

# Corporate Pension Account/ Executive Pension Plan Rules of the Plan

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## 1 General

### 1.1 Construction

In the Declaration and the Rules unless the context otherwise requires:

- i. the words and expressions defined in the Declaration by which the Plan was constituted and established and in Rule 2 shall have the respective meanings given in the Declaration and Rule 2 wherever they appear, and
- ii. words importing the masculine shall include the feminine and words importing the singular shall include the plural and vice versa, wherever such words appear in the Declaration or the Rules including words comprised in defined terms.

### 1.2 Forms of Notice etc

Any agreement, authority, notice, notification or request required under the Rules shall be effective only if it is made or given in writing. The expression 'in writing' shall include authenticated transmissions by electronic means.

### 1.3 Law

The Declaration and the Rules shall be construed and take effect in accordance with the laws of England and Wales and any Act referred to therein shall be deemed to include any other Act by which it is amended or replaced and any order, Regulation or direction issued under it and for the time being in force and in relation to a period before the legislation came into force any corresponding provision of any previous legislation.

### 1.4 Benefits under the Plan

No person shall have any right under the Plan to any payment to or in respect of him or her which, if paid, would constitute an Unauthorised Member Payment or an Unauthorised Employer Payment. The Trustees shall, in the event that a person would otherwise acquire a right to a benefit which would constitute an Unauthorised Payment, interpret these Rules as giving them the absolute discretion to decide whether to make that payment.

### 1.5 Associated Employers

Any Associated Employer may, at the sole discretion of the Principal Employer, be admitted to participation in the Plan with effect from the effective date of a written undertaking under which the Associated Employer shall have agreed with the Principal Employer to be bound by the provisions of the Plan.

### 1.6 Amendments to the Plan

Unless specifically provided herein to the contrary the Principal Employer may amend the provisions of the Declaration or the Rules or other terms of the Plan (including the terms of any Membership Statement) by Resolution or, if the Principal Employer shall so decide, by deed.

The power of amendment may be exercised, restricted or released by the Principal Employer in its absolute discretion and shall not be a fiduciary or trust power.

### 1.7 Deduction of Income Tax and other Charges

If the Trustees are liable for or liable to account to HMRC for income tax or any other tax charge, including a scheme sanction charge under section 239 of the Finance Act, on or in respect of any payment made to a person under the Rules the tax or charge for which the Trustees are so liable and any interest thereon may be deducted from such payment.

### 1.8 Deduction of Inheritance Tax

Where any liability to inheritance tax arises in respect of any benefit payable under the Rules the Trustees may pay such tax and any interest thereon and deduct the amount so paid from the benefit or may postpone the payment of the benefit until the liability has been provided for to their satisfaction.

### 1.9 Deduction of Lifetime Allowance Charge

The Trustees shall deduct any Lifetime Allowance Charge for which they are liable or jointly liable to account to HMRC in respect of any payment made to a person under the Rules from the Proceeds of the Member's Policy before paying benefits.

### 1.10 Disclosure of Information

Information about rights and obligations which arise under the Plan shall be provided or made available to any person who is entitled or potentially entitled to receive benefits from the Plan and to the personal representatives of such a person and to any independent trade union recognised to any extent for the purposes of collective bargaining in relation to Members and will be available in a form and manner that satisfies the requirements of The Occupational Pension Schemes (Disclosure of Information) Regulations 1996 or the Pensions on Divorce etc (Provision of Information) Regulations 2000 as applicable.

### 1.11 Fractional Amounts

The Trustees may make such regulations as they consider necessary for the avoidance of fractional amounts in calculating contributions and benefits payable hereunder.

### 1.12 Disputes as to Construction

Arrangements satisfying the requirements of section 50 of the Pensions Act shall be in place for the determination of complaints and all questions and matters of doubt in connection with the Plan or relating to the construction of the Declaration and the Rules PROVIDED THAT no provision of the Plan shall be construed in such manner as to restrict or interfere with an Employer's right to employ a person or dismiss him from employment.

### 1.13 Auditor's Statement

The Trustees shall in accordance with the requirements of The Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996 obtain from the auditor appointed under Rule 6.4 a statement about contributions to the Plan.

### 1.14 Plan Records

The Trustees shall keep such books and records as they are required to maintain in accordance with section 49 of the Pensions Act.

## 2 Definitions

**'Alternatively Secured Pension'** means income withdrawal for Members aged 75 or over in accordance with paragraphs 11 to 13 of Schedule 28 to the Finance Act.

**'Alternatively Secured Pension Fund'** means the Proceeds of the Member's Policy to be used in accordance with Rule 9.1.ii.b to provide an Alternatively Secured Pension.

**'Associated Employer'** means any subsidiary company (within the meaning of section 736 Companies Act 1985) of the Principal Employer or any other employer which, in the opinion of the Principal Employer, is associated by virtue of permanent community of interest with the Principal Employer, and includes the successors in title of that subsidiary company or employer.

**'Benefit Crystallisation Event'** means an event triggered by the application of Rules 9 to 12 giving rise to a Member or a person in respect of a Member becoming entitled to payment of a pension or a lump sum, as set out in section 216 of the Finance Act.

**'Cash Sum on Death'** means the lump sum (if any) to be provided in accordance with Rule 3.4 in the event of the Member's Death and in accordance with the conditions relating to the payment of an Uncrystallised Funds Lump Sum Death Benefit.

**'Child'** means –

- i. any child, stepchild, legally adopted child or legitimised child of a Member and his spouse or deceased or former spouse, or
- ii. any other individual in respect of whom a Member stands or stood in loco parentis.

**'Civil Partner'** means a person who is the civil partner, for the purposes of section 1 of the Civil Partnership Act 2004, of a Member at the relevant time and 'Civil Partnership' has a corresponding meaning. References to marriage include references to entering into a Civil Partnership and 'marries' and 'remarries' shall be construed accordingly.

**'Clerical Medical'** means Clerical Medical Investment Group Limited.

**'Crystallised Funds'** means that part of the Proceeds of a Member's Policy in relation to which a Benefit Crystallisation Event has occurred.

**'Dependant'** means, at the commencement of benefits in respect of or earlier death of a Member –

- i. the spouse or Civil Partner of a Member, or
- ii. any Child of the Member who has not attained age 23 or who in the opinion of the Trustees was dependent on the Member because of physical or mental impairment, or
- iii. any other individual who, in the Trustees' opinion, was financially dependent on the Member, whose financial relationship with the Member was one of mutual dependence or who was dependent on the Member because of physical or mental impairment.

**‘Dependant’s Annuity’** means an annuity for a Dependant which satisfies the requirements of paragraph 17 of Schedule 28 to the Finance Act.

**‘Employee’** means any employee or director of an Employer.

**‘Employer’** means the Principal Employer and any Associated Employer admitted to participation in the Plan in accordance with Rule 1.5.

**‘Entry Date’** means the date on which an Employee is admitted to membership of the Plan in accordance with Rule 3.1.

**‘Ex-Spouse’** means an individual (including a former Civil Partner) to whom Pension Credit Rights have been or are to be allocated following a Pension Sharing Order, agreement or equivalent provision.

**‘Finance Act’** means the Finance Act 2004.

**‘HMRC’** means Her Majesty’s Revenue and Customs.

**‘ICTA’** means the Income and Corporation Taxes Act 1988.

**‘Ill-Health’** means any physical or mental impairment which is or has been suffered by a Member and which prevents and will continue to prevent the Member from engaging in his occupation.

**‘Insurer’** means an insurance company as defined in section 275 of the Finance Act.

**‘Lifetime Allowance’** means the Member’s lifetime allowance as provided for by section 218 of the Finance Act. The Trustees will be entitled to assume that the Member’s Lifetime Allowance is the Standard Lifetime Allowance unless the Member demonstrates otherwise to the Trustees’ satisfaction in such form as the Trustees may prescribe.

**‘Lifetime Allowance Charge’** means a charge to tax under section 214 of the Finance Act to be made in accordance with Rule 7.5.

**‘Lifetime Allowance Excess Lump Sum’** means a lump sum payable under Rule 9.9 which satisfies the conditions set out in paragraph 11 of Schedule 29 to the Finance Act.

**‘Lifetime Annuity’** means an annuity for a Member as defined in paragraph 3 of Schedule 28 to the Finance Act.

**‘Member’** means any individual admitted to membership of the Plan in accordance with Rule 3.1.

**‘Member’s Annual Contribution’** means the annual amount (if any) to be contributed by a Member (excluding voluntary contributions) to the Plan including any increase or decrease in that amount.

**‘Member’s Benefit Details’** has the meaning given in Rule 3.2.

**‘Member’s Credit’** has the meaning given in Rule 4.4.

**‘Member’s Employer’** means that one or more of the Employers by which the Member is employed at the relevant time.

**‘Member’s Pension’** has the meaning given in Rule 3.2.

**‘Member’s Policy’** has the meaning given in Rule 5.1.

**‘Normal Minimum Pension Age’** means, before 6 April 2010, age 50 and, after 5 April 2010, age 55, unless the Member has a right to an earlier protected pension age within the meaning and through the operation of paragraphs 21 and 22 of Schedule 36 to the Finance Act.

**‘Normal Retirement Date’** means such date between the Member’s attainment of Normal Minimum Pension Age and age 75 as is agreed between the Member’s Employer and the Member.

**‘Occupational Pension Scheme’** means any occupational pension scheme (as defined in section 150 of the Finance Act or as defined in section 1 of the Pension Schemes Act).

**‘Pension Commencement Lump Sum’** means a lump sum payable under Rule 9.5 which satisfies the conditions set out in paragraph 1 of Schedule 29 to the Finance Act or a stand-alone lump sum as defined in Articles 25 to 25D of The Taxation of Pension Schemes (Transitional Provisions) Order 2006.

**‘Pension Credit’** means a credit under section 29(1)(b) of the Welfare Reform and Pensions Act 1999.

**‘Pension Credit Rights’** means rights to benefits arising from a Pension Credit as defined in section 101P of the Pension Schemes Act.

**‘Pension Schemes Act’** means the Pension Schemes Act 1993.

**‘Pension Sharing Order’** means any order or provision made in consequence of a Member's divorce or dissolution of a Civil Partnership as is mentioned in section 28(1) of the Welfare Reform and Pensions Act 1999 or Article 25(1) of the Welfare Reform and Pensions (Northern Ireland) Order 1999.

**‘Pensionable Service’** means, in respect of a Member, Service during which contributions are payable in accordance with Rule 4 to provide benefits payable to, or in respect of, the Member and includes any period during which such contributions may be temporarily suspended in accordance with the Rules PROVIDED THAT:

- i. a period of absence from work in exercise of a right under Part VIII of the Employment Rights Act 1996 shall be treated as Pensionable Service to the extent required by that Part VIII,
- ii. Pensionable Service following absence from work in exercise of a right under Part VIII of the Employment Rights Act 1996 shall be treated as continuous with any period of Pensionable Service completed before that absence to the extent required by that Part VIII,
- iii. contributions shall remain payable in respect of any period of paid maternity leave or paid family leave to the extent required by the provisions of Schedule 5 to the Social Security Act 1989.

**‘Pensions Act’** means the Pensions Act 1995.

**‘Pensions Regulator’** means the Pensions Regulator established under section 1 of the Pensions Act 2004.

**‘Personal Pension Scheme’** means a personal pension scheme as defined in section 1 of the Pension Schemes Act.

**‘Previously Crystallised Benefits’** means:

- i. benefits under a Registered Pension Scheme which a Member has received or in respect of which a Member has an actual (rather than a prospective) right to payment by virtue of a Benefit Crystallisation Event that occurred on or after 6 April 2006 and prior to the current Benefit Crystallisation Event, and

- ii. benefits under a pension scheme of a type within any of the definitions contained in Paragraph 1 of Schedule 28 to the Finance Act which were in payment to the Member on 5 April 2006.

**‘Principal Employer’** means the Employer recited in the Declaration and any other employer which shall have agreed by deed to assume the obligations of the Principal Employer under the Plan.

**‘Proceeds’** has the meaning given in Rule 5.1.

**‘Qualifying Recognised Overseas Pension Scheme’** means a qualifying recognised overseas pension scheme as defined in section 169(2) of the Finance Act.

**‘Qualifying Service’** means in respect of a Member the aggregate of –

- i. Pensionable Service,
- ii. if a Transfer Value has been accepted under the Plan in respect of the Member's right to benefit under another Occupational Pension Scheme the service certified by the administrators of such other Occupational Pension Scheme to be qualifying service thereunder,
- iii. if he is or has been a member of any other Occupational Pension Scheme of the Employers the service that is or was qualifying service thereunder,
- iv. service (if any) completed before the Entry Date in respect of which benefits would have become payable under the Plan to the Member on his Normal Retirement Date,
- v. if the Member has re-entered Pensionable Service after having completed two years' Qualifying Service relating to a previous period as a Member, any such previous Qualifying Service in respect of which the Member remains entitled to receive benefits under the Plan PROVIDED THAT any concurrent period of Qualifying Service shall be counted only as one period of Qualifying Service,
- vi. if the Member received a refund in respect of any contributions made by virtue of Rule 4.3 in respect of any part of Service prior to a period of absence, the period to which such refund relates, and

vii. if a Member's Pensionable Service terminates on account of a trade dispute (as defined in section 218 of the Trade Union and Labour Relations (Consolidation) Act 1992) and after such dispute he again enters Pensionable Service, the period (or the aggregate of the periods) prior to the date he ceases to be in Pensionable Service shall be regarded as not having terminated and shall count as Qualifying Service.

**'Recognised Overseas Pension Scheme'** means a recognised overseas pension scheme as defined in section 150(8) of the Finance Act.

**'Recognised Transfer'** means a recognised transfer under section 169 of the Finance Act.

**'Registered Pension Scheme'** means a pension scheme which is, or is treated as being, registered under section 153 of the Finance Act.

**'Registered Personal Pension Scheme'** means a Registered Pension Scheme which is a Personal Pension Scheme.

**'Regulation'** means a regulation of a statutory instrument.

**'Relevant Annuity'** means a level single life annuity without a guaranteed term or such other form of annuity as may be prescribed by Regulations.

**'Resolution'** means a resolution of the Principal Employer made in accordance with its constitution or otherwise properly made.

**'Rules'** means the rules of the Plan as amended from time to time and for the time being in force.

**'Section 32 Policy'** means a policy of insurance effected in the name of an individual by means of which benefits provided under an Occupational Pension Scheme for that individual have been secured and which is a Registered Pension Scheme but which does not provide for the immediate payment of benefits and the term shall include a policy of insurance of this type securing benefits which have previously been secured under a policy of this type.

**'Serious Ill-Health Lump Sum'** means a lump sum payable under Rule 9.6 which satisfies the conditions set out in paragraph 4 of Schedule 29 to the Finance Act.

**'Service'** means service as an Employee PROVIDED THAT it shall include:

- i. any period of absence from Service which the Employer and Trustees agree shall be treated as Service,
- ii. any absence from work in exercise of a right under Part VIII of the Employment Rights Act 1996,
- iii. any absence due to Ill Health or an absence due to secondment to a Government department or due to any employment which in the opinion of the Employer constitutes work of national importance.

**'Spouse's Pension'** and **'Spouse's Pension Details'** have the respective meanings given in Rule 3.3.

**'Standard Lifetime Allowance'** means the standard lifetime allowance for the time being under section 218 of the Finance Act.

**'Tax Year'** means a period beginning on 6 April and ending on the following 5 April.

**'Transfer Value'** has the meaning given in Rule 4.4.

**'Trivial Amount'** means one per cent of the Standard Lifetime Allowance for the Tax Year in question.

**'Trivial Commutation Lump Sum Death Benefit'** means the payment of the Proceeds of a Member's Policy as a lump sum death benefit in accordance with Rule 10.6 which satisfies the conditions set out in paragraph 20 of Schedule 29 to the Finance Act.

**'Unauthorised Employer Payment'** means a payment to an Employer which is not an authorised employer payment under section 175 of the Finance Act and includes any transaction which is treated as being an unauthorised payment to an Employer under section 181 of the Finance Act.

**'Unauthorised Member Payment'** means a payment to a Member or Dependant which is not an authorised member payment under section 164 of the Finance Act and includes any transaction or investment which is treated as being an unauthorised payment to a Member under Chapter 3 of Part 4 of the Finance Act.

**'Unauthorised Payment'** means an Unauthorised Member Payment, an Unauthorised Employer Payment or a transaction which is not authorised under the Finance Act or which is treated as a scheme chargeable payment within the meaning given in section 241 of the Finance Act.

**‘Uncrystallised Funds’** means the Proceeds of a Member's Policy in relation to which no Benefit Crystallisation Event other than Benefit Crystallisation Event 8 of section 216 of the Finance Act has occurred.

**‘Uncrystallised Funds Lump Sum Death Benefit’** means a lump sum death benefit paid in accordance with Rule 10.1, which satisfies the conditions set out in paragraph 15 of Schedule 29 to the Finance Act.

**‘Unsecured Pension’** means income withdrawal by a Member under age 75 made in accordance with paragraphs 8 to 10 of Schedule 28 to the Finance Act.

**‘Unsecured Pension Fund’** means the Proceeds of a Member's Policy which have been designated as available for the payment of an Unsecured Pension.

**‘Unsecured Pension Fund Lump Sum Death Benefit’** means a lump sum death benefit paid in accordance with Rule 11.1, which satisfies the conditions set out in paragraph 17 of Schedule 29 to the Finance Act.

**‘Winding-Up Lump Sum’** means a lump sum benefit paid to a Member on the dissolution of the Plan which satisfies the conditions set out in paragraph 10 of Schedule 29 to the Finance Act.

## 3 Membership

### 3.1 Eligibility, Entry and Opting-out

Any Employee may, at the sole discretion of the Employer, be admitted or re-admitted as a Member of the Plan with effect from the date shown in a written statement (‘Membership Statement’) which the Member shall be entitled to receive from the Employer. A Member may on giving not less than three months’ written notice to the Trustees (or such shorter period of notice that is acceptable to the Trustees) terminate his Pensionable Service in which case Rule 8.4 shall apply.

### 3.2 Membership Statements

A Membership Statement received by each Member shall include the following details (‘Member’s Benefit Details’):

- i. the Entry Date,
- ii. the Normal Retirement Date,
- iii. the Member's annual contribution (if any),

- iv. the contributions to be payable in respect of the Member by the Member's Employer,
- v. an estimate of the pension (‘Member’s Pension’) which may be provided for the Member at the Normal Retirement Date from the estimated Proceeds of the Member’s Policy and the terms and conditions applicable to the payment of the Member’s Pension,
- vi. an estimate of the additional or alternative benefit (if any) to which a Member or any of his Dependants may be entitled in accordance with this Rule 3 or Rule 9 and the terms and conditions applicable to the payment of such benefit.

The terms comprised in any Membership Statement may be amended by the Employer on giving prior written notice to the respective Member and the Trustees.

### 3.3 Spouse’s and Civil Partner's Entitlement to Pension

The Employer may, in its absolute discretion, decide that the spouse or Civil Partner of a Member shall be entitled to receive a pension (‘Spouse’s Pension’) under the Plan in the event of the death of the Member and in that case the following details (‘Spouse’s Pension Details’) shall be included in the Membership Statement:

- i. the method of calculating the Spouse’s Pension, and
- ii. a statement to the effect that, if the Employer so decides, in the event of the death of the spouse or Civil Partner, after payment of the Spouse’s Pension has commenced, who is survived by a Child who was a Dependant of the Member at the date of his death, payment of the Spouse’s Pension shall continue to or for the benefit of that Child until the earliest of his death or the attainment of a specified age (not being earlier than age 18 or later than age 23) unless in the opinion of the Trustees the Child was dependent on the Member because of physical or mental impairment in which case the Spouse’s Pension shall continue to be paid throughout the Child’s lifetime.

### 3.4 Entitlement to Cash Sum on Death

The Employer may, in its absolute discretion, but subject to the second paragraph of this Rule 3.4, decide that a cash sum (‘Cash Sum on Death’) shall become payable in the event of the death of a Member in Pensionable Service or in Service and a statement regarding that payment shall be included in the Membership Statement.

No Cash Sum on Death shall be payable on or at any time after the earlier of the Normal Retirement Date and the date on which the Member takes all benefits under the Plan.

## 4 Contributions

### 4.1 Payment Schedule

The Trustees shall, where required to do so in accordance with section 87 of the Pensions Act, prepare, maintain, and from time to time revise, a payment schedule as referred to in that section.

### 4.2 Contributions by a Member's Employer

With effect on and from the Entry Date the Member's Employer shall pay contributions to the Trustees in respect of the Member of such amount and at such frequency as (if Rule 4.1 applies) is stated in the payment schedule or (if Rule 4.1 does not apply) as the Member's Employer shall, with the agreement of the Trustees, determine. The Member's Employer shall give notice to the Member of contributions so paid.

### 4.3 Contributions by a Member

A Member shall contribute the amount (if any) which he and the Member's Employer shall from time to time agree and any Member's annual contribution shall with effect on and from the Entry Date be payable until the earliest of:

- i. the Member's Normal Retirement Date EXCEPT where a Member with his Employer's consent continues in Service on or after Normal Retirement Date and opts in a written notice to the Trustees to continue contributing on such basis as the Trustees shall determine,
- ii. the date of termination of the Member's Pensionable Service in accordance with Rule 8.4,
- iii. the date of the Member's death,
- iv. the date on which the first Benefit Crystallisation Event occurs under the Plan in respect of the Member, and
- v. the Member's attainment of age 75.

The Member's annual contribution shall be paid on the due dates determined in accordance with Rule 4.2 by the Member's Employer to the Trustees annually in advance or (subject to Regulation 16 of The Occupational Pension Schemes (Scheme Administration) Regulations 1996) at such other frequency as the Member's Employer and the Trustees agree.

In addition the Member may make voluntary contributions to the Plan, of such amount and in accordance with such terms and conditions as the Trustees may from time to time determine and notify to the Member, to secure additional benefits.

### 4.4 Transfers In

The Trustees may, at the request of a Member or, with the Employer's consent, at the request of an Employee, accept from the administrators of:

- i. another Registered Pension Scheme,
- ii. a Qualifying Recognised Overseas Pension Scheme, or
- iii. a Recognised Overseas Pension Scheme

('the Other Scheme') any transfer of monies ('Transfer Value') in respect of the Member's funds in respect of which no Benefit Crystallisation Event has occurred under that Other Scheme subject to the following conditions:

- a. if a Section 32 Policy was effected in the name of the Member, or was assigned to the Member in respect of his membership of the Other Scheme, the Trustees may, at the request of the Member, accept the surrender value of such a Policy which, for the purposes of the Rules, shall be deemed to be a Transfer Value from a Registered Pension Scheme and the Insurer with which the Policy was effected shall, for the purpose of this Rule be deemed to be the administrator of the Other Scheme,
- b. the Transfer Value must be made by a direct payment between the administrator, trustee or insurer of the Other Scheme and the Trustees or the Insurer of the Member's Policy,

- c. the Trustees shall obtain from the administrators of the Other Scheme a certificate stating –
  - i. if the Other Scheme is an Occupational Pension Scheme, the period to count towards Qualifying Service in accordance with the definition of that term in Rule 2 and, if that period is less than two years, the amount (if any) of the Transfer Value attributable to contributions paid by the Member under the Other Scheme ('Member's Credit'),
  - ii. if the maximum Pension Commencement Lump Sum to which the Member would have been entitled under the Other Scheme exceeds 25 per cent of the Transfer Value and the Member is entitled to protection in respect of that lump sum in accordance with Schedule 36 to the Finance Act, the information necessary for the Trustees to ensure that the Member remains entitled to that protection under the Plan,
  - iii. if the Member is entitled to a protected Normal Minimum Pension age in accordance with Schedule 36 to the Finance Act in respect of the Transfer Value, that protected pension age.
- d. the Trustees shall ensure that no charge, lien or set off shall be exercised against the benefit attributable to a Transfer Value.

## 5 Investments

### 5.1 Member's Policy

The Trustees shall effect with Clerical Medical or any other Insurer in respect of each Member and with effect from his Entry Date a policy or policies of assurance or annuity which shall satisfy the requirements of section 431B(2)b of ICTA ('Member's Policy') to provide benefits for or in respect of the Member and the amount ('Proceeds') of a Member's Policy at any date on which the Proceeds of a Member's Policy have to be determined under the Rules shall be the value of the Member's Policy EXCEPT THAT the policy or policies effected by the Trustees to insure the Cash Sum on Death and Spouse's Pension (if any) shall not form part of the Proceeds of the Member's Policy.

### 5.2 Investment

The contributions payable and any Transfer Values received by the Trustees under Rule 4 shall be paid as premiums to a policy or policies of the type described in Rule 5.1. The Trustees shall exercise all rights and options under any such policy or policies and agree any variations in the terms thereof as they may in their discretion think fit and the assets of the Plan shall be any such policy or policies.

## 6 Trustees

### 6.1 Appointment and Removal of Trustees

Subject to arrangements required to be made in compliance with section 241 of the Pensions Act 2004 the power of appointing Trustees of the Plan and subject to section 241(6) of that Act of removing any or all of the Trustees from office shall vest in the Principal Employer and be exercised by deed PROVIDED THAT the number of Trustees shall at no time –

- i. exceed seven except where an appointment of a Trustee or Trustees made in compliance with the requirements of section 241 of the Pensions Act 2004 causes such number to be exceeded in which case the maximum number of Trustees will be increased but only to the extent required to comply with such requirements,
- ii. be less than two except where:
  - a. only one trustee was originally appointed in which case a corporation may be appointed as sole trustee, or
  - b. a Trust Corporation (as defined in section 68 of the Trustee Act 1925) is appointed as or becomes sole trustee.

### 6.2 Retirement of a Trustee

Any of the Trustees may give written notice to the Principal Employer of his or its intention to retire or resign from office and such retirement or resignation shall take effect in accordance with the deed whereby the Trustee is removed from office PROVIDED THAT if on the retirement or resignation of a sole Trustee or in the event of the number of Trustees falling below the minimum number stated in the proviso to Rule 6.1 the Principal Employer does not appoint a new Trustee or Trustees in manner described therein the Principal Employer shall with immediate effect undertake the duties of the Trustees either as sole Trustee or jointly with any remaining Trustee until such time as their number is restored to the stated minimum.

### 6.3 Remuneration of Trustees

With the agreement of the Principal Employer and subject to the provisions of any order made under section 7 of the Pensions Act, any of the Trustees (other than an Employer) shall be entitled to charge and be paid by the Principal Employer for services rendered by that Trustee in connection with the Plan.

### 6.4 Employment of Agents

The Trustees shall where required to do so in accordance with section 47 of the Pensions Act appoint an auditor and where so required an actuary and a fund manager and may at any time in addition to statutory powers in that regard employ and pay, as they consider necessary or desirable, any agents or advisers in connection with any of their duties or responsibilities under the Plan and any receipt given to the agents shall be a good and sufficient discharge to the Trustees PROVIDED THAT the Trustees may only rely on such expert advice obtained from a person appointed by themselves. In particular the Trustees may appoint an authorised practitioner to make reports to HMRC and to account for any tax or charge for which the Trustees are liable or jointly liable.

### 6.5 Delegation

The Trustees may at any time delegate, as they consider necessary or desirable, to any one or more of their number or to any other person or body (whether incorporated or not) the exercise of any of the powers, duties, authorities or discretions conferred or imposed on the Trustees under the Plan (or otherwise by law) without being liable for the acts or defaults of that delegate or any resulting loss to the assets of the Plan and section 25 (powers of attorney) of the Trustee Act 1925 shall not apply to any delegation made under this Rule.

### 6.6 Management of Trustees' Business

Whenever any of the Trustees are individuals the Trustees whether in the exercise of powers delegated to some or any of them under Rule 6.5 or otherwise as Trustees shall:

- i. exercise their powers by resolutions passed at meetings at which the quorum shall be two and any Trustee unable to attend may appoint another of the Trustees to represent him or it,
- ii. save as otherwise provided by this Rule, make written regulations (including where they so wish regulations for the appointment of a Chairman and a Secretary) for the conduct of their meetings and the management of their business.

If any of the Trustees is a corporation it shall, in the discharge of its duties and in the exercise of its powers, act by its duly appointed officers and employees.

### 6.7 Reimbursement of Expenses etc

Any costs, charges or expenses duly incurred by the Trustees (other than an Employer) in carrying out any of their duties and responsibilities under the Plan (including the employment of agents or advisers or the appointment of delegates) shall be paid by the Principal Employer or, failing such payment, any costs, charges or expenses shall be reimbursed to such Trustees by the realisation of any assets of the Plan as the Trustees think fit.

### 6.8 Indemnity

The Principal Employer shall keep each of the Trustees (other than an Employer) indemnified against any actions, claims, costs and liabilities arising out of the execution of the trusts of the Plan unless they are incurred through the negligence or wilful default of a Trustee claiming to be indemnified.

No assets of the Plan may be applied (either directly or indirectly) to indemnify any Trustee against any fine imposed by way of penalty for an offence of which he is convicted or against any penalty imposed under section 10 of the Pensions Act or section 168(4) of the Pension Schemes Act.

### 6.9 Validation of Decisions by Trustees

No decision of or exercise of a power by the Trustees shall be invalidated or questioned on the ground that the Trustees or any of them or any director or officer of any body corporate, being one of the Trustees, had a direct or indirect interest in such decision or the exercise of such power.

### 6.10 Retention of Benefits by Trustees

Any of the Trustees, or any director or officer of a body corporate being one of the Trustees who is or has been a Member shall be entitled to retain for himself any benefit to which he is entitled by virtue of such membership.

## 7 Benefits – General

### 7.1 General Provisions about Benefits

Any benefit to which a Member or other beneficiary under the Plan is, or becomes, entitled shall, unless otherwise stated in the Rules, be non-assignable and non-commutable by the Member or other beneficiary.

Any annuity to be provided in respect of a Member or other beneficiary under Rules 9, 10 or 11 shall be purchased from an Insurer of the Trustees' choice, unless otherwise specifically stated, and shall be effected in the name of the Member or beneficiary unless, subject to the first paragraph of this Rule 7.1, otherwise agreed between the Trustees and the Member or other beneficiary.

### 7.2 Forfeiture or Suspension of Benefits

The Trustees shall have power to forfeit or suspend the payment of any benefit payable hereunder in the event of the beneficiary thereof charging or attempting to assign the same or in the event of the Member to or in respect of whom the benefit is payable being convicted for treason or offences under the Official Secrets Acts resulting in a sentence of ten or more years' imprisonment and in the event of such forfeiture or suspension the Trustees may in their absolute discretion pay or continue the payment of the benefit so forfeited or suspended or any part thereof to or for the benefit of any one or more to the exclusion of the others of:

- i. the beneficiary, or
- ii. the beneficiary's spouse or Civil Partner, or
- iii. any Child of the beneficiary who has not attained age 23, or
- iv. any other individual who in the opinion of the Trustees is dependent on the beneficiary for maintenance and support at the date of such forfeiture or suspension

PROVIDED THAT no payment of the benefit shall be made to or for the benefit of any individual to whom the benefit was charged or to whom it was attempted to assign the benefit.

### 7.3 Incapacitated Beneficiaries

If the beneficiary of a benefit payable under the Plan is proved to the satisfaction of the Trustees to be unable by reason of mental or physical illness or incapacity to manage his affairs the Trustees may in the absence of any order of a court of competent jurisdiction pay or continue the payment of such benefit to the person who is proved to their satisfaction to have the care and protection of the beneficiary and in the event of such payment the Trustees shall not be concerned to see to or supervise the application thereof and the valid receipt of such payment shall be a good and sufficient discharge to the Trustees for such payment.

### 7.4 Divorce or Dissolution of Civil Partnership

The Trustees shall pay benefits in accordance with the provisions of any order made by a United Kingdom court in consequence of a Member's divorce or the dissolution of a Member's Civil Partnership.

The Trustees shall discharge any liability to an Ex-Spouse in respect of Pension Credit Rights by the surrender and payment of such part or all of the Proceeds of the Member's Policy as is equal to the Ex-Spouse's Pension Credit Rights to another Registered Pension Scheme or a qualifying arrangement chosen by the Ex-Spouse and details of which the Ex-Spouse has supplied to the Trustees.

Rule 7.1 does not prevent the assignment of part or all of the Proceeds of the Member's Policy or rights to benefits under the Plan to his Ex-Spouse to the extent necessary to comply with a Pension Sharing Order, agreement or equivalent provision

If the Ex-Spouse dies after a Pension Sharing Order, agreement or equivalent provision is made but before it is implemented by the Trustees, the following benefits may be paid. The Trustees may elect to pay a lump sum death benefit not exceeding 25% of the Pension Credit Rights for the Ex-Spouse which shall be held by the Trustees upon trust with power to pay it or apply it within two years of the Ex-Spouse's death to or for the benefit of such one or more, and in such shares, as the Trustees in their absolute discretion shall decide of a class of beneficiaries consisting of:-

- i. the Ex-Spouse's spouse or civil partner at that time (if any), issue, parents and grandparents and the spouse and civil partner and issue of such persons and any individual who was financially dependent on the Ex-Spouse at the date of the Ex-Spouse's death,
- ii. any other individual or body whom the Ex-Spouse has nominated to the Trustees for this purpose, and
- iii. the Ex-Spouse's legal personal representatives.

Any part of the lump sum death benefit which has not been so paid or applied by the Trustees within two years of the Ex-Spouse's death shall be paid to the Ex-Spouse's legal personal representatives.

The balance of the Pension Credit Rights may be used to provide a Dependant's Annuity for a dependant of the Ex-Spouse.

Where more than one Dependant's Annuity is to be paid the total of all the Dependents' Annuities cannot exceed the amount of the pension that could have been paid to the Ex-Spouse.

Such Dependents' Annuities must be payable for life, except that pensions paid to children must cease on the attainment of age 23 unless in the opinion of the Trustees the child was dependent on the Ex-Spouse because of physical or mental impairment in which case the annuity shall continue to be paid throughout the child's lifetime.

A Dependant's Annuity payable under this Rule may be fully commuted, however, for a lump sum if the amount to be applied to purchase the Dependant's Annuity at the time it becomes payable does not exceed the Trivial Amount.

### 7.5 Lifetime Allowance Charge

On the occurrence of a Benefit Crystallisation Event in relation to a Member the Trustees will calculate the amount of benefits crystallised by the Benefit Crystallisation Event in accordance with section 216 of the Finance Act. The Trustees will test the amount crystallised against the Member's available Lifetime Allowance, in accordance with the relevant provisions of the Finance Act, in order to determine whether the Benefit Crystallisation Event gives rise to a Lifetime Allowance Charge.

The Member will provide to the Trustees, upon request, with sufficient information of the amount of any Previously Crystallised Benefits to which the Member has become entitled under the Plan, or any other Registered Pension Scheme, so as to enable the Trustees to determine the availability of the Member's Lifetime Allowance in relation to the current Benefit Crystallisation Event, in accordance with section 219 of the Finance Act. The Trustees shall be entitled to rely on any statement made by the Member for the purpose of calculating the availability of the Member's Lifetime Allowance. If the Member fails to declare to the Trustees that he or she has sufficient remaining Lifetime Allowance or to give sufficient information to calculate the value of his or her Previously Crystallised Benefits, the Trustees shall be entitled to assume that none of the Member's Lifetime Allowance remains available or not to pay out any benefits in respect of a Member (except that the Trustees must pay out benefits when the Member reaches the age of 75 unless the second paragraph of Rule 8.3 applies).

## 8 Commencement of Benefits and Cessation of Pensionable Service

### 8.1 Commencement of Benefits

Subject to the remaining provisions of this Rule 8, a Member shall be entitled to benefit under the Plan with effect from a date chosen by the Member and of which he has given notice to the Trustees. The Proceeds of the Member's Policy at the date which he has chosen and of which he has given notice shall, subject to Rule 8.2, be applied to provide benefits in respect of him in accordance with and subject to Rule 9.

PROVIDED THAT:

- i. unless paragraphs b. or d. of Rule 9.1.i apply the Member may choose that the part (if any) of his benefits that represents his voluntary contributions shall commence from a date that is earlier or later than the date he chooses for the commencement of the remainder of his benefits
- ii. in such event only the part of the Proceeds of the Member's Policy that represents voluntary contributions or the part that represents everything other than voluntary contributions (as appropriate) shall be applied at that time to provide benefits in accordance with and subject to Rule 9.

### 8.2 Restrictions on Commencement Date

- i. No benefit in respect of a Member shall commence to be paid before the earlier of:
  - a. the date on which the Member attains Normal Minimum Pension Age (unless the Member is suffering from Ill-Health and iii. below applies or the Member is entitled to a Services Ill-Health Lump Sum in accordance with Rule 9.6), and
  - b. the date of the Member's death.
- ii. A Member may, with the consent of the Employer in the case of a Member who is in Pensionable Service, choose a date for the purpose of Rule 8.1 which is earlier than the Normal Retirement Date but not earlier than the date on which he attains Normal Minimum Pension Age (unless iii. below or Rule 9.6 applies).

- iii. A Member may choose a date for the purpose of Rule 8.1 which is earlier than the date on which he attains Normal Minimum Pension Age if the Trustees have received evidence from a registered medical practitioner that the Member is suffering from Ill-Health immediately before that earlier date (and will continue to suffer from Ill-Health) and the Member has ceased his occupation.

### 8.3 Age 75

Subject to the second paragraph of this Rule 8.3, benefits in respect of a Member who has not chosen and given notice of a date in accordance with Rule 8.1 by the date on which he attains age 75 shall commence on his 75th birthday.

If the Trustees, after taking all reasonable steps, are unable to ascertain the Member's whereabouts at age 75, the Trustees may defer the payment of any part of the Member's Policy which constitutes the Member's Uncrystallised Funds for a period of up to 6 months following the date on which they subsequently ascertain the Member's whereabouts.

### 8.4 Benefits on Cessation of Pensionable Service (otherwise than by death)

For the purposes of this Rule 8.4, a Member's Pensionable Service shall cease on the earliest of the following events:

- i. the termination of his Service otherwise than by death,
- ii. the expiry of a written notice received by the Trustees in accordance with Rule 3.1,
- iii. the Member's attainment of age 75.

On cessation of Pensionable Service a Member shall be entitled to benefit under the Plan and a statement regarding that entitlement shall be included in the Membership Statement.

The Cash Sum on Death (if any) payable in accordance with Rule 3.4 shall cease to be payable after the cessation of a Member's Pensionable Service unless the Member remains in Service and the Member's Employer so decides and gives notice to the Member and Trustees.

Subject to the remaining provisions of this Rule, the Member may exercise any one (or where permitted below one or more) of the following options and in that event any further entitlement to benefit under the Plan shall be cancelled or reduced as appropriate:

- a. the Member may request a transfer of the Proceeds of the Member's Policy to the trustees or administrator of another Registered Pension Scheme, a Section 32 Policy or a Qualifying Recognised Overseas Pension Scheme in accordance with Rule 12,
- b. the Trustees may, at the written request of the Member, assign the Member's Policy or Policies to the Member subject to Rule 8.6,
- c. the Trustees may, at the written request of a Member who has made contributions by virtue of Rule 4.3 and has completed less than two years' Qualifying Service on the date on which his Pensionable Service ceases and in respect of whom a Transfer Value from a Personal Pension Scheme has not been received in accordance with Rule 4.4, pay to such Member, subject to Rule 8.5 and to Rule 4.4, a refund of contributions,
- d. if the Member is admitted to membership of another Registered Pension Scheme the Trustees may, at the written request of the Member, assign the Member's Policy or Policies to the trustees or administrators of that other pension scheme,

PROVIDED ALWAYS THAT:

- i. where a Transfer Value has been accepted in respect of a Member in accordance with Rule 4.4, the Trustees shall ensure that on the date on which Pensionable Service ceases and where such Member does not exercise the option to receive a refund of contributions above, he shall remain entitled to the full benefit secured by the whole of the Transfer Value in addition to any other benefit to which he remains entitled under the Plan,
- ii. the options described in a., b. and d. above shall apply to a Member in respect of whom contributions to the Plan have ceased (other than on termination of the Plan) as if his Pensionable Service had ceased on the date of such cessation of contributions.

If the Proceeds of the Member's Policy have not been applied in accordance with options a. to d. above the Proceeds of the Member's Policy shall be applied:

- a. in accordance with and subject to Rule 9 in the event of the Member's subsequent notification in accordance with Rule 8.1, or
- b. in accordance with and subject to Rule 10 in the event of his earlier death (references in that Rule to Death in Service or Pensionable Service being deemed for this purpose to be references to death after the date on which Pensionable Service ceases and before retirement).

### 8.5 Refund of Contributions

The refund of contributions payable in accordance with Rule 8.4 shall comprise the contributions made by the Member in accordance with Rule 4.3 and any Member's Credit received together with interest on those contributions and Member's Credit up to and including the date on which Pensionable Service ceases at a commercial rate which the Trustees consider reasonable in all the circumstances less any tax due from the Trustees to HMRC in respect of the payment and any Proceeds of the Member's Policy remaining after that payment shall be dealt with in accordance with Rule 8.7.

If the Proceeds of the Member's Policy are insufficient to pay the said refund, the refund payable shall be calculated as that proportion of the Proceeds of the Member's Policy as at the date of cessation which the contributions made by the Member bear to the total contributions made by and in respect of him (but excluding any contributions so made and applied as premiums to any policy providing only a cash sum in the event of the death of the Member) or such greater amount (not exceeding the Proceeds of the Member's Policy) as the Member's Employer shall in its absolute discretion determine.

### 8.6 Assignment of Member's Policy

Any Member's Policy to be assigned to a Member in accordance with Rule 8.4 shall be endorsed:

- i. to show that no benefit arising under it can be assigned,
- ii. to show that the policy cannot be assigned or surrendered except for the purpose of making a transfer to another Registered Pension Scheme or Qualifying Recognised Overseas Pension Scheme or to allow the purchase of benefits from an Insurer of the Member's choice,

and the Member shall pay any expenses duly incurred by the Trustees in giving effect to the assignment.

### 8.7 Excess Proceeds

Any Proceeds of a Member's Policy remaining after the application of Rules 8 to 12 shall be applied, in the absolute discretion of the Trustees, and in so far as they are sufficient, in any one or more of the following ways:

- i. to purchase a Dependant's Annuity for a Dependant or Dependents of the Member,
- ii. to provide increases to the amount of any Lifetime Annuity, joint life annuity or Dependant's Annuity purchased in respect of the Member or any Dependant of the Member,
- iii. if those Proceeds do not derive from the making of voluntary contributions in accordance with Rule 4.3 and subject to section 37 of the Pensions Act to return any remaining such Proceeds to the Member's Employer less any tax due from the Trustees to HMRC in respect of such return,
- iv. if those Proceeds derive from the making of voluntary contributions in accordance with Rule 4.3, in the absolute discretion of the Trustees, in the payment by the Trustees of any remaining such Proceeds to the Member or to his personal representatives as the case may be subject to the deduction therefrom of the amount of any tax due from the Trustees to HMRC in respect of such payment, or
- v. to reduce the amount of future contributions payable by the Employer in respect of other Members.

## 9 Member's Pension Benefits

### 9.1 Member's Choice of Benefit

On the date for commencement of benefits determined in accordance with Rule 8.1 ('the Retirement Date'), the Member may elect that the Proceeds of the Member's Policy (or where the provisos to Rule 8.1 apply, the appropriate part of the Proceeds of the Member's Policy) shall, subject to the remaining provisions of this Rule 9, be applied to provide the Member with one or more of the following benefits:

- i. if the Member has not attained age 75:
  - a. a Lifetime Annuity,
  - b. an Unsecured Pension,
  - c. a Pension Commencement Lump Sum, or
  - d. a Serious Ill-health Lump Sum.
- ii. if the Member has attained age 75:
  - a. a Lifetime Annuity, or
  - b. subject to the Member having made a valid request to transfer to another Registered Pension Scheme in accordance with Rule 12, an Alternatively Secured Pension PROVIDED THAT if the transfer is not completed within 12 months of the Member having become entitled to an Alternatively Secured Pension, the Member's Alternatively Secure Pension Fund shall be applied to purchase a Lifetime Annuity in accordance with Rule 9.2.

## 9.2 Lifetime Annuity

Any part of the Proceeds of a Member's Policy which are to be applied to provide a Lifetime Annuity shall be used to purchase an annuity which shall be –

- i. purchased from an Insurer which the Member has had an opportunity to select and, if the Member does not make a selection, has been selected by the Trustees,
- ii. effected on the life of the Member, and
- iii. payable in accordance with the Member's Benefit Details and from the Retirement Date throughout the further lifetime of the Member

UNLESS Rule 9.3 applies.

A minimum period of payment not exceeding ten years may apply in respect of any Lifetime Annuity to which a Member becomes entitled under this Rule, in which case, in the event of the death of the Member within that minimum period, payment of the annuity shall continue to any Dependant who shall have been nominated for this purpose by the Member in a notice to the Trustees and who survives the Member or, failing that, to the legal personal representatives of the Member.

## 9.3 Joint Life Annuity Option

At the request of a Member in respect of whom a Lifetime Annuity is to be purchased under Rule 9.2, that part of the Proceeds of the Member's Policy which would otherwise have been applied to purchase that Lifetime Annuity shall be applied to purchase a reduced annuity which shall be:

- i. purchased from an Insurer which the Member has had an opportunity to select and, if the Member does not make a selection, has been selected by the Trustees,
- ii. effected on the lives of the Member and any Dependant nominated by the Member in the request, and
- iii. payable from the Retirement Date of the Member throughout the further lifetime of the Member as the Member's Lifetime Annuity and payable from the death of the Member throughout the further lifetime (if any) of the nominated Dependant as a Dependant's Annuity but otherwise subject to the Member's Benefit Details

EXCEPT THAT:

- a. no minimum period of payment shall apply to the Dependant's Annuity, and
- b. the amount of any Dependant's Annuity payable to the nominated Dependant shall not be greater than the amount of the reduced annuity payable to the Member.

### 9.4.1 Unsecured Pension

If on a Member's Retirement Date:

- i. the Member elects in accordance with Rule 9.1 that the Proceeds of the Member's Policy shall be applied to provide an Unsecured Pension and
- ii. the Trustees are in receipt of a valid request from the Member to transfer his Unsecured Pension Fund in accordance with Rule 12

the Trustees shall designate the Proceeds of the Member's Policy as the Member's Unsecured Pension Fund with effect from the Retirement Date

PROVIDED THAT:

- a. no income payments shall be made from the Member's Unsecured Pension Fund and
- b. if a transfer is not completed within 3 months after the Retirement Date the Member's Unsecured Pension Fund shall be applied to purchase a Lifetime Annuity in accordance with Rule 9.2.

#### 9.4.2 Calculation of Unsecured Pension Limits

Although no income payments are payable from the Member's Unsecured Pension Fund, the Trustees shall calculate and record the basis amount and reference period as defined in paragraph 24 of Schedule 28 to the Finance Act in respect of the Member's Unsecured Pension by reference to the Proceeds of the Member's Policy which represent the Member's Unsecured Pension Fund and the current tables of annuity rates prepared by the Government Actuary's Department for the purpose of calculating the Relevant Annuity.

#### 9.5 Pension Commencement Lump Sum

If a Member so requests, on the application of the Proceeds of the Member's Policy to provide a Lifetime Annuity in accordance with Rule 9.2 or a joint life annuity under Rule 9.3 or on the designation of the Proceeds of the Member's Policy as the Member's Unsecured Pension Fund in accordance with Rule 9.4.1, the Member may elect that part or all of the Proceeds which would otherwise be so applied be instead applied to pay to the Member a Pension Commencement Lump Sum, subject to the following conditions:

- i. the Pension Commencement Lump Sum shall be paid within 12 months following the Retirement Date defined in Rule 9.1,
- ii. no Pension Commencement Lump Sum shall be paid after the Member has attained age 75 unless it is paid within 12 months of the Retirement Date and the Member had not attained age 75 at the Retirement Date,
- iii. the Pension Commencement Lump Sum shall not exceed the lesser of:
  - a. 25% of the current Standard Lifetime Allowance after the deduction of the aggregate adjusted Previously Crystallised Benefits calculated in accordance with paragraph 2 of Schedule 29 to the Finance Act, and

b. where the Member becomes entitled:

- i. to Unsecured Pension, 25% of the Proceeds of the Member's Policy crystallised by that Benefit Crystallisation Event,
- ii. to a Lifetime Annuity, 25% of the Proceeds of the Member's Policy that would but for his election under this Rule 9.5 be applied to purchase the Lifetime Annuity (Rule 9.2) or joint-life annuity (9.3) but excluding any amount which has previously formed part of the Member's Unsecured Pension Fund

UNLESS the Member is entitled to a Pension Commencement Lump Sum of a greater amount in accordance with and through the operation of the provisions of Part 3 of Schedule 36 to the Finance Act, in which case the Pension Commencement Lump Sum shall not exceed that greater amount.

#### 9.6 Serious Ill-health

The Trustees may pay the whole of the Proceeds of a Member's Policy at the Retirement Date to the Member as a Serious Ill-Health Lump Sum PROVIDED THAT the Member has not attained age 75 and the Trustees have received evidence from a registered medical practitioner that the Member is expected to live for less than one year.

#### 9.7 Benefits at Age 75

Unless the second paragraph of Rule 8.3 applies, or the Member has elected for a transfer payment in accordance with Rule 9.1.ii.b, on a Member's attainment of age 75 the Trustees shall apply any Proceeds of the Member's Policy which:

- i. have not at that time been applied in accordance with Rules 9.2 to 9.5, or
- ii. have been designated as the Member's Unsecured Pension Fund in accordance with Rule 9.4.1 and not subsequently transferred in accordance with Rule 12.2

to purchase a Lifetime Annuity in accordance with Rule 9.2.

### 9.8 Trivial Commutation

Where the Proceeds of a Member's Policy are realised to provide a Lifetime Annuity or Unsecured Pension in accordance with Rules 9.2 to 9.4 and PROVIDED THAT:

- i. the Proceeds do not exceed the Trivial Amount,
- ii. the Member has attained age 60 and has not attained age 75, and
- iii. the payment satisfies the conditions of paragraph 7 of Schedule 29 to the Finance Act relating to trivial commutation lump sums,

the Proceeds shall be paid to the Member less any tax due in respect of the payment which the Trustees shall deduct and account for.

### 9.9 Lifetime Allowance Excess

Any Proceeds of a Member's Policy which exceed the Member's remaining Lifetime Allowance at the date on which the Member becomes entitled to benefits under the Plan in accordance with Rule 8.1 shall, after the deduction of any tax for which the Trustees are liable to account in respect of the payment, be applied by the Trustees to provide a Lifetime Allowance Excess Lump Sum to the Member or, if the Member so elects, shall be applied to secure an annuity payable to the Member in accordance with Rule 9.2 or Rule 9.3 or to provide an Unsecured Pension in accordance with Rule 9.4.1.

## 10 Death in Service Benefits

### 10.1 Uncrystallised Funds

If a Member dies in Pensionable Service, or after leaving Pensionable Service and before the attainment of age 75, the Proceeds of the Member's Policy which represent the Member's Uncrystallised Funds under the Plan at the date of his death shall be applied:

- i. to pay an Uncrystallised Funds Lump Sum Death Benefit in accordance with Rule 10.3, and
- ii. if the Trustees so determine, to provide a Dependant's Annuity for one or more of the Dependants of the Member which shall be payable in accordance with Rule 10.5.

### 10.2 Cash Sum on Death

If a Member dies:

- i. in Pensionable Service, or
- ii. in Service and the Employer in its absolute discretion has decided to provide the Cash Sum on Death following the cessation of the Member's Pensionable Service in accordance with the event described in ii. of the first paragraph of Rule 8.4,

and in either case

- a. the Member has not attained age 75,
- b. the Member has not reached Normal Retirement Date, and
- c. the Member has Uncrystallised Funds under the Plan

the Trustees shall pay the Cash Sum on Death (if any) described in Rule 3.4.

The Cash Sum on Death (if any) shall be paid in accordance with:

- i. Rule 10.3, and
- ii. the conditions relating to defined benefit lump sum death benefits set out in paragraph 13 of Schedule 29 to the Finance Act.

### 10.3 Payment of Lump Sums

The Trustees shall, within two years after the death of the Member, or if later two years from the date on which the Trustees could reasonably be expected to have known of the Member's death, have power to pay or apply any:

- i. Uncrystallised Funds Lump Sum Death Benefit under Rule 10.1,
- ii. Cash Sum on Death under Rule 10.2, and
- iii. Unsecured Pension Fund Lump Sum Death Benefit under Rule 11.1

as they shall think fit and in the proportions (if any) as they shall decide to or for the benefit of any one or more of the following beneficiaries:

- a. any Dependant of the Member,

- b. any relative, ancestor or descendant of the Member or of the spouse or Civil Partner of the Member,
- c. any other individual, charity or club (or similar organisation) of whom or which the Member shall have given notice to the Trustees,
- d. the legal personal representatives of the Member.

If the exercise of the Trustees' power under this Rule has not been completed within two years after the death of the Member, or if later two years from the date on which the Trustees could reasonably be expected to have known of the Member's death, the lump sum or, if applicable, any remaining part of the lump sum shall be applied to provide a Dependant's Annuity for one or more Dependents in accordance with Rule 10.5 below or Rule 8.7.

In applying any monies under this Rule to or for the benefit of any person the Trustees shall have power to pay the same by way of settlement to trustees for the benefit of such person and may delegate to such trustees any power which they, the Trustees, may exercise under this Rule.

#### 10.4 Spouse's Pension

If a Member dies in Pensionable Service or in Service and the Employer in its absolute discretion has decided to provide a Spouse's Pension following the cessation of the Member's Pensionable Service in accordance with the event described in ii. of the first paragraph of Rule 8.4, and in either case

- i. the Member has not attained the age 75,
- ii. the Member has not reached Normal Retirement Date, and
- iii. the Member has Uncrystallised Funds under the Plan

the Trustees shall provide the Spouse's Pension (if any) described in Rule 3.3.

The Spouse's Pension (if any) shall be paid in accordance with Rule 10.5 and the conditions relating to Dependant's Annuities set out in paragraph 16 of Schedule 28 to the Finance Act.

#### 10.5 Dependant's Annuity and Spouse's Pension

The Trustees shall, subject to Rule 10.6 below, provide any Dependant's Annuity or Spouse's Pension aforesaid by the purchase of an annuity or annuities which shall be –

- i. effected on the life of any such Dependant of the Member,
- ii. payable from the death of the Member or if any annuity payable in respect of the Member is guaranteed to be paid for a certain period from the end of the guaranteed period if later than the death of the Member throughout the further lifetime of the Dependant EXCEPT THAT if the Dependant is a Child who is not dependent due to physical or mental impairment, the annuity shall cease in any event at the earlier of the date when the Child dies or attains a specified age (not being earlier than age 18 nor later than age 23).

#### 10.6 Trivial Commutation of Death Benefits

As long as the payment satisfies the conditions of Schedule 29 to the Finance Act relating to Trivial Commutation Lump Sum Death Benefits:

- i. if the value of the Spouse's Pension to be provided in accordance with Rule 10.4 does not exceed the Trivial Amount that Spouse's Pension shall be commuted and paid to the Spouse in lump sum form less any tax due in respect of the payment, and
- ii. if the amount of the Proceeds of a Member's Policy to be applied to purchase a Dependant's Annuity does not exceed the Trivial Amount, the Proceeds which would otherwise have been applied to provide that Dependant's Annuity shall be paid to the Dependant in lump sum form less any tax due in respect of the payment.

## 11 Death Benefits – Crystallised Benefits

### 11.1 Death Before Age 75

In the event of the death of a Member who has not attained age 75, any part of the Member's Policy which constitutes the Member's Unsecured Pension Fund shall be realised by the Trustees and used to provide either or both of the following benefits as the Member may have elected during his or her lifetime and if the Member has not made such an election, as the Trustees may decide:

- i. a Dependant's Annuity payable in accordance with Rules 10.4 and 10.5, or
- ii. an Unsecured Pension Fund Lump Sum Death Benefit payable subject to and in accordance with the following paragraph of this Rule 11.1.

The Trustees shall deduct from the Member's Unsecured Pension Fund any tax due in respect of the payment of an Unsecured Pension Fund Lump Sum Death Benefit and shall pay the Unsecured Pension Fund Lump Sum Death Benefit to one or more Dependants determined in accordance with Rule 10.3.

### 11.2 Death After Age 75

In the event of the death of a Member who has attained age 75, any remaining part of the Member's Policy shall be realised by the Trustees and used, if the Member is survived by a Dependant, to provide one or more Dependants' Annuities payable in accordance with Rules 10.4 and 10.5 and if the Member is not survived by a Dependant to pay a charity lump sum death Benefit in accordance with the following paragraph of this Rule 11.2.

A charity lump sum death Benefit shall be paid in accordance with the conditions set out in paragraph 18 of Schedule 29 to the Finance Act to one or more charities nominated and in proportions chosen by the Member during his or her lifetime and if the Member has made no such nomination the Trustees shall select the charity or charities and the proportions.

- i. if the Other Pension Scheme is an Occupational Pension Scheme, the Trustees shall give the trustees of the Other Pension Scheme a certificate stating the amount (if any) of the Proceeds of the Member's Policy transferred attributable to the contributions paid by the Member to the Plan and the restrictions imposed by the Rules on the return of such contributions to the Member,
- ii. where the Member is prospectively entitled in respect of the transfer to lump sum rights under the Other Pension Scheme of more than 25 per cent of the Proceeds of the Member's Policy, the Trustees shall supply the said trustees or administrator with a certificate of the the Member's maximum lump sum rights and uncrystallised rights under the Plan as at 5 April 2006 in respect of such transfer,
- iii. the Trustees shall provide the trustees or administrator of the Other Pension Scheme with such other information, evidence, certificates and authorities as may be required by any legislation then in force affecting transfer payments,
- iv. if the Other Pension Scheme is a scheme the assets of which are solely comprised of insurance policies, the Trustees shall only make the transfer directly to the Insurer or scheme administrator of the Other Pension Scheme,
- v. if the Other Pension Scheme is a Section 32 Policy, the Trustees shall transfer the Proceeds of the Member's Policy to an Insurer of the Member's choice to be applied as a single premium to secure in the Member's name the Section 32 Policy which shall be subject, amongst others, to the following conditions:

- a. with the Trustees' consent the Policy may provide any benefits for or in respect of the Member provided they constitute authorised member payments within the meaning of section 164 of the Finance Act and PROVIDED THAT any benefit provided under the Policy must be increased to the extent required under The Occupational Pension Schemes (Discharge of Liability) Regulations 1997,
- b. any benefit to be provided under the Policy shall be non-assignable and, except to the extent that any lump sum would constitute an authorised member payment, non-commutable, and

## 12 Transfers Out

### 12.1 Transfers of Uncrystallised Funds

If a Member who has left Pensionable Service and has not attained age 75 exercises his right under (a) of Rule 8.4 to a transfer to another Registered Pension Scheme, a Section 32 Policy or a Qualifying Recognised Overseas Pension Scheme (the 'Other Pension Scheme'), the Trustees shall, unless the Pensions Regulator shall otherwise determine, within six months of the receipt of the written request of the Member transfer the Proceeds of the Member's Policy which represent the Member's Uncrystallised Funds under the Plan to the trustees or administrator of that Other Pension Scheme PROVIDED THAT –

- c. if the Member is admitted to membership of an Other Pension Scheme (as defined above) and the Section 32 Policy so permits the Policy may at the written request of the Member be assigned to the administrator or the trustees of that Other Pension Scheme or surrendered and the surrender value transferred to the administrator or the trustees of that Other Pension Scheme subject to the Insurer of the Policy providing the administrator or the trustees of that Other Pension Scheme with such information, evidence, certificates and authorities as the Insurer may be required to provide by HMRC or any legislation then in force affecting transfer payments,
- vi. if the Member requests a transfer to more than one Other Pension Scheme, the Proceeds of the Member's Policy shall be divided between those Other Pension Schemes in such proportions as the Member shall decide and notify to the Trustees in writing, and
- vii. if without reasonable excuse the Trustees fail to apply the Proceeds of the Member's Policy in accordance with the Member's written request under this Rule within six months of the date of receipt by the Trustees of the written request from the Member the Proceeds will be increased in accordance with Regulation 10(2) of the Occupational Pension Schemes (Transfer Value) Regulations 1996.

### 12.2 Transfers of Crystallised Funds

If the Proceeds of a Member's Policy have become designated as the Member's Unsecured Pension Fund in accordance with Rule 9.1.i.b or Alternatively Secured Pension Fund in accordance with Rule 9.1.ii.b, the Trustees shall transfer the Proceeds of the Member's Policy which represent the Member's Crystallised Funds under the Plan to the trustees or administrator of another Registered Pension Scheme or Qualifying Recognised Overseas Pension Scheme of which the Member has supplied details in writing to the Trustees PROVIDED THAT the Trustees shall only make a transfer in accordance with this Rule 12.2 if:

- i. the transfer is a recognised transfer within the meaning of section 169 of the Finance Act, and
- ii. the transfer will be applied under that scheme in accordance with the requirements of the Registered Pension Schemes (Transfer of Sums and Assets) Regulations 2006.

## 13 Dissolution

### 13.1 Seccession of an Associated Employer

If any Associated Employer decides to secede from the Plan, begins to wind up, ceases to trade or ceases to be one of the Employers, the Associated Employer shall cease to participate in the Plan and the Principal Employer shall immediately notify the Trustees of the cessation and the date of cessation. Any Member whose Pensionable Service by reference to the Associated Employer has not otherwise ceased by the aforementioned date shall, unless he shall forthwith enter the Pensionable Service of another of the Employers, be entitled to benefit in accordance with and subject to Rule 8.4 as though his Service had been terminated on the date of cessation.

### 13.2 Dissolution

The Plan shall terminate and its assets shall be applied in accordance with this Rule on the occurrence of the earliest of the following events ('the date of dissolution'):

- i. the expiry of 80 years from the Commencement Date (unless there is legislation then in force permitting the Plan to continue for a longer period or in perpetuity),
- ii. the expiry of three months' notice given by the Principal Employer to the Trustees of the Principal Employer's decision to terminate the Plan provided the Trustees have consented to such decision, or the earlier cessation of contributions to the Plan except that the Trustees may maintain the Plan in paid-up form until such time as they decide to terminate the Plan in accordance with this Rule,
- iii. the making of an Order of the Court or the passing of a Resolution to wind-up the Principal Employer or the date the Principal Employer ceases to trade or ceases to be one of the Employers (unless another employer shall forthwith assume the obligations of the Principal Employer under the Plan) and the Principal Employer shall notify the date of the relevant event aforesaid to the Trustees,
- iv. the issue by the Pensions Regulator of an order in accordance with section 11 of the Pensions Act.

### 13.3 Dissolution Benefits

In the event of termination of the Plan in accordance with Rule 13.2, the following provisions shall have effect:

- i. any annuity effected by the Trustees under the Rules and still subject to the trusts of the Plan at the date of dissolution shall be assigned by the Trustees to the respective annuitant and remain subject to its existing terms and conditions,
- ii. the Proceeds of each Member's Policy as at the date of dissolution shall:
  - a. be applied to purchase immediate or deferred annuities (as appropriate) to secure the benefits which would have been provided in respect of the Member and/or his Dependants under the Plan in accordance with Rule 9 as though the Member had elected the date of dissolution as the Retirement Date, or
  - b. if the Trustees so require and in lieu of providing the benefits set out in a. above and subject to Regulation 9 of The Occupational Pension Schemes (Preservation of Benefit) Regulations 1991 be applied to secure in the Member's name and without the Member's consent a Section 32 Policy,

but subject in any event to the following provisions which shall override anything to the contrary in this Rule 13:

- i. if:
  - a. the Proceeds of the Member's Policy do not exceed the Trivial Amount,
  - b. the Member has not attained age 75,
  - c. the Member's Employer undertakes to HMRC not to make contributions to another Registered Pension Scheme in respect of the Member during the period of one year following the payment made in accordance with this Rule, and
  - d. the payment satisfies the conditions of Schedule 29 to the Finance Act relating to Winding Up Lump Sums,

the Proceeds, less any tax due in respect of the payment, may be paid to the Member as a Winding Up Lump Sum and any further entitlement to benefit under the Plan shall be cancelled,

- ii. the Member may exercise options a., b. or d. of Rule 8.4 only as at the date of dissolution and, if he does so, any further entitlement to benefit under the Plan shall be cancelled,
- iii. any annuity effected pursuant to this Rule shall be granted to the Member or, if applicable, the spouse or other Dependant of the Member.

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