Survivors' pensions**

### **5.1 Benefits on death of a Member**

If a Member dies and he is in receipt of an annuity or a Short-term Annuity in respect of the Scheme, any guaranteed payment period provided for the benefit shall apply and such Survivors' pensions or annuities (if any) shall be payable as are provided under the terms of that arrangement provided that any such Survivors' pension or annuities are authorised under Section 167 of the Finance Act. The following provisions of this Rule shall not apply to such pensions or annuities.

### **5.2 Survivor's benefits – general**

5.2.1 On the death of a Member, such part of:

- (a) the Member's Personal Account (if any), including any Drawdown Pension Fund, and
- (b) the proceeds of any policy of insurance

which is not used to provide lump sum benefits under Rule 4 shall be used by the Trustees to provide Survivor's annuities or Survivor's Drawdown Pensions as may be requested in accordance with the following provisions of this Rule 5 for such of the Member's Survivors as the Trustees may decide.

5.2.2 Where a Survivor dies and at the time of death he was in receipt of or entitled to Drawdown Pension from the Scheme, the Trustees shall use the remaining Drawdown Pension Fund to provide such benefits as are authorised under the Finance Act and as the Trustees in their absolute discretion shall determine.

### **5.3 Purchase of a Survivor's annuity**

5.3.1 Subject to Rule 5.3.2:

- (a) an annuity purchased for a Survivor in accordance with this Rule shall provide a pension payable at least annually for the Survivor on such terms as the Survivor shall select or, where the Survivor does not make any selection or is a minor, on such terms as the Trustees may decide.
- (b) an annuity provided for a Survivor shall be payable for life (or, in respect of any children of the Member, for so long as they remain a Dependant of the Member) and payment of the annuity may be guaranteed for such period as may be agreed with the Insurance Company (not exceeding 10 years) and may be of a fixed amount or may increase each year in such manner as the Member shall decide; and
- (c) where the Survivor does not select the benefits to be provided under this Rule 3.3, the Trustees shall purchase an annuity for the Survivor providing such benefits in respect of the Survivor as the Trustees in their absolute discretion decide.

5.3.2 An annuity provided for a Survivor in respect of a Member, under Rule 5.2 shall comply with the provisions of this Rule 5.3, the relevant requirements of the Finance Act and any additional provisions in the policy.

5.3.3 An annuity for or in respect of a Survivor shall be provided by the purchase of a policy or annuity contract with an Insurance Company selected in accordance with Rule 5.3.4. Any such policy will be in the name of the Survivor unless the Trustees decide to purchase it in the Trustees' name. When purchasing any such policy, the Trustees shall not be obliged to take into account the individual circumstances of the Survivor nor to carry out a review of all available Insurance Companies.

5.3.4 Prior to the Trustees purchasing an annuity in accordance with Rule 5.3.3, the Trustees must give the Survivor the opportunity to select an Insurance Company to provide the annuity, or where the Survivor has failed to make a selection within a reasonable period of time, the Trustees may select an Insurance Company in their absolute discretion.

5.3.5 On the purchase of any such annuity for a Survivor, the Scheme (including the Trustees and (if different) the Scheme Administrator) shall be discharged from any further liability to or in respect of the Survivor (or, where appropriate, liability for that part of the Member's Personal Account which was used to purchase the annuity).

## **5.4 Drawdown Pension following the death of a Member**

- 5.4.1 This Rule 5.4 only applies where the Trustees agree that it shall apply in relation to all or part of an Arrangement under the Scheme and where this Rule applies it shall be subject to such additional terms and conditions as the Trustees may from time to time prescribe (including such terms as may be required by the Finance Act from time to time). Where the Trustees have not agreed that this Rule shall apply, the Trustees must purchase an annuity for the Survivors of the Member in accordance with Rule 5.3.
- 5.4.2 Where this Rule applies and a sum is available to provide a benefit to the Survivor of a Member under Rule 5.3, rather than provide an annuity under Rule 5.3, the Survivor may request the Trustees, with the consent of Zurich Assurance Ltd, to use all or part of that sum to provide benefits in the form of a dependant's drawdown pension (or nominees' drawdown pension (as defined in Schedule 28 to the Finance Act) provided that this is permitted by the terms of the Pension Policy and subject to any requirements under the Pension Policy. Any such sum shall remain invested in the Scheme but shall be separately identified by the Trustees as being the Survivor's Drawdown Pension Fund.
- 5.4.3 Where this Rule applies, at the request of the Survivor, and with the consent of Zurich Assurance Ltd and the Trustees, and subject to the requirements of the Pension Policy, the Survivor may withdraw an income or take lump sum payments from his Drawdown Pension Fund at such rate and on such terms as he may agree with the Trustees. Any such payments must comply with the requirements of Section 167 and Schedule 28 to the Finance Act and with such other requirements as the Trustees may prescribe. Subject to the provisions of the Finance Act, the Trustees may reduce the level of income withdrawal or suspend that withdrawal in relation to any Survivor where it considers it necessary to do so due to the assets in the Survivor's Drawdown Pension Fund being insufficiently liquid or to meet any other amounts payable from the Survivor's Drawdown Pension.
- 5.4.4 Where this Rule applies, at the request of the Survivor, the Trustees shall use all or part of the Drawdown Pension Fund to purchase a Short-term Annuity in respect of the Survivor. Any such annuity must comply with all relevant requirements under the Finance Act. On the purchase of any such short-term annuity, the Scheme (including the Trustees and Principal Employer) shall be discharged from any further liability to or in respect of that part of the Survivor's Drawdown Pension Fund which was used to purchase the annuity.
- 5.4.5 Where this Rule applies, any Survivor who has elected to receive Drawdown Pension in accordance with this Rule may at any time request the Trustees to use all or part of his remaining Drawdown Pension Fund to purchase a Survivor's annuity in accordance with Rule 5.3.
- 5.4.6 Any withdrawal of income, lump sum payment, sum used to purchase a Survivor's Short-term Annuity or sum used to purchase an annuity under this Rule 5.4 shall be deducted from the Survivor's Drawdown Pension Fund.

## **5.5 Civil Partners**

Where the Trustees have a discretion in relation to the payment of any benefit following the death of a Member, they must exercise that discretion in such manner as is necessary to comply with the requirements of the Civil Partnership Act 2004 (and regulations made under it) and the Marriage (Same Sex Couples) Act 2013.

## **5.6 Survivors' benefits at age 75**

Where a Survivor who is in Drawdown Pension in accordance with Rule 5.4 reaches age 75 the Trustees may decide to use the Survivor's remaining Drawdown Pension Fund to purchase an annuity for that Survivor. If so, the Trustees must give the Survivor the chance to select an Insurance Company to provide that annuity but if the Survivor fails to make a selection the Scheme Administrator may purchase an annuity on the Survivor's behalf with an Insurance Company selected by the Trustees on such terms as the Trustees shall decide. In purchasing any such annuity the Trustees shall not be obliged to take into account the individual circumstances of the recipient nor to carry out a review of all available Insurance Companies.

## **6. Special rules for calculating benefits**

### **6.1 Family leave**

- 6.1.1 Paid Family Leave shall be treated as Pensionable Service and as if it is a period throughout which the Member works normally and receives the remuneration likely to be paid for doing so. During any period of Paid Family Leave a Member shall only be required to pay contributions (if any) on the amount of contractual remuneration, statutory maternity pay, statutory paternity pay, statutory shared parental or statutory adoption pay actually paid for that period.
- 6.1.2 The Employer of the Member shall continue to pay contributions calculated by reference to the Member's earnings before his absence or such greater amount as his Employer decides.
- 6.1.3 Where a Member's Employer agrees (but not otherwise) Unpaid Family Leave shall be treated as Pensionable Service, in which case the Member's contributions (if any) and benefits and any Employer contributions shall be calculated by reference to the Member's earnings before his absence or such greater amount as the Employer determines.
- 6.1.4 A Member to whom this Rule applies:
- (a) shall not be treated as remaining in Pensionable Service if he has failed to pay any necessary Member contributions;
  - (b) who fails to return to work at the end of her maternity leave or adoption leave (as defined in Section 75A of the Employment Rights Act 1996) in accordance with the conditions of any legal right to do so shall be treated as ceasing to be in Pensionable Service on the later of (a) the end of any period of Pensionable Service under Rule 6.1.3; (b) the end of the period of paid adoption leave or maternity leave; or (c) the end of her ordinary maternity leave or ordinary adoption leave and the provisions of Clause 5 (Leaving Pensionable Service) shall apply;
  - (c) who fails to return to work following any other period of Paid Family Leave shall be treated as ceasing to be in Pensionable Service on the later of (a) the end of any period of Pensionable Service under Rule 6.1.3; or (b) the end of the period of Paid Family Leave and the provisions of Clause 5 (Leaving Pensionable Service) shall apply;
  - (d) who has not paid contributions due to the Scheme during any period of Paid Family Leave or Unpaid Family Leave may, with the consent of his Employer, pay the contributions due in respect of that period following his return to work on such terms as the Trustees may decide and on payment of those contributions the period in question shall count as Pensionable Service during which the Member worked normally.

### **6.2 Absence due to ill-health**

- 6.2.1 This Rule applies where a Member is away from work because of illness or any other incapacity.
- 6.2.2 For so long as his Employer continues to pay him, the Member and his Employer must continue to pay any contributions and his Pensionable Service shall continue.
- 6.2.3 If the Member stops being paid by his Employer (or he ceases to pay any contributions due), he will cease to accrue Pensionable Service until he is again being paid by his Employer.

### **6.3 Secondment and other absences**

- 6.3.1 Periods of absence covered by this Rule are periods of absence for the following reasons which have been approved by the Employer:
- (a) secondment or temporary transfer to another employer;
  - (b) a course of study or training;
  - (c) work of national importance; or
  - (d) any other leave of absence.

- 6.3.2 During any period of absence in accordance with Rule 6.3.1 above, the Member's Employer may arrange to continue the Member's contributions (if any) and shall pay any Employer's contributions, in which case the Member's Pensionable Service will continue to accrue. If contributions cease to be paid in respect of the Member, he will be deemed to have left Pensionable Service and will cease to accrue Pensionable Service until he is again being paid by the Employer.
- 6.3.3 Where a Member remains in Pensionable Service in accordance with this Rule, the Principal Employer may at any time at its discretion decide that his Pensionable Service shall cease and the provisions of Clause 5 (Leaving Pensionable Service) shall apply.

## **7. Transfers and buy-outs**

### **7.1 Transfers out**

- 7.1.1 A Member may request the Trustees to transfer a cash sum equivalent to the Member's Personal Account (including any Drawdown Pension Fund) to one or more arrangements selected by the Member. Any such transfer requires the consent of the Trustees except where the Member has a right to a transfer under Part 4ZA of the Pension Schemes Act 1993.
- 7.1.2 A Member may, with the consent of the Trustees and subject to such conditions as are required by legislation or the Trustees may determine, require the Trustees to transfer all or part of his benefits other than in accordance with Part 4ZA of the Pension Schemes Act 1993 to such one or more arrangements which he selects. The amount of the transfer payment or transfer payments shall be calculated using methods and assumptions decided by the Trustees and which comply with any legal requirements.
- 7.1.3 Rather than transfer a cash sum under Rule 7.1.1 the Trustees may, at the request of the Member, transfer assets or assign insurance policies from the Fund which are equivalent in value to all (or part of) the Member's Personal Account.
- 7.1.4 The transfer may be made to any scheme or arrangement which is capable of accepting a recognised transfer under Section 169 of the Finance Act (Recognised transfers) and is willing to accept that transfer.
- 7.1.5 If a Court has made an order attaching to a Member's benefit as a result of matrimonial proceedings, the Trustees shall notify the trustees of the scheme receiving any transfer payment and the former spouse who was a party to the proceedings in accordance with Regulation 4 of the Divorce etc (Pensions) Regulations 2000 or any equivalent regulations relating to Civil Partners.

### **7.2 Buy-outs**

Instead of requesting a transfer payment under Rule 7.1 (Transfers out), a Member to whom that Rule applies may require the Trustees to use a sum equivalent to the Member's Personal Account to purchase from an Insurance Company of the Member's choice a policy or annuity contract in the Member's name. The benefits provided by the policy or annuity contract may be different from the Member's accrued rights under the Scheme, so long as they are authorised under Section 164 of the Finance Act (Authorised member payments).

### **7.3 General provisions relating to transfers out and buy-outs**

- 7.3.1 The following provisions of this Rule shall apply to the exercise of rights under Rule 7.1 (Transfers out) or Rule 7.2 (Buy-outs). Any reference in this Rule to a transfer shall be deemed to include a buy-out.
- 7.3.2 Transfer rights under Rule 7.1.1 may be exercised at any time permitted under Part 4ZA of the Pension Schemes Act 1993. A transfer permitted under 7.1.2 may be made at such time as the Trustees may determine.
- 7.3.3 A transfer application may be withdrawn at any time before the Trustees make or become bound to make a transfer payment or purchase or become bound to purchase an annuity.
- 7.3.4 Following the application of the Member's Personal Account in accordance with Rule 7.1 (Transfers out) or Rule 7.2 (Buy-outs) the Trustees and the Fund shall be discharged from all liability to which the transfer relates.
- 7.3.5 If a Member requests a transfer under this Rule 7, but does not supply any information that the Trustees may reasonably require, the Trustees will not be liable for any resulting delay in any payment in respect of the member or any failure to make a transfer payment.

#### **7.4 Survivor's transfer out**

A Survivor or any successor (as defined in Schedule 28 to the Finance Act) or a Survivor who is in receipt of Drawdown Pension may, with the consent of the Trustees, elect to transfer out or buy out their Drawdown Pension Fund and the provisions of this Rule 7 shall apply to any such transfer.

#### **7.5 Transfers in**

- 7.5.1 If any Member or any former Member either was previously a member of a Registered Pension Scheme or a qualifying recognised overseas pension scheme (as defined in the Finance Act) or has had his rights under any such scheme bought out with an Insurance Company, then the Trustees, with the agreement of Zurich Assurance Ltd and subject to the requirements of the Pension Policy, may receive a transfer payment from such scheme or arrangement, or an assignment of or the surrender value of the investment concerned.
- 7.5.2 The Trustees, with the agreement of Zurich Assurance Ltd may also accept a transfer under this Rule from another scheme or arrangement which relates to a Pension Credit.
- 7.5.3 On receipt of a transfer or assignment under this Rule the amount received shall be credited to the Personal Account of the Member and, where requested by the Member and permitted under the Finance Act, may be designated by the Trustees as part of the Member's Drawdown Pension Fund.
- 7.5.4 The Trustees may, with the consent of Zurich Assurance Ltd, also accept a transfer under this Rule where:
  - (a) The transfer relates to any funds held to provide a dependants' or Survivor's Drawdown Pension in another Registered Pension Scheme following the death of a member of that scheme; and
  - (b) The transfer is to provide Drawdown Pension in this Scheme in respect of a dependant or Survivor of that member, whether or not that dependant or Survivor was previously a Member of this Scheme.
- 7.5.5 Any transfer under this Rule shall be in cash or in the form of the assignment of a policy of insurance or in such other form as the Trustees with the consent of Zurich Assurance Ltd may agree.

## 8. Registered pension scheme requirements

### 8.1 Defined Terms

8.1.1 For the purposes of this Rule 8:

- (a) The following terms are as defined in the Finance Act: “Annual Allowance”, “Benefit Crystallisation Event”, “Relevant Benefit Crystallisation Event”, “Scheme Sanction Charge” and “Unauthorised Member Payment”. An index to these terms is located at Section 280 of the Finance Act. “Overseas Transfer Allowance” is as defined at Section 244IB of the Finance Act.
- (b) The following terms are as defined in the Income Tax (Earnings and Pensions) Act 2003 “Lump Sum Allowance” (Section 637P), and “Lump Sum and Death Benefit Allowance” (Section 637R).

### 8.2 Application of this Rule

- 8.2.1 This Rule 8 overrides any other provision of the Rules.
- 8.2.2 This Rule 8 applies to all beneficiaries under the Scheme including Members whose benefits came into payment prior to 6 April 2006 and Members who left Pensionable Service prior to that date.
- 8.2.3 Any references within the Rules to the terms *benefit crystallisation event*, *chargeable amount* and *lifetime allowance charge* shall be interpreted by reference to the provisions of the Finance Act 2004 in place on 5 April 2024, and acts relating to or giving rise to a *benefit crystallisation event*, *chargeable amount* or *lifetime allowance charge* in the Scheme shall refer to a *benefit crystallisation event* occurring, or *chargeable amount* or *lifetime allowance charge* calculated in relation to actions that took place whilst these provisions were or are in force and the Rules shall be construed accordingly.

### 8.3 Unauthorised payments

- 8.3.1 No Member or other beneficiary is entitled under the Scheme whether under these Rules or any previous provision of the Scheme, to payment of a benefit all or part of which would amount to an Unauthorised Member Payment. If such a benefit is so paid following an amendment to these Rules or otherwise, it shall, subject to the following provisions of this Rule 8.3, be payable subject to deduction of any tax due, including any Scheme Sanction Charge.
- 8.3.2 Where Rule 8.3.1 applies to restrict a benefit, the Trustees may, at the request of the person entitled to that benefit, pay such alternative benefits (whether to that person or otherwise) as the Trustees may decide, provided that such alternative benefits are not Unauthorised Member Payments. On payment of the alternative benefits, the Trustees and the Scheme shall be discharged from all liability in relation to the original benefit.
- 8.3.3 Notwithstanding any other provision of these Rules or of any previous provision applicable to the Scheme, no Unauthorised Member Payment may be made from the Scheme in accordance with Rule 8.3.1 where such payment would result in the Scheme exceeding the de-registration threshold under Section 158 of the Finance Act (Grounds for de-registration).

### 8.4 Scheme sanction charge

If the Trustees (or other Scheme Administrator) are liable for a Scheme Sanction Charge in respect of any Member or other beneficiary the Trustees (or Scheme Administrator) are entitled to deduct that Scheme Sanction Charge from the benefits otherwise due to him or from his Member's Personal Account in such manner as the Trustees determine. The Scheme Administrator is entitled to rely on and enforce the terms of this Rule.

### 8.5 Annual allowance

The nomination date will be determined in accordance with Section 238 of the Finance Act.

### 8.6 Payment of lump sum or lump sum death benefit in relation to relevant benefit crystallisation event

- 8.6.1 Within three months of the date on which the Scheme Administrator pays a lump sum to a Member in relation to whom the relevant benefit crystallisation event occurs or a lump sum death benefit to a person in respect of the death of the Member, the Scheme Administrator will notify the Member (or their personal representatives as applicable) of the information required by the Registered Pension Schemes (Provision of Information) Regulations 2006.

## **8.7 Lump Sum Allowance, Lump Sum and Death Benefit Allowance and Overseas Transfer Allowance**

- 8.7.1 Following the Member's death, the Scheme Administrator shall be under no duty to determine whether the amount of the benefit payable under Rule 4 in respect of a Member would exceed the Member's Lump Sum and Death Benefit Allowance or subsequent HMRC allowance.
- 8.7.2 When any benefit becomes payable under Rule 3 or a transfer is requested under Rule 7, the relevant Member (or their personal representatives) must provide the Trustees with such information as they may reasonably require in relation to the extent to which (if any) his Lump Sum Allowance, Lump Sum and Death Benefit Allowance and/or Overseas Transfer Allowance or subsequent HMRC allowances (as applicable) is available. If any Member fails to provide that information, the Trustees are entitled to assume that none of the Member's Lump Sum Allowance, Lump Sum and Death Benefit Allowance and/or Overseas Transfer Allowance (as applicable) is available.
- 8.7.3 Where a tax charge is paid by the Fund in respect of a Member due to benefits being paid in excess of the relevant tax allowances, the Trustees shall deduct that charge from the benefits otherwise payable to or in respect of the Member.

## **8.8 Enhanced Protection**

- 8.8.1 The provisions of this Rule 8.8 apply where any Member has obtained a certificate from HM Revenue & Customs to confirm that he qualifies for enhanced protection under paragraph 12 of Schedule 36 to the Finance Act.
- 8.8.2 Where a Member applied for enhanced protection under paragraph 12 of Schedule 36 to the Finance Act 2004 before 15 March 2023, unless the Member provides consent in writing to the relevant benefit/award and confirms that he should no longer be treated as being entitled to enhanced protection:
- (a) he is deemed to have forfeited any right to benefits under the Scheme accrued prior to 6 April 2023 to the extent that those benefits exceed the limits which applied to the Scheme on 5 April 2006 as a scheme which was approved by HM Revenue & Customs under Chapter I of Part XIV of the Income and Corporation Taxes Act 1988;
  - (b) no further contributions shall be paid to the Fund (whether by the Member or by his Employer) or amounts credited to his Member's Personal Account in respect of the period 6 April 2006 to 5 April 2023 (other than investment returns); and
  - (c) any attempt to award additional benefits, pension increases or contributions to or in respect of the Member, other than investment returns, in respect of the period 6 April 2006 to 5 April 2023 is void unless the Member provides consent in writing.
- 8.8.3 Where a Member applied for enhanced protection under paragraph 12 of Schedule 36 to the Finance Act 2004 on or after 15 March 2023, unless the Member provides consent in writing to the relevant benefit/award and confirms that he should no longer be treated as being entitled to enhanced protection:
- (a) he is deemed to have forfeited any right to benefits under the Scheme to the extent that those benefits exceed the limits which applied to the Scheme on 5 April 2006 as a scheme which was approved by HM Revenue & Customs under Chapter I of Part XIV of the Income and Corporation Taxes Act 1988;
  - (b) no further contributions shall be paid to the Fund (whether by the Member or by his Employer) or amounts credited to his Member's Personal Account in respect of the period on and after 6 April 2006 (other than investment returns); and
  - (c) any attempt to award additional benefits, pension increases or contributions to or in respect of the Member, other than investment returns, in respect of the period on and after 6 April 2006 is void unless the Member provides consent in writing.
- 8.8.4 The Trustees shall not be under any liability to any Member for breach of the provisions of this Rule 8.8 in respect of any period between 6 April 2006 and the Member providing to the Trustees the certificate referred to in Rule 8.8.1.

## 8.9 Fixed Protection

- 8.9.1 The provisions of this Rule 8.9 apply where any Member has obtained a certificate from HM Revenue & Customs to confirm that he qualifies for fixed protection under either Schedule 18 of the Finance Act 2011 or Schedule 22 of the Finance Act 2013 (referred to in these Rules as fixed protection). For the purposes of this Rule the “fixed protection date” is the day immediately before fixed protection first applies to the Member.
- 8.9.2 Where a Member applied for fixed protection on or before 15 March 2023, unless the Member provides consent in writing to the relevant benefit/award and confirms that he should no longer be treated as being entitled to fixed protection:
- (a) no further contributions shall be paid to the Fund (whether by the Member or by his Employer) or amounts credited to his Member’s Personal Account in respect of the period on and from the fixed protection date (other than investment returns or contributions that are not considered to be relevant contributions in accordance with Schedule 36 of the Finance Act) to 5 April 2023; and
  - (b) any attempt to award additional benefits, pension increases or make contributions to or in respect of the Member (or any other act or event which would otherwise cause the relevant fixed protection to cease to apply), other than those permitted under (a) in respect of the period on and from the fixed protection date to 5 April 2023 is void.
- 8.9.3 Where a Member applied for fixed protection after 15 March 2023, unless the Member provides consent in writing to the relevant benefit/award and confirms that he should no longer be treated as being entitled to fixed protection:
- (a) no further contributions shall be paid to the Fund (whether by the Member or by his Employer) or amounts credited to his Member’s Personal Account in respect of the period on and from the fixed protection date (other than investment returns or contributions that are not considered to be relevant contributions in accordance with Schedule 36 of the Finance Act); and
  - (b) any attempt to award additional benefits, pension increases or make contributions to or in respect of the Member (or any other act or event which would otherwise cause the relevant fixed protection to cease to apply), other than those permitted under (a), in respect of the period on and from the fixed protection date is void.
- 8.9.4 The Trustees shall not be under any liability to any Member for breach of any of the provisions of this Rule 8.9 in respect of any period between the fixed protection date and the Member providing to the Trustees the certificate referred to in Rule 8.9.1.
- 8.9.5 In the event that legislation introduces additional forms of fixed protection or other similar protections, the provisions in this Rule 8.9.1 above will apply to any Member who obtains a certificate or equivalent documentary evidence from HM Revenue & Customs to confirm that he qualifies for such protection unless and to the extent the Scheme Administrator otherwise determines.
- 8.9.6 Notwithstanding the provisions of this Rule 8.9, the Scheme and/or Scheme Administrator are under no duty to a Member or other beneficiary to consider the tax implications of the operation of the Scheme in relation to such Member or beneficiary or to ensure that the Scheme is operated in a manner which avoids or limits the application of any tax charges, penalties or other costs on the Member or other beneficiary.

## 9. Former protected rights requirements

- 9.1 The Scheme ceased to be contracted-out on 6 April 2012, as a result of the amendments made by the Pension Act 2007 and Pensions Act 2008. All rights within the Scheme that were considered to be Protected Rights for the purposes of the Pension Schemes Act 1993 converted to ordinary rights under the Scheme (but in some cases are, in this Deed and Rules and in some other documents, referred to as Former Protected Rights).
- 9.2 Former Protected Rights are to be treated as ordinary rights under the Scheme unless otherwise provided for under this Deed and Rules or under the terms of the Policy. Where any Member or other beneficiary has Former Protected Rights under the Scheme, the Scheme Administrator may, where it considers appropriate, hold those Former Protected Rights in separate Arrangements to the Member’s other rights under the Scheme.

