

2024

Resolution and Deed of Amendment  
relating to  
The Lincolnshire Co-operative Pension Scheme

Lincolnshire Co-operative Limited <sup>(1)</sup> and  
Vidett Trustee Services Limited and others <sup>(2)</sup>

## DATE

## PARTIES

- (1) **Lincolnshire Co-operative Limited** (a registered society with registered number IP00141R), whose registered office is at Stanley Bett House, 15-23 Tentercroft Street, Lincoln, LN5 7DB (**Society**).
- (2) **Vidett Trustee Services Limited** (registered number 01050578), whose registered office is at 3<sup>rd</sup> Floor, Forbury Works, 37-43 Blagrove Street, Reading, RG1 1PZ, and **Julia Romney, Nicola Berry, Richard Wills, Richard Robinson, Barbara Farren** and **Matthew Wilkinson**, all care of Stanley Bett House, 15-23 Tentercroft Street, Lincoln, LN5 7DB (**Trustees**).

## BACKGROUND

- (A) This deed is supplemental to:
  - (A.1) a declaration of trust dated 9 May 1924 by which the Society established a retirement benefits scheme now known as the Lincolnshire Co-operative Pension Scheme (**Scheme**);
  - (A.2) a resolution and deed dated 25 September 2019 and rules pursuant thereto (**Rules**); and
  - (A.3) all other deeds and documents executed or adopted in relation to the Scheme.
- (B) The Trustees are the present trustees of the Scheme and the Society is the principal employer of the Scheme.
- (C) By virtue of Rule 34 of the Rules, the provisions of the Rules may from time to time be altered, amended, rescinded or added to by the Trustees with the consent of the Board of Directors of the Society in accordance with the provisions of Rule 34(b), subject to the provisions of Rule 34(a).
- (D) The Trustees, with the consent of the Board of Directors of the Society (as witnessed by the Society's execution of this deed), wish to alter the provisions of the Rules in the manner described in this deed.

## OPERATIVE TERMS

### 1. RESOLUTION

- 1.1 Pursuant to Rule 34(b)(iii) of the Rules, at a meeting on 23 January 2024 the Trustees present and voting at that meeting (being not fewer than six Trustees) resolved unanimously to approve the amendments to the Rules set out in this deed.

### 2. AMENDMENT

- 2.1 In exercise of the power in Rule 34 of the Rules and every other relevant power, the Trustees, with the consent of the Board of Directors of the Society (as witnessed by its execution of this deed), hereby declare that with effect on and from the date of this deed the Rules are deleted in their entirety and replaced with the rules attached at Schedule 1 to this deed.

### 3. GENERAL PROVISIONS

- 3.1 In this deed, unless the context requires otherwise:
  - 3.1.1 Defined terms shall have the meaning given to them in Rule 1 of the Rules (save where they are defined within this deed);
  - 3.1.2 Words in the singular shall include the plural and vice versa;

- 3.1.3 Words denoting the male gender shall include the female gender and vice versa; and
- 3.1.4 Any reference to a statute or statutory provision includes a reference to such statute or statutory provision as from time to time amended, re-enacted, consolidated or replaced and all subordinate instruments, orders and regulations made under it.
- 3.2 In the event that any matters of doubt arise in relation to the amendments made by this deed the Society and the Trustees shall have power to determine such questions and, where necessary, may (subject to Rule 34 of the Rules) amend such amendments by means of a further deed executed by the Society and the Trustees.
- 3.3 The Trustees confirm that the amendments made by this deed do not constitute "regulated modifications" to the Scheme as defined in Section 67A of the Pensions Act 1995 so as to require member consent or an actuarial equivalence certificate in respect of those amendments. Accordingly, no member consent or actuarial certificate has been sought or provided in respect of this deed.
- 3.4 If any provision, or part of a provision, of this deed shall be found by any court or body of authority of competent jurisdiction to be invalid or unenforceable, such provision, or part of a provision, shall be modified to the extent necessary to make it valid or severed from the remainder of this deed which shall remain in full force and effect to the extent permitted by law.
- 3.5 This deed shall be governed and construed in accordance with the laws of England and Wales.
- 3.6 This deed may be executed in any number of counterparts (but shall not be effective until each party has executed at least one counterpart), each of which, when executed, shall be an original and which together shall have the same effect as if each party had executed and delivered the same document.

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

Executed as a deed by affixing the common seal of  
**Lincolnshire Co-operative Limited** in the presence of:

*Insert Common Seal of Society*

.....

Director

.....

Director

.....

Secretary

Executed as a deed by **Vidett Trustee Services Limited** .....  
acting by two directors / a director and its secretary

Director

.....  
Director/Secretary

Signed as a deed by **Julia Romney** in the presence of: .....

*Signature (Witness)*..... Signature

*Print Name*.....

*Address*.....

.....  
*Occupation*.....

Signed as a deed by **Nicola Berry** in the presence of: .....

*Signature (Witness)*..... Signature

*Print Name*.....

*Address*.....

.....  
*Occupation*.....

Signed as a deed by **Richard Wills** in the presence of: .....

*Signature (Witness)*..... Signature

*Print Name*.....

*Address*.....

.....  
*Occupation*.....

Signed as a deed by **Richard Robinson** in the presence of: .....

*Signature (Witness)*..... Signature

*Print Name*.....

*Address*.....

.....  
*Occupation*.....

Signed as a deed by **Barbara Farren** in the presence of: .....

*Signature (Witness)*..... Signature

*Print Name*.....

*Address*.....

.....

*Occupation*.....

Signed as a deed by **Matthew Wilkinson** in the presence of: .....

*Signature (Witness)*..... Signature

*Print Name*.....

*Address*.....

.....

*Occupation*.....

**SCHEDULE 1**

**LINCOLNSHIRE CO-OPERATIVE PENSION SCHEME  
RULES**

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## **RULES**

### **PART I**

#### **INTRODUCTION**

##### **Definitions and interpretation**

1. Unless the context otherwise requires, all words importing the singular number 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 bodies corporate.

All references to any enactment, other than a reference to any definition contained in any enactment, shall be deemed to include a reference to any statutory modification or re-enactment thereof for the time being in force.

All references to spouses, widows and widowers include same-sex spouses legally married in accordance with the Marriage (Same Sex Couples) Act 2013 or the Marriage and Civil Partnership (Scotland) Act 2014 as applicable.

In these Rules, unless the context otherwise requires, the following expressions shall have the meanings hereby respectively assigned to them, namely:

<b>1988 Act</b>	means the Income and Corporation Taxes Act 1988.
<b>1993 Act</b>	means the Pension Schemes Act 1993.
<b>1995 Act</b>	means the Pensions Act 1995.
<b>1996 Act</b>	means the Employment Rights Act 1996.
<b>2004 Act</b>	means the Pensions Act 2004.
<b>Active Member</b>	means any employee of a Participating Employer who, before 1 October 2013, joined the Scheme in accordance with the then rules and who makes member contributions to the Scheme in accordance with Rule 8 and includes a Salary Sacrifice Member(unless the rules state otherwise).  Any Active Member of the Scheme immediately before the Closure Date shall cease to be an Active Member and shall become a Deferred Member with effect on and from the Closure Date.
<b>Additional Adoption Leave</b>	means a period of up to 26 weeks' statutory leave, the entitlement to which is conferred on a Member by section 75B (additional adoption leave) of the 1996 Act and which immediately follows a period of Ordinary Adoption Leave.
<b>Additional Maternity Leave</b>	means a period of up to 26 weeks' statutory leave, the entitlement to which is conferred on a Member by section 73 (additional maternity leave) of the 1996 Act and which immediately follows a period of Ordinary Maternity Leave.
<b>Administrator</b>	means, for the purpose of the Finance Act, the Trustees.

**Adjustment Wage**

means the amount obtained by multiplying that part of the Active Member's Basic Wage which falls within the band bounded by the Lower and Upper Earnings Limits from time to time, by the value of the Factor F corresponding to the Active Member's date of birth, in accordance with the following table:-

<b>DATE OF BIRTH</b>	<b>VALUE OF Factor F</b>
On or before 5.4.1934	0.77
6.4.1934 to 5.4.1935	0.74
6.4.1935 to 5.4.1936	0.71
6.4.1936 to 5.4.1937	0.68
6.4.1937 to 5.4.1938	0.65
6.4.1938 to 5.4.1939	0.62
6.4.1939 to 5.4.1940	0.59
6.4.1940 to 5.4.1941	0.57
6.4.1941 to 5.4.1942	0.55
6.4.1942 to 5.4.1943	0.53
6.4.1943 to 5.4.1944	0.51
6.4.1944 to 5.4.1945	0.49
6.4.1945 to 5.4.1946	0.47
6.4.1946 to 5.4.1947	0.45
6.4.1947 to 5.4.1948	0.44
6.4.1948 to 5.4.1949	0.43
6.4.1949 to 5.4.1950	0.42
6.4.1950 to 5.4.1951	0.41
6.4.1951 to 5.4.1952	0.40
6.4.1952 to 5.4.1953	0.39
6.4.1953 to 5.4.1954	0.38
6.4.1954 to 5.4.1955	0.37
6.4.1955 to 5.4.1956	0.36
6.4.1956 to 5.4.1957	0.35
6.4.1957 to 5.4.1958	0.34
6.4.1958 to 5.4.1959	0.33
6.4.1959 to 5.4.1960	0.32
6.4.1960 to 5.4.1961	0.31
On or after 6.4.1961	0.30

**Auditor to the Scheme**

means the Auditor to the Scheme appointed in accordance with the provisions of Rule 39.

<b>Basic Wage</b>	<p>means such portion of the Active Member's total remuneration as may from time to time be recognised by the relevant Participating Employer as the standard or basic rate of pay for the purpose of the Scheme. It shall not normally include any sums paid by way of bonus, overtime, travelling expenses, allowances, perquisites or otherwise, nor shall any deductions in respect of short time be taken into account.</p> <p>Provided that if the Basic Wage in any week is reduced during absence on account of sickness or other cause, the Basic Wage for that week shall be deemed to be an amount determined according to the practice of the Participating Employer then in force in such cases.</p> <p>Where an Active Member's standard or basic rate of pay is calculated by reference to part-time service, such pay shall be divided by the Part-Time Factor in order to determine the Basic Wage applicable to that Active Member.</p> <p>In respect of a Salary Sacrifice Member, <b>Basic Wage</b> means the amount the Participating Employer determines would have been that Salary Sacrifice Member's Basic Wage if he were not participating in the Salary Sacrifice Arrangement.</p>
<b>Beneficiary</b>	means any person absolutely or contingently entitled to a benefit from the Scheme.
<b>Board of Directors</b>	means the Board of Directors of the Society.
<b>Building Society</b>	means a society of good repute to which the Building Societies Act 1962, or any subsequent enactment, applies.
<b>Cash Transfer Sum</b>	has the meaning given to it for the purpose of section 101AB of the 1993 Act.
<b>Civil Partner</b>	means, in relation to a Member, a person whose relationship with that Member has been registered as a Civil Partnership in accordance with the Civil Partnership Act 2004.
<b>Closure Date</b>	means midnight at the end of 31 December 2020.
<b>Deferred Member</b>	means a former Active Member who for the time being remains entitled to Short Service Benefit or other deferred pension under Rule 15 but shall not include any such person whose pension benefits have come into payment.
<b>Effective Date</b>	means the date with effect on and from which these Rules are adopted.
<b>Final Adjustment Wage</b>	means the annual equivalent of the average of the Active Member's Adjustment Wage during the 12 months (or such lesser period as he may have been in Pensionable Service) immediately preceding the date on which he retires, dies, ceases to be in Pensionable Service or leaves the Scheme, whichever occurs first.

<b>Final Wages</b>	<p>means the annual equivalent of the average of the Active Member's Pensionable Wages during the 12 months (or such lesser period as he may have been in Pensionable Service) immediately preceding the date on which he retires, dies, ceases to be in Pensionable Service or leaves the Scheme, whichever occurs first.</p> <p>In calculating the Active Member's Pensionable Wages, if there is any difference between the Pensionable Wages received and the Pensionable Wages on which contributions have been paid, the latter shall be taken to be the Pensionable Wages received.</p> <p>In respect of a Salary Sacrifice Member, <b>Final Wages</b> means the annual equivalent (as above) of the average of the Pensionable Wages the Participating Employer determines the Salary Sacrifice Member would have been paid had he not been participating in the Salary Sacrifice Arrangement.</p>
<b>Finance Act</b>	means the Finance Act 2004.
<b>Frozen Scheme</b>	means a scheme under which all contributions have ceased (subject to the provisions of the 1995 Act and the 2004 Act) and no further benefits accrue to members but the assets of the scheme continue to be held by the trustees of the scheme to be applied in accordance with the rules of the scheme.
<b>HMRC</b>	means HM Revenue & Customs.
<b>Insurer</b>	has the meaning given to "insurance company" in section 275 of the Finance Act.
<b>Interest</b>	means compound interest.
<b>Long Service Benefit</b>	means the benefits to which an Active Member, his widow or widower or Civil Partner or dependants and personal representatives would be entitled under the Scheme if he were to remain in Pensionable Service until Normal Retirement Age.
<b>Lower Earnings Limit</b>	means the amount specified from time to time as the lower earnings limit for the purposes of the Social Security Contributions and Benefits Act 1992.
<b>Member</b>	means any person who is an Active Member, Pensioner or Deferred Member, or any person who is for the time being receiving a pension out of the Scheme.
<b>Modification Regulations</b>	means the Registered Pension Schemes (Modification of the Rules of Existing Schemes) Regulations 2006.
<b>Normal Date of Retirement</b>	means the date on which the Active Member attains the Normal Retirement Age or the date on which he opts to retire, if later.
<b>Normal Retirement Age</b>	<p>means:</p> <p>(a) up to and including 30 September 2013, the age of 60 years both for males and females provided that an Active Member may opt to retire at any time from attaining that age up to the age of 65 years; and</p> <p>(b) with effect on and from 1 October 2013, the age of 65 for both males and females.</p>
<b>Ordinary Adoption Leave</b>	means a period of up to 26 weeks' statutory leave, the entitlement to which is conferred on a Member by section 75A (ordinary adoption leave) of the 1996 Act.

<b>Ordinary Maternity Leave</b>	means a period of up to 26 weeks' statutory leave, the entitlement to which is conferred on a Member by section 71 (ordinary maternity leave) of the 1996 Act.
<b>Paid Adoption Leave</b>	means adoption leave whilst the Member is entitled to statutory adoption pay or any contractual pay from his Employer, and includes a period of Ordinary Adoption Leave whether or not in fact paid.
<b>Paid Maternity Leave</b>	means maternity leave whilst the Member is entitled to statutory maternity pay or any contractual pay from her Employer, and includes a period of Ordinary Maternity Leave whether or not in fact paid.
<b>Paid Parental Absence</b>	means a period of Paternity Leave, Paid Maternity Leave or paid Adoption Leave whilst the Member is entitled to statutory pay or any contractual pay from his or her Employer.
<b>Parental Leave</b>	means a period of parental absence, the entitlement to which is conferred on a Member by section 76 (entitlement to parental leave) of the 1996 Act.
<b>Participating Employer</b>	means the Society and/or any subsidiary company, or any other employer which the Society and the Trustees have agreed is to be treated as a Participating Employer, which undertakes to be bound by the provisions of these Rules and which participates in the Scheme on such terms as the Trustees shall determine on the advice of the Scheme Actuary.
<b>Part-Time Factor</b>	<p>means, in respect of any period of an Active Member's part-time service, the proportion the Active Member's contractual hours bears to the contractual hours worked by an equivalent full-time employee during such service, such proportion being determined by the relevant Participating Employer in its absolute discretion.</p> <p>A Participating Employer may agree with any Active Member in his employment that the Part-Time Factor shall not apply to that Active Member for the purposes of calculating his contributions and benefits for all or any part of that Active Member's part-time service and his contributions and benefits shall be calculated accordingly.</p>
<b>Paternity Leave</b>	means a period of paternity absence, the entitlement to which is conferred on a Member by section 80A (entitlement to paternity leave: birth) and section 80B (entitlement to paternity leave: adoption) of the 1996 Act.
<b>Pension Commencement Lump Sum</b>	means a lump sum as defined in paragraphs 1 to 3 of Schedule 29 to the Finance Act, as modified (but only where applicable) by Schedule 36 to the Finance Act.

<b>Pensionable Service</b>	<p>means, except for the purpose of Rule 15, continuous service with any of the Participating Employers whilst an Active Member of the Scheme, such service being deemed to be continuous although performed partly with one of the Participating Employers and partly with another or others of the Participating Employers.</p> <p>For the purpose of Rule 15 Pensionable Service means service with any of the Participating Employers whilst an Active Member of the Scheme which would entitle the Active Member to Long Service Benefit, provided that in the case of an employee referred to in Rule 5, Pensionable Service shall commence from the date he joined or was deemed to have joined his former fund.</p> <p>It also includes service during a waiting period prior to admission to the Scheme which on admission qualified the Active Member to benefits in respect of such period of service.</p> <p>With effect from 18 May 2000, Pensionable Service is treated as ending on the last day of the pay period in which an Active Member's Pensionable Service ends.</p> <p>With effect on and from the Closure Date, all Active Members shall cease to be in Pensionable Service and shall become Deferred Members.</p>
<b>Pensionable Wages</b>	<p>means for the purposes of calculating contributions and benefits the Basic Wage less such non-pensionable deductions (if any) as may be determined from time to time by the Society.</p> <p>In respect of a Salary Sacrifice Member, <b>Pensionable Wages</b> means the amount the Participating Employer determines would have been that Salary Sacrifice Member's Pensionable Wages (being his Basic Wages less non-pensionable deductions (if any)) were he not participating in the Salary Sacrifice Arrangement.</p>
<b>Pensioner</b>	<p>means a former Active Member who is for the time being receiving a pension out of the Scheme. A Pensioner shall include anyone receiving a pension from the Scheme while remaining in employment with a Participating Employer.</p>
<b>Preservation Requirements</b>	<p>means the provisions set out in Chapters I and II of Part IV of the 1993 Act relating to the rights of a Member on termination of his Active Membership before his Normal Date of Retirement.</p>
<b>Qualifying Service</b>	<p>has the same meaning as in section 71 of the 1993 Act.</p>
<b>Registered Pension Scheme</b>	<p>means a pension scheme registered under Chapter 2 of Part 4 of the Finance Act and Registration and Registered shall be construed accordingly.</p>
<b>Revaluation Requirements</b>	<p>means the requirements of Chapter II of Part IV (revaluation of accrued benefits (excluding guaranteed minimum pensions)) of the 1993 Act.</p>
<b>RPI</b>	<p>means the Retail Prices Index (All Items) as published by the Office for National Statistics.</p>
<b>Rules</b>	<p>means the Rules set out hereto as amended from time to time.</p>

<b>Salary Sacrifice Arrangement</b>	means an arrangement operated by one or more Participating Employers and designated as such for the purposes of the Scheme in which the Member participates and in particular, under which a Member agrees to give up earnings in return for the payment of contributions by his or her Participating Employer to the Scheme.
<b>Salary Sacrifice Contribution</b>	means, in relation to a Salary Sacrifice Member, the amount or amounts which the Participating Employer has agreed to contribute to the Scheme in accordance with both Rule 8(d) and the terms of Salary Sacrifice Arrangement.
<b>Salary Sacrifice Member</b>	means an Active Member who, at the relevant time, is participating in the Scheme through the Salary Sacrifice Arrangement.
<b>Scheme</b>	means the Lincolnshire Co-operative Pension Scheme.
<b>Scheme Actuary</b>	means the actuary to the Scheme appointed in accordance with the provisions of Rule 39.
<b>Scheme Limits</b>	means the limits on contributions payable to and benefits payable from or under the Scheme (but, for the avoidance of doubt, not the administrative requirements), which were contained in the publication IR12 (2001) (known as the Occupational Pension Schemes Practice Notes) published by the former Inland Revenue Pension Schemes Office on 23 March 2001, and by virtue of which, immediately prior to 6 April 2006 the Fund maintained its exempt approval under Chapter 1 (retirement benefit schemes) Part XIV of the 1988 Act (as those limits applied on 5 April 2006).
<b>Secretary to the Scheme</b>	means the secretary to the Scheme appointed in accordance with the provisions of Rule 40.
<b>Short Service Benefit</b>	means the benefits, corresponding to the benefits comprising Long Service Benefit, to be provided in respect of an Active Member for his service prior to the termination of Pensionable Service if he leaves Pensionable Service before Normal Retirement Age having satisfied the qualifications for entitlement set out in Rule 15(a).
<b>Society</b>	means Lincolnshire Co-operative Limited and, where appropriate, its predecessors or any society which transferred its engagements to, or amalgamated with, Lincolnshire Co-operative Limited or any of its predecessors.
<b>Trivial</b>	means in relation to a Beneficiary, a pension which, if paid as a lump sum would satisfy the requirements of paragraph 7 or 7A or paragraph 20 of Schedule 29 to the Finance Act.
<b>Trustees</b>	means the Trustees for the time being of the Scheme.
<b>Unauthorised Payment</b>	has the meaning in section 160 (payments by registered pension schemes) of the Finance Act.
<b>Unpaid Parental Absence</b>	means a period of Parental Leave, Paternity Leave, Additional Maternity Leave, or Additional Adoption Leave during which the Member is not entitled to receive statutory pay or any contractual pay from his Employer.
<b>Upper Earnings Limit</b>	means the amount specified from time to time as the upper earnings limit for the purposes of the Social Security Contributions and Benefits Act 1992.

## **Name**

2. The name of the Scheme shall be the Lincolnshire Co-operative Pension Scheme.

## **Office**

3. The office of the Scheme shall be at the registered office of the Society.

## **Purpose**

4. The sole purpose of the Scheme is the provision of relevant benefits (as defined in section 393B of the Income Tax (Earnings and Pensions) Act 2003).

## **Constitution of the Scheme**

5. (a) The Scheme is constituted by a trust deed dated the 9th May 1924 as amended from time to time (hereinafter called the Trust Deed).

Following the transfer of engagements of the respective sponsoring society to the Society, the undermentioned fund was transferred to the Scheme with effect from the dates given and their assets added to the assets of the Scheme:

Gainsborough Co-operative Society Ltd Employees' Superannuation Scheme with effect from the 4th September 1967.

- (b) Any benefit payable to or in respect of any Member who:
- (i) was in receipt of a pension from the Scheme before the Effective Date, or
  - (ii) ceased to be in Pensionable Service before the Effective Date, or
  - (iii) died before the Effective Date

shall be calculated in accordance with the provisions of the Scheme which would have applied but for the execution of the Rules save that Rule 10(b) of the Rules (*Retirement of a Deferred Member owing to permanent breakdown in health*) shall apply in respect of any Member who ceased to be in Pensionable Service before the Effective Date, but shall be administered to the extent determined by the Trustees in accordance with the Rules.

- (c) Subject to any decision to the contrary by the Trustees and the Society (arising due to exceptional circumstances) at any time before the Closure Date, with effect on and from the Closure Date the Scheme shall be closed to the future accrual of benefits and shall be administered as a Frozen Scheme with effect on and from that date.
- (d) Notwithstanding the provisions of these Rules, the Trustees and the Society may together determine that the Scheme shall be reopened again, to new or existing Members, for payment of contributions and / or accrual of pension rights and benefits at any time on such terms as the Trustees and the Society shall determine.

**PART II**  
**BENEFITS AND CONTRIBUTIONS**

**Membership**

6. With effect from and including 1 October 2013, no Employee shall be eligible to become an Active Member of the Scheme.
7. With effect on and from the Closure Date each Active Member will cease Pensionable Service and become a Deferred Member, and the Scheme shall become a Frozen Scheme. For the avoidance of doubt, no contributions shall be payable to the Scheme under Rules 8(a), 8(b) or 8(c), or Rule 17, with effect on and from the Closure Date.

**Members' contributions**

8. Except as otherwise provided in these Rules, each Active Member (other than a Salary Sacrifice Member) shall pay contributions to the Scheme which are equal to a Normal Component of contributions less a Deductive Component of contributions.

**(a) Normal Component of contributions**

With effect on and from the 1<sup>st</sup> October 2013 and subject to the provisions of Rules 8(c), 8(d)(iii), 8(e) and 12, the Normal Component of contributions payable by Active Members shall be the percentage of the Active Member's Pensionable Wages set out in the following table:

<b>Class of Member</b>	<b>rate of Member contribution up to 30-09-14 (%)</b>	<b>rate of Member contribution from 01-10-14 (%)</b>	<b>rate of Member contribution from 01-10-15 (%)</b>	<b>rate of Member contribution from 01-10-16 (%)</b>
Member aged under 25 years at date of joining.	6.10	7.10	8.10	9.10
Member aged at least 25 years and under 35 years at date of joining.	6.60	7.60	8.60	9.60
Member aged at least 35 years and under 50 at date of joining.	7.85	8.85	9.85	10.85
Member aged 50 to 51 at date of joining.	8.10	9.10	10.10	11.10
Member aged 52 to 53 at date of joining.	8.60	9.60	10.60	11.60
Member aged 54 to 56 at date of joining.	9.10	10.10	11.10	12.10
Member aged 57 to 59 at date of joining.	9.60	10.60	11.60	12.60

<b>Class of Member</b>	<b>rate of Member contribution up to 30-09-14 (%)</b>	<b>rate of Member contribution from 01-10-14 (%)</b>	<b>rate of Member contribution from 01-10-15 (%)</b>	<b>rate of Member contribution from 01-10-16 (%)</b>
Member aged 60 to 61 at date of joining.	10.10	11.10	12.10	13.10
Member aged 62 or more at date of joining.	10.60	11.60	12.60	13.60

**(b) Deductive Component of contributions**

The Deductive Component of contributions shall be the same percentage of the Active Member's Adjustment Wage from time to time, as that which is applied to his Pensionable Wages in determining the Normal Component of contributions.

**(c) General**

- (i) In respect of any period of membership as a part-time employee, the contributions payable shall be calculated in accordance with Rules 8(a) and (b) multiplied by the Part-Time Factor.
- (ii) Contributions shall be deducted from wages when paid, any slight adjustments necessary being deducted on the last pay day in each quarter and paid to the Trustees within the time period allowed under section 49 of the 1995 Act. After the age of 55 years any Active Member who suffers a reduction in his Pensionable Wage (other than through disciplinary action being taken by a Participating Employer) may, by written notice to the Society (and subject to the requirements of HMRC), elect for his Pensionable Wage, for the purpose of determining contributions, to be the Pensionable Wage on which he was contributing immediately prior to such reduction (but only for so long as his Pensionable Wage remains below that level) and the benefits payable to such Active Member upon retiring shall not, subject to the provisions of Rule 23, be affected by the said reduction in wages. If an Active Member suffering a reduction in his Pensionable Wage does not, within 14 days of such reduction, elect to take advantage of the foregoing option, his contributions and benefits will be based on his reduced Pensionable Wage.
- (iii) Subject to the provisions of Rule 20, in the case of sickness, unpaid absence from work or short time worked, the full contributions must be paid, but a time allowance for the payment by the Active Member may be made at the discretion of the Trustees, if necessary, to pay off the arrears. If the Active Member dies before such arrears are paid in full, the Trustees may deduct from any lump sum payable under the provisions of the Rules, any outstanding arrears of contributions. In the event that contributions are not so paid, the Trustees may treat the Active Member as having left Pensionable Service on such date as they deem contributions ceased to be paid.
- (iv) Any Active Member may make additional voluntary contributions in accordance with Rule 17.

**(d) Participating Employers' contributions**

**(i) Ordinary contributions**

Subject to the provisions of Rules 8(e) and (f), each Participating Employer shall contribute an amount to the Scheme equal to the total amount of the contributions paid by the Active Members (provided that no account shall be

taken of any contributions paid under the provisions of Rule 17) and an amount equal to the Salary Sacrifice Contributions in respect of all Salary Sacrifice Members. In addition, each Participating Employer shall contribute from time to time such further amounts, if any, as may be determined by the Society having regard to the advice of the Scheme Actuary, which shall take into account the assets and liabilities of the Scheme.

Provided always that the contributions payable under this Rule shall not be less than the contributions which, in the opinion of the Trustees having regard to the advice of the Scheme Actuary, are adequate for the purposes of sections 221-233 of the 2004 Act.

(ii) **Special contributions**

Any Participating Employer may pay any single or periodic sum or sums by way of special contribution for any purpose consistent with the purposes of the Scheme.

(e) **Temporary reduction or cessation of contributions**

Subject to the provisions of Rule 8(f), the Trustees shall have the power to authorise the temporary reduction or cessation of contributions payable by the Active Members, or by any Participating Employer or by both, provided that the Scheme Actuary shall be consulted regarding the financial effect on the Scheme.

(f) **Schedule of contributions**

The Trustees shall ensure that there is prepared, maintained and from time to time revised, a schedule of contributions in accordance with section 227 of the 2004 Act.

The contributions paid by the Active Members and each Participating Employer must comply with, and not be less than, those referred to in any such schedule of contributions.

(g) **Member's individual accounts**

An individual account shall be kept in the name of each Member in which:

- (i) the Member's contributions, other than any contributions payable under the provisions of Rule 17; and
- (ii) Salary Sacrifice Contributions made by a Participating Employer under Rule 8(d)(i) which relate to contributions otherwise payable under Rule 8(a), but not any Salary Sacrifice Contributions made by a Participating Employer under Rule 8(d)(i) which relate to contributions otherwise payable under Rule 17

shall be entered together with Interest thereon, such Interest to be calculated and added by half-yearly rests.

In the case of a Member who was transferred into the Scheme in respect of whom the Trustees have received a payment from another pension scheme or arrangement or who, immediately prior to joining the Scheme, was a member of a fund which was admitted to the Scheme on the relevant date of transfer given in Rule 5, the contributions credited to his individual account shall include the amount standing to the credit of his individual account in his former fund or pension arrangement at the relevant date of transfer.

**Benefits - Generally and normal retirement**

9. There shall be a Normal Component of benefits less, where designated, a Deductive Component of benefits.

(a) **Normal Component**

In respect of Pensionable Service up to and including 30 September 2013 the Normal Component of the annual pension applicable to an Active Member on retirement at the

Normal Date of Retirement, shall be the total of the amounts computed in accordance with (1) and (2) below.

- (1) 1/60th of the Active Member's Final Wages multiplied by the number of years (calculated to complete months and not exceeding 40 years) of his Pensionable Service.
- (2) 1/120th of the Active Member's Final Wages multiplied by the number of years (calculated to complete months) of his Pensionable Service in excess of 40 years, with a maximum of 5 years that can be taken into account.

In respect of Pensionable Service from and including 1 October 2013 the Normal Component of the annual pension applicable to an Active Member on retirement at the Normal Date of Retirement, shall be 1/60th of the Active Member's Final Wages multiplied by the number of years (calculated to complete months and not exceeding 45 years when aggregated with Pensionable Service before 1 October 2013) of his Pensionable Service.

**(b) Deductive Component**

In respect of Pensionable Service up to and including 30 September 2013 the Deductive Component of the annual pension applicable to an Active Member on retirement at the Normal Date of Retirement, shall be the total of the amounts computed in accordance with (1) and (2) below.

- (1) 1/60th of the Active Member's Final Adjustment Wage multiplied by the balance of years (calculated to complete months and not exceeding 40 years) of his Pensionable Service.
- (2) 1/120th of the Active Member's Final Adjustment Wage multiplied by the number of years (calculated to complete months and not exceeding 5 years) of his Pensionable Service, if any, in excess of 40 years.

In respect of Pensionable Service from and including 1 October 2013 the Deductive Component of the annual pension applicable to an Active Member on retirement at the Normal Date of Retirement, shall be 1/60th of the Active Member's Final Adjustment Wage multiplied by the balance of years (calculated to complete months and not exceeding 45 years) of his Pensionable Service.

In calculating the Deductive Component, only Pensionable Service from the 6th April 1978 (or the date of joining the Scheme if later) to the 5th April immediately prior to the Active Member's actual date of retirement shall be taken into account.

**(c) Part-time employees**

In computing the benefit in accordance with this Rule and the maximum period of Pensionable Service to count for pension calculation purposes, any period of Pensionable Service during which the Active Member was a part-time employee of a Participating Employer shall be multiplied by the Part-Time Factor applicable to that period.

**(d) Additional pension**

An Active Member in respect of whom a transfer payment has been received under the provisions of Rule 7 shall be entitled to such additional pension (if any) as may have been determined by the Scheme Actuary.

**(e) Payment of pension**

Pensions shall be paid four weekly in arrear, or otherwise as arranged with the recipient.

### III-health Retirement

#### 10. (a) Retirement of an Active Member owing to permanent breakdown in health

Subject to the provisions of this Rule 10, an Active Member who has completed ten years' Pensionable Service and who experiences a physical or mental deterioration in health which, in the opinion of the Trustees, is likely to be permanent and of such severity as to render the Active Member unable to follow his normal employment or to impair seriously and permanently his earnings capacity shall (subject to the consent of the Society) be entitled to retire on a pension calculated in accordance with the provisions of Rule 9.

Provided that in computing the Normal Component and Deductive Component of pension, an Active Member entitled to benefits under the provisions of this Rule shall, at the date of his actual retirement, be deemed to have been in Pensionable Service for the number of years not exceeding 45 during which he would have been in Pensionable Service had he continued in such service until age 65. Provided further that where the Active Member is or was at any time a part-time employee, any excess of the Pensionable Service deemed to have been completed by the Active Member over the actual Pensionable Service completed by the Active Member shall be multiplied by the ratio:-

$\frac{P}{F}$

F

where:-

P is the Active Member's period of Pensionable Service completed calculated as in Rule 9(c) (calculated to complete months), and

F is the actual period of Pensionable Service completed by the Active Member, disregarding the application of the Part-Time Factor, (calculated to complete months).

and the limit of 45 years shall apply only to the extent that the period of Pensionable Service to count for pension calculation purposes shall be limited to 45 years.

#### (b) Retirement of a Deferred Member owing to permanent breakdown in health

Subject to the provisions of this Rule 10, a Deferred Member who experiences a physical or mental deterioration in health which, in the opinion of the Trustees, is likely to be permanent and of such severity as to render the Deferred Member unable to follow his normal employment or to impair seriously and permanently his earnings capacity shall be entitled to retire on a pension calculated in accordance with the provisions of Rule 15 and reduced by an appropriate factor reflecting early payment before the Member's Normal Retirement Age. The Trustees may decide the reduction factor that is applied after obtaining the advice of the Scheme Actuary.

#### (c) Conditions on which pension is payable

No pension shall be payable under the provisions of Rule 10(a) or Rule 10(b) unless the Trustees, in their absolute discretion, are satisfied that the ill-health condition in paragraph 1 of Schedule 28 to the Finance Act has been met after having obtained such medical advice as they may deem appropriate and that the incapacity has not arisen as a result of the Member's own misconduct or as a result of a medical condition known by the Member at the time of his becoming an Active Member which was not then disclosed in writing to the Trustees or the relevant Participating Employer as a result of a request for such information.

While the Member is under Normal Retirement Age, he shall from time to time when requested by the Trustees give to them such evidence as they shall deem satisfactory of his continued incapacity and of the amount of his earnings (if any).

**(d) Reduction or suspension of pension**

The Trustees may reduce or suspend the pension for the period prior to the Member's attaining Normal Retirement Age as they may think the circumstances justify and may accordingly fix and vary the amount of his pension if the Member does not give the evidence required by Rule 10(c) or if, whilst under Normal Retirement Age, the Member recovers sufficiently to be able to earn an income. Any such reduction (and the amount of the pension from Normal Retirement Age) shall comply with the preservation requirements of the 1993 Act.

**(e) Re-admission as an Active Member**

If, while under Normal Retirement Age and before the Closure Date, a Member who was in receipt of a pension under this Rule 10 which commenced before 1 October 2013, recovers sufficiently to return and does return to the service of a Participating Employer, he shall be entitled to be readmitted again as an Active Member of the Fund and to retire in accordance with the Rules thereof as if he had never ceased to be employed by a Participating Employer (after making allowance for any lump sums received and where necessary applying the formula P/F in (a) above).

If any such Member does return to the service of a Participating Employer, the amount standing to his credit under the provisions of Rule 8(g) shall be reduced by an amount equivalent to the total amount paid to him by way of pension (including any lump sum by way of commutation of pension) under the provisions of this Rule.

**Early retirement**

11. Subject to the consent of the Society, an Active Member may elect to cease Active Membership and take an immediate pension at any time after his or her 55<sup>th</sup> birthday and before reaching his or her Normal Retirement Age. Where the Society gives its consent, the pension will be calculated in accordance with this Rule 11 as follows:

- (a) in respect of Pensionable Service accrued up to and including 30 September 2013:
  - (i) the Normal Component of pension shall be calculated in accordance with Rule 9(a), and where applicable Rule 9(d), reduced by an appropriate factor reflecting early payment before (but not after) the Active Member's 60<sup>th</sup> birthday. The Trustees may decide the reduction factor that is applied after obtaining the advice of the Scheme Actuary provided that the reduction factor shall be the same as or more favourable (to the Member) than:
    - (I) a reduction of one per cent (1%) for each three month period or part thereof between the date of actual retirement and the date of the Member's 59<sup>th</sup> birthday; and
    - (II) a reduction of half a percent (0.5%) for each three month period or part thereof between the date of the Member's 59<sup>th</sup> birthday and the date of the Member's 60<sup>th</sup> birthday;
  - (ii) The Deductive Component in respect of the relevant Active Member shall operate from the actual date of his or her retirement. The Deductive Component applicable shall be calculated in accordance with the provisions of Rule 9(b), and where applicable Rule 9(d), reduced by an appropriate factor reflecting its early payment before (but not after) the Active Member's 60<sup>th</sup> birthday. The Trustees may decide the reduction factor that is applied after obtaining the advice of Scheme Actuary provided that the reduction factor shall be the same as or more favourable (to the Member) than:
    - (I) a reduction of one per cent (1%) for each three month period or part thereof between the date of actual retirement and the date of the Member's 59<sup>th</sup> birthday; and

(II) a reduction of half a per cent (0.5%) for each three month period or part thereof between the Member's 59<sup>th</sup> birthday and his 60<sup>th</sup> birthday.

- (b) in respect of Pensionable Service accrued on and from 1 October 2013:
- (i) the Normal Component of pension shall be calculated in accordance with Rule 9(a) and, where applicable Rule 9(d) and reduced by an appropriate factor reflecting its early payment before the Active Member's Normal Retirement Age. The Trustees may decide the reduction factor that is applied after obtaining the advice of the Scheme Actuary.
  - (ii) the Deductive Component in respect of the relevant Active Member shall operate from the actual date of his or her retirement. The Deductive Component applicable shall be calculated in accordance with the provisions of Rule 9(b), and where applicable Rule 9(d), reduced by an appropriate factor reflecting its early payment before the Active Member's Normal Retirement Age. The Trustees may decide the reduction factor that is applied after obtaining the advice of the Scheme Actuary.

### **Delayed retirement**

12. (a) Where a Participating Employer determines that an Active Member may remain in permanent employment on and after attaining Normal Retirement Age, that individual shall remain in Active Membership until the earlier of:
- (i) the date on which he leaves the permanent employment of the Participating Employer;
  - (ii) the date on which he elects to leave Pensionable Service by giving the Trustees a minimum of one month's written notice; or
  - (iii) the date on which he has completed 45 years' Pensionable Service.
- (b) The Trustees shall pay to an Active Member who has extended his permanent employment beyond age 65 under Rule 12(a) and who leaves permanent employment under Rule 12(a)(i) or who leaves Pensionable Service under Rule 12(a)(ii) or Rule 12(a)(iii) a pension which shall be the greater of:
- (i) the pension payable calculated in accordance with Rule 9 but based on Pensionable Service and Final Wages accrued up to the date he leaves Pensionable Service; and
  - (ii) a pension calculated as if he had left Pensionable Service at 65 including any increases that would have applied to his pension under the provisions of Rule 19 had he retired at that age and increased by an amount as decided by the Trustees after obtaining the advice of the Scheme Actuary but so that in respect of Pensionable Service up to and including 30 September 2013 the increase shall be two and a half per cent (2.5%) for every complete three months between the date on which he attained age 65 and the date his pension commences.
- (c) On the death of an Active Member to whom Rule 12(a) above applies and who has not become a Pensioner while remaining in employment with a Participating Employer he will be treated as if he had become a Pensioner on the day before he died.
- (d) A Participating Employer must continue to pay Salary Sacrifice Contributions in accordance with Rule 8(d)(i) above in respect of a Salary Sacrifice Member notwithstanding that the Salary Sacrifice Member is over Normal Retirement Age.

### **Death before retirement**

#### **13. (a) Lump sum death benefit**

On the death of an Active Member whilst in Pensionable Service, a death

benefit shall be paid out of the Scheme equal to three times the annual equivalent of the Active Member's Basic Wage at his date of death. Provided that in determining the Basic Wage for the purposes of this Rule, the Basic Wage in respect of any period during which the Active Member was a part-time employee shall be multiplied by the Part-Time Factor applicable to that period. To the extent that Basic Wage at his date of death is less due to a pensionable pay cap being applied, for the purposes of this Rule 13 only, Basic Wage shall be the amount which would have been the member's Basic Wage at his date of death had no pensionable pay cap been applied.

Provided that no death benefit shall be payable under this Rule unless such evidence as to the death of the Member is produced to the Secretary to the Scheme as the Trustees may require.

**(b) Payment of lump sum death benefit**

The whole or any part of any lump sum death benefit payable under the Rules shall be paid, within 24 months of the date of death, to one or more of the Member's dependants in such shares and in such manner as the Trustees shall in their absolute discretion decide. The Member may at any time inform the Trustees in writing of his wishes for the disposal of such death benefits. Such wishes will not be binding on the Trustees but may be one of the factors they consider in exercising their discretion. A dependant for the purposes of this Rule shall mean one or more of the following persons:-

- (i) the spouse or Civil Partner of the deceased Member;
- (ii) any grandparent of the deceased Member or any descendant of such grandparent, which in this context shall include an adopted, illegitimate or other descendant (whether or not of the whole blood) and any spouse of such descendant;
- (iii) any person whose name has been notified in writing by the deceased Member to the Trustees as a person to whom he wishes the whole or any part of the sum referred to above to be paid;
- (iv) any beneficiary of the estate of the deceased Member (other than the Crown or the Duchy of Lancaster or the Duchy of Cornwall);
- (v) any individual who in the opinion of the Trustees is wholly or partially dependent on the deceased Member or financially interdependent with the deceased Member;
- (vi) the legal personal representative of the deceased Member.

If, after 24 months, any balance of the benefit remains unpaid or unapplied, it shall be paid to the Member's legal personal representatives or, if there are none, his next of kin.

Provided always that no such death benefit (nor part thereof, as the case may be) shall be payable (and the amount thereof which, apart from this proviso, would be payable shall be retained in the Scheme) if

- (I) the Crown or the Duchy of Lancaster or the Duchy of Cornwall would, were the same to be payable, be or become entitled thereto; or
- (II) after making reasonable enquiries, the Trustees decide that the deceased Member had no dependants.

**(c) Widows' and widowers' pensions**

Subject to the provisions of Rule 13(f) on the death of an Active Member whilst in Pensionable Service leaving a widow or widower there shall be paid a pension to such widow or widower until death. The amount of such pension shall be:-

- (i) in the case of an Active Member who dies on or before age 65, equal to one-half of the pension to which he would have been entitled under the provisions of Rule 10 had he retired owing to a permanent breakdown in health on the day before his death (disregarding for this purpose the qualifying period of ten years' Pensionable Service specified in that Rule), and,
- (ii) in the case of an Active Member who dies whilst continuing in the employment of a Participating Employer beyond the age of 65 years, equal to one-half of the pension to which he would have been entitled under the provisions of Rule 12 had he retired on the day before his death.

**(d) Dependant's Pension**

On the death of an Active Member whilst in Pensionable Service, without either leaving a widow or widower to whom a pension is payable under Rule 13(c) or a Civil Partner to whom a pension is payable under Rule 13(j), there may, at the sole discretion of the Trustees, be payable to a dependant of the Active Member, a pension of an amount which shall not exceed the amount of the widow's or widower's pension referred to in Rule 13(c). The dependant's pension shall be payable from the date of the Active Member's death and shall cease on the dependant's date of death or on his ceasing, in the opinion of the Trustees, to be a dependant of the Active Member.

For the purpose of this Rule, a dependant shall mean an individual who, in the opinion of the Trustees, was wholly or partially dependent on the Active Member or financially interdependent with the Active Member immediately prior to his death for the ordinary necessities of life, but shall not include a child to whom benefit is payable under the provisions of Rule 13(e).

**(e) Children's benefits**

Where no widow's, widower's, Civil Partner's or dependants' pension is payable under Rules 13(c), (d) or (j) there shall, subject to the provisions of this Rule and Rule 13(f), be paid from the date of death of the said Active Member, or the date of birth of the child if later, benefits as hereinafter defined to each child of the deceased Active Member, such benefits being payable during the life of the child until such time only as that child shall attain the age of 23 years. The amount of such benefits to each child qualifying as aforesaid, shall be equal to the amount of pension payable under Rule 13(c), divided equally by the number of children of the Active Member. Children's benefits will also be payable in accordance with this Rule after the death of a widow, widower or Civil Partner or dependant.

A child of an Active Member conceived before, but not born at, the time of the Active Member's death, a step-child of the deceased Active Member, a child who is legally adopted and a child to whom, in the opinion of the Trustees, the deceased Active Member stood in loco parentis are included in the expression "child" as used in this Rule provided that a child who is a step-child or to whom the deceased Active Member stood in loco parentis shall only be entitled to a child's pension if they satisfy the definition of dependant contained in paragraph 15(2) of Schedule 28 to the Finance Act.

The Trustees may, in their absolute discretion, pay the benefits payable to, or in respect of, any child to the child's guardian or to any person with whom the child resides or in whose care and control the child is or appears to be, without being obliged to ascertain whether that guardian or other person has any right to the care and control of the child or to supervise the application of the benefits by that guardian or other person and without being responsible for any misapplication thereof. The Trustees may, in their absolute discretion, also apply the benefits payable or any part thereof, towards the maintenance, education or other benefit of the child in any way they may see fit (including to the trustees of a trust of which the child is a beneficiary) without being responsible for any misapplication thereof.

**(f) Timing and evidence of Marriage or Civil Partnership; evidence for Children's pensions**

No pension shall be payable to a widow or widower or Civil Partner under the provisions of Rule 13(c) or Rule 13(j) unless the widow or widower or Civil Partner produces to the Secretary to the Scheme such evidence as to date of birth and evidence of marriage or Civil Partnership to the Active Member of the widow or widower or Civil Partner (as the case may be) at the date of the Active Member's death and as to such widowhood or widowerhood as the Trustees may require, and no benefits to a child will be paid unless evidence as to the date of birth, and such other evidence as the Trustees may from time to time require, are produced. For the purposes of this Rule the expression "child" shall have the same meaning as it is given under Rule 13(e) for the purposes of that Rule. No dependant's pension shall be payable under the provisions of Rule 13(d) unless such evidence as is required from time to time is provided to the satisfaction of the Trustees.

**(g) Trivial pension**

If the aggregate of all pension benefits payable to the widow or widower or Civil Partner, dependant, or child under all schemes relating to service with one or more Participating Employers is Trivial, the widow's or widower's, Civil Partner's or dependant's pension and any children's benefits may be commuted, at the sole discretion of the Trustees and on such terms as the Trustees acting on the advice of the Scheme Actuary shall determine, and paid as a lump sum to the widow or widower, Civil Partner, dependant, or child (subject to the deduction of any sum which the Trustees may become liable to pay in respect of income tax).

**(h) Lump sum on cessation of pension**

On the cessation of all payments by way of widow's or widower's pension, Civil Partner's or dependants pension and children's benefits, or on the death of the Active Member whilst in Pensionable Service if no such payments are made, there shall, subject to the Scheme's Registered Status not being prejudiced, be paid the sum, if any, by which the amount standing to the credit of the Active Member under the provisions of Rule 8(g) at the date of his death exceeds the total amount, if any, paid out of the Scheme by way of widow's or widower's pension (including for this purpose any lump sum by way of commutation of widow's or widower's pension) or Civil Partner's or dependant's pension and children's benefits, but disregarding any benefits payable under the provisions of Rule 17. Such sum shall be paid in accordance with Rule 13(b).

**(i) Trustee decision to be final**

The decision of the Trustees as to the person or persons entitled to any payment under this Rule and as to whether an Active Member left a widow, widower, Civil Partner or dependant entitled to pension or any child entitled to children's benefits under the provisions of this Rule, shall be final and binding on all parties, and the amount having once been paid, neither the Trustees nor the Participating Employer shall, under any circumstances, be liable to any further claim for a pension or other benefit or for the payment of any further sum or sums in respect thereof whatsoever.

**(j) Civil Partners**

If the Active Member dies leaving no widow or widower but leaving a Civil Partner, a pension will be payable to the Civil Partner of an amount equal to the spouse's pension calculated in accordance with Rule 13(c).

**Death after retirement**

**14. (a) Widows' and widowers' pensions**

Subject to the provisions of Rules 14(g), on the death of a Pensioner leaving a widow or widower, there shall be paid a pension to such widow or widower until death. The

amount of such pension shall, except as provided in Rules 14(d), (e) and (f), be equal to one-half of the pension being paid to such Pensioner immediately prior to his death.

**(b) Dependants' Pension**

On the death of a Pensioner, without leaving a widow or widower to whom a pension is payable under Rule 14(a) or a Civil Partner to whom a pension is payable under Rule 14(l), there may, at the sole discretion of the Trustees, be payable to a dependant of the Pensioner, a pension of an amount which shall not exceed the amount of the widow's or widower's pension referred to in Rule 14(a). The dependant's pension shall be payable from the date of death of the Pensioner and shall cease on the dependant's date of death or on his ceasing, in the opinion of the Trustees, to be a dependant of the Pensioner.

For the purpose of this Rule, a dependant shall mean an individual who, in the opinion of the Trustees, was wholly or partially dependent on the Pensioner or financially interdependent with the Pensioner at the date at which the dependant entered into receipt of pension for the ordinary necessities of life, but shall not include a child to whom benefit is payable under the provisions of Rule 14(c).

**(c) Children's benefits**

Where no widow's, widower's, Civil Partner's or dependants' pension is payable under Rules 14(a), (b) or (l) there shall, subject to the provisions of this Rule and Rule 14(g) be paid from the date of death of the said Pensioner, or the date of birth of the child if later, benefits as hereinafter defined to each child of the deceased Pensioner, such benefits being payable during the life of the child until such time only as that child shall attain the age of 23 years. The amount of such benefits to each child qualifying as aforesaid, shall be equal to the amount of pension payable under Rule 14(a), divided equally by the number of children of the Pensioner. Children's benefits will also be payable in accordance with this Rule after the death of a widow, widower, Civil Partner or dependant.

A child of a Pensioner conceived before but not born at the time of the Pensioner's death, a step-child of the deceased Pensioner, a child who is legally adopted and a child to whom, in the opinion of the Trustees, the deceased Pensioner stood in loco parentis are included in the expression "child" as used in this Rule as used in this Rule provided that in the case of a child who is a step-child or to whom the deceased Active Member stood in loco parentis shall only be entitled to a child's pension if they satisfy the definition of dependant contained in paragraph 15(2) of Schedule 28 to the Finance Act.

The Trustees may, in their absolute discretion, pay the benefits payable to, or in respect of, any child to the child's guardian or to any person with whom the child resides or in whose care and control the child is or appears to be, without being obliged to ascertain whether that guardian or other person has any right to the care and control of the child or to supervise the application of the benefits by that guardian or other person and without being responsible for any misapplication thereof. The Trustees may, in their absolute discretion, also apply the benefits payable or any part thereof, towards the maintenance, education or other benefit of the child in any way they may see fit (including to the trustees of a trust of which the child is a beneficiary) without being responsible for any misapplication thereof.

**(d) Pensioner death before Normal Retirement Age**

If a Pensioner who entered into receipt of pension before his Normal Date of Retirement under the provisions of Rule 10 died before attaining his Normal Retirement Age, the amount of his pension shall, for the purposes of Rule 14(a), be deemed to have incorporated the Deductive Component of his pension which would have come into operation on his attaining Normal Retirement Age.

For this purpose the Deductive Component shall include the same percentage increase or increases as have been made in the Normal Component of the Member's pension up to the date of his death.

**(e) Effect of commutation**

If a Pensioner elected to commute part or all of his pension under the provisions of Rule 16 then, for the purposes of calculating the amount of widow's or widower's pension payable under Rule 14(a), dependant's pension payable under Rule 14(b), children's benefits payable under Rule 14(c) and Civil Partner's pension under Rule 14(l) and, if applicable, subject to the provisions of Rules 14(d) and (f), the Member's pension shall be deemed to be the pension which would have been payable immediately preceding the date of his death if such election had not been made (making allowances for post retirement increases).

**(f) Pensioner in receipt of pension under Rule 10**

If the Pensioner was in receipt of a pension under the provisions of Rule 10 and the amount of pension had been reduced under the provisions of Rule 10(d), for the purposes of calculating the amount of widow's or widower's pension payable under the provisions of Rule 14(a), dependant's pension payable under Rule 14(b), children's benefits payable under Rule 14(c) and Civil Partner's pension under Rule 14 (l) and, if applicable, subject to the provisions of Rule 14(d) and (e), the Member's pension shall be deemed to be the pension which would have been payable immediately preceding the date of his death if such reduction under Rule 10(d) had not been made (making allowances for post retirement increases).

**(g) Timing and evidence of Marriage or Civil Partnership; evidence for children's pensions**

No pension shall be payable to a widow or widower or Civil Partner under the provisions of this Rule unless the widow or widower was married to or the Civil Partner was in a Civil Partnership with the said Pensioner at the date at which the Pensioner entered into receipt of pension and produces to the Secretary to the Scheme such evidence as the Trustees may require as to dates of birth and marriage or entry into Civil Partnership to the Pensioner and as to such widowhood or widower-hood. No benefits in respect of a child will be paid unless evidence as to date of birth and such other evidence as the Trustees may from time to time require are produced. For the purposes of this Rule the expression "child" shall have the same meaning as it is given under Rule 14(c) for the purposes of that Rule. No dependant's pension shall be payable under the provisions of Rule 14(b) unless such evidence as is required from time to time is provided to the satisfaction of the Trustees.

**(h) Discretions in respect of a child's pension**

The Trustees shall have the same full discretion in relation to the benefits payable in accordance with this Rule to, or in respect of, any child as they are given under Rule 13 in relation to the benefits payable thereunder.

**(i) Trivial Pension**

If the aggregate of all pension benefits payable to the widow, widower, Civil Partner or child under all schemes relating to service with one or more Participating Employers is Trivial, the widow's, widower's or Civil Partner's pension (as applicable) and any children's benefits may be commuted, at the sole discretion of the Trustees and on such terms as the Trustees acting on the advice of the Scheme Actuary shall determine, and paid as a lump sum to the widow or widower (subject to the deduction of any sum which the Trustees may become liable to pay in respect of income tax).

**(j) Lump Sum on cessation of pension**

On the cessation of all payments by way of Member's pension and widow's or widower's pension, Civil Partner's pension, dependant's pension and children's benefit,

there shall be paid the sum, if any, by which the amount standing to the credit of the Member under the provisions of Rule 8(g), at the date at which he entered into receipt of pension, exceeds the total amount paid out of the Scheme by way of Member's and widow's or widower's pension (including for this purpose any lump sum by way of commutation of Member's, widow's or widower's pension), Civil Partner's pension, dependant's pension and children's benefits, but disregarding any benefits payable under the provisions of Rule 17. Such sum shall be paid in accordance with Rule 13(b).

**(k) Trustees decision to be final**

The decision of the Trustees as to the person or persons entitled to any payment under this Rule and as to whether a Pensioner left a widow or widower entitled to pension under the provisions of this Rule, shall be final and binding on all parties, and the amount having once been paid neither the Trustees nor any Participating Employer shall, under any circumstances, be liable to any further claim for a pension or other benefit or for the payment of any further sum or sums in respect thereof whatsoever.

**(l) Civil Partners**

If the Pensioner dies leaving no widow or widower but leaving a Civil Partner, a pension will be payable to the Civil Partner of an amount equal to the spouse's pension calculated in accordance with Rule 14(a).

**Leaving Pensionable Service before retiring on pension**

15. For the purpose of this Rule "normal pension age" means the age of 60 years in respect of Pensionable Service up to and including 30 September 2013 and 65 in respect of Pensionable Service from and including 1 October 2013.

**(a) Entitlement to Short Service Benefit**

An Active Member whose Pensionable Service is terminated (otherwise than by death) before normal pension age shall be entitled to Short Service Benefit if he has completed two years' Qualifying Service, provided that:-

- (i) in the case of an Active Member who having left Pensionable Service returns, or has returned, to such Pensionable Service as a result of any re-engagement or renewal of the Member's employment contract in a redundancy situation falling within section 138(1)(a) of the 1996 Act,
- (ii) in the case of a Member to whom Rule 20(g) applies,
- (iii) in the case of an Active Member who having left Pensionable Service returns, or has returned, to such Pensionable Service after an absence in furtherance of a trade dispute, as defined in section 35 of the Jobseekers Act 1995, or
- (iv) in the case of a Member who qualified for Short Service Benefit in respect of a previous period of service, the Member re-entered Pensionable Service on or before 30 September 2013, however long the interval between the two employments

the service before and after such breaks shall be regarded as continuous service for qualification purposes.

Provided that the Active Member shall be deemed to have completed two years' Qualifying Service if a transfer payment, incorporating the cash equivalent of benefits, arising in respect of membership of a personal pension scheme (within the meaning of section 1 of the 1993 Act) is paid into the Scheme in respect of the Active Member.

Provided further that an Active Member who has completed less than two years' Qualifying Service shall be entitled to Short Service Benefit in respect of such Pensionable Service, if he has retained an entitlement to Short Service Benefit from a previous period of Pensionable Service with a Participating Employer.

**(b) Payment of Short Service Benefit**

Subject as otherwise provided in this Rule 15, Short Service Benefit shall be payable in the same manner as Long Service Benefit on attainment by the Member of normal pension age or (where applicable) his subsequent death.

**(c) Computation of Short Service Benefit**

Short Service Benefit will consist of:-

- (i) a Normal Component of benefits in respect of Pensionable Service (as defined in Rule 1 for the purpose of this Rule 15),
- (ii) a Deductive Component of benefits in respect of Pensionable Service from the 6th April, 1978 (or the date of joining the Scheme if later), and
- (iii) additional benefits, if any, as defined in Rule 15(e).

The Normal Component of benefits under (i) will be computed on the basis of uniform accrual, bearing the same proportion to the Normal Component of Long Service Benefit as

- (1) the period of Pensionable Service completed  
bears to
- (2) the period of Pensionable Service which the Member would have completed had he remained in Pensionable Service until normal pension age.

The Deductive Component of benefits under (ii) will be computed on the basis of uniform accrual, bearing the same proportion to the Deductive Component of Long Service Benefit as

- (1) the period of Pensionable Service completed from the 6th April 1978 (or the date of entry if later)  
bears to
- (2) the period of Pensionable Service from the 6th April 1978 (or the date of entry if later) which the Member would have completed had he remained in Pensionable Service until normal pension age.

Provided that in making the above calculations, additional benefits, if any, as defined in Rule 15(e), shall be excluded from the Normal and Deductive Components of Long Service Benefit.

Short Service Benefit, other than benefits defined in Rule 17 and, where appropriate, Rule 18, will be subject to increases as specified in Rule 15(f).

**(d) Details of calculation of Short Service Benefit**

In respect of a Member whose Pensionable Service with the Society is terminated (otherwise than by death) on or after the 6th April 1978, the following provisions shall apply

**Periods of service**

In calculating the proportions specified in Rules 15(c) and (f), the periods of service shall be calculated to complete months only, broken parts of a month not being taken into account.

In calculating the Normal Component and the Deductive Component of Long Service Benefit, the periods of service shall be calculated as specified in the Rules relating to the calculation of normal retirement provisions.

**Basic Wage**

For the purpose of calculating the Normal Component of Short Service Benefit, the proportion of Long Service Benefit shall be based on the Pensionable Wages at the date of termination of Pensionable Service. For the purpose of calculating the

Deductive Component of Short Service Benefit, the Member's Adjustment Wage shall also be based on the Pensionable Wages at the date of termination of Pensionable Service.

**(e) Additional benefits to be included in Short Service Benefit**

The additional benefits referred to in Rule 15(c)(iii) will comprise

- (i) benefits granted as a result of a transfer payment from another pension scheme or arrangement;
- (ii) additional benefits at retirement granted under the provisions of Rule 17;
- (iii) a proportion of the additional benefits, if any, granted under the provisions of Rule 18.

In the case of (i) the benefits granted as a result of a transfer shall be preserved in full, except that no benefits awarded in respect of Pensionable Service will be preserved if the contributions in respect of such service were refunded.

In the case of (ii) the benefits granted will be the benefits provided in respect of contributions paid by the Member up to the date of termination of Pensionable Service.

In the case of (iii) the proportion referred to shall be the proportion that the period of Pensionable Service since the date on which the benefits were granted bears to the period from such date until Normal Retirement Age. The proportionate benefits shall be preserved whether or not a refund of contributions was made in respect of other service.

**(f) Pension increases**

**During deferment**

(A) In this Rule, the following definitions shall apply:-

- (i) "the period of deferment" means the period between the date of termination of the Active Member's Pensionable Service and the date of his attaining normal pension age or the date from which the benefit becomes payable, if that is earlier;
- (ii) "complete year" means any period of 365 consecutive days, disregarding any day which is 29th February;
- (iii) "the initial reference month" means the calendar month immediately prior to that in which the Active Member's Pensionable Service is terminated;
- (iv) "the final reference month" means the calendar month which falls later than the initial reference month by a period equal to the number of complete years in the period of deferment.

(B) In respect of Pensionable Service completed up to and including 30 September 2013, subject as provided in Rule 15(c), where on or after the 1st January 1986, a Member becomes entitled to Short Service Benefit, such benefit shall be increased in respect of the period of deferment by the lesser of:-

- (1) 5 per cent per annum compound for each complete year in the period of deferment, and
- (2) the increase, if any, in the general level of prices in Great Britain over the period of deferment. For this purpose, such increase shall be determined by reference to the percentage increase in the RPI, between the Index figure published in the initial reference month (such figure being amended accordingly if a new RPI is substituted for the previous Index) and that published in the final reference month, or in

such other manner as the Trustees on the advice of the Scheme Actuary shall deem to be appropriate.

- (C) Except as provided in Rule 15(c), where a Member leaves Pensionable Service on or after 1 October 2013, his preserved pension in respect of Pensionable Service completed, on and after 1 October 2013 shall be increased in accordance with the Revaluation Requirements.

#### **In payment**

Subject as provided in Rule 15(c), such part of a Member's Short Service Benefit as is payable as a pension shall be increased after the date from which the pension becomes payable, by increases made at the same time and to the same extent as increases made under the Rules to other pensions in course of payment.

#### **(g) Alternatives to Short Service Benefit**

An Active Member who becomes entitled to Short Service Benefit shall have the option exercisable (by notice in writing) on termination of service, or in the cases of paragraphs (iii), (iv) and (v) below, at any time between the dates of termination of Pensionable Service and of entering into receipt of pension, of selecting or applying for, alternative benefits as follows:-

##### **(i) Retirement owing to breakdown in health**

If the Active Member retires from the service of a Participating Employer because he is suffering from a permanent breakdown in health as defined for the purposes of Rule 10, the Active Member may, at that time, apply for an immediate pension in accordance with Rule 10.

##### **(ii) Early retirement**

If the Active Member retires from the service of a Participating Employer at any time between the ages of 55 and 65, he may, at that time, apply for an immediate pension as provided by Rule 11 if he qualifies to do so.

##### **(iii) Early payment of preserved pension at Member's option**

A Member who is entitled to Short Service Benefit and who is aged 55 years or over may elect to take early payment of a reduced pension in accordance with, and subject to, the provisions of Rule 15(h).

A Member who was an Active Member of the Scheme on or before 6 April 2006 and who is aged between 50 and 54 (both ages inclusive) can elect to take early payment of a reduced pension in accordance with, and subject to, the provisions of Rule 15(h) provided that the requirements of paragraphs 21 to 23A of Schedule 36 to the Finance Act are met.

##### **(iv) Transfer to another pension scheme or arrangement**

The Member may apply for payment of a transfer value to secure additional benefits under another pension scheme or arrangement in accordance with the provisions of Rule 15(m).

##### **(v) Late payment of preserved pension**

A Member who is entitled to Short Service Benefit may elect to defer commencement of his pension beyond his Normal Retirement Age. On commencement of the Member's pension, it shall be enhanced by a factor which the Trustees shall determine on the advice of the Scheme Actuary having regard to the period between the Member's Normal Retirement Age and the date his pension commences.

The Trustees shall also have the option of purchasing from an Insurer, an insurance policy or annuity in lieu of a Member's Short Service Benefit. Provided that the Trustees

shall satisfy themselves that the benefits provided by the insurance policy or annuity contract shall be equivalent to the Member's Short Service Benefit and that the Member shall in no circumstances have any further claim on the Scheme or the Trustees in respect of any pension or any sum or sums whatsoever.

**(h) Early payment of preserved pension at Member's option**

Without prejudice to Rule 10(b), a Member who is entitled to a preserved pension payable from Normal Retirement Age may, at any time from the age of 55 years, elect to take an immediate pension in lieu of the said preserved pension. A Member shall not be required to have left employment with a Participating Employer in order to take his immediate pension under this Rule 15(h). A pension under this Rule 15(h) shall be calculated as follows:

(i) in respect of Pensionable Service accrued up to and including 30 September 2013:

(I) the Normal Component of such immediate pension shall be equal to the Normal Component of the Member's preserved pension, escalated in respect of the period of deferment in accordance with the provisions of Rule 15(f), reduced by one per cent (1%) for each three month period or part thereof between the date of actual retirement and the date of the Member's 59<sup>th</sup> birthday and reduced by half a percent (0.5%) for each three month period or part thereof between the age of the Member's 59<sup>th</sup> birthday and the date of the Member's 60<sup>th</sup> birthday;

(II) the Deductive Component of such immediate pension shall become operative immediately. The Deductive Component then applicable shall be equal to the Deductive Component of the Member's preserved pension, escalated in respect of the period of deferment in accordance with the provisions of Rule 15(f) and reduced by one per cent (1%) for each three month period or part thereof between the date of actual retirement and the date of the Member's 59<sup>th</sup> birthday and reduced by half a per cent (0.5%) for each three month period or part thereof between the Member's 59<sup>th</sup> birthday and his 60<sup>th</sup> birthday.

(ii) in respect of Pensionable Service accrued on and from 1 October 2013:

(I) the Normal Component of such immediate pension shall be equal to the Normal Component of the Member's preserved pension, escalated in respect of the period of deferment in accordance with the provisions of Rule 15(f), and reduced by an appropriate factor reflecting its early payment before the Active Member's Normal Retirement Age. The Trustees may decide the reduction factor that is applied after obtaining the advice of the Scheme Actuary.

(II) the Deductive Component of such immediate pension shall become operative immediately. The Deductive Component then applicable shall be equal to the Deductive Component of the Member's preserved pension, escalated in respect of the period of deferment in accordance with the provisions of Rule 15(f) and reduced by an appropriate factor reflecting its early payment before the Active Member's Normal Retirement Age. The Trustees may decide the reduction factor that is applied after obtaining the advice of the Scheme Actuary.

**(i) Death before Short Service Benefit becomes payable**

On the death of a Member entitled to Short Service Benefit before such benefit becomes payable, the following shall apply:-

(i) Subject to the provisions of paragraph (ii) of this Rule, a widow or widower shall have the option to receive a pension or a refund of contributions under the

provisions of paragraph (iii) of this Rule. Such pension shall be equal to one-half of the pension which the Member would have been entitled to under the provisions of Rule 15(d) and Rule 15(e) including any increases granted during deferment of the Short Service Benefit for the period between the date of termination of the Member's Pensionable Service and the date of the Member's death.

Any widow's or widower's pension payable under this Rule shall be increased in accordance with the provisions of Rule 15(f) applicable to pensions in payment.

Where a widow or widower who is in receipt of pension under this Rule dies there shall, subject to Registered Status of the Scheme not being prejudiced be paid the sum, if any, by which the amount standing to the credit of the Member's account under Rule 8(g) at the date of the widow's or widower's death exceeds the amount already paid by way of pension. This remaining sum shall be paid in accordance with Rule 13(b).

- (ii) No pension shall be payable to a widow or widower or Civil Partner under the provisions of this Rule unless the widow or widower or Civil Partner produces to the Secretary to the Scheme such evidence as to date of birth and date of marriage to the Member of the widow or widower or Civil Partner and from time to time as to such widowhood or widowerhood as the Trustees may require.
- (iii) If no widow's or widower's or Civil Partner's pension is payable, or if a widow or widower or Civil Partner opts not to receive a pension, there shall be paid the sum standing to the credit of the Member's amount under Rule 8(g) at the date of his death.

The whole or any part of such sum shall be paid to one or more of the Member's dependants in such shares and in such manner as the Trustees shall in their absolute discretion decide. The Member may at any time inform the Trustees in writing of his wishes for the disposal of such sum. Such wishes will not be binding on the Trustees but may be one of the factors they consider in exercising their discretion. For the purposes of this Rule, a dependant shall have the same meaning as that given in Rule 13(b).

- (iv) If the Member dies leaving no widow or widower but leaving a Civil Partner, a pension will be payable to the Civil Partner of an amount equal to the Spouse's pension calculated in accordance with Rule 15(i).

**(j) Assignment, commutation and surrender of preserved benefits**

Except as specifically provided in these Rules, the preserved benefits shall not be assigned, commuted or surrendered.

No Participating Employer shall exercise any charge, lien on or set-off against a Member's preserved benefits, except as provided by the Rules and then only subject to the restrictions specified in section 91 of the 1995 Act.

**(k) Winding-up**

On winding-up of the Scheme, all Active Members then in service shall be entitled to benefits as if service had then terminated and the provisions of the Rules regarding winding-up shall apply provided that: -

- (i) Short Service Benefit in course of payment shall be subject to the same degree of priority as Long Service Benefit in course of payment, and
- (ii) the Trustees shall be entitled to make transfer payments to another Registered Pension Scheme without the consent of the Members concerned where permitted by the Preservation Requirements.

**(l) Members with less than two years' Qualifying Service**

- (i) An Active Member who leaves Pensionable Service without becoming entitled to Short Service Benefit before Normal Retirement Date and before completing three months' Qualifying Service shall receive the amount then standing to his credit under the provisions of Rule 8(g) other than amounts attributable to contributions made by a Participating Employer under Rule 8(d)(i).
- (ii) An Active Member who leaves Pensionable Service without becoming entitled to Short Service Benefit and has between three months' and two years' Qualifying Service may choose to receive either a refund of contributions as set out in Rule 15(l)(i) above or to elect for the payment of a Cash Transfer Sum.
- (iii) A refund of contributions under Rule 15(l)(i) or (ii) will be reduced by the Trustees by the amount of any short service refund lump sum charge for which the Trustees are liable under section 205 (short service refund lump sum charge) of the Finance Act in respect of the refund.

**(m) Transfers to other approved pension schemes or arrangements**

- (i) If an Active Member leaves Pensionable Service before entering into receipt of pension, the Trustees may, if the Member so requests, pay a transfer value, as hereinafter defined, to the trustees or administrators of another Registered Pension Scheme in order to acquire for him transfer credits or rights under the rules of that other pension scheme or arrangement.

Provided that, subject to the provisions of paragraph (iii) of this Rule, and subject where applicable to the Active Member providing evidence to the Trustees that he has received appropriate independent advice in accordance with section 48 of the Pension Schemes Act 2015, if the Active Member leaves Pensionable Service and becomes entitled to a deferred pension, he may, at any time before entering into receipt of pension up to the date which falls 12 months before his normal pension age or, if later, the date which falls six months after the date when his Pensionable Service terminated, require the Trustees to use that transfer value

- (1) to acquire for him transfer credits or rights under the rules of another Registered Pension Scheme and whose trustees or administrators are able and willing to accept part or all of the transfer value; and/or
- (2) to purchase one or more insurance policies or annuity contracts from one or more Insurers, as defined in Rule 1, of the Member's choice willing to accept payment on account of the Member.

Each such insurance policy or annuity contract shall provide benefits in respect of the Member of such kind and of such amount and on such terms as shall be agreed between the Member and the relevant Insurer, provided always that the said benefits shall not be such as would prejudice Scheme's Registered status and that the said insurance policies or annuity contracts shall satisfy such requirements as may be laid down by HMRC and the 1995 Act.

The transfer value shall be the amount standing to the Member's credit under Rule 8(g) and such further sum, if any, as the Scheme Actuary shall certify to be proper having regard to all legislation and the circumstances of the case.

- (ii) If an Active Member leaves Pensionable Service whilst remaining in the employment of a Participating Employer and becomes entitled to a deferred pension, the provisions of paragraph (i) of Rule 15(m) shall apply.

- (iii) When part or all of the transfer value is paid to the trustees or administrators of another pension scheme or arrangement under the provisions of Rule 15(m), the Trustees shall arrange:-
  - (1) to ascertain from the administrators of the receiving scheme or arrangement, that Scheme's Registered status;
  - (2) to advise the administrators of the receiving scheme or arrangement of the amount of the Member's contributions and Interest, if any, included in the transfer value;
  - (3) to comply with any other requirements of HMRC and all relevant legislation in respect of such transfers.

**(n) Claim for damages**

If a Participating Employer has a claim for damages against the Member, the Trustees, before making any payment under the Rules shall, if the Participating Employer so requests, pay to the Participating Employer out of the Scheme, the amount which the Participating Employer is entitled to receive under its claim for damages or the value as determined by the Scheme Actuary of the benefits payable in respect of the Member, whichever is less. Any such damages will be subject to the restrictions specified in section 91 of the 1995 Act and the amount, if any, of the residual benefits payable in respect of the Member shall be determined by the Trustees on the advice of the Scheme Actuary.

**Commutation of pension**

- 16.**
- (a) Subject as provided in this Rule, a Member, prior to entering into receipt of pension, may, by notice in writing to the Secretary to the Scheme, elect to accept a reduction in the pension payable to him whereby, in consideration of such reduction, he would receive a Pension Commencement Lump Sum payable at the date of his entering into receipt of pension.
  - (b) The lump sum payable to a Member who elects to accept such a reduction in his pension shall be the amount of such reduction, multiplied by a factor which shall be determined by the Trustees acting on the advice of the Scheme Actuary, subject to the deduction of any sum which the Trustees may become liable to pay in respect of income tax.
  - (c) The amount of the Pension Commencement Lump Sum payable to a Member shall, subject to any protection of a higher entitlement which is provided by paragraphs 31 to 34 of Schedule 36 to the Finance Act:
    - (i) not exceed the restrictions on the amount of a pension commencement lump sum required by the Finance Act; and
    - (ii) meet the conditions set out in paragraphs 1 to 3A of Schedule 29 to the Finance Act.
  - (d) A Member may elect that all or part of his additional voluntary contributions for and in accordance with Rule 17 shall form part of his Pension Commencement Lump Sum.
  - (e) The Trustees can arrange to pay a person's pension:
    - (i) as a trivial commutation lump sum in accordance with the requirements of paragraphs 7 to 9 of Schedule 29 to the Finance Act; or
    - (ii) in accordance with part 2 of the Registered Pension Schemes (Authorised Payments) Regulations 2009.

The Trustees shall decide the rate at which pensions are converted into cash lump sums acting on the advice of the Scheme Actuary, subject to the deduction of any sum which the Trustees may become liable to pay in respect of income tax.

The Trustees may, at the same time, commute any contingent pension or benefit payable on the Member's death and pay such sum to the Member.

- (f) If the Trustees decide that a Member is in exceptional circumstances of serious ill-health and the Trustees have received evidence from a registered medical practitioner that the Member is expected to live for less than one year, the Trustees may pay him a serious ill-health lump sum (less any tax liability to which the payment gives rise) provided that it meets the conditions set out in paragraph 4 of Schedule 29 to the Finance Act. Payment of the serious ill-health lump sum does not extinguish rights to pensions payable on a Member's death although such rights shall be treated as a separate arrangement for the purposes of section 152 of the Finance Act. The Trustees will apply this Rule 16(f) only at the Member's request unless the Trustees consider he is incapable of deciding whether it is in his interests to have a lump sum instead of his pension.

#### **Additional voluntary contributions for additional benefits**

17. An Active Member may make additional voluntary contributions to the Scheme of up to one hundred per cent (100%) of his Pensionable Wages in order that the Scheme may provide benefits additional to those otherwise provided for him in these Rules. Such contributions shall be paid by the Trustees to an Insurer or to a Building Society, under a contract between the Trustees and the Insurer or Building Society, whereby such additional voluntary contributions shall provide additional benefits, subject to any election made under Rule 16(d) of such amount and on such terms as shall be agreed between the Trustees and the Insurer or Building Society provided that the Member is given the opportunity to exercise an open market option in respect of his additional voluntary contributions.

The Trustees may withdraw the facility for Active Members to pay additional voluntary contributions at any time.

Rule 8(d)(i) shall apply if the terms of the Salary Sacrifice Arrangement apply to additional voluntary contributions.

#### **Additional benefits**

18. (a) Any Participating Employer may, at its absolute discretion, make additional contributions to the Scheme in respect of an individual Member in order that the Scheme may provide benefits for that Member additional to those otherwise provided for him in these Rules. The additional benefits shall be of such amount and on such terms as the Participating Employer acting on the advice of the Scheme Actuary shall determine, provided that the said additional benefits shall not prejudice the Scheme's Registered status.
- (b) The Trustees may at their absolute discretion augment the benefits of Members. Subject to the consent of the relevant Participating Employer, the Trustees shall also have power to augment the benefits or prospective benefits otherwise provided under these Rules, in respect of an individual Member (or pay any benefit otherwise than in accordance with the Rules) provided that in making such augmentation, the Trustees shall have a discretion to impose such terms as to the payment of additional contributions, either by the Participating Employer or the Member or both, as they, acting on the advice of the Scheme Actuary, shall determine. Provided further that any augmentation under this Rule shall not be of such amount as would prejudice the Scheme's Registered status.
- (c) Additional benefits under this Rule 18 may exceed the Scheme Limits.

#### **Increase in certain pensions**

19. (a) The pensions and children's benefits which are in the course of payment from the Scheme or which the Scheme has contracted a liability to pay shall be increased annually at a date selected by the Trustees as follows:

- (i) in respect of Pensionable Service on or after the 6th April 1997 and before 25<sup>th</sup> April 2006 by the lesser of:-
    - (1) 5 per cent per annum, and
    - (2) the annual percentage increase in the RPI;
  - (ii) in respect of Pensionable Service on or after the 26<sup>th</sup> April 2006 and before (but not including) 1<sup>st</sup> October 2013 by the lesser of:
    - (1) 2.5 per cent per annum, and
    - (2) the annual percentage increase in the RPI;
  - (iii) in respect of Pensionable Service on or after the 1<sup>st</sup> October 2013 in accordance with section 51 of the 1995 Act.
- (b) The Trustees shall also have the power to grant additional increases to such pensions and children's benefits at such intervals and by such amounts as they deem suitable, provided always that any such increase shall not be of such amount as would prejudice the Scheme's Registered status, and that the Scheme Actuary shall be consulted regarding the financial effect on the Scheme, and where the increase is greater than the change in the RPI, approval is obtained from the Society.
- (c) In the event that the RPI shows a decrease (so that the figure issued by the Office for National Statistics is negative), pensions and children's benefits in payment shall be neither increased nor decreased for that year.
- (d) Additional benefits granted under this Rule 19 may exceed the Scheme Limits.

#### **Family-Related Absence**

- 20.**
- (a) A Member will remain in Active Membership during any period of Paid Parental Absence.
  - (b) An Active Member who is absent from work during a period of Paid Parental Absence will be treated in accordance with the following provisions of this Rule 20 in respect of that period.
  - (c) If the Active Member dies during a period of Paid Parental Absence:
    - (i) he will be treated for the purposes of Rule 13 as having died in Pensionable Service; and
    - (ii) the Member's Basic Wage for the purposes of Rule 13 shall be the amount which would have been the Member's Basic Wage if the Active Member had not been absent from work.
  - (d) Contributions payable by an Active Member in accordance with Rule 8 during a period of Paid Parental Absence shall be calculated as a percentage of the amount (notified by the Employer to the Trustees and the Active Member) of the Member's actual pay (including any statutory pay) and not as a percentage of the Member's Pensionable Wages (calculated as if the Active Member had not been absent from work).
  - (e) Contributions payable by the Employer in accordance with Rule 8(d) (employers' contributions) in respect of a Member during a period of Paid Parental Absence shall be calculated as a percentage of the Member's Pensionable Wages (calculated as if the Active Member had not been absent from work) and not as a percentage of the Member's actual pay.
  - (f) A Member who does not return to work at the end of a period of Paid Parental Absence and does not then commence a period of Unpaid Parental Absence will be treated as ceasing to be in Active Membership on the date on which his Paid Parental Absence ends and Rule 15 shall then apply.
  - (g) A Member who is absent from work during a period of Unpaid Parental Absence and has the right to return to work either by virtue of any statute or by agreement with the

Employer will not be treated as having ceased to be in Active Membership but any period of Unpaid Parental Absence shall not be counted as Pensionable Service.

- (h) A Member who does not return to work at the end of a period of Unpaid Parental Absence will be treated as though Active Membership ceased on the day immediately preceding the date when his Unpaid Parental Absence began and Rule 15 (ceasing active membership) shall then apply.
- (i) If the Active Member returns to work following a period of Unpaid Parental Absence, the Active Member may elect to make such additional contributions as the Trustees may determine acting on the advice of the Scheme Actuary so that all or part of the period of Unpaid Parental Absence may be counted as Pensionable Service.
- (j) In the event of the death of the Member whilst on Unpaid Parental Absence, the lump sum benefit payable in respect of that Member in accordance with Rule 13 (death of an active member) shall be calculated by reference to the Member's Basic Wage on the date immediately before the Unpaid Parental Absence commenced.
- (k) An Active Member to whom this Rule applies shall, during the period of Parental Absence, be regarded as remaining in service for the purposes of his entitlement to:-
  - (i) death benefits under Rule 13; and
  - (ii) retirement on the grounds of ill-health under Rule 10, except that in such event his pension shall be calculated on the basis of his actual Pensionable Service on the date on which he stopped paying contributions plus such longer period as that Rule allows.

#### **Pensions not to be assignable**

21. All pensions and payments from the Scheme are to be regarded as strictly personal and cannot be assigned, charged or alienated in any way, and any attempt to assign, charge or alienate (including the bankruptcy of the person concerned) shall, subject to the provisions of the 1995 Act and any legislation dealing with pension rights on divorce, determine the pension or allowance, but without prejudice to the discretion of the Trustees in the case of hardship to continue the same if they think fit after an interval or otherwise. Provided that in no circumstances shall any payment be made to an assignee.

#### **Pension sharing on divorce**

22. (a) Where a pension sharing order has been made in respect of a Member, the Trustees shall comply with the provisions of the Welfare Reform and Pensions Act 1999.
- (b) The Trustees may (in accordance with such scale of charges as they may adopt from time to time) charge a Member and/or his spouse/Civil Partner in respect of the costs and expenses incurred in anticipation of or in connection with implementation of a pension sharing order.
- (c) For the avoidance of doubt, this Rule 22 shall also apply to the dissolution of a Civil Partnership.

#### **Finance Act 2004**

23. (a) Subject to Rules 13(g), 14(i), 16, 17, 18(c), 19(d), 23(a)(i) and 23(a)(ii) and except where otherwise agreed by the Trustees and the Society, no pension, or other benefit payable from the Scheme, shall exceed the Scheme Limits. The Trustees shall ensure that the Scheme is administered in such a way as to comply with those provisions. The Scheme Limits are subject to the following provisos:
- (i) When determining the Scheme Limits, any reference to the Permitted Maximum or Earnings Cap shall not apply.
  - (ii) The Scheme Limits shall not apply in respect of any transfers received by the Scheme before 1 October 2013 or in respect of any retained benefits from

previous employment within Scheme; in both cases in respect of any individual who was an Active Member at 6 April 2006.

- (b)** Where there is power under regulation 3 of the Modification Regulations for the Trustees to pay an Unauthorised Payment with or without the consent of another person, the Trustees, with the consent of any person whose consent would have been required to provide the Unauthorised Payment, may replace any part of such Unauthorised Payment with a payment which is authorised under section 164 of the Finance Act.
- (c)** At the request of a Member, the Trustees may, with the consent of the relevant Participating Employer, vary the authorised benefits for and in respect of him (but not so to reduce, at the time that variation is made, the value of those benefits as calculated by the Trustees (having taken actuarial advice if they consider it appropriate).
- (d)** For the avoidance of doubt any power of the Trustees to deduct tax for which they are liable from any payment may also apply to a tax charge arising under the Finance Act.

Where a lifetime allowance charge is paid by the Administrator in respect of a Member, any benefits payable to or in respect of the Member concerned will be reduced by the Trustees, having considered actuarial advice as appropriate, fully to reflect the amount paid by way of the lifetime allowance charge. This Rule 23(d) will apply and will override any inconsistent provision of the Scheme.

- (e)**
  - (i)** Subject to the Preservation Requirements a Member's pension will not start before age 75 unless the Member has provided evidence to the satisfaction of the Trustees of the amount of personal lifetime allowance (as defined in section 218 of the Finance Act) that is available to him if any).
  - (ii)** If a Member reaches age 75 and his pension has not yet come into payment and the Trustees are unable to verify the amount of the lifetime allowance remaining to the Member, the Trustees may reduce the Member's prospective entitlement to benefit under the Scheme, determined as if the whole of the benefit is chargeable to a lifetime allowance charge (as defined in section 214 of the Finance Act) and will then account to HMRC for the tax due as if the Member has no personal lifetime allowance available.

### **Incapacity**

- 24.** If the person entitled to a benefit suffers from a mental or physical incapacity and is, in the opinion of the Trustees, incapable of managing his or her own affairs, payment may be made to any person or institution whom the Trustees consider to be responsible for that person's care. The Trustees need not enquire into the use made of payments to the recipient but may, if they so decide and at any time, substitute any such person or institution with another.

Rules 25 – 29 left blank

**PART III**  
**ADMINISTRATION AND GENERAL**

**Trustees of the Scheme**

**30. (a) Appointment and election of Trustees**

The Scheme shall be administered by the Trustees who shall comprise either (i) any corporate body acting as sole Trustee, or (ii) eight persons, four of whom shall be appointed by the Board of Directors (the "**Appointed Trustees**") and four of whom shall be elected by and from the Pensioners of the Scheme (or, with effect on and from the Closure Date, by and from such other category or categories of Member as the Trustees shall decide from time to time) (the "**Elected Trustees**"). The Chair of the Trustees shall be appointed by the Board of Directors from the Appointed Trustees for a period ending on the earlier of a date determined by the Board of Directors and when he ceases to be a Trustee. A person shall not act as a Trustee if disqualified or prohibited from acting under Part I of the 1995 Act.

Where a corporate body is the sole Trustee, the appointment and election of directors of the Trustee ("**Trustee Directors**") shall be governed by the articles of that corporate body, subject to the requirements in relation to Trustee Directors set out in this Rule 30.

Subject to overriding legislation, where a corporate body is the sole Trustee there shall be eight Trustee Directors, four of whom shall be appointed by the Board of Directors (the "**Appointed Trustee Directors**") and four of whom shall be elected by and from the Pensioners of the Scheme (or by and from such other category or categories of Member as the Trustees shall decide from time to time) (the "**Elected Trustee Directors**"). The Chair of the Trustee shall be appointed by the Board of Directors from the Appointed Trustee Directors for a period ending on the earlier of a date determined by the Board of Directors and when he ceases to be a Trustee Director. A person shall not act as a Trustee Director if disqualified or prohibited from acting under Part 1 of the 1995 Act.

The Appointed Trustees or Appointed Trustee Directors shall be appointed from time to time and each such Trustee / Trustee Director if a Director shall hold office only so long as he remains a member of the Board of Directors, or if an official of the Society, remains in the employment of the Society. The Board of Directors may remove or replace any of the Appointed Trustees or Appointed Trustee Directors.

The election of the Elected Trustees or Elected Trustee Directors shall be made from nominations duly proposed and seconded by the Pensioners of the Scheme (or such other category or categories of Member as the Trustees shall decide from time to time) (the "**Nominating Members**").

Except where the number of nominations proposed is equal to or less than the number of Elected Trustee or Elected Trustee Director vacancies, the Elected Trustees / Elected Trustee Directors shall be elected by a ballot of the Nominating Members. Nomination papers shall be issued to Nominating Members by post, email or other electronic means in accordance with the notice provisions of Rule 33. Nominations must be returned not later than the date specified in the nomination papers if they are to be considered valid. Ballot forms shall be issued to Nominating Members by post, email or other electronic means in accordance with the notice provisions of Rule 33. Ballot forms must be returned (whether by post or by email or by other electronic means, as specified in the ballot form) not later than the date specified in the ballot form if they are to be considered valid. Each Nominating Member shall have as many votes

in the ballot as there are vacancies to be filled but may not give more than one vote to any candidate.

Each Elected Trustee / Elected Trustee Director shall hold office from the date on which his election is confirmed by the Trustees for a period of three years, and such period may be extended by a further two years at the sole discretion of the Society. Each Elected Trustee / Elected Trustee Director shall (if otherwise eligible) be eligible for re-election.

A Trustee (however appointed) may resign as a Trustee if there will remain at least two Trustees (or a corporate body acting as sole Trustee of the Scheme). Notice of a Trustee's resignation shall be given in writing to the other Trustees and on receipt of that notice the resigning Trustee shall be discharged from office.

If a vacancy arises amongst the Appointed Trustees or the Appointed Trustee Directors, the Board of Directors shall forthwith appoint a replacement Appointed Trustee / Appointed Trustee Director. If a casual vacancy arises amongst the Elected Trustees or Elected Trustee Directors, the nomination and election process in this Rule 30(a) shall apply.

The Trustees may continue to act notwithstanding any vacancy for the time being in their number.

**(b) Voting by Trustees and interests**

Each Trustee other than the Chair shall have one vote. The Chair shall not vote unless there is an equality of votes when he shall have a casting vote. All business brought before a meeting of the Trustees shall be decided by a simple majority of the votes of the Trustees present and voting thereon.

No action or decision of the Trustees will be invalidated merely because any of them is entitled to benefits from the Scheme or is otherwise personally interested in any such action or decision. Trustees are entitled to receive benefits from the Scheme even though they are Trustees and regardless of whether the Trustee was a party to a decision or exercise of a discretion which gives rise to that benefit.

**(c) Meetings**

The Trustees shall meet at such times as they shall consider necessary but not less than four times each year. The Trustees may from time to time make rules for the conduct of their business. No act done by the Trustees shall be invalidated by reasons of any defect in the appointment or election (as the case may be) of any of their number. Except where otherwise required by the provisions of Rule 34, the quorum necessary for the transaction of business shall be four Trustees, of whom at least two shall be Elected Trustees and at least two shall be Appointed Trustees. Where a corporate body is the sole Trustee, and except where otherwise required by the provisions of Rule 34, the quorum necessary for the transaction of business shall be four Trustee Directors, of whom at least two shall be Elected Trustee Directors and at least two shall be Appointed Trustee Directors.

A written resolution, notice of which has been given to all Trustees (or Trustee Directors, as the case may be) and which is signed by at least four Trustees / Trustee Directors (of whom at least two are Elected Trustees / Elected Trustee Directors and at least two are Appointed Trustees / Appointed Trustee Directors) shall be as valid and effective as if it had been passed at a duly convened Trustee meeting.

A Trustee will be regarded as being present at a meeting if that Trustee attends in person or by means of a conference telephone or other communication equipment that allows all those participating in the meeting to hear each other.

**(d) Maintenance of records**

The Trustees shall keep a complete record of all persons becoming entitled to, or in receipt of, pensions or other benefits and of all deaths, withdrawals and other matters necessary to be recorded for the proper working of the Scheme.

In particular, the Trustees will keep the records required by section 49 of the 1995 Act and the Occupational Pension Schemes (Scheme Administration) Regulations 1996.

## **Investment**

### **31. (a) Scheme vested in Trustees**

The assets of the Scheme shall be vested in the Trustees.

The Trustees shall have power to invest Scheme moneys on current or deposit account with a bank or in the purchase of, or at interest upon the security of, such stocks, funds, shares, securities, unit trusts or other investments and whether producing income or not (including any policies of insurance, annuity policies or annuity contracts and property of any sort either real or personal) and whether

involving liabilities or not as the Trustees, in their absolute discretion, shall think fit, to the intent that the Trustees shall have the same powers in all respects as if they were absolute owners beneficially entitled including power from time to time to vary the same. The Trustees may enter into underwriting or sub-underwriting contracts of all kinds and whether resulting in the actual investment of trust money or not and may use trust money for meeting liabilities.

The Trustees may enter into any other contracts of whatsoever nature (including traded options, financial futures and forward currency transactions) which the Trustees shall consider appropriate for the purpose of augmenting the capital or income of the Scheme or protecting the Scheme against the possibility of loss of capital or income and such as not to expose the Scheme to undue risks and notwithstanding that any such contract may involve the acquisition of no pre-existing property or rights or may require the temporary deposit of, or a temporary delegation of, the management of assets forming part of the Scheme and may use trust money for meeting any liabilities arising from any such contract or other transaction.

Trust money may be applied in effecting any form of investment which may come to be developed as a new form of investment and is recognised and adopted as such in reputable financial circles.

Provided always that the Trustees shall comply with the provisions of section 40 of the 1995 Act.

### **(b) Power to Insure**

The Trustees shall have power to insure against loss or damage by fire, storm, flood, theft and such other risks as they shall consider appropriate any building or other insurable property forming part of the assets of the Scheme up to the market value or the full replacement value thereof as they think fit.

### **(c) Statement of Investment Principles**

The Trustees shall ensure that there is prepared, maintained and, from time to time, revised a written statement of the principles governing decisions about investments in accordance with section 35 of the 1995 Act.

### **(d) Investment Management**

Subject to the provisions of statute or general law, the Trustees shall have power to appoint and remunerate a nominee or nominees to hold any of the investments of the Scheme and to delegate their powers of making and managing investments and of keeping a register thereof to any person, firm or company whom they consider competent to do so, and to pay to such person, firm or company such fees as may be agreed, provided the Trustees consider such fees to be reasonable in all the

circumstances. The Trustees, if they think fit, may authorise any such delegate to sub delegate their functions. In particular, the Trustees shall appoint a fund manager in accordance with the provisions of Rule 39.

### **Special Meetings**

#### **32. (a) Special meeting**

A special meeting of Pensioners may be convened solely for the purposes set out in Rule 34(b) by the Secretary to the Scheme, either upon an order given by the Trustees or upon receipt of a requisition sent to the Secretary to the Scheme at the office of the Scheme, stating the nature of the business which it is desired to discuss and signed by at least 50 Pensioners. In the latter case, subject to the provisions of Rule 34(b)(iii), the meeting shall be held within a period of 21 days after receipt of the requisition. In either case, the notice convening the meeting shall set forth the business for which it is called.

At any special meeting, whether called by the Trustees or by requisition of the Pensioners, no business shall be transacted other than the business specified in the notice calling such meeting. A meeting called by requisition of the Pensioners shall be automatically dissolved unless there are present 50 Pensioners within 30 minutes of the hour of commencing the meeting.

#### **(b) Conduct of meetings**

The Chair of the Trustees shall preside over all meetings, provided that in his absence another Trustee shall be appointed to deputise. Subject to the provisions otherwise contained in the Rules, the Trustees shall from time to time make such rules for the conduct of such meetings and of any voting at such meetings as they think fit. The agenda of the business for special meetings shall be prepared by the Secretary to the Scheme on behalf of the Trustees.

Every Pensioner shall have one vote, which may be exercised by a show of hands or by ballot upon all questions before a meeting. No proxies shall be allowed. The Chair shall be allowed a casting but no other vote and the declaration of the voting upon a show of hands shall be conclusive. Two scrutiners shall be appointed by each meeting to count the votes.

The Secretary to the Scheme, or his accredited representative, shall attend all meetings, keep a record of the minutes of such meetings and keep all books of account, and shall act in all matters as directed by the Trustees.

### **Notices to Members**

**33.** Any notice in respect of any matter regarding the Scheme to any Member or to any person may be given in one of the following ways:

- (a) by sending it or delivering it in writing to that person's last known address. Any notice given in this way shall be deemed to be served on the day following that on which it is sent; or
- (b) by email. Any notice given in this way shall be deemed to be served when the email is sent (provided that an email shall be deemed not to have been sent if the sender receives a delivery failure notification); or
- (c) by such alternative electronic means as the Trustees with the consent of the Board of Directors may from time to time agree.

### **Amendments to the Rules**

**34. (a)** The provisions of these Rules may from time to time be altered, amended, rescinded or added to by the Trustees with the consent of the Board of Directors in accordance with the provisions of Rule 34(b). Provided that no alteration shall be made under which

a pension granted prior to the alteration shall be subject to modification, except for the causes mentioned in these presents, and that no

alteration shall be made which will affect the sole purpose of the Scheme or result in the return of any moneys to any Participating Employer. Any exercise of this power shall comply with the requirements of section 67 of the 1995 Act.

**(b)** Subject to the provisions of Rule 34(a), the provisions of the Rules may be altered, amended, rescinded or added to in accordance with any of the procedures set out in paragraphs (i), (ii) and (iii) below:-

(i) A resolution passed by a two-thirds majority of the Pensioners present and voting at a special meeting called for that purpose.

(ii) A resolution passed by a two-thirds majority of the Pensioners voting in a ballot arranged by the Trustees for that purpose. Regulations for taking a vote of Pensioners by ballot shall be made by the Trustees and the Trustees shall prescribe the form of voting paper to be used and for the avoidance of doubt the ballot may be carried out by post, email or other electronic means in accordance with the notice provisions of Rule 33. If a requisition be sent to the Secretary to the Scheme for the holding of a meeting for the purpose of altering the Rules, the Trustees shall have power at their discretion to take a vote by ballot in place of calling a special meeting.

(iii) Unanimous approval given by those Trustees present at a meeting for which the quorum shall be six Trustees. Provided that any change made under this paragraph shall be considered valid only if: -

(1) the Trustees, within 14 days after the date on which they agree to the proposed changes, notify Pensioners of the Scheme of the proposed changes, and

(2) no request is received within a period of 40 days after the aforesaid date for the proposed changes to be submitted to the membership for approval either at a special meeting called for that purpose or by ballot, any such request having been signed by at least 50 Pensioners and sent to the Secretary to the Scheme at the office of the Scheme.

Where such request is received, the proposed change shall be voted upon in the manner provided by paragraphs (i) or (ii) of this Rule, as the case may be.

(iv) The Trustees shall be entitled to make any modifications in the Rules which may be necessary or desirable to enable the Scheme to be or remain approved by HMRC or to comply with any requirements imposed by the Secretary of State for Social Security and otherwise to conform to any statutory enactments or regulations for the time being in force.

#### **Trustees' power to act**

**35.** The Trustees shall have the power to act on any matter upon which the Rules are silent and shall have all powers, rights and privileges necessary or helpful for operating the Scheme.

#### **Disputes**

**36.** The Trustees shall adopt an internal dispute resolution procedure in accordance with the requirements of section 50 of the 1995 Act. Subject to such procedure the Trustees will decide all questions, disputes and matters arising as to the meaning of any provision or Rule, the calculation of any benefit or the proper operation of the Scheme, unless expressly left for decision by another person.

## **Trustee Insurance**

37. The Trustees may insure themselves against any liabilities incurred in connection with the Scheme, including liabilities for the acts or omissions of any person acting on behalf of the Trustees and to insure the Scheme against any losses arising from the administration and management of the Scheme. The cost of any such insurance may be met out of the assets of the Scheme (except where and to the extent that section 256 of the 2004 Act provides otherwise) or by the Participating Employers.

## **Trustees' liabilities and indemnity**

38. Subject to section 256 of the 2004 Act, the Trustees shall be indemnified against all liabilities incurred by them in the execution of the trusts and the management and administration of the Scheme, and shall have a lien on the Scheme for such indemnity and no Trustee shall be liable for anything whatever other than a dishonest or intentional breach of trust committed in the knowledge that it was a breach of trust, and further, the Trustees may enter into such agreements and give such undertakings, indemnities or guarantees which are binding on the Scheme, as the Trustees shall, in their absolute discretion, respectively decide are necessary and proper for the efficient administration of the Scheme.

## **Professional advisers**

39. The Trustees shall appoint a duly qualified actuary who shall be a Fellow of the Institute and Faculty of Actuaries as Scheme Actuary in accordance with the provisions of section 47 of the 1995 Act.

The Trustees shall appoint an auditor as Auditor to the Scheme in accordance with the provisions of section 47 of the 1995 Act.

The Trustees shall appoint a fund manager in accordance with the provisions of section 47 of the 1995 Act.

The Trustees shall have the power to consult and act upon the advice of such company, firm or person as shall in the opinion of the Trustees be qualified by experience or otherwise to advise them and, in doing so, none of the Trustees shall be responsible for any loss occasioned by so acting. Where necessary the appointment of such advisers shall comply with the requirement of section 47 of the 1995 Act.

The Trustees may use agents to transact any business and may delegate to any person all or any of their powers, duties and discretions, on such terms as to remuneration, sub-delegation and otherwise as they may think fit, subject to legislative requirements.

## **Secretary to the Scheme**

40. The Board of Directors shall from time to time appoint a person to act as Secretary to the Scheme.

## **Expenses of the Scheme**

### **41. (a) General Scheme expenses**

The clerical work in connection with the administration of the Scheme shall be carried out by, or on behalf of, the Society, and the cost and expenses of the administration of the Scheme shall be borne by the Participating Employers in such shares as the Society shall determine, with the exception of the costs and expenses in connection with or attributable to the investment of the Scheme which shall be borne by the Scheme.

### **(b) Member Charges**

The Trustees may charge Members fees for the Trustees' costs incurred in providing any information to or in respect of a Member for which they are entitled, whether under the

### **Audit of the Scheme**

- 42.** A statement of accounts and balance sheet of the Scheme shall be prepared annually and shall be audited by the Auditor to the Scheme and shall comply with statutory and other regulatory requirements.

A Trustees' report on the Scheme shall be prepared annually and shall comply with statutory and other regulatory requirements.

### **Separate bank account**

- 43.** The Trustees shall maintain a separate bank account in accordance with section 49 of the 1995 Act.

### **Actuarial valuation**

- 44. (a)** A valuation of the Scheme shall be carried out by the Scheme Actuary at intervals not exceeding three years.
- (b)** Should a surplus be disclosed by the valuation, the Trustees may upon the advice of the Scheme Actuary and subject to the consent of the Society and to the provisions of Rule 34(a):-
- (i) increase the benefits granted, or to be granted, or both, and/or
  - (ii) reduce the contributions payable by the Active Members or by the Society, or both, and/or
  - (iii) apply any such surplus or any part thereof for the general purposes of the Scheme or carry forward the same or any part thereof.
- (c)** Should the valuation disclose that the Scheme will not in the opinion of the Scheme Actuary meet all future liabilities, the Trustees may upon the advice of the Actuary and subject to the consent of the Society and to the provisions of Rule 34(a):-
- (i) reduce the benefits granted, or to be granted, or both, and/or
  - (ii) increase the contributions payable by the Active Members or by the Society or both.

### **Winding up of the Scheme**

- 45. (a)** If the Society gives notice that at the termination of six months (or such shorter period as the Trustees in their discretion may think fit to accept) from the date of such notice, the Society will cease to make contributions to the Scheme (on the termination of which period no Participating Employer shall be under any further liability to make payments to the Scheme except as required by legislation), there shall be convened a meeting of the Members (except those in receipt of children's' benefits), and such meeting shall, with the sanction of an appropriate resolution passed by a majority of the Members present and voting, determine whether the Scheme shall be continued or whether the Scheme shall be dissolved.
- (b)** If it shall be determined to continue the Scheme, modifications in the amounts of the benefits or otherwise may be made by the Trustees with the consent of the Board of Directors and on the advice of the Scheme Actuary but so always that priority shall be given to the continued payment of any pensions which are then payable out of the Scheme and to the payment of any contingent widows' or widowers' or surviving Civil Partners' pensions of Pensioners and that due regard shall be paid to the accrued benefits of Members and their dependants who are eligible for, and contingently or in anticipation entitled to, benefits out of the Scheme.
- (c)** If it shall be determined in the event aforesaid that the Scheme shall be dissolved or if an order be made or an effective resolution passed for the winding up of the Society or

if an instrument for the dissolution of the Society be executed, the affairs of the Scheme shall be wound up and, subject to the payment of all costs, charges and expenses which may then be owing, the assets of the Scheme, other than moneys accumulated under the provisions of Rule 17 (which shall be applied solely as provided in that Rule), shall be applied in accordance with section 73 of the 1995 Act and then in the following order of priority:

- (i) to provide, so far as the assets of the Scheme will permit, for the continued payment of pension and other benefits in respect of which entitlement to payments has already arisen (including any contingent widows' or widowers' or surviving Civil Partners' pensions);
- (ii) to provide so far as the assets of the Scheme will permit for pensions or lump sum benefits consistent with the provisions of the Rules for all or any of the then Members and their dependants who are eligible for and contingently or in anticipation entitled to benefits out of such Scheme, regard being had to their respective prospects of being entitled to benefits had the Scheme continued in existence, such provision to be made on an equitable basis and on the advice of the Scheme Actuary and such pensions or lump sum benefits shall be payable from a date not earlier than ten years prior to the Member's Normal Date of Retirement;
- (iii) to provide so far as the assets of the Scheme will permit for the augmentation of the benefits granted under Rules 45(c)(i) and (ii) to such higher amounts as will not prejudice the Scheme's status as a registered scheme in accordance with Chapter 2, Part 4 of the Finance Act.
- (iv) after applying the assets of the Scheme in order to meet the liabilities and to augment benefits under this Rule, to pay any remaining assets to the Participating Employers in such proportion as the Trustees shall, in their absolute discretion, determine subject to the prior written consent of HMRC and to the payment of any tax on such amount.

Provided always that the above benefits may be secured by the payment of a transfer value from the Scheme in one or more of the ways provided in Rule 15(m).

The Trustees can pay a winding-up lump sum in accordance with section 166(1)(f) of the Finance Act or a trivial commutation lump sum death benefit in accordance with paragraph 20 of Schedule 29 to the Finance Act instead of satisfying the liability for that pension in one of the ways mentioned in this Rule 45(c) above. A person will cease to be entitled to any benefits in respect of the lump sum which has been paid.

- (d) For the purpose of this Rule, the pension equivalent of benefits not in pension form shall be calculated on a basis determined by the Scheme Actuary.

#### **Cessation of participation of a Participating Employer**

46. (a) A Participating Employer will cease to participate in the Scheme (without prejudicing any existing liability it may have to the Trustees of the Scheme) where:-
  - (i) the Participating Employer so notifies the Trustees in writing;
  - (ii) the Society so notifies the Trustees in writing;
  - (iii) the Participating Employer is wound up or enters into liquidation or is dissolved otherwise than for the purpose of reconstruction or amalgamation with any other Participating Employer; or
  - (iv) unless the Trustees, the Society and the Participating Employer agree otherwise, the Participating Employer ceasing to be associated in business with the Society.
- (b) When a Participating Employer ceases to so participate in the Scheme, or ceases to participate in any other circumstances in which a debt arises (or is likely to arise) under

section 75 of the 1995 Act, the Trustees may decide what action to take in respect of the debt provided that their action does not contravene the provisions of that section. For the avoidance of doubt, the Trustees and the Principal Employer may agree to enter into any of the arrangements available under the Occupational Pension Schemes (Employer Debt) Regulations 2005 including, but not limited to, a Scheme Apportionment Arrangement or a Flexible Apportionment Arrangement and/or apply any other exemption, easement or equivalent available under legislation or the general law from time to time in respect of any such debt arising (or any potential debt). "Scheme Apportionment Arrangement" and "Flexible Apportionment Arrangement" for this purpose have the meaning given in the Occupational Pension Schemes (Employer Debt) Regulations 2005.

#### **Amalgamations and transfers of engagements**

**47. (a)** Subject to the provisions of Rule 47(c), in the event of the Society:

- (i) amalgamating with another society or societies, or
- (ii) transferring its engagements, or
- (iii) accepting a transfer of engagements,

the Scheme shall continue and the Rules of the Scheme shall take effect as if the merged society (being the society formed as a consequence of the amalgamation or the Society accepting the transfer of engagements, as the case may be) had been a party thereto in place of the Society.

**(b)** In such circumstances, or in circumstances where the Society operates more than one retirement benefits scheme, the members and pensioners of another Registered Pension Scheme operated by:

- (i) any society with which an amalgamation takes place, or
- (ii) the society which accepts the transfer of engagements of the Society, or
- (iii) the society whose engagements are transferred to the Society, or
- (iv) the Society,

as the case may be, shall if so desired by the Board of Directors of the merged society or the Society, as the case may be, and with the consent of the Trustees (and, unless the Trustees otherwise determine, without any application for membership of the Scheme by the members or pensioners of such other Scheme being required) be admitted to the Scheme on such terms and conditions as the Scheme Actuary shall determine to be appropriate (and so that such terms and conditions may provide for benefits, contributions and other matters to be treated as having become applicable in respect of such members and pensioners with effect from a date prior to their admission to the Scheme), provided that the trustees of such other Scheme shall transfer to the Trustees the assets which are available in respect of such members and pensioners under the rules of such other Scheme.

**(c)** Provided that if there is in existence or there is to be established another Registered Pension Scheme to membership of which the Members of the Scheme are to be admitted, then the assets of the Scheme shall be transferred to the trustees of such other Scheme on such trustees undertaking to admit such Members to the other Scheme upon such terms and conditions as shall be agreed by the Trustees (and so that such terms and conditions may provide for benefits, contributions and other matters to be treated as having become applicable in respect of such Members with effect from a date prior to their admission to such other Scheme), the provisions of these Rules shall cease to be operative and the duties of the Trustees regarding the Scheme shall be terminated.

## **Purchase of Policy**

- 48.** The Trustees may, if they consider it appropriate to do so, and in accordance with the Preservation Requirements, purchase or provide for any Member a policy to secure in respect of that Member, benefits of the same fund and amount (as nearly as practicable) as the benefits (whether wholly or in part) which would otherwise have been payable to or in respect of the Member under the Fund. A Member (and any persons claiming through him) whose benefits have been secured in this way will cease to have any claim against the Trustees in respect of the benefits so secured.

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