

Deed of Variation to adopt consolidated trust deed and rules

TfL Pension Fund

Sackers

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4157-0971-3204_4

THIS DEED IS MADE this 2nd day of December

2022

BETWEEN:

- (1) **TRANSPORT FOR LONDON**, a body corporate established by statute of 5 Endeavour Square, London E20 1JN ("**TfL**"); and
- (2) **TfL TRUSTEE COMPANY LIMITED** (registered no 2338675) whose registered office is at 200 Buckingham Palace Road, London SW1W 9TJ (the "**Trustees**")

BACKGROUND

- (A) The TfL Pension Fund (the "**Fund**") was established with effect from 1 January 1988 by an interim trust deed dated 26 November 1986 to provide retirement pensions and other benefits.
- (B) The Fund is currently governed by a trust deed and rules scheduled to a deed of variation dated 19 December 2008 as amended (respectively the "**Definitive Trust Deed**" and the "**Rules**").
- (C) Schedule 1 to this deed sets out details of the deeds of variation and resolutions to which this deed is supplemental.
- (D) The Trustees are the present sole trustee of the Scheme.
- (E) Under Clause 15 of the Definitive Trust Deed the Trustees and TfL may at any time by deed amend of the provisions of the Definitive Trust Deed subject to certain restrictions which are not infringed by this deed.
- (F) Under Rule 44 of the Rules, the Rules may be amended by the Trustees (including retrospectively) provided that the amendment be first confirmed by a resolution of TfL and, if contributions or benefits are affected in any way, by the Actuary of the Scheme. The amendment must also be confirmed by a resolution of Members (as defined in the Rules) at a General Meeting if the benefits payable or prospectively payable to any person are adversely affected. Rule 44 is subject to certain conditions referred to below and subject to certain restrictions which are not affected by this deed.
- (G) The Trustees and TfL wish to amend the Definitive Trust Deed and the Rules to:
 - (a) consolidate the provisions of the Definitive Trust Deed and the Rules into one document;
 - (b) where not otherwise inconsistent with the context of subject matter of the Definitive Trust Deed and Rules adopt gender neutral terms;
 - (c) append to the Rules Appendix 4 setting out brief details of the deeds of variation entered into before 23 March 2000;
 - (d) incorporate definitively into the provision of the Rules the terms of a resolution of the Trustees (agreed by TfL) dated 11 May 2020; and
 - (e) make such other amendments that they have agreed are desirable.

(H) The proposed amendments have been confirmed by a resolution of TfL. The nature of the amendments is such that they do not need to be confirmed by the Actuary or by a resolution of the Scheme Members at a General Meeting.

NOW THIS DEED WITNESSES that with effect from the date of this Deed:

1. The Trustees and TfL hereby amend the Definitive Trust Deed so that the provisions of the Definitive Trust Deed are deleted in their entirety and replaced by the new provisions set out in Schedule 2 to this Deed. Certain Clauses, including Clause 14 and Clause 15, have not been amended and are re-stated in Schedule 2 for the purposes of consolidating the provisions governing the Fund.
2. The Trustees hereby amend the Rules so that the provisions of the Rules are deleted in their entirety and replaced by the new provisions in Schedule 3 to this Deed. Certain Rules, including Rule 44, have not been amended and are re-stated in Schedule 3 for the purposes of consolidating the provisions governing the Fund
3. The Trustees and TfL hereby confirm that the amendments made by this Deed do not affect the provisions of the Deed of Confirmation dated 7 February 2008 which remain in full force and effect.

IN WITNESS WHEREOF these presents have been entered into as a deed on the day and year first before written.

THE COMMON SEAL of TRANSPORT FOR LONDON was affixed to this Deed in the presence of:

Horatio Chishimba
TfL Governance Officer
Authorised Signatory



THE COMMON SEAL of TfL TRUSTEE COMPANY LIMITED was affixed to this Deed in the presence of:)
)
)

Maria Antoniou
P.J. Murphy



SCHEDULE 1

Date	Document	Parties	
26 November 1986	Interim Trust Deed establishing the Fund	1	London Regional Transport
		2	Individual trustees
31 March 1989	Definitive Trustee Deed and Rules	3	London Regional Transport
		4	LRT Pension Fund Trustee Company Limited
11 May 1993	Order of the Court directing to amend the Definitive Deed added 31 March 1989 for the purposes of giving effect to or amplify the declarations contained in the Court Order		
16 July 1993	Deed amending the provisions of the Definitive Trust Deed with Revised Rules attached to give effect to the Court Order and make other changes	5	London Regional Transport
		6	LRT Pension Fund Trustee Company Limited
29 September 1994	Deed of Variation	1	London Regional Transport
		2	LRT Pension Fund Trustee Company Limited
25 January 1996	Deed of Variation	1	London Regional Transport
		2	LRT Pension Fund Trustee Company Limited
26 March 1997	Deed of Variation	1	London Regional Transport
		2	LRT Pension Fund Trustee Company Limited
22 May 1997	Deed of Variation	1	London Regional Transport
		2	LRT Pension Fund Trustee Company Limited


Date	Document	Parties
13 November 1997	Deed of Variation	1 London Regional Transport 2 LRT Pension Fund Trustee Company Limited
1 July 1998	Deed of Variation	1 London Regional Transport 2 LRT Pension Fund Trustee Company Limited
11 October 1999	Deed of Variation	1 London Regional Transport 2 LRT Pension Fund Trustee Company Limited
19 October 1999	Deed of Variation	1 London Regional Transport 2 LRT Pension Fund Trustee Company Limited
23 March 2000	Deed of Variation introducing new Definitive Trust Deed and Rules	1 London Regional Transport 2 LRT Pension Fund Trustee Company Limited
11 April 2001	Deed of Amendment	3 London Regional Transport 4 LRT Pension Fund Trustee Company Limited
8 January 2002	Deed of Variation	5 London Regional Transport 6 LRT Pension Fund Trustee Company Limited
15 July 2003	Deed of Amendment and Substitution	7 London Regional Transport 8 Transport for London 9 LRT Pension Fund Trustee Company Limited
6 July 2004	Deed of Variation	10 Transport for London 11 LRT Pension Fund Trustee Company Limited

Date	Document	Parties
11 March 2005	Deed of Variation	12 Transport for London
		13 TfL Trustee Company Limited
6 April 2006	Resolution	TfL Trustee Company Limited
6 April 2006	Deed of Variation	14 Transport for London
		15 TfL Trustee Company Limited
7 March 2007	Deed of Variation	16 Transport for London
		17 TfL Trustee Company Limited
7 March 2007	Deed of Variation	18 Transport for London
		19 TfL Trustee Company Limited
26 March 2007	Resolution	20 TfL Trustee Company Limited
7 February 2008	Deed of Confirmation	21 Transport for London
		22 TfL Trustee Company Limited
31 March 2008	Deed of Variation	23 Transport for London
		24 TfL Trustee Company Limited
1 April 2008	Deed of Variation	25 Transport for London
		26 TfL Trustee Company Limited
		27 Metronet Rail BCV Limited
		28 Metronet Rail SSL Limited
		29 Alan Robert Bloom and others
19 June 2008	Resolution	TfL Trustee Company Limited.
19 December 2008	Deed of Variation	30 Transport for London
		31 TfL Trustee Company Limited
7 February 2009	Deed of Confirmation	1 Transport for London
		2 TfL Trustee Company Limited

Date	Document	Parties
26 March 2010	Deed of Variation	1 Transport for London 2 TfL Trustee Company Limited
15 February 2013	Deed of Variation	1 Transport for London 2 TfL Trustee Company Limited
1 October 2014	Deed of Variation	1 Transport for London 2 TfL Trustee Company Limited
10 June 2016	Deed of Variation	1 Transport for London 2 TfL Trustee Company Limited
27 March 2020	Trustee resolution	TfL Trustee Company Limited

SCHEDULE 2

Revised definitive trust deed



Trust Deed and Rules

TFL Pension Fund

The footnotes to the Trust Deed and Rules explain:

Changes made by all deeds of variation / resolutions since 23 March 2000.

Changes made by the deed adopting the provisions of this Trust Deed and Rules.

Definitive trust deed

TfL PENSION FUND¹
TRUST DEED

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¹ The heading was changed by clause 1(a) of the deed of variation dated 11 March 2005.

FIRST SCHEDULE

THE TRUST DEED OF THE TfL PENSION FUND²

1 NAME³

This retirement benefits scheme is called the TfL Pension Fund.

1A DEFINITIONS

The definitions set out in the Rules contained in the Second Schedule shall also apply for the purposes of this Deed.

2 COMMENCEMENT DATE

The Scheme was established with effect from 1 April 1989 under the provisions of an Interim Trust Deed dated 26 November 1986 ("the Interim Deed").

3 PRINCIPAL TRUST

The Trustees shall hold the Fund upon the trusts and with and subject to the powers and provisions contained in the Interim Deed and this Deed and to be applied in accordance with the Interim Deed, this Deed and the Rules.

4 PURPOSE OF SCHEME⁴

(1) The purpose of the Scheme is the provision of retirement pensions and other benefits for and in respect of such of the following persons as are or become eligible to participate in the Scheme in accordance with the provisions and regulations governing the Scheme set out in this Deed and in the Rules.

(2) Those persons are:

- (a) the employees and former employees of the Principal Employer and any other Participating Employer or former Participating Employer, and
- (b) the members of the Board of the Principal Employer⁵.

5 ENTRENCHMENT

The Principal Employer covenants with the Trustees that it will not, by itself or its nominees, without the consent of a majority of each of the two groups of directors of the Trustees, namely the TfL nominated directors⁶ and the other nominated directors, exercise any of the rights vested in it as a

² The heading was changed by clause 1(b) of the deed of variation dated 11 March 2005.

³ This clause was inserted by clause 1(c) of the deed of variation dated 11 March 2005.

⁴ The whole of this clause was amended by clause 1 of the deed of variation dated 11 April 2001.

⁵ This clause was amended by clause 1(d) of the deed of variation dated 11 March 2005.

⁶ This clause was amended by clause 1(c) of the deed of variation dated 11 March 2005

shareholder of the Trustees to effect any amendment of the Memorandum or Articles of Association of the Trustees or to appoint or remove any director or officer of the Trustees. The Principal Employer covenants with the Trustees that it will not sell, transfer or otherwise dispose of the shares in the Trustees unless the proposed purchaser or transferee has first entered into covenants with the Trustees in or substantially in the same form as the covenants contained in this Clause.

5A REPLACEMENT OF PRINCIPAL EMPLOYER⁷

- (1) Subject to Clauses 5A(2), (3) and (4)⁸ any person (the "New Principal Employer") may by deed become the Principal Employer under the Scheme instead of the person who is, immediately before that deed takes effect, the Principal Employer (the "Old Principal Employer").
- (2) The power in Clause 5A(1) can only be exercised if the Trustees consent and either the Old Principal Employer consents or it has been dissolved.
- (3) The New Principal Employer must covenant with the Trustees to undertake the obligations and liabilities of Principal Employer under the Scheme.
- (4) The Old Principal Employer shall be released from all obligations and liabilities under this Deed which apply to it as Principal Employer (excluding any rights, liabilities or obligations arising prior to the exercise of the power in Clause 5A(1), or at any time under section 75 of the 1995 Act and associated regulations) upon the New Principal Employer giving an undertaking to the Trustees as provided in Clause 5A(3).

6 ADMINISTRATION OF THE SCHEME

The Scheme shall be administered, managed, dealt with and disposed of by the Trustees in accordance with the terms of the Interim Deed, this Deed and the Rules.

7 INVESTMENT AND MANAGEMENT POWERS AND DUTIES

- 7.1 The Trustees shall have the following powers which they may exercise in such manner as they think fit:
- (1) power to invest in, acquire, dispose of, lend or otherwise deal in or undertake to deal in any property, currencies, assets, rights, assurances, contracts or interests; and
 - (2) power to retain monies comprised in the Fund in cash in any currency or upon deposit or current account with any deposit taking institution or bank without being liable for any gain forgone; and
 - (3) power to apply the Fund in repairing, maintaining, demolishing, moving, storing, developing, improving any assets of the Scheme or insuring any assets of the Scheme or against any liabilities in connection with the Scheme; and
 - (4) all other powers relating to such properties, currencies, assets, rights, assurances, contracts and interests forming part of the Fund which the Trustees would have if they were absolutely and beneficially entitled to the Fund.
- 7.2 (a) The Trustees must comply with the requirements contained in the 1995 Act for the preparation, maintenance and revision of a statement of the principles governing

⁷ This clause was inserted by clause 1 of the deed of variation and substitution of principal employer dated 15 July 2003. Clause 5A(3) has been deleted.

⁸ Throughout the trust deed and rules references to sub-clauses and sub-rules have been simplified.

decisions about investments. In exercising their powers under this Clause 7, the Trustees must also comply with the requirements of the 1995 Act relating to investments and the need to obtain proper advice about investments.

- (b) The Trustees may adopt a different investment policy for each Section. When reviewing their investment policy, the Trustees will consider the investment policy for each Section separately and will consult with the Participating Employer or Participating Employers of that Section and obtain proper investment advice in accordance with the 1995 Act when they do so.⁹

7.3 The Trustees must comply with the provisions of section 40 of the 1995 Act relating to employer related investments.

7.4 The Trustees may secure the payment of any ill-health pension, any pension for an Eligible Child or Dependant or any lump sum death benefit either:

- (1) by insuring those benefits with a Life Insurance Company; or
- (2) by establishing a risk pooling, or self-insurance, arrangement within the Scheme, whereby one or more of those benefits are to be met partly by other Sections.

Any premium paid under (1) above and the cost of the risk pooling arrangement under (2) above will be paid from the assets of each Section in such proportions as the Trustees will decide, having obtained the advice of the Actuary. If, in the Trustees' opinion, additional funds are required to meet the premium or additional cost, the Trustees may require one or more of the Participating Employers to pay an increased Employer's Contribution (of an amount decided by the Trustees having obtained the advice of the Actuary).¹⁰

7A UNITISED FUND¹¹

(1) In this Clause:

"Business Day" means any day on which The London Stock Exchange is open for business;

"Category" means one of the categories in the Unitised Fund, which will each be invested in a different type of investment, as determined from time to time by the Trustees under Clause 7A(4) below;

"Contribution" means a contribution made by a Participating Employer to the Unitised Fund in accordance with the Rules (including contributions paid by Members under Rule 12);

"Trade Date" means the first Business Day immediately following a Valuation Date and such other Business Days as the Trustees may decide are appropriate from time to time;

"Unit" means one undivided share in the Unitised Fund;

"Unitised Fund" means the fund comprising all of the assets of the Scheme except:

- (a) cash (other than cash which is being managed as cash by a fund manager);
- (b) assets derived from Voluntary Contributions;

⁹ Inserted by paragraph 1(1) of schedule 2 to the deed of variation dated 11 April 2001.

¹⁰ This clause was inserted by paragraph 1(2) of schedule 2 to the deed of variation dated 11 April 2001.

¹¹ The whole of this clause was inserted by paragraph 2 of schedule 2 to the deed of variation dated 11 April 2001.

- (c) any direct or indirect interests in land or buildings; and
- (d) any other assets which the Trustees decide from time to time shall not form part of the Unitised Fund.

"Valuation Date" means 1 April 2001 and, after that, the last Business Day in each calendar month and any other Business Day (other than a Trade Date or the Business Day immediately preceding a Valuation Date) which the Trustees may from time to time decide is appropriate for valuation of the Unitised Fund, the Units and the Contributions.

- (2) The Trustees may establish and administer an arrangement whereby the assets of each Section are invested in a Unitised Fund. The following paragraphs apply if they do so.
- (3) The Trustees will having obtained the advice of the Actuary and a suitably qualified investment adviser adopt, and may from time to time amend, regulations governing the Unitised Fund and will issue them to the Participating Employers. The matters for decision by the Trustees which are referred to in the remainder of this Clause 7A will be determined in accordance with those regulations.
- (4) The Unitised Fund will be divided into Categories. The Trustees will decide how the investments underlying the Unitised Fund will be initially allocated between the Categories and may from time to time decide to add to or reduce the number of Categories, and to divide, amalgamate or otherwise change the composition of any one or more of the Categories if they decide it is appropriate. The Trustees will decide the method of valuing the Units in each Category, which may differ depending on the type of investment in which the Category is invested.
- (5) Any valuation made by the Trustees of the value of the Unitised Fund, a Unit, a Contribution or any investment shall be conclusive and binding on each Participating Employer.
- (6) The allocation of Units will take effect on each Trade Date. In respect of any one Section, if there is a net inflow of funds during the period between one Trade Date and the next, the Trustees will allocate Units to that Section to the value of that net inflow and if there is a net outflow of funds during such a period, the Trustees will cancel Units of that Section to the value of that net outflow. The prices at which Units will be allocated and cancelled will be decided by the Trustees. The Trustees will decide the number of Units of each Category which will be allocated or cancelled to any one Section in accordance with the investment policy adopted in respect of that Section by the Trustees.
- (7) The Trustees may place any cash Contribution on deposit, in which case any interest earned between the date of the deposit and the next Trade Date (including any tax recoverable in respect of that interest) will form part of that Contribution.
- (8) When a Member of one Section¹²:
 - (a) becomes a Member of another Section and a transfer payment is made in respect of the Member in accordance with Rule 20(5); or
 - (b) opts-out, leaves Service, retires or dies and a transfer payment is made in respect of the Member in accordance with Rule 21A;

¹² By the adoption of this consolidation throughout the trust deed and rules, references to a person's sex have been changed to gender neutral terms, except where the context requires there to be a reference to a person's sex.

if Units form any part of that transfer payment, the appropriate number of Units will be cancelled in the transferring Section and allocated to the receiving Section in accordance with the arrangements described in paragraph (6) above unless the Trustees decide otherwise.

- (9) In respect of each Section, the Trustees will prepare as at each Valuation Date, a statement setting out the details of the transactions in Units, by Category, which have taken place since the last Valuation Date and the total number and Category of Units standing to the credit of each Section at the Valuation Date to which the statement relates.
- (10) As soon as practicable after the end of each Accounting Year¹³, the Trustees shall:
- (a) prepare an annual report and accounts setting out the transactions of the Unitised Fund during that year on such basis and in such detail as the Trustees may decide;
 - (b) if requested by a Participating Employer or if the Trustees otherwise think fit, arrange for these accounts to be audited by an auditor appointed by the Trustees; and
 - (c) send to each Participating Employer a copy of the annual report and accounts.

8 BORROWING

The Trustees may, for the purposes of the Scheme, borrow such sums as they may think fit, either on the security of investments comprised within the Fund or without security, and may pay interest on any such borrowings.

9 INVESTMENT MANAGERS¹⁴

- (1) (a) The Trustees may from time to time appoint any person or persons who satisfies the requirements of section 34 of the 1995 Act relating to fund managers to act as the Investment Manager or Investment Managers on such terms, and subject to such conditions, as the Trustees may from time to time agree with that person or those persons.
- (b) The Trustees may direct that the whole or any part of the Fund under the management of one Investment Manager be transferred to the management of another Investment Manager.
- (c) The Trustees may empower the Investment Manager to commingle all or any part of the Fund with other Funds of the Investment Manager or of the other customers of the Investment Manager or of any other person.
- (d) The Trustees may empower the Investment Manager to engage in transactions for the account of the Fund where the Investment Manager or persons connected with the Investment Manager are interested in the transaction or the transaction amounts to self-dealing on the part of the Investment Manager.
- (e) The Trustees shall have all powers necessary to give effect to the preceding provisions of this Clause 9.

¹³ This clause was amended by clause 1 of the deed of variation dated 6 July 2004.

¹⁴ The whole of this clause was inserted by paragraph 3 of schedule 2 to the deed of variation dated 11 April 2001.

- (2) The Investment Manager may be empowered to exercise or carry out the powers of investment set out in Clause 7 (Investment and Management Powers) in respect of that part of the Fund of which it is Investment Manager.
- (3) The Trustees may remove an Investment Manager and substitute any other person or persons as an Investment Manager on such terms as the Trustees think fit.
- (4)
 - (a) The Investment Manager shall be entitled to receive fees for its services on a basis agreed between the Trustees and the Investment Manager.
 - (b) The fees of the Investment Manager shall be treated as an expense of the Fund for the purpose of Rule 47 (Expenses).

10 DELEGATION¹⁵

The Trustees may also from time to time delegate to any person or persons including a person or persons appointed as the Trustees' agent by power of attorney¹⁶, on such terms as they shall think fit (which may include power to sub-delegate), such of the powers and discretions, other than those specified in Clause 9, vested in the Trustees under the Interim Deed, this Deed or the Rules as the Trustees shall think fit. Nothing in this Clause shall prevent the delegation of those powers and discretions specified in Clause 9 of the Trust Deed to a committee of directors in accordance with the Articles of Association of the Trustees. The Trustees may revoke or vary any delegation.

Subject to the 1995 Act, the Trustees will not be bound to supervise the action of the delegate or its sub-delegate or be in any way responsible for any loss (however caused) suffered as a result of any delegation or sub-delegation.

The Trustees must ensure that the persons required under the 1995 Act to be appointed as professional advisers are appointed in accordance with the 1995 Act.

11 NOMINEES

The assets of the Scheme may be held either in the name of the Trustees or in the name of any custodian or nominee for the Trustees on such terms as the Trustees shall determine.

12 DURATION

The trusts of the Scheme constituted by this Deed and the Interim Deed shall continue for a period not exceeding eighty years from the date of the Interim Deed unless before that date it is by legislation made or is otherwise determined to be lawful for the trusts to continue.

13 DISCONTINUANCE

Upon the discontinuance of the Scheme, the affairs thereof shall be wound up in accordance with the Rules and any surplus of the Fund remaining thereafter shall, subject to complying with the relevant requirements of the 1995 Act, be paid to the Principal Employer.

14 EXCLUSION OF BENEFIT TO THE PRINCIPAL EMPLOYER¹⁷

Except as provided in this Deed or the Rules or with the unanimous consent of the directors of the Trustees or as may be permitted by virtue of a modification order made by the Pensions Regulator

¹⁵ This clause was amended by clause 1 of the deed of variation t dated 31 March 2008.

¹⁶ This clause was amended by clause 1 of the deed of variation dated 10 June 2016.

¹⁷ This clause was updated to reflect statutory changes by the deed of variation dated 19 December 2008.

pursuant to section 69 of the 1995 Act (and subject in every case to any approval which may be required under the Finance Act 2004) no part of the Fund shall in any circumstances be payable or paid to the Principal Employer and no benefit from the Fund shall accrue to or be enjoyed by the Principal Employer.

14A. EXCLUSION OF BENEFIT TO PARTICIPATING EMPLOYERS¹⁸

The provisions of Clause 14 shall apply in relation to Participating Employers in the same way as they apply in relation to the Principal Employer.

15 AMENDMENT

The Trustees and the Principal Employer may at any time by Deed amend any of the provisions of this Deed other than this Clause and Clause 14, provided that such amendment shall not:

- (1) vary the main purposes of the Scheme as described in Clause 4;
- (2) authorise the application of monies otherwise than for the purposes of the Scheme;
- (3) reduce without his consent the benefit of any person already in receipt of a pension on the date of any such Deed;
- (4) extend the operation of the Scheme beyond the period specified in Clause 12 hereof except in the circumstances therein specified.

16 APPORTIONMENT IN RESPECT OF THE METRONET SSL AND METRONET BCV SECTIONS OF THE SCHEME¹⁹

- (1) In respect of the Metronet BCV Section of the Scheme, for the purposes of Section 75 of the 1995 Act ("Section 75") and Regulation 6(2)(b) of the Occupational Pension Schemes (Employer Debt) Regulations ("Regulation 6" and the "Employer Debt Regulations" respectively), the share of any difference to be calculated under Section 75 and Regulation 6 and payable by Metronet TMU Limited (registered number 03211465) upon an employer cessation event or other relevant event occurring in relation to it under Section 75 shall be £1 (one pound sterling) with the balance being apportioned to Metronet Rail BCV Limited (registered number 03923496) as the remaining Participating Employer in the Metronet BCV Section (or to any successor to it as Participating Employer under the Metronet BCV Section);
- (2) In respect of the Metronet SSL Section of the Scheme, for the purposes of Section 75 of the 1995 Act ("Section 75") and Regulation 6(2)(b) of the Occupational Pension Schemes (Employer Debt) Regulations ("Regulation 6" and the "Employer Debt Regulations" respectively), the share of any difference to be calculated under Section 75 and Regulation 6 and payable by Metronet REW Limited (registered number 03211492) upon an employment cessation event or other relevant event occurring in relation to it under Section 75 shall be £1 (one pound sterling) with the balance being apportioned to Metronet Rail SSL Limited (registered number 03923484) as the remaining Participating Employer in the Metronet SSL Section (or to any successor to it as Participating Employer under the Metronet SSL Section).
- (3) Notwithstanding any other provision of this Deed references to Section 75 or Regulation 6(2)(b) of the Employer Debt Regulations shall include any re-enactment for the time being in force but shall not include any modification unless the Principal Employer and the Trustees otherwise agree

¹⁸ This clause was amended by paragraph 4 of schedule 2 to the deed of variation dated 11 April 2001.

¹⁹ This clause was inserted by clause 2 of the deed of variation dated 1 April 2008.

SCHEDULE 3

Revised definitive rules

Definitive rules

TfL PENSION FUND²⁰

RULES

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²⁰ The heading was amended by clause 2(a) of the deed of variation dated 11 March 2005.

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SECOND SCHEDULE

RULES OF THE TfL PENSION FUND²¹

PRELIMINARY

1 INTRODUCTION

- (1) These Rules constitute the Rules of the Fund until such time as they may be altered as hereinafter provided.
- (2) The headings and marginal notes to these Rules shall not constitute any part of the Rules and are given for convenience and reference only.
- (3) Wherever the context permits, words in the singular include the plural, words in the plural include the singular, words importing the masculine gender include the feminine, words importing the feminine gender include the masculine, and references to month and year shall be construed as reference to calendar month and calendar year respectively.
- (4) References to legislation include regulations made under that legislation, modifications and re-enactments of that legislation and those regulations but only to the extent that they apply to the Scheme.
- (5) References to the 1995 Act and the 2004 Act are references to the relevant provisions of that Act (as applicable). Any reference to the requirements of the 1995 Act or the 2004 Act is a reference only to those requirements which are relevant and is not (unless expressly stated otherwise) a reference to any permissive provisions of that Act (as applicable).²²
- (6) Where a Guaranteed Minimum Pension is payable from the Scheme, on the death of a Member, to a surviving Civil Partner or a spouse of the same sex, that surviving Civil Partner or spouse of the same sex shall be entitled to such benefits in respect of the Guaranteed Minimum Pension as are prescribed by applicable legislation.²³

2A. DEFINITIONS²⁴

In these Rules the following expressions and words shall, so far as is not inconsistent with the context or the subject matter, have the meanings respectively assigned to them, namely:

"1993 Act" means the Pension Schemes Act 1993²⁵;

"1995 Act" means the Pensions Act 1995;

"2004 Act"²⁶ means the Pensions Act 2004;

"Accounting Year"²⁷ means a year commencing on 1 April and finishing on the following 31 March. This is the "scheme year" for the purposes of the Occupational Pension Schemes Disclosure of

²¹ The heading was amended by clause 2(b) of the deed of variation dated 11 March 2005.

²² The rule was amended to reflect statutory changes by the deed of variation dated 19 December 2008.

²³ This rule has been amended to reflect interim amendments made in clause 1 and 2 of the deed of variation dated 1 October 2014 with effect on and from 13 March 2014.

²⁴ Throughout the definitions, the words "the" or "a" that appear before any definition have been deleted.

²⁵ The definition has been simplified by this consolidation.

²⁶ This definition was inserted to reflect statutory changes by the deed of variation dated 19 December 2008.

²⁷ This definition was inserted by clause 2 of the deed of variation dated 6 July 2004.

Information Regulations 1996 and the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996;

"Actuary"²⁸ means a person or a firm or a limited liability partnership ("LLP") or a company appointed for the time being by the Trustees, being a Fellow of the Institute of Actuaries or of the Faculty of Actuaries, or a firm of such Actuaries (in which at least 50% of partners are Actuaries), or an LLP of such Actuaries (in which at least 50% of LLP members are Actuaries), or a company providing actuarial services;

"Appropriate Percentage" means 100 per cent, except in the case of LUL Company Plan Employees where it means:

90 per cent multiplied by the proportion of Total Membership which relates to periods of Service up to and including 5 April 1998;

plus

- (1) 95 per cent multiplied by the proportion of Total Membership which relates to periods of Service after 5 April 1998 up to and including 4 April 1999 where the Member leaves Service on or before 4 April 1999; or
- (2) 100 per cent multiplied by the proportion of Total Membership which relates to periods of Service after 5 April 1998 where the Member leaves Service after 4 April 1999;

Except that, for the purpose of assessing Pensionable Salary under Rule 26, the Appropriate Percentage for an LUL Company Plan Employee shall be:

- (i) 90 per cent if the LUL Company Plan Employee died (in relation to Rule 26(1)) or left Service (in relation to Rule 26(2)) before 6 April 1998;
- (ii) 95 per cent if the LUL Company Plan Employee died (in relation to Rule 26(1)) or left Service (in relation to Rule 26(2)) on a date from 6 April 1998 to 4 April 1999, inclusive; and
- (iii) 100 per cent if the LUL Company Plan Employee died (in relation to Rule 26(1)) or left Service (in relation to Rule 26(2)) after 4 April 1999.

For the purposes of this definition, where Total Membership includes Deemed Membership, Transferred Membership or an extra period of Service in accordance with Rule 19(2)(c), the period of Deemed or Transferred Membership or extra period of Service shall relate to the Member's Service during which it was granted;²⁹

"Assessment Date" means for any Scheme Year the last day of the payroll calculation period which includes the first Thursday in November in the immediate preceding Scheme Year, excepting that for the Scheme Year in which a Member joins the Scheme, the Assessment Date shall be deemed to be the date the Member joined the Scheme;

"Associated Company"³⁰ is a Subsidiary or any other body, whether corporate or unincorporated which is associated with the Principal Employer, whether by shareholding or by regular trade dealings or otherwise;

"Auditor" means the Auditor for the time being appointed under Rule 3;

²⁸ This definition was amended by clause 2(3) of the deed of variation dated 6 July 2004.

²⁹ The definition of Approved Scheme was deleted by the deed of variation dated 19 December 2008 to reflect tax changes on and after 6 April 2006. The definition of Appropriate Percentage was simplified by the adoption of this consolidation.

³⁰ This definition was amended by clause 4 of the deed of variation dated 6 April 2006.

"Auto-Enrolment Date"³¹ means 1 March 2013;

"Auto-Enrolment Transitional DB Date"³² means 1 October 2017 or such earlier date specified by the Principal Employer in accordance with Section 30 of the Pensions Act 2011;

"Automatic Re-Enrolment Date"³³ means the date referred to in regulation 12 of the Occupational Personal Pension Schemes (Automatic Enrolment) Regulations 2010;

"AVC Account" means the account maintained by the Trustees in the name of a Contributing Member who has elected to pay Voluntary Contributions under Rule 27;

"Basic Entitlements" is defined in Rule 45A(3);

"Beneficiaries" has the meaning given to it in Rule 45B for the purposes of that Rule;

"Chair of the Scheme"³⁴ has the meaning set out in Rule 5;

"Civil Partner"³⁵ means a person of the same or opposite sex as the Member who is in a civil partnership with the Member which exists under or by virtue of the Civil Partnership Act 2004;

"Commencement Date" means 1 April 1989;

"Contracted-out Employment" means the sum of the following:

- (a) a period during which a Member of the Scheme contributes under Rule 12 while there was in force in relation to the Scheme a contracting-out certificate under section 8 (1) of the 1993 Act before the abolition of contracting-out on 6 April 2016³⁶; and
- (b) a period of membership of another pension fund or scheme before the Member joined the Scheme while there was in force such a contracting-out certificate in relation to such fund or scheme from which a transfer payment was made in respect of the Member to the Scheme and which included the Member's accrued rights to a Guaranteed Minimum Pension;

"Contracting-out laws" means the 1993 Act, the Pensions Act 2014, the Occupational Pension Schemes (Schemes that were Contracted-out) (No.2) Regulations 2015, the Pensions Act 2014 (Savings) Order 2015, the Occupational Pension Schemes (Contracting-out) Regulations 1996 and all such other legislation relating to contracted-out salary related schemes and formerly contracted-out salary related schemes in force from time to time;³⁷

"Contributing Member" means a person who having been admitted as a Member contributes to the Scheme in accordance with Rule 12;

"Contributory Membership" means the period in respect of which a Member is liable to pay contributions under Rule 12;

³¹ This definition was inserted by clause 1(a) of the deed of variation dated 15 February 2013 with effect on and from 1 March 2013.

³² This definition was inserted by clause 1(a) of the deed of variation dated 15 February 2013 with effect on and from 1 March 2013.

³³ This definition was inserted by clause 1(a) of the deed of variation dated 15 February 2013 with effect on and from 1 March 2013.

³⁴ References to Chairman was changed to Chair by the adoption of this consolidation.

³⁵ This definition was inserted by the deed of variation dated 19 December 2008 to reflect the provision of benefits for civil partners. It was updated to include same sex civil partners.

³⁶ This definition was amended by clause 1 of the deed of variation dated 1 April 2016 with effect on and from 6 April 2016. It was updated by the adoption of this consolidation.

³⁷ This definition was inserted by clause 2 of the deed of variation dated 1 April 2016 with effect on and from 6 April 2016.

"Contributory Pensionable Salary"³⁸ means the salary as described in Rule 11(2). Contributory Pensionable Salary (unless otherwise provided in the Rules) in relation to a Class A Member is limited to the Scheme Earnings Cap;

"Council" means the Pensions Consultative Council established by the Principal Employer and any replacement of such Council from time to time accepted by the Trustees;

"Councillor"³⁹ means a member of the Council;

"Deemed Membership" means a period of membership granted to a Member under Rule 10(1);

"Dependant"⁴⁰ means, subject to Rule 35, a person other than an Eligible Child who was, in the opinion of the Trustees, wholly or in large part dependent on a Member for support and the maintenance of that person's accustomed standard of living at the date of the Member's death;

⁴¹**"Director"**⁴² means a Director of Tfl Trustee Company Limited;

"Eligible Child"⁴³ means:

- (a) a child who was, in the opinion of the Trustees, wholly or in large part dependent on the Member for support and maintenance of the child's accustomed standard of living at the date of the Member's death and who was either the child, a legally adopted child or a stepchild of the Member or a child in respect of whom, in the opinion of the Trustees, the Member stood in loco parentis; or
- (b) a child who was born within twelve months of the date the Member died but who, in the opinion of the Trustees, would have qualified as an Eligible Child if the child had been born at the date the Member died;

Provided in either case that such child:

- (i) has not attained the age of 18; or
- (ii) has not attained the age of 23 (or 25 if this does not result in any payment to such child being an Unauthorised Payment) and is in full-time education or professional or vocational training; or
- (iii) has attained age 18 but is, in the opinion of the Trustees mentally or physically disabled and who either was so disabled at the time the Member died or became so disabled before the child attained the age of 18 and is unable to earn an income;

"Eligible Jobholder"⁴⁴ means a person who satisfies the requirements set out in section 3(1) of the Pensions Act 2008;

"Employer's Contribution" shall have the meaning ascribed by Rule 16;

³⁸ This definition was amended by the deed of variation dated 19 December 2008 to reflect tax changes on and after 6 April 2006.

³⁹ This rule was corrected by clause 3(1) of the deed of variation dated 6 July 2004.

⁴⁰ This definition was inserted by clause 1 (a) of the deed of variation dated 8 January 2002.

⁴¹ The definition of the Disclosure Requirements was deleted by the adoption of this consolidation.

⁴² The definition was amended by clause 2(c) of the deed of variation dated 11 March 2005.

⁴³ This definition was inserted by clause 2 of the deed of variation dated 8 January 2002 and subsequently amended in accordance with clause 17 of the deed of variation dated 6 April 2006 and by the adoption of this consolidation.

⁴⁴ This definition was inserted by clause 1(a) of the deed of variation dated 15 February 2013 with effect on and from 1 March 2013.

"Enhanced Protection"⁴⁵ means the protection referred to in paragraph 12 of Schedule 36 to the Finance Act 2004;

"Equivalent Pension Benefits" means the benefits defined in section 57(1) of the National Insurance Act 1965 in respect of a period of membership in non-participating employment within the meaning of that Act in respect of which no payment in lieu of contributions had been made;

"Existing Schemes" means the London Transport Pension Fund and the London Transport 1970 Superannuation Fund, and "Existing Scheme" means either of the Existing Schemes;

"Existing Member" is a Member as described in Rule 7(1) and Rule 8(1);

⁴⁶**"Flat-rate State Pension"** means the weekly pension for a single person provided by way of Category A retirement pension (without age addition or the additional pension) payable under the Social Security Contributions and Benefits Act 1992 irrespective of whether a particular Member is entitled to such a pension;

"Fund" means the monies, investments and other assets which are from time to time subject to the trusts of the Scheme;

"Guaranteed Minimum" has the meaning given in section 14 of the 1993 Act;⁴⁷

"Guaranteed Minimum Pension" means "guaranteed minimum pension" as defined in section 8(2) of the 1993 Act;⁴⁸

"HMRC"⁴⁹ means the Board of HM Revenue and Customs;

"Identified Beneficiaries" is defined in Rule 45A(2);

⁵⁰**"Investment Manager"** means an investment manager appointed by the Trustees under Clause 9⁵¹;

"Life Insurance Company"⁵² has the meaning given in section 275 of the Finance Act 2004;

"Lifetime Allowance"⁵³ has the meaning given in section 218 of the Finance Act 2004. The Lifetime Allowance shall take account of any Lifetime Allowance Enhancement Factor which operates in respect of the Member;

"Lifetime Allowance Charge"⁵⁴ has the meaning given in sections 214 and 215 of the Finance Act 2004;

⁴⁵ This definition was inserted by clause 1(a) of the deed of variation dated 15 February 2013 with effect on and from 1 March 2013.

⁴⁶ The definition of Fixed Protection was deleted by clause 2(c) of the deed of variation dated 10 June 2016 and the definition of Flat Rate State Pension was updated by the adoption of this consolidation.

⁴⁷ This definition was inserted by the adoption of this consolidation.

⁴⁸ This definition was simplified by the adoption of this consolidation.

⁴⁹ This definition was inserted by the deed of variation dated 19 December 2008 to reflect tax changes on and after 6 April 2006.

⁵⁰ The definition of Inland Revenue Limits was deleted by the deed of variation dated 19 December 2008 to reflect tax changes on and after 6 April 2006.

⁵¹ This definition was inserted by paragraph 1(3) of schedule 3 to the deed of variation dated 11 April 2001.

⁵² This definition was amended by the deed of variation dated 19 December 2008 to reflect tax changes on and after 6 April 2006.

⁵³ This definition was inserted by the deed of variation dated 19 December 2008 to reflect tax changes on and after 6 April 2006.

⁵⁴ This definition was inserted t by the deed of variation dated 19 December 2008 to reflect tax changes on and after 6 April 2006.

"Lifetime Allowance Enhancement Factor"⁵⁵ means any of the factors the operation of which is provided for in the provisions listed in section 218(5) of the Finance Act 2004;

"Linked Qualifying Membership" means the sum of^{f56}:

- (a) any one or more consecutive periods of a Member's Contributory Membership where the interval between any two consecutive periods does not exceed one month. This applies even if the Member has received a lump sum under Benefit I of Rule 20 in respect of any such period; and
- (b) any period of time during which the Member was in Service, but not in Contributory Membership, and in respect of which period the Member has been granted deferred benefits from a pension fund, scheme or arrangement to which the Member's employer had an actual or contingent liability to contribute; and
- (c) any period of the Member's service with the same or another employer which coincides with the Member's membership of a retirement benefit fund, scheme or arrangement in respect of which the Member has been granted a period of Deemed or Transferred Membership under the provisions of Rule 10, provided that no period of time shall be reckoned twice;

"London Underground Railway Industry Employer"⁵⁷ means an employer of persons who:

- (a) are to be regarded as employed in the London underground railway industry for the purposes of paragraph 3 of Schedule 32 to the Greater London Authority Act 1999, or
- (b) have remained in continuous employment (within the meaning given by Chapter I of Part IV of the Employment Rights Act 1996) since they ceased to be so regarded;

"Lower Earnings Limit" means the annual rate of the lower earnings limit for the purposes of National Insurance contributions from time to time;

"LRT" means London Regional Transport established by the London Regional Transport Act 1984;⁵⁸

"LTA Employee"^{59 60} means a person who has registered for Enhanced Protection or any of the LTA Protection Provisions;

"LTA Protection Provisions"⁶¹ means the protections referred to in paragraph 14 of Schedule 18 to the Finance Act 2011, paragraph 1 of Schedule 22 to the Finance Act 2013 or any other form of protection made available on condition that a Member does not accrue further benefits in relation to the Lifetime Allowance. Such protections provide in broad terms for Members to have an increased Lifetime Allowance;

"LUL Employee" is defined in Rule 4(1) for the purposes of that Rule;

⁵⁵ This definition was inserted by the deed of variation dated 19 December 2008 to reflect tax changes on and after 6 April 2006.

⁵⁶ Amended by the adoption of this consolidation.

⁵⁷ Inserted by the deed of variation dated 11 April 2001.

⁵⁸ LRT Nominated Directors and Other Nominated Directors were deleted by clause 2(c) of the deed of variation dated 11 March 2005.

⁵⁹ This definition was inserted by clause 1(a) of the deed of variation dated 15 February 2013 with effect on and from 1 March 2013.

⁶⁰ This definition was amended by clause 2(d) of the deed of variation dated 10 June 2016 and updated by the adoption of this consolidation.

⁶¹ This definition was inserted by clause 2(b) of the deed of variation dated 10 June 2016.

"LUL Company Plan" means the outcome with regard to pay and conditions of the total review of the organisation of London Underground Limited undertaken during 1992;

"LUL Company Plan Employees"⁶² means employees whose basic remuneration under the LUL Company Plan became contractual salary for the purposes of the LUL Company Plan on or after 1 November 1992 and individuals who have become employed by London Underground Limited under the same terms after that date, or who after 31 March 2000 have become employed by a subsidiary or contractor of London Underground Limited under the same terms, so long as they remain in that category of employee;

"Member" means a person other than a Dependant or Eligible Child who is entitled or prospectively entitled to receive a pension under the Rules (whether contributing to the Scheme or not). A PCB Member who is provided with Pension Credit Benefits under Appendix 3 is not a Member for any other purpose⁶³;

"Member's Contribution" means the contribution payable by a Member under Rule 13;

"Member's Total Contributions" means the sum of the Member's own contributions including:

- (a) for an Existing Member, their own contributions to an Existing Scheme; and
- (b) for a Member for whom a transfer payment is received from a contributory pension scheme such part of the transfer payment as is certified by the administrator of the said fund or scheme to be the employee's contributions;

"Minimum Pension Age"⁶⁴ means:

- (a) up to and including 5 April 2010, the age of 50; and
- (b) on and after 6 April 2010, the age of 55, unless a person who joined the Scheme before 6 April 2006 has a "protected pension age" of 50 for the purposes of the Finance Act 2004;

"New Member" is a Member as described in Rule 7(3);

"New Section"⁶⁵ where used in the Rules means any Section of the Scheme other than the TfL Section;

"Non-associated Company"⁶⁶ means any Participating Employer which is not an Associated Company;

⁶⁷**"Part-Time Service"** means any period of Service during which a Member's weekly contractual hours of work are less than the standard weekly contractual hours of work of a full-time employee in the same or equivalent position (which in case of doubt shall be determined by the Participating Employer);

⁶² Inserted by paragraph 1(2) of schedule 3 to the deed of variation dated 11 April 2001.

⁶³ This sentence was inserted by paragraph 1(2) of schedule 3 to the deed of variation dated 11 April 2001 and was subsequently amended by the deed of variation dated 19 December 2008.

⁶⁴ This definition has been inserted to reflect tax changes on and after 6 April 2006.

⁶⁵ This definition was inserted by paragraph 1(3) of schedule 3 to the deed of variation dated 11 April 2001 and subsequently replaced by clause 2(c) of the deed of variation dated 11 March 2005. Amended further by the deed of variation dated 19 December 2008 adoption of this consolidation.

⁶⁶ This definition was inserted by paragraph 1(3) of schedule 3 to the deed of variation dated 11 April 2001.

⁶⁷ The definition of Open Market Option was deleted by the adoption of this consolidation.

"Participating Employer" means the Principal Employer,⁶⁸ London Underground Limited, Victoria Coach Station Limited and any other person or body⁶⁹ which has entered into a Deed pursuant to Rule 2B(a) and which has not ceased to be a Participating Employer pursuant to Rule 2B or under any other provision of the Rules. In respect of any Member, "Participating Employer" means that one of the Participating Employers by which the Member is, or was at the relevant time, employed;

⁷⁰**"PCB Member"** has the meaning given in Appendix 3 (Pension Sharing Provisions); being a person who is entitled to Pension Credit Rights or Pension Credit Benefits under the Scheme. Each of the terms Pension Credit Rights and Pension Credit Benefits are defined in Appendix 3 (Pension Sharing Provisions);

"Pensionable Salary" means, in relation to any Member, the salary as described in Rule 11(1). Pensionable Salary (unless otherwise provided in the Rules) in relation to a Class A Member is limited to the Scheme Earnings Cap;

"Pensioner" is defined in Rule 4(1) for the purposes of that Rule;

"Person" shall include any individual, firm or body corporate;

"Principal Employer"⁷¹ means TfL or any other body corporate which may undertake the obligations of Principal Employer in relation to the Scheme in succession to TfL;

"Private Sector Employer"⁷² means a Participating Employer which is for the time being a private sector company, for the purposes of Schedule 32 to the Greater London Authority Act 1999;

"Public Sector Employer"⁷³ means a Participating Employer which for the time being is not a Private Sector Employer;

"Qualifying Overseas Scheme"⁷⁴ means a "recognised overseas pension scheme" as defined in section 150(8) of the Finance Act 2004;

"Reference Salary"⁷⁵ is as described in Rule 11(6);

"Registered Pension Scheme"⁷⁶ has the meaning given by section 150(2) of Finance Act 2004;

"Relevant Benefit Accrual"⁷⁷ has the meaning given to it in paragraph 13 of Schedule 36 of the Finance Act 2004;

"Retained Benefits"⁷⁸ means the pension benefits together with the pension equivalent of any non-pension benefits of a Contributing Member deriving from any fund, scheme or arrangement of a previous employer in respect of the Contributing Member's employment prior to their entry to Service

⁶⁸ The definition was amended by clause 2(c) of the deed of variation dated 11 March 2005.

⁶⁹ Inserted by clause 2 of the deed of variation dated 11 April 2001.

⁷⁰ This definition was inserted by the adoption of this consolidation.

⁷¹ This definition was inserted by paragraph 1(2) of schedule 3 to the deed of variation dated 11 April 2001 and subsequently amended by clause 2(c) of the deed of variation dated 11 March 2005.

⁷² This definition was inserted by paragraph 1(3) of schedule 3 to the deed of variation dated 11 April 2001.

⁷³ This definition was inserted by paragraph 1(3) of schedule 3 to the deed of variation dated 11 April 2001.

⁷⁴ This definition was inserted by the deed of variation dated 19 December 2008 to reflect tax changes on and after 6 April 2006.

⁷⁵ This definition was inserted by clause 1 of a deed of variation dated 1 March 2007.

⁷⁶ This definition was inserted by the deed of variation dated 19 December 2008 to reflect tax changes on and after 6 April 2006.

⁷⁷ This definition was inserted by the deed of variation dated 19 December 2008 to reflect tax changes on and after 6 April 2006.

⁷⁸ This definition updated by the deed of variation dated 19 December 2008 to reflect tax changes on and after 6 April 2006.

and including benefits payable under a retirement annuity contract or trust scheme registered under Part 4 of the Finance Act 2004;

"Rules" means these Rules in their present form or as they may be amended from time to time under Rule 44 and "Rule" means any one of the Rules;

"Salary Segment" is defined in Rule 11(2);

"Scheme"⁷⁹ means the pension scheme known as the TfL Pension Fund (established under the name LRT Pension Fund by Interim Deed dated 26 November 1986 made between London Regional Transport and Barry Gordon Dale, Philip Dennis Marsden and Ian Eric King);

"Scheme Actuary" means the actuary appointed from time to time by the Trustees for the purposes of the 1995 Act under Rule 43(1);

"Scheme Earnings Cap" means⁸⁰:

- (a) for the Tax Years up to and including the Tax Year 2005/6, has the meaning given in section 590C(2) of the Income and Corporation Taxes Act 1988; and
- (b) for the Tax Years after the Tax Year 2005/6, the figure that would have been arrived at if section 590C (2) of the Income and Corporation Taxes Act 1988 had remained in force on or after 6 April 2006 and the Treasury had made the orders required by that section, as it had effect immediately before its repeal, in respect of each Tax Year after 2005/6.

If the Treasury has not made such an order or indicated what the amount would have been, and the Index has risen during the 12 months ending in the September before the Tax Year in question the following provisions will apply. The Scheme Earnings Cap will be calculated by increasing the Scheme Earnings Cap for the previous Tax Year by the percentage rise in the Index during the 12 months ending in the September in the previous Tax Year. If the result is not a multiple of £600, the Scheme Earnings Cap will be rounded up to the next higher multiple.

For the purpose of this definition Index shall have the meaning given in Rule 28;

"Scheme Limits"⁸¹ means the limitations on Members' contributions and Scheme benefits set out in Appendix 2 (Scheme Limits) and such other restrictions and limits set out in HMRC's previously published practice note known as IR12 (2001) "Practice Notes on Approval of Occupational Pension Schemes";

"Scheme Pension Age" means, subject to Rule 18(1), 65 years;

"Scheme Year" means a year commencing on 1 January and finishing on the following 31 December;

"Section"⁸² means a Section of the Scheme established in accordance with Rule 2C;

"Segregated Assets" means those assets subject to the Scheme which are, under Rule 27(2), to be kept separate from the other assets subject to the Scheme;

"Separate Fund" is defined in Rule 45A (3);

⁷⁹ This definition was amended by clause 2(c) of the deed of variation dated 11 March 2005.

⁸⁰ This definition was inserted by the deed of variation dated 19 December 2008 to reflect tax changes on and after 6 April 2006.

⁸¹ This definition was inserted by the deed of variation dated 19 December 2008 to reflect tax changes on and after 6 April 2006.

⁸² This definition was inserted by paragraph 1(3) of schedule 3 to the deed of variation dated 11 April 2001.

"Separate Period" is defined in Rule 11(2);

"Service" means:

- (a) employment by any Participating Employer, provided that if a contract states that an employment shall not be reckonable for pension purposes under the Scheme then it shall be excluded from this definition;
- (b) membership of the board of any Participating Employer (other than the Principal Employer), provided:
 - (i) that such membership is immediately preceded by a period of Service under (a) above; and
 - (ii) that if the terms of such membership state that it shall not be reckonable for pension purposes under the Scheme then it shall be excluded from this definition; or
- (c) membership of the board of the Principal Employer provided that, if such membership is not immediately preceded by a period of Service, the Mayor of London⁸³ so determines at the commencement of such membership;

"Share of Fund" is defined in Rule 45A(3);

"State Pension Age"⁸⁴ means:

- (a) for the purpose of Guaranteed Minimum Pensions: a woman's 60th birthday and a man's 65th birthday; and
- (b) for all other purposes: an individual's State "pensionable age" under the rules in paragraph 1 of Schedule 4 to the Pensions Act 1995;

"Subsidiary"⁸⁵ has the meaning given to it by Section 1159 of the Companies Act 2006 (taking references in that section to a company as including references to a body corporate);

"Tax Year"⁸⁶ means a year of assessment for income tax as defined in the Income Tax Act 2007;

"Termination Date" has the meaning given to it in Rule 2B;

"TfL"⁸⁷ means Transport for London, a body corporate established by the Greater London Authority Act 1999;

"TfL Group Employee"⁸⁸ is defined in Rule 4(1) for the purposes of that Rule;

"TfL nominated directors" and **"other nominated directors"**⁸⁹ shall bear the meaning ascribed to them respectively under the Articles of Association of the Trustee;

⁸³ Tying in with the provisions of Schedule 10 to the Greater London Authority Act 1999, this provision has been updated by the adoption of this consolidation to refer to the Mayor of London.

⁸⁴ This definition was amended to provide clarification by the deed of variation dated 19 December 2008.

⁸⁵ This definition was amended by clause 2(c) of the deed of variation dated 11 March 2005 and has been updated following the enactment of the Companies Act 2006.

⁸⁶ This definition has been inserted to reflect tax changes on and after 6 April 2006.

⁸⁷ This definition was inserted by the deed of variation dated 11 March 2005.

⁸⁸ Inserted by paragraph 1(1) of schedule 3 to the deed of variation dated 11 April 2001.

⁸⁹ The definition was inserted by clause 2(c) of the deed of variation dated 11 March 2005.

"**TfL Section**"⁹⁰ means the Section of the Scheme in which TfL and the Associated Companies participate;

"**Total Membership**" means the sum of Contributory Membership, Deemed Membership and Transferred Membership provided that no period shall be counted twice;

"**Transferred Membership**" means membership granted in accordance with Rule 10(2);

"**Trust Deed**" means the Interim Trust Deed dated 26 November 1986 and made between London Regional Transport and Barry Gordon Dale, Phillip Dennis Marsden and Ian Eric King and the Definitive Trust Deed dated 31 March 1989 and made between London Regional Transport of the one part and the LRT Pension Fund Trustee Company Limited of the other part and includes any Deed at any time amending the same or supplemental thereto;

"**Trustee**" means a trustee for the time being in office under the Scheme;

"**Trustees**"⁹¹ means TfL Trustee Company Limited;

"**Unauthorised Payment**"⁹² has the meaning given by section 160(5) of the Finance Act 2004;

"**Voluntary Contributions**" means contributions made by a Member under Rule 27;

2B. PARTICIPATION BY OTHER EMPLOYERS

(a) (i)⁹³ The Principal Employer may, subject to the consent of the Trustees, admit to participation in the Scheme each

- (I) Associated Company, or
- (II) other London Underground Railway Industry Employer, or
- (III) subsidiary of TfL ,

which enters into a Deed under which it covenants to observe and be bound by the provisions of the Trust Deed and Rules applicable to it and to its employees who are or become Members subject to such variations and with effect from such date as may be specified in the Deed.

(ii)⁹⁴ The Principal Employer may, subject to the consent of the Trustees in each case at their absolute discretion and on such terms as they agree from time to time, admit each Non-associated Company that is not a London Underground Railway Industry Employer or a subsidiary of TfL to participation in the Scheme which enters into a Deed under which it covenants to observe and be bound by the provisions of the Trust Deed and Rules applicable to it and to its employees who are or become Members subject to such variations and with effect from such date as may be specified in the Deed.

⁹⁰ The definition was inserted by clause 2(c) of the deed of variation dated 11 March 2005.

⁹¹ This definition was amended by the deed of variation dated 11 March 2005.

⁹² This definition was inserted by the deed of variation dated 19 December 2008 to reflect tax changes on and after 6 April 2006.

⁹³ This clause was amended by clause 3 of the deed of variation dated 11 April 2001.

⁹⁴ This rule was amended by clause 4(a) of the deed of variation dated 10 June 2016.

- (iii)⁹⁵ In particular, the Principal Employer will notify any person or body admitted to participation under this rule of the Employer's Contribution payable by it under Rule 16 before or at the time when participation begins.
- (b)^{96 97} The Deed by which an Associated Company or other London Underground Railway Industry Employer or subsidiary of TfL or Non-associated Company (each referred to below as "the Company")⁹⁸ is admitted to participation in the Scheme may specify any or all of the following matters:
- (i) the date when the Company is to cease to participate;
 - (ii) whether or not employees of the Company who enter its Service after the date of admission are to be eligible for membership of the Scheme;
 - (iii) the basis on which the Company is to pay contributions under Rule 16; and
 - (iv)⁹⁹ the Section in which the Company is to participate.
- (c) A Participating Employer must cease to participate in the Scheme in the following circumstances. The date from which participation will cease is referred to below as "the Termination Date". A Participating Employer may not cease to participate in any other circumstances, except if the Scheme is terminated.
- (i) If the Participating Employer ceases to be an Associated Company or other London Underground Railway Industry Employer or a subsidiary of TfL, participation must cease on a Termination Date which is:
 - (A) agreed between the Trustees, the Principal Employer and the Participating Employer or,
 - (B) failing such agreement, specified in a prior written notice from the Trustees to the Participating Employer.¹⁰⁰
 - (ii) If the Principal Employer and the Participating Employer (other than any company which is a Participating Employer on 1 June 1993) agree that the Participating Employer's participation in the Scheme is to end on a particular date (which may be earlier than the date of the agreement), the Termination Date will be that agreed date.
 - (iii) If the Participating Employer fails to comply with the Trust Deed and Rules applicable to it (including any variations made under (a) above), and the Trustees decide that its participation should terminate, the Termination Date will be the date notified to the Participating Employer by the Trustees.
 - (iv) If the Participating Employer goes into liquidation, the Termination Date will be the date it goes into liquidation.

⁹⁵ This definition was inserted by clause 3 of the deed of variation dated 11 April 2001.

⁹⁶ This rule was inserted by paragraph 2 of schedule 3 to the deed of variation dated 11 April 2001 and further amended by the deed of variation dated 6 April 2006 and the deed of variation dated 31 March 2007.

⁹⁷ This rule was amended by clause 4(b) of the deed of variation dated 10 June 2016.

⁹⁸ "Definition" added for ease reference by the adoption of this consolidation.

⁹⁹ The previous clause 2B(b)(iii) was deleted by clause 4 of the deed of variation dated 6 April 2006.

¹⁰⁰ This clause was amended by clause 4 of the deed of variation dated 6 April 2006.

2C. ESTABLISHMENT OF SECTIONS¹⁰¹

- (1)¹⁰² With effect from 1 May 2001 the Trustees shall divide the Scheme into Sections. Each Section shall have one or more Participating Employers participating in it (but no Participating Employer may participate in more than one Section in respect of any particular Member). TfL and the Public Sector Employers shall participate in the TfL Section¹⁰³. Any Participating Employer which is a Private Sector Employer shall participate in one of the New Sections. With the consent of the Trustees a Public Sector Employer may also participate in a New Section.
- (2) On any occasion when a Participating Employer becomes a Private Sector Employer, the Trustees shall establish a New Section for that Participating Employer or allocate it to an existing New Section.
- (3) The Trustees shall allocate to each Section such portion of the assets of the Scheme as the Trustees, having considered the advice of the Actuary, determine to be appropriate having regard to the liabilities of the Scheme for and in respect of Contributing Members employed by the Participating Employers participating in that Section, based on their Total Membership completed up to the date the Section is established.
- (4) If any body, whether corporate or unincorporated, which is not an Associated Company wishes to become a Participating Employer at any time after the effective date of division of the Scheme under Rule 2C(1), if the Principal Employer and the Trustees agree it shall enter into a deed under which it covenants to observe and be bound by the provisions of the Trust Deed and these Rules applicable to it and to its employees who became Members, subject to such variations and with effect from such date as may be specified in such deed, and it shall thereupon become a Non-associated Company and the Trustees shall allocate it to a Section, or establish a New Section for it, as they think fit.
- (5) If the Trustees decide it is appropriate, having obtained the advice of the Actuary and with the consent of the Participating Employer or Participating Employers which participate in the relevant Sections, they may merge, on such terms as they see fit, two or more Sections by transferring all of the assets of one or more Sections to another Section or Sections. Following such a merger the Trustees and the Principal Employer may determine to wind-up the Section or Sections from which the assets and liabilities were transferred.¹⁰⁴
- (6)¹⁰⁵ The Trustees may, with the consent of the Principal Employer, at any time agree to a transfer of assets and liabilities between two New Sections of the Scheme or between a New Section of the Scheme and the TfL Section on such terms as the Trustees and Principal Employer may agree and with or without the consent of the Members. The consent of the Participating Employers of those New Sections will also be required. If such a transfer of assets and liabilities accounts for all of the assets and liabilities attributable to a New Section, the Trustees and the Principal Employer may determine to wind-up the New Section of the Scheme from which the assets and liabilities were transferred.¹⁰⁶

¹⁰¹ This rule was inserted by paragraph 3 of schedule 3 to the deed of variation dated 11 April 2001.

¹⁰² This rule was amended by clause 4 of the deed of variation dated 1 April 2008.

¹⁰³ This rule was amended by clause 2(d) of the deed of variation dated 11 March 2005.

¹⁰⁴ This rule was amended by clause 1 of the deed of variation dated 26 March 2010.

¹⁰⁵ This rule was inserted by clause 5 of the deed of variation dated 1 April 2008.

¹⁰⁶ This rule was amended by clause 2 of the deed of variation dated 26 March 2010

2D. UNAUTHORISED PAYMENTS¹⁰⁷

- (1) If the Trustees are required, to make a payment which would in whole or in part be an Unauthorised Payment that payment shall, to the extent it is an Unauthorised Payment (and notwithstanding anything to the contrary), be payable only at the discretion of the Trustees (subject to the consent of any other person required for payment under the relevant provision of the Scheme).
- (2) Without prejudice to (1) above, every discretion or power conferred on:
 - (a) the Principal Employer;
 - (b) a Participating Employer; or
 - (c) the Trustees

under the Scheme shall so far as practicable not be exercised so as to give an individual an entitlement to an Unauthorised Payment.

MANAGEMENT

3 TRUSTEES

- (1) The Trustees shall be responsible for the management and direction of the Scheme including the determination of all claims made thereon and the payment thereof of the benefits prescribed by the Rules.
- (2) The Trustees' decision on all questions arising under the Rules or in connection with the management and direction of the Scheme (except as regards matters left to the certificate of the Actuary) shall be final and conclusive.
- (3) The Trustees shall cause proper accounts and other records relating to the Scheme to be kept and shall prepare an annual statement of accounts of the Scheme. In keeping accounts and records the Trustees must comply with the requirements of the 1995 Act and the Participating Employers shall give such assistance to the Trustees as they may reasonably require for this purpose.

The books of the Scheme shall be audited by the Auditor appointed by the Trustees who shall be a person qualified for appointment as an auditor of a company as required under Chapter 2 of Part 16 of the Companies Act 2006 and permitted by the 1995 Act to be the Auditor of the Scheme¹⁰⁸.

The Auditor shall be given and have access to such information as the Auditor may properly require. The Auditor must report to the Trustees whether the accounts correctly summarise the transactions of the Scheme during the Accounting Year¹⁰⁹.

The audited accounts must comply with the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996.

¹⁰⁷ This clause was inserted by the deed of variation dated 19 December 2008 to reflect tax changes on and after 6 April 2006.

¹⁰⁸ This rule has been amended following the enactment of the Companies Act 2006.

¹⁰⁹ This rule was amended by clause 2 of the deed of variation dated 6 July 2004.

- (4) The Trustees must comply with statutory requirements in relation to the preparation and disclosure of accounts, the annual report to Members, the actuarial valuations and statement and all other matters covered by those requirements.
- (5) The Trustees must maintain a disputes resolution procedure in accordance with the 1995 Act.
- (6) The Trustees must keep any monies received by them in a separate account kept by them with a “deposit taker” as defined in the 1995 Act.
- (7) No Trustee, and no director or officer of a corporate Trustee, will be personally liable for any breach of trust unless it is fraudulent on the part of that person.
- (8) The Participating Employers jointly and severally¹¹⁰ will indemnify each Trustee against any costs, claims, damages, losses or expenses incurred in connection with the Scheme, to the extent that such person is unable or prevented by law from meeting them out of the Scheme, whether they relate to that person's own act or omission, or that of any other trustee or any secretary, agent or delegate lawfully appointed by the Trustees. However, the indemnity will not apply where the loss was caused by breach of trust knowingly and intentionally committed by that Trustee. This Rule applies to an officer or director of a corporate Trustee as if that person were a Trustee.
- (9) Rules 3(7) and (8) above apply to former Trustees and also current and former directors and officers of any corporate Trustee which is, or was formerly, a Trustee.¹¹¹

4 DIRECTORS OF THE TRUSTEES

- (1) The appointment of Directors shall be made in accordance with the Articles of Association of the Trustees and in compliance with the terms of any arrangements approved in accordance with the 2004 Act¹¹². Persons shall be nominated to serve as Directors as follows:
 - (a) nine persons by the Principal Employer of whom at least five must be Members;
 - (b) one person each by:
 - Transport and General Workers' Union;
 - National Union of Rail, Maritime and Transport Workers;
 - Associated Society of Locomotive Engineers and Firemen;
 - London Transport Joint Trades Committee;
 - Transport Salaried Staffs' Association;or any successor body.
 - (c) two persons from and by Councillors who are Pensioners; and
 - (d) one person from and by Councillors who are TfL Group Employees¹¹³; and

¹¹⁰ This rule was amended by paragraph 4 of schedule 3 to the deed of variation dated 11 April 2001.

¹¹¹ Updated by the adoption of this consolidation.

¹¹² This rule was amended by the deed of variation dated 19 December 2008 to reflect statutory changes.

¹¹³ This rule was amended by paragraph 5 of schedule 3 to the deed of variation dated 11 April 2001.

(e) one person from and by Councillors who are LUL Employees.

For the purpose of Rule 4(1):

- (i) "Pensioner" means any Member (or the widow or widower of any deceased Member) in receipt of a pension under the Rules, and includes any Member who has elected to take a deferred pension pursuant to Rule 20(2)(II) or (III);
 - (ii) "TfL Group Employee"¹¹⁴ means a Member who is neither a Pensioner nor an LUL Employee; and
 - (iii) "LUL Employee" means a Member (other than a Pensioner) who is employed by London Underground Limited or any subsidiary thereof or any Private Sector Employer who is a contractor thereof¹¹⁵.
- (2) The body nominating a person for appointment as a Director shall determine the period for which such person is to serve as a Director and shall have the power to revoke the nomination. The nomination of a Council nominee shall be treated as revoked if the Council nominee ceases to be a Councillor. Upon the revocation of any nomination or, in the case of a Council nominee, the Council Nominee ceasing to be a Councillor, the nominated Director shall continue to hold office as a Director until the appointment of their successor following a fresh nomination by the relevant nominating body. A director nominated by a section of the former council appointed under former Rule 48 shall be deemed to have been nominated in accordance with Rule 4.1(c), (d) or (e), as appropriate, and this Rule 4(2) shall apply in relation to such a Director as if the words "the body nominating a person for appointment as a Director" was a reference to "the body deemed to have nominated a person for appointment as a Director".

5 CHAIR

The Chair of the Trustees shall be known as the "Chair of the Scheme".

6 SECRETARY¹¹⁶

- (1) The Principal Employer shall appoint a Secretary from time to time in accordance with the procedure set out in Rule 6(3).
- (2) The Secretary and such other staff as are necessary for the operation of the Scheme shall be employees of the Principal Employer, but their role shall be to act on behalf of and in the interests of the Trustees. The Principal Employer shall determine the terms and conditions of employment of the Secretary and such other staff in accordance with the Principal Employer's usual arrangements for its staff.
- (3) In appointing a Secretary, the Principal Employer shall prepare and agree with the Trustees a description of the job of Secretary, or that part of the job that includes that role, advertise the post (if the Principal Employer and Trustees agree it is appropriate) and compile a shortlist of candidates. The Trustees shall choose which, if any, of those shortlisted candidates they wish to have appointed and shall so inform the Principal Employer who shall appoint the chosen candidate.

¹¹⁴ This rule was amended by paragraph 5 of schedule 3 to the deed of variation dated 11 April 2001.

¹¹⁵ This rule was amended by paragraph 5 of schedule 3 to the deed of variation dated 11 April 2001.

¹¹⁶ This rule was amended by clause 2(2)(e) of the deed of variation dated 6 July 2004.

- (4) The Secretary will not also be a Trustee or a director of a corporate Trustee. If the person chosen to be the Secretary is already a Trustee or a director of corporate Trustee, the person must resign from that role on or before being appointed as Secretary.

MEMBERSHIP

7 JOINING THE SCHEME¹¹⁷

- (1) Subject to Rule 9 the following persons who are in Service on the Commencement Date shall join the Scheme on the date specified in Rule 7(2) and shall be called Existing Members:
- (a) any member of an Existing Scheme; and
 - (b) any person who on the Commencement Date is at least 18 and, but for its winding up, would have become eligible to join one of the Existing Schemes from a later date; and
 - (c) any person who had not attained age 18 on the Commencement Date but who, prior to 31 December 1993 or such later date as the Trustees may permit, applies to the Secretary in writing to join the Scheme as an Existing Member and who pays the appropriate contributions no later than 30 June 1994.
- (2) Any person falling within Rules 7(1)(a) and (b) above shall join the Scheme on the Commencement Date. Any person falling within Rule 7(1)(c) above shall join the Scheme on their 18th birthday.
- (3) The following persons shall, subject to Rule 9 and to Rules 7(4) and (6), join the Scheme on the stated date and shall be called New Members:
- (a) a person entering Service after the Commencement Date but before the Auto-Enrolment Date on the date of so entering or, if later, on attaining age 18;
 - (aa) a person entering Service on or after the Auto-Enrolment Date on the date of entering Service;
 - (ab) a person in Service on the Auto-Enrolment Date unless the Principal Employer confirms to the Trustees that the transitional arrangements set out in Section 30 of the Pensions Act 2011 apply in respect of that person in which case it shall be the Auto-Enrolment Transitional DB Date, provided the person remains continuously in Service from the Auto-Enrolment Date until the Auto-Enrolment Transitional DB Date;
 - (ac) a person in Service on an Automatic Re-Enrolment Date, on that date;
 - (b) a person in Service on the Commencement Date who had not then attained age 18 and who has not applied to join the Scheme as an Existing Member in accordance with Rule 9 (1)(c). Such a person shall join the Scheme on their 18th birthday; and
 - (c) any other person in Service on the Commencement Date who was not then a member of an Existing Scheme but who applies to the Secretary so to join, from the date of such application provided that such application is approved by the Principal Employer and the Trustees;

Provided that:

¹¹⁷ This rule was amended by clause 1(b) of the deed of variation dated 15 February 2013 with effect on and from 1 March 2013.

- (i) before the Auto-Enrolment Date the person has not then attained age 63 (but this proviso shall not apply if any period of Transferred Membership is granted which would enable the person to complete at least two years' Total Membership before attaining Scheme Pension Age);
 - (ii) on and after the Auto-Enrolment Date the person has not then attained the age of 75; and
 - (iii) Rules 9(3)(aa), (ab) and (ac) shall not apply to an LTA Employee.
- (4) A person who commences Service after the Commencement Date or who joins the Scheme under Rule 7(3)(ab) or (ac) and is receiving or is entitled to receive benefits from the Scheme in respect of an earlier period of service shall re-join the Scheme on such terms as the Trustees may determine on the advice of the Actuary and with the consent of the Participating Employer.
- (5) Every person joining the Scheme under this Rule shall join the Section in which their Participating Employer participates. Any person who from time to time is accruing benefits under another retirement benefits scheme in which their Participating Employer participates cannot be a Member for that period unless such membership has the approval of that Participating Employer.
- (6) An LTA Employee will (subject to such person's ability to "opt out" as referred to in Rule 9(2)) be enrolled into the Scheme as a New Member in accordance with section 3 of the Pensions Act 2008:
- (i) on the Auto-Enrolment Date or an Automatic Re-Enrolment Date if the LTA Employee is in Service on either of those dates;
 - (ii) if the LTA Employee is not in Service on the Auto-Enrolment Date on the date of entering Service
- (7) A person who under Rule 9(1) elects not to join the Scheme or under Rule 9(3) ceases to pay contributions but was not before either such dates an Eligible Jobholder shall be enrolled into the Scheme in accordance with section 3 of the Pensions Act 2008 when the person becomes an Eligible Jobholder.

8 PRE-1 APRIL 1989 EXISTING MEMBERS

- (1)(a)¹¹⁸ Every member of an Existing Scheme who left Service prior to 1 April 1989 shall join the Scheme on that date but shall (except as provided in Rule 8(1)(b)) be entitled to benefits from the Scheme in accordance with the Rules of the Existing Scheme of which they were a member as applied on 31 March 1989, and Rules 17 to 26 below shall not apply to such a Member, who shall also be called an Existing Member;
- (b) The exception to Rule 8(1)(a) is that benefits payable to or in respect of such an Existing Member may be affected by amendments made to the Trust Deed and Rules of the Scheme after 31 March 1989 if the relevant amending Deed expressly states that those amendments will apply to those benefits.¹¹⁹

¹¹⁸ This rule was amended by clause 3 of the deed of variation dated 8 January 2002.

¹¹⁹ This rule was inserted by clause 3 of the deed of variation dated 8 January 2002.

- (2) Every widow, widower, dependant or Eligible Child of a member of an Existing Scheme who died prior to 1 April 1989 shall be entitled to benefits from the Scheme in accordance with the rules of the relevant Existing Scheme in force on 31 March 1989.

9 OPTING OUT OF MEMBERSHIP¹²⁰

- (1) Any person (subject to Rule 9(2)) who but for this Rule would join the Scheme may elect not to join the Scheme, by giving a notice in writing to the Secretary.
- (2) On and after the Auto-Enrolment Date any person who joins the Scheme under Rule 7(6), Rule 7(7) or Rule 9(7) may within one month of being admitted give notice, in accordance with the provisions of section 8 of the Pensions Act 2008 (including the form prescribed for the purposes of section 8 of the Pensions Act 2008) to the Participating Employer that they wish to "opt out" of the Scheme. If this occurs:
- (a) the person will be treated as if they never became a New Member on that occasion;
 - (b) the Trustees shall pay to the Participating Employer, within 1 month of the Participating Employer receiving the person's notice:
 - (i) an amount equal to any contributions made to the Scheme by them; and
 - (ii) any contributions made to the Scheme in respect of them by their Participating Employer provided that except in the case of an LTA Employee, the Participating Employer may agree that its contributions shall be retained in the Scheme.

However, if the notice is invalid for administrative reasons (excluding the passing of time) the Participating Employer shall inform the person in writing of the defect and the words "1 month" shall be modified so that they are replaced with the words "6 weeks".

- (3) Subject to the provisions of Rule 9(2) above, any Member may elect to cease contributing to the Scheme in which case, for the purpose of the Rules, the Member shall be deemed to have left Service on the day they ceased contributions. No benefit shall be payable to or in respect of them until they actually leave Service; except that they may elect for immediate payment under Rule 20 of that part of Benefit V which relates to membership after 1 April 1988 or Benefit I.
- (4) An election under Rule 9(3) shall be made in writing to the Secretary and must give notice of at least one month or such lesser period as the Trustees may decide.
- (5) Any person (subject to Rule 9(7)) who either elects not to join the Scheme, gives notice that they are not to be treated as a New Member or who, having joined, ceases to be a Member may (subject to Rule 9(7)) apply to the Secretary in writing to be admitted or readmitted (as the case may be) as a Member and they shall be admitted or readmitted (as the case may be) provided that the Member shall not be admitted or readmitted (as the case may be) for the purposes of Rule 19 (Ill-Health Retirement), Rule 24 (Widow's, Widower's or Civil Partner's Pension), Rule 24A (Survivor's Minimum Pension), Rule 25 (Dependants' and Eligible Children's Pensions and/or Rule 26 (Lump Sum Death Benefits) without the consent of the Trustees and the Participating Employer. The Trustees will determine the date of their admission or readmission, but the consent of the Participating Employer will be required if

¹²⁰ This rule was amended by clause 1(c) of the deed of variation dated 15 February 2013 with effect on and from 1 March 2013.

such date is earlier than the beginning of the Scheme Year in which the application for admission or readmission is made.

- (6) The Trustees may (subject to the provisions of Sections 3 and 5 of the Pensions Act 2008) require a person who applies for admission or readmission under Rule 9(5) above to give such evidence as to their state of health as they decide is appropriate.¹²¹
- (7) Where a person either opts out under Rule 9(2), elects not to join the Scheme, gives notice that they are not to be treated as a New Member or who, having joined, ceases to be a Member, that person will be re-enrolled into the Scheme on the next Automatic Re-Enrolment Date provided that the Member shall not be enrolled for the purposes of Rule 19 (Ill-Health Retirement), Rule 24 (Widow's, Widower's or Civil Partner's Pension), Rule 24A (Survivor's Minimum Pension), Rule 25 (Dependants' and Eligible Children's Pensions and/or Rule 26 (Lump Sum Death Benefits) without the consent of the Trustees and the Participating Employer.

10 BENEFITS IN RESPECT OF TRANSFER PAYMENTS¹²²

- (1) An Existing¹²³ Member shall, by virtue of section 16 of the London Regional Transport Act 1989, be granted a period of Deemed Membership equal to their membership (including deemed membership) of an Existing Scheme.
- (2) If the Trustees receive a transfer payment for any person from another pension scheme, then they may grant such benefits in respect of that person (including, in the case of a Member, a period of Transferred Membership) as the Trustees may decide on the advice of the Actuary.¹²⁴

11 PENSIONABLE SALARY

- (1) The Pensionable Salary for a Member who leaves Service shall be whichever is the greatest of:
 - (a) the Appropriate Percentage of the Member's salary in the 12 months immediately preceding the date of their leaving Service, LESS, for a New Member, the Lower Earnings Limit over the same period; or
 - (b) the total of the Member's Contributory Pensionable Salary over the same period as determined under Rule 11(2); or
 - (c) in the case of an LUL Company Plan Employee, the total of their Contributory Pensionable Salary over the same period that would have applied if they had exercised an option under Rule 11(5), with the consent of the Principal Employer and the Trustees, for their Contributory Pensionable Salary in respect of each subsequent Scheme Year to be deemed to be the same as their Contributory Pensionable Salary for the Scheme Year commencing 1 January 1992, or for the Scheme Year commencing 1 January 1993 (whichever was the higher),

provided that the Pensionable Salary of a Member who has not completed one year's Contributory Membership and Deemed Membership shall be the Appropriate Percentage of

¹²¹ This rule was amended by clause 9(a) of the deed of variation dated 10 June 2016, with effect on and from 1 March 2013.

¹²² The title of this rule was amended by paragraph 8 of schedule 3 to the deed of variation dated 11 April 2001.

¹²³ This rule was corrected by clause 3(1)(b) of the deed of variation dated 6 July 2004.

¹²⁴ This rule was amended by paragraph 8 of schedule 3 to the deed of variation dated 11 April 2001.

the annual equivalent of the salary during the Member's period of Contributory and Deemed Membership.

- (2) The Contributory Pensionable Salary of a Member during any Scheme Year shall be:
- (a) the Appropriate Percentage of the Member's annual rate of salary actually used for pay calculation purposes on the Assessment Date, LESS, for a New Member, the Lower Earnings Limit; or
 - (b) where, during that Scheme Year, a Member changes from full-time Service to Part-Time Service (or vice versa), or the Member's contractual hours of work while in Part-Time Service are varied in relation to the contractual hours of work of a full-time employee in the same or equivalent position (which in case of doubt shall be determined by the Participating Employer), the sum of all the Salary Segments during that Scheme Year.

"Salary Segment" means the Appropriate Percentage of the Member's annual rate of salary used for pay calculation purposes at the start of each Separate Period (LESS, for a New Member, the Lower Earnings Limit) multiplied by the proportion of the Member's Contributory Membership during that Scheme Year to which that Separate Period relates.

"Separate Period" is defined as follows: A Member's first Separate Period begins on the first day of the Scheme Year and continues until the day before the Member's contractual hours of work change. Each successive Separate Period begins on the day on which the Member's contractual hours of work change (or change again) and continues until the earliest of:

- (i) the end of the Scheme Year;
 - (ii) the day before the Member's contractual hours of work change again; or
 - (iii) the date on which the Member ceases to be a Contributing Member.
- (2A) If a New Member is in Part-time Service for any period during the Scheme Year, the deduction for that period in respect of the Lower Earnings Limit referred to in Rule 11(1)(a) or (2) will be multiplied by the fraction A/B (as defined in Rule 11A(a)).
- (3) Where for any reason other than that specified in Rule 11(4) an incorrect rate has been used for pay calculation the Trustees shall substitute the correct rate.
- (4) Changes in a Member's salary which are not used for pay calculation purposes until after the said Assessment Date shall not be taken into account in determining the Contributory Pensionable Salary unless the changes relate to a period before the said Assessment Date.¹²⁵
- (5) Where the Contributory Pensionable Salary in respect of a Member for any Scheme Year would otherwise be less than the Member's Contributory Pensionable Salary in the immediately preceding Scheme Year, they shall be given an option, subject to the consent of the Participating Employer and the Trustees, for their Contributory Pensionable Salary to be deemed to be the same as in the said preceding Scheme Year. The Member may exercise this option by giving written notice to the Trustees before the 31 March which follows the relevant Assessment Date. If a Member takes this option for any Scheme Year, they will

¹²⁵ Rule 11(4) was amended by deed of variation dated 19 December 2008.

be treated as having taken the option for each succeeding Scheme Year, until the Scheme Year in which their actual Contributory Pensionable Salary exceeds the Contributory Pensionable Salary the Member is deemed to have under this Rule 11(5) or until the Member notifies the Trustees that they no longer wish to be so treated.¹²⁶

- (6) For the purposes of this Rule and Rule 13 salary means basic annual salary or wages excluding fluctuating emoluments, but may, subject to the consent of the Trustees and the Participating Employer, include such part as they may determine of any permanent additional allowance.¹²⁷

Provided that for so long as the Member is participating in any flexible benefits arrangement designated for this purpose and for the purpose of Rule 13 by the Member's Participating Employer or the Principal Employer, the Member's basic annual salary or wages will be the Member's Reference Salary as notified to the Trustees by the Participating Employer or the Principal Employer as the case may be.¹²⁸

11A PART-TIME SERVICE

If a Member has completed one or more periods of Part-Time Service, the following provisions shall apply to each such period (and shall be applied separately to each period beginning on the day on which the Member's contractual hours of work vary in relation to the contractual hours of work of a full-time employee in the same or equivalent position (which in case of doubt shall be determined by the Participating Employer)).

- (a) (i) The Member's Deemed Membership or Contributory Membership during that period shall be taken as the actual period of Part-Time Service multiplied by the fraction A/B ;
- (ii) the Salary Segment for such a period, for the purposes of calculating the Member's Pensionable Salary, shall be taken as the Salary Segment (as defined in Rule 11(2)(b)) multiplied by the fraction B/A ;
- (iii) if the Member is a New Member, the Lower Earnings Limit in respect of them shall be taken as the Lower Earnings Limit multiplied by the fraction A/B ; and
- (iv) if the Member is an Existing Member, the deduction of £20 referred to in Rule 13(1)(c) shall be multiplied by the fraction A/B ;

where A is the number of the Member's weekly contractual hours of work during that period, and B is the number of the standard weekly contractual hours of work of a full-time employee in the same or equivalent position (which in case of doubt shall be determined by the Participating Employer) (and for any period which is not Part-Time Service, A/B is deemed to equal 1).

- (b) This Rule 11A shall apply for all purposes other than for the calculation of contributions, except for the purposes of:
- (i) determining a Member's Total Membership under Rule 19(2) (except where expressly stated in Rule 19(2)) or Rule 25(2); and
- (ii) calculating Pensionable Salary under Rule 19(2), Rule 22 and Rule 26.

¹²⁶ This rule was amended by paragraph 7 of schedule 3 to the deed of variation dated 11 April 2001.

¹²⁷ This rule was amended by paragraph 7 of schedule 3 to the deed of variation dated 11 April 2001.

¹²⁸ This rule was amended by clause 2 of a deed of variation dated 7 March 2007 and clause 6 of the deed of variation dated 31 March 2008.

CONTRIBUTIONS

12 PERIOD FOR CONTRIBUTIONS¹²⁹

A Member shall pay a contribution to the Trustees for every Thursday included in the period commencing on the date from which the Member joins the Scheme and ending on the earliest of:

- (a) the date the Member leaves Service, dies or their pension starts;
- (b) the last day of the pay period containing the day on which the Member attains Scheme Pension Age, where contributions cease at that age following an election made under Rule 18; or
- (c) the last day of the pay period containing the day on which the Member completes 40 years of Total Membership, where contributions cease following an election to that effect (in writing to the Secretary) before or within 3 months after that date. In this event the Member's Total Membership will remain at 40 years for the purposes of calculating their pension under Rule 17 or Rule 18.

13 RATE OF CONTRIBUTION

(1) The annual contributions payable by a Member shall be calculated:

- (a) (for Members who are not LUL Company Plan Employees) by taking 5 per cent of the Member's Contributory Pensionable Salary; or
- (b) (for Members who are LUL Company Plan Employees) by taking 5 per cent of:
 - (i) 90 per cent of their salary actually used for pay calculation purposes on the Assessment Date (after deducting, for a New Member, the Lower Earnings Limit) in respect of contributions collected up to and including 5 April 1998;
 - (ii) 95 per cent of their salary actually used for pay calculation purposes on the Assessment Date (after deducting, for a New Member, the Lower Earnings Limit) in respect of contributions collected after 5 April 1998 up to and including 4 April 1999;
 - (iii) 100 per cent of their salary actually used for pay calculation purposes on the Assessment Date (after deducting, for a New Member, the Lower Earnings Limit) in respect of contributions collected after 4 April 1999;

unless the Member has exercised the option in Rule 11(5), in which case the percentages in (i) to (iii) above shall be applied to the figure which is deemed to be the Member's Contributory Pensionable Salary under Rule 11(5)

- (c) when a Member changes from full-time Service to Part-Time Service (or vice versa), or the Member's contractual hours while in Part-Time Service are varied in relation to the contractual hours of work of a full-time employee in the same or equivalent position (which in case of doubt shall be determined by the Participating Employer), the annual contributions payable by the Member during the relevant Separate Period shall be calculated by taking 5 per cent of:

¹²⁹ This rule was amended by the deed of variation dated 19 December 2008.

- (i) (if the Member is not an LUL Company Plan Employee) their salary actually used for pay calculation purposes immediately following such change, or
- (ii) (if the Member is an LUL Company Plan Employee) 90 per cent of their salary actually used for pay calculation purposes immediately following such change in respect of contributions collected up to and including 5 April 1998, 95 per cent of their salary actually used for pay calculation purposes immediately following such change in respect of contributions collected after 5 April 1998 up to and including 4 April 1999, and 100 per cent of their salary actually used for pay calculation purposes immediately following such change in respect of contributions collected after 4 April 1999,

in each case after deducting:

- (A) for a New Member, the Lower Earnings Limit; and
- (B) for an Existing Member, deducting £20 from the product, or
- (d) in such other way as may be determined by the Trustees from time to time after consultation with the Actuary with the consent of the Principal Employer.

Provided that, for a Member who is in Part-Time Service, the deduction of £20 for an Existing Member, or in respect of the Lower Earnings Limit for a New Member, will be multiplied by the fraction A/B (as defined in Rule 11A(a)).

Provided further that changes in a Member's salary which are not used for pay calculation purposes until after the Assessment Date referred to in (b) above or the date of any change as referred to in (c) above (as appropriate) but which relate to a period before the said Assessment Date or such date of any change shall be taken into account in determining the annual contributions payable by the Member.¹³⁰

- (2) The contribution payable for each such Thursday shall be 6/313ths of the amount calculated in Rule 13(1) provided that the Trustees shall have the power to make such marginal calculation adjustments as they consider necessary to facilitate the administration of the Scheme.
- (3) Contributions payable by a Member shall be due either at the like intervals as are customary in relation to the payment of the Member's wages or salary and the relevant Participating Employer, when making payments of wages or salary to them, may deduct the appropriate amount; or in such manner as the Trustees with the consent of the Member may determine. Amounts deducted by the relevant Participating Employer in accordance with the foregoing shall be paid to the Trustees within five working days from the end of the period in respect of which the relevant payment of the Member's wages or salary was made.
- (4) If the relevant Participating Employer regards a Member as being on sick leave from Service and their gross emoluments from which their contribution would otherwise be deducted are less than that contribution, then they shall not be liable to pay that contribution (although the period of membership to which it relates will nevertheless rank as Contributory Membership).
- (5) The Trustees shall not be entitled to recover arrears of contributions from a Member whose Pensionable Salary is determined under Rule 11(1)(c) to the extent that those arrears

¹³⁰ Rule 13(1) was amended by the deed of variation dated 19 December 2008.

represent additional amounts which they would have paid if they had, in fact, exercised the option under Rule 11(5) as described in Rule 11(1)(c).¹³¹

14 FAMILY LEAVE¹³²

(1) For the purposes of this Rule 14 the following terms have the meanings given below:

"Family Leave" means leave which is authorised by or pursuant to the terms of Part VIII of the Employment Rights Act 1996 and any extension of those terms allowed by the Participating Employer;

"Family Leave Pay" means, in relation to a period of any kind of Family Leave, such statutory or contractual remuneration paid during that period by the Participating Employer to the Member.

(2) Any period of Family Leave during which the Member is receiving Family Leave Pay (and such other period of Family Leave as determined by the Participating Employer) shall be counted as Contributory Membership and Linked Qualifying Membership. During this period:

- (a) pension benefits under Rule 17 shall continue to accrue as normally provided thereunder;
- (b) Member's contributions paid in respect of such period under Rule 13 shall not exceed 5% of Family Leave Pay; and
- (c) the Member will be treated as remaining in Service for the purpose of entitlement to death benefits under Rules 24 to 26 which will be calculated by reference to the remuneration the Member would be likely to be receiving if the Member were working normally.

(3) Any period of unpaid Family Leave:

- (a) shall not be counted as Contributory Membership nor Linked Qualifying Membership; and
- (b) no Member's contributions shall be payable under Rule 13 and no pension benefits shall accrue under Rule 17 during such a period.

During any period of unpaid Family Leave Rule 14(2)(c) will continue to apply.

(4) In relation to a period of unpaid Family Leave, if the Member so applies, Rules 14(3)(a) and (b) shall not apply so that, during the relevant period, Member's contributions shall be payable under Rule 13 and pension benefits shall accrue under Rule 17 as normally provided thereunder. Such application shall be made in writing by the Member to the Trustees before the commencement of the Family Leave or within such period as the Trustees may determine.

(5) If, after a period of Family Leave, the Member returns to work in accordance with the relevant statutory rights, the periods to be counted as Contributory Membership or Linked Qualifying

¹³¹ Rule 13(6) was deleted by clause 2(2)(b) of the deed of variation dated 6 July 2004,

¹³² This rule was substituted by clause 2(2)(c) of the deed of variation dated 6 July 2004, amended by clause 3 of the deed of variation dated 10 June 2016, amended by clause 2(b) of the deed of variation dated 15 February 2013 with effect on and from 3 April 2011, amended by clause 2 of the deed of variation dated 15 February 2013 with effect on and from 3 April 2011. and simplified by the adoption of this consolidation.

Membership immediately before, during and after the Member's absence will be treated as one unbroken period.

- (6) If the Member fails to return to work at the end of the Member's Family Leave in accordance with the terms of any legal right, the Member will be treated as having left Service at the end of the period during which the Member is in receipt of Family Leave Pay.

15 LEAVE WITHOUT PAY

- (1) Where a Member is absent on leave without pay and Rule 14 does not apply the Member may elect to:
- (a) remain liable for their own contributions to the Scheme and shall pay them during the period of leave, and in addition after 13 weeks of such leave they shall, at the discretion of the Participating Employer, be liable to pay special additional contributions equal to the Employer's Contribution under Rule 16, such special additional contributions not to be included in the Member's Total Contributions;¹³³ or
 - (b) if the period of leave exceeds 13 weeks, not be liable for any contributions and the period of leave shall not be regarded as Contributory Membership of the Scheme, no benefits shall be payable from the Scheme in respect of such period and such period shall not be part of the Member's Linked Qualifying Membership.
- (2) An election made under Rule 15(1) shall be made before the commencement of the leave or within such period thereafter as the Trustees shall in their absolute discretion permit.

16 EMPLOYERS' CONTRIBUTIONS¹³⁴

- (1A) The following provisions apply except as otherwise provided in overriding legislation.
- (1) (a) The Principal Employer and each other Participating Employer shall pay to the Trustees in respect of each Scheme Year an amount (the "Employer's Contribution") calculated by reference to the total contributions paid by their respective Members in that Scheme Year excluding Voluntary Contributions and special additional contributions under Rule 15;
- (b) The amount of the Employer's Contribution for each Participating Employer shall be determined, in accordance with the following paragraphs, by the Principal Employer on the advice of the Actuary and having considered any recommendations made by the Trustees under Rule 43(6)¹³⁵; and
- (c) The Employer's Contribution payable by one Participating Employer may be different from that payable by another.
- (2) Subject to Rules 16(3), (4) and (5), the amount of the Employer's Contribution shall, together with the amount of the Member's Contribution¹³⁶, be at least sufficient to match the cost of the year-by-year accrual of benefits, as determined by the Actuary.
- (3) If the actuarial valuation shows an excess of assets over liabilities in respect of any Section¹³⁷, all or part of such excess may be used to reduce the Employer's Contribution,

¹³³ This rule was amended by paragraph 7 of schedule 3 to the deed of variation dated 11 April 2001.

¹³⁴ This rule was amended by the deed of variation dated 19 December 2008 to take account of overriding legislation.

¹³⁵ This rule was amended by clause 3(3) of the deed of variation dated 6 July 2004.

¹³⁶ Definition added for clarity by the adoption of this consolidation.

¹³⁷ This rule was amended by paragraph 9 of schedule 3 to the deed of variation dated 11 April 2001.

calculated in accordance with paragraph (2) above, by such amount as the Actuary considers will, if maintained on a consistent basis over a period of not less than ten years, eliminate such excess.

- (4) If the actuarial valuation shows an excess of liabilities over assets in respect of any Section¹³⁸, the Employer's Contribution, calculated in accordance with paragraph (2) above, shall be increased by such amount as the Actuary considers will, if maintained on a consistent basis over a period of not more than ten years, eliminate such excess.
- (5) In any event, the Employer's Contribution:
 - (i) in respect of a Member who was, prior to 1 April 1989, a member of an Existing Scheme, shall be not less than $2\frac{1}{3}$ times the contribution paid by that Member; and
 - (ii) in respect of any other Member, shall be not less than 2.10 times the contribution paid by that Member.
- (6) For the period from 1 April 1989 to 31 March 1994, the Employer's Contribution shall be of equivalent value to a multiple of 1.25 times the total contributions paid by their respective Members in that period excluding Voluntary Contributions and special additional contributions under Rule 15.
- (7) The Employer's Contribution, to the extent that it does not exceed the amount determined in accordance with Rule 16(5), shall be paid to the Trustees within the same period as that provided for by Rule 13(3) for the payment to the Trustees of amounts deducted in respect of Members' Contributions, or within such longer period as the Trustees may agree. If a Participating Employer fails to pay a contribution when it becomes due, the Trustees may, without prejudice to their power to terminate its participation under Rule 2B(c)¹³⁹, require that Participating Employer to pay interest on it at whatever reasonable rate and for whatever period of the delay they decide.
- (8) The rate of the Employer's Contribution for each Participating Employer may be changed, between actuarial valuations, to such rate as the Principal Employer, having considered the advice of the Actuary and with the consent of the Trustees, decides is appropriate in the circumstances. For the avoidance of doubt, the Actuary need not carry out an actuarial valuation in order to advise under this Rule 16(8).
- (9) The Participating Employers shall pay contributions at the rates and on the due dates set out or referred to in any schedule of contributions prepared, maintained and from time to time revised by the Trustees in accordance with the 2004 Act. If a Participating Employer makes a payment to the Scheme after it was due the Trustees shall, if required by the 2004 Act disclose or report that fact to the persons, and at the times required by the 2004 Act.
- (10) A Participating Employer may elect to pay to the Trustees in respect of a Scheme Year contributions in excess of the Employer's Contribution.¹⁴⁰

16A FURTHER EMPLOYER'S CONTRIBUTIONS

The Trustees may require the Principal Employer and each other Participating Employer to pay to the Trustees such further contributions, in addition to the Employer's Contribution determined under Rule 16, as the Actuary advises to be required to meet any increase in

¹³⁸ This rule was amended by paragraph 9 of schedule 3 to the deed of variation dated 11 April 2001.

¹³⁹ This rule was amended by clause 3(2)(a) of the deed of variation dated 6 July 2004.

¹⁴⁰ This rule was inserted by the deed of variation dated 11 April 2001 and was subsequently amended by the deed of variation dated 19 December 2008.

cost immediately arising from the introduction of the Appropriate Percentage as referred to in Rules 11(1) and 11(2), until the determination of the Employer's Contribution arising from the actuarial valuation of the Scheme next following that undertaken as at 31 March 1997. For the avoidance of doubt, the Actuary need not carry out an actuarial valuation of the Scheme in order to advise under this Rule 16A.

BENEFITS

17 RETIREMENT AT SCHEME PENSION AGE¹⁴¹

- (1) A Member who leaves Service at or after Scheme Pension Age shall be entitled to receive a pension under this Rule, payable in accordance with Rule 33, starting on the date the Member leaves Service and payable for the remainder of the Member's life.
- (2) The annual amount of this pension shall be 1/60th of Pensionable Salary for each year of Total Membership,

LESS, for Existing Members: £10.10 per annum for each year of Total Membership, or, if shorter:

- (a) the period from 1 January 1971 to the date the Member left Service, if the Member retired before 1 October 1993; or
 - (b) the period from 1 October 1993 to the date the Member left Service, if the Member retired on or after 1 October 1993.
- (3) Where a Member has either:
 - (a) suffered a reduction in Contributory Pensionable Salary; or
 - (b) become an LUL Company Plan Employee;

during the Member's Contributory Membership (the date of the change being called in this Rule 17(3) the "Relevant Date"), the pension under Rule 17(2) shall be a minimum of the sum of:

- (a) a pension based on the Member's Total Membership up to the Relevant Date calculated on their Contributory Pensionable Salary immediately before the Relevant Date (increased in accordance with Rule 28 for the period since the Relevant Date); and
- (b) a pension based on the Member's Pensionable Salary for the Total Membership since the Relevant Date.

For the purposes of this Rule 17(3) only, the Contributory Pensionable Salary of a Member who has completed one or more periods of Part-Time Service shall be calculated on the basis set out in Rules 11(2)(b) and 11(2A).

¹⁴¹ This rule was amended by deed of variation dated 19 December 2008.

18 VARIATION TO SCHEME PENSION AGE: LATE RETIREMENT¹⁴²

- (1) An Existing Member may opt (in writing to the Secretary), before or within 3 months after attaining age 60 or on such other date as the Trustees may decide from time to time that, for the purpose of this Rule 18, the Existing Member's Scheme Pension Age is 60. Contributions will then cease and their pension on leaving Service on or after attaining age 60 will be calculated as set out in Rule 18(3).
- (2) A Member who is a Class B or Class C Member for the purpose of the Scheme Limits and who remains in Service after attaining age 65, may elect to receive a pension payable from the date of attaining age 65. The pension will be calculated as if the Member had left Service on that date.
- (3)¹⁴³ A Member who remains in Service after attaining Scheme Pension Age and who is not in receipt of a pension under Rule 18(2), may as an alternative to a pension payable under Rule 17 elect (by notice in writing to the Secretary within such period as the Trustees determine) to receive a pension under this Rule payable from the date of them leaving Service and payable for the remainder of their life. Subject to Scheme Limits, the amount of such pension shall be equal to the sum of:
 - (a) the pension the Member would have received had they left Service at Scheme Pension Age; and
 - (b) if the date the Member leaves Service is more than six months after Scheme Pension Age a bonus pension of two-thirds of one per cent of that pension for each complete month by which the date the Member leaves Service is deferred after Scheme Pension Age.

19 ILL-HEALTH RETIREMENT

- (1) Subject to Rule 19(5), a Member who leaves Service before Scheme Pension Age and, in the opinion of the Trustees and on production of such evidence as they require, is prevented by mental or physical incapacity from the performance of their duties shall be entitled to benefits under Rule 20 or alternatively under this Rule. If such incapacity is, in the opinion of the Trustees, the result of the Member's own misconduct or neglect, the Trustees may at their discretion disqualify them from taking benefits under this Rule.
- (2) The benefit under this Rule shall be:
 - (a) if Total Membership is less than two years, a lump sum of one quarter of Pensionable¹⁴⁴ Salary; or
 - (b) if Total Membership is more than two years but less than five years, or more than 40 years, a pension calculated in accordance with Rule 17; or
 - (c) if Total Membership is at least five years but less than 40 years, a pension calculated in accordance with Rule 17 as if Total Membership included an extra period of the shorter of 10 years and the period between the date of leaving Service and the date

¹⁴² This rule was amended by the deed of variation dated 19 December 2008 and updated by the adoption of this consolidation.

¹⁴³ Rule 18(3) was amended by the deed of variation dated 19 December 2008 to take account of the amongst other things interim amendments in clause 7 of the deed of variation dated 31 March 2008.

¹⁴⁴ Rule 19 was updated to delete the reference to the pension equal to the guaranteed minimum pension benefit only as no longer relevant by the adoption of this consolidation.

the Member will attain Scheme Pension Age, but with a maximum of 40 years.¹⁴⁵ For the avoidance of doubt, the £10.10 per annum deduction for Existing Members will apply in respect of such period of Total Membership¹⁴⁶. The pension so payable in respect of such extra period shall not be exchangeable for a lump sum under Rule 22 except in the circumstances described in Rule 22(5).¹⁴⁷

If at the date of leaving Service the Member was in Part-Time Service, the extra period shall be multiplied by the fraction C/D; where C is the number of the Member's weekly contractual hours of work at the date of leaving Service, and D is the number of standard weekly contractual hours of work of a full-time employee in the same or equivalent position (which in case of doubt shall be determined by the Participating Employer.)

- (3) Subject to Rule 19(5), the pension payable under Rule 19(2) (b) or (c) shall be payable from the date of their leaving Service for the lifetime of the Member.
- (4) Subject to Rule 19(5), if a Member who has elected to receive a deferred pension in accordance with Rule 20 becomes, before that pension commences, incapacitated from undertaking remunerative employment by bodily or mental infirmity the Member shall, on the production of such evidence as the Trustees may require, be entitled to receive immediately the benefits which would have been payable at or from Scheme Pension Age including any increase in the deferred pension accrued to date under Rule 28.
- (5) The Trustees may in their absolute discretion vary or suspend the pension payable under Rule 19(2)(b) or (c) or 19(4) as they deem the circumstances justify if the Member:
 - (a) is, in the opinion of the Trustees, at any time (in the case of a Member leaving Service, whether before or after the Member leaves Service) capable of earning an income, or
 - (b) does not when so requested supply evidence of continued ill-health satisfactory to the Trustees.
- (6) A decision made by the Trustees under Rule 19(1) to disqualify a Member from taking benefits under this Rule may be reviewed at any time by the Trustees and if, after review, such decision to disqualify is reversed, the Member shall be entitled to take benefits under this Rule as if the decision to disqualify had never been made.

20 LEAVING SERVICE

- (1A) If a Member leaves Service before Scheme Pension Age without qualifying for a benefit under any other Rule and their Linked Qualifying Membership is less than 3 months, they shall be entitled to Benefit I.¹⁴⁸
- (1) If a Member leaves Service before Scheme Pension Age without qualifying for a benefit under any other Rule, and the Member's Linked Qualifying Service is equal to or greater than 3 months, then the Member shall be entitled to one of the benefits under this Rule. The Member may elect such benefit from Benefit I, II, IV or V if their Linked Qualifying Membership

¹⁴⁵ Rule 19(2)(c) was amended by the deed of variation dated 19 December 2008.

¹⁴⁶ This rule has been amended in accordance with clause 2 of the deed of variation dated 31 March 2008.

¹⁴⁷ This rule was amended by clause 6 of the deed of variation dated 8 January 2002.

¹⁴⁸ This rule was inserted by clause 3 of the deed of variation dated 26 March 2010 with effect on and from 1 April 2010.

is less than two years, or Benefit II III, IV or V if their Linked Qualifying Membership is at least two years.¹⁴⁹

(2) The benefits referred to Rule 20(1A)¹⁵⁰ and Rule 20(1) are as follows:

- (I)¹⁵¹ a lump sum equal to the Member's Total Contributions;
- (II) a deferred pension payable in accordance with Rule 21 and calculated as at the date of leaving Service in accordance with Rule 17;
- (III) a deferred pension payable in accordance with Rule 21 and calculated as at the date of leaving Service in accordance with Rule 17 but taking into account only membership since 6 April 1975;
- (IV) a transfer payment, which is a recognised transfer payment for the purposes of section 169 of the Finance Act 2004, paid on their behalf to a Registered Pension Scheme or a Qualifying Overseas Scheme of which the person has become a member¹⁵². The amount of the transfer payment shall be determined by the Actuary. The Principal Employer shall provide the Trustees with a copy of its instructions to the Actuary to make such a determination and the Actuary shall provide the Trustees with a copy of its Report at the same time as the Report is provided to the Principal Employer. The amount so determined by the Actuary shall be either the value of Benefit II hereunder or such greater amount as may be agreed between the Actuary and the Participating Employer¹⁵³, after consultation with the Trustees, not exceeding the amount calculated using the formula $A/B \times C$ (the "Maximum Amount") where:
 - A is the value of the liabilities of the Scheme for and in respect of the Member based on Total Membership completed
 - B is the value of the liabilities of the Scheme for and in respect of all Members, Dependants and Eligible Children, for Contributing Members based upon Total Membership completed and for other Members, Dependants and Eligible Children based upon the pensions actually and/or prospectively payable to, and in respect of, them
 - C is the market value of the assets of the Scheme

In placing a value on the liabilities for the determination of A and B, the Actuary shall use an ongoing valuation basis including assumed rates of future salary increases.

If the transfer payment is more than the value of Benefit II, the Maximum Amount may be adjusted in such manner as the Actuary may specify to take account of the period of time (if any) between the dates as at which the Maximum Amount is calculated and the date on which the transfer payment is made.

In no event shall the amount of the transfer payment be less than the cash value of the Member's Guaranteed Minimum Pension as calculated under the 1993 Act. The Secretary shall:

¹⁴⁹ This rule was amended by clause 4 of the deed of variation dated 26 March 2010 with effect on and from 1 April 2010

¹⁵⁰ This rule was amended by clause 5 of the deed of variation dated 26 March 2010 with effect on and from 1 April 2010.

¹⁵¹ This was amended by the deed of variation dated 19 December 2008 to reflect statutory changes and updated by the adoption of this consolidation.

¹⁵² This was amended by the deed of variation dated 19 December 2008 to reflect to reflect tax changes on and after 6 April 2006.

¹⁵³ This rule was amended by paragraph 7 of schedule 3 to the deed of variation dated 11 April 2001.

- (a) certify to the administrator of the Registered Pension Scheme or the Qualifying Overseas Scheme¹⁵⁴ the amount included in the transfer payment which represents the Member's Total Contributions both in respect of the period before and after 6 April 1975, and the period of Linked Qualifying Membership which the Member had completed when the Member left Service; and
- (b)
 - (i) obtain a written assurance from the administrator of the Registered Pension Scheme or the Qualifying Overseas Scheme that liability for the Member's Guaranteed Minimum Pension is accepted by the Registered Pension Scheme or the Qualifying Overseas Scheme and that all contracting-out requirements appertaining thereto under section 20 of the 1993 Act are met;¹⁵⁵ or
 - (ii) pay a contributions equivalent premium as defined in section 55(2) of the 1993 Act in respect of the Members Contracted-out Employment.

¹⁵⁶No transfer payment shall be made under this paragraph in respect of a Member who is a protected person for the purposes of Schedule 32 to the Greater London Authority Act 1999, in any case where article 5 of the London Transport Pension Arrangements Order 2000 applies, unless:

- (a) the employer has obtained a certificate from an actuary appointed by the Trustees for the purpose that in their opinion:
 - (i) the pension rights acquired by and in respect of the Member under the receiving scheme as a result of the payment are overall materially at least as good as those in respect of them under the Scheme at the date of the relevant transaction (as defined in the London Transport Pension Arrangements Order 2000); and
 - (ii) the pension rights which accrue to or in respect of them under the receiving scheme in respect of their service after they begin to participate in the receiving scheme are overall materially at least as good as the pension rights accruing to or in respect of them under the Scheme in respect of service immediately before that transaction; or
 - (b) the Member has agreed in writing that no such certificate need be obtained.
- (V) a payment of an amount determined by the Actuary in respect of the Member made to a Life Insurance Company for the purchase of an annuity or life insurance policy or personal pension scheme as defined in the 1993 Act securing benefits of any amount¹⁵⁷, provided that the Secretary shall obtain a written assurance from that Life Insurance Company or personal pension scheme provider that liability for the Member's Guaranteed Minimum Pension (and all contracting-out requirements appertaining thereto under the 1993 Act) is accepted by the Life Insurance Company or the personal pension scheme provider.

¹⁵⁴ This was amended by the deed of variation dated 19 December 2008 to reflect statutory changes and to reflect tax changes on and after 6 April 2006.

¹⁵⁵ This was amended by the deed of variation dated 19 December 2008 to reflect statutory changes and to reflect tax changes on and after 6 April 2006.

¹⁵⁶ The following sub-rules (a) to (b) were inserted by paragraph 10 of schedule 3 to the deed of variation dated 11 April 2001.

¹⁵⁷ This was amended by the deed of variation dated 19 December 2008 to reflect statutory changes.

- (3) A Member who qualifies for a benefit under this Rule and who fails to make an election under Rule 20(1) within three months of leaving Service (or within such longer period as the Trustees may determine) shall be deemed to have elected to receive Benefit I or, the Member is not entitled to that Benefit, Benefit II.
- (4) If a Member has at least two but less than five years Linked Qualifying Membership and elects to receive a deferred pension under this Rule, then the Trustees may at their discretion purchase from a Life Insurance Company an annuity equivalent to such benefit for the Member. The Member shall then have no further claim on the Scheme.
- (5)¹⁵⁸ (a) If a Member of one Section enters the employment of a Participating Employer in another Section and thereupon becomes a Member of that other Section, their Service shall, subject to Rule 20(5)(b), for all purposes of the Scheme be deemed to remain continuous; and a transfer payment shall be made in respect of them from the previous Section to the new Section. The amount of the transfer payment shall be determined by the Actuary and shall comprise a number of Units equal to the value of the liabilities of the Scheme, as at the most recent Valuation Date, for and in respect of the Member based on their Total Membership completed to the date of joining the new Section, using an ongoing valuation basis including assumed rates of future salary increases.¹⁵⁹
- (b) For the purposes of calculating a cash lump sum at retirement but not otherwise, Rule 20(5)(a) applies to a Member in respect of Service throughout which they remain a protected person employed in the London underground railway industry for the purposes of Schedule 32 to the Greater London Authority Act 1999.
- (6) (a) Subject to Rule 20(6)(b), a Member who qualifies for a deferred pension under this Rule (excluding a person who has opted out under Rule 9) may elect (by notice in writing to the Secretary within such period as the Trustees determine) to receive it from such future date after age 60 as the Member shall elect. Such pension shall be calculated as the pension the Member would have received at age 60, together with a bonus pension of two-thirds of one percent of that pension for each complete month by which the start of their pension is deferred after age 60 provided that such deferment is at least six months.
- (b) For a male Existing Member who left Service before 17 May 1990, Rule 20(6)(a) applies with each reference to age 60 replaced with a reference to age 62.¹⁶⁰

¹⁵⁸ This rule was inserted by paragraph 11 of schedule 3 to the deed of variation dated 11 April 2001.

¹⁵⁹ This rule was amended by paragraph 7 of schedule 3 to the deed of variation dated 11 April 2001.

¹⁶⁰ This rule was amended by clause 9(d) of the deed of variation dated 10 June 2016.

21 EARLY RETIREMENT

- (1) A Member who has elected to receive a deferred pension under Rule 20 and has attained Minimum Pension Age¹⁶¹ may elect to receive instead of the deferred pension an immediate pension payable from such election during the Member's lifetime calculated, in the case of a Member leaving Service on or after 17 May 1990, by multiplying the deferred pension by the percentage shown in the following table:

Exact Age at Election	%	Exact Age at Election	%
60 or more	100	54	79
59	96	53	76
58	92	52	73
57	88	51	70
56	85	50	67
55	82		

And for the interim ages, the percentage shall be calculated by proportional interpolation between the percentages applicable to the nearest exact ages.

- (2) A Member under age 60 may not exchange a deferred pension for an immediate pension in accordance with Rule 21(1) if to do so would result in the immediate pension being less than the Guaranteed Minimum Pension increased at such annual rate as may be determined by the Trustees, having taken the advice of the Actuary, between the date of retirement and State Pension Age.

21A TRANSFERS BETWEEN SECTIONS¹⁶²

- (1) If a Member of a New Section opts out or leaves Service and becomes entitled to a deferred pension, retires with an entitlement to an immediate pension, or dies, a transfer payment will be made in respect of them from the New Section to the TfL Section¹⁶³, if the New Section is one to which this Rule applies for the time being.
- (2) The Trustees may propose, by written notice to the Principal Employer and the Participating Employer, that this Rule shall apply to a New Section if the Trustees consider this to be justified on financial or investment management grounds. The notice must be given at least twenty-eight days before the date from which the arrangement is to take effect (the "Implementation Date").
- (3) The Trustees may adopt and may from time to time amend regulations which will govern the application of this Rule and shall inform a Participating Employer to whom notice is given under this Rule of the content of those regulations.
- (4) The Principal Employer and the Participating Employer must agree the Trustees' proposal unless either of them considers the proposal is not justified on financial or

¹⁶¹ This was amended by the deed of variation dated 19 December 2008 to reflect tax changes on and after 6 April 2006.

¹⁶² This rule was inserted by paragraph 12 of schedule 3 to the deed of variation dated 11 April 2001.

¹⁶³ This rule was amended by clause 2(e) of the deed of variation dated 11 March 2005.

investment management grounds, in which case it must give written notice to the Trustees stating the reasons for its objection, at least seven days before the Implementation Date.

- (5) The amount of the transfer payment will be determined by the Trustees in accordance with tables adopted from time to time by them on the advice of the Actuary. The transfer payment may be made up of Units and/or cash. If Units are transferred, they will be valued for this purpose as at the most recent Valuation Date.
- (6) If the transfer payment actually made or expected to be made is not sufficient to secure the benefits payable to or in respect of the Member, then the Participating Employer of the Member may make a special contribution to the New Section to increase the transfer payment so that it is sufficient to secure those benefits. If the Participating Employer does not do this, then the benefits payable to or in respect of the Member will be reduced in such manner as the Trustees think fit so that the amount of those benefits is equal in value to the transfer payment actually made. Details of any such reduction shall be recorded in a register maintained for this purpose by the Secretary which shall be conclusive as to the existence and terms of such reduction.
- (7) On any occasion when a transfer payment is made under this Rule in respect of a Member, at a time when any Pension Credit Rights exist under the Scheme which arose from a Pension Sharing Order made in respect of that Member, the Trustees may if they think fit transfer the Pension Credit Rights to the Section to which the transfer payment in respect of the Member is made.

21B TRANSFERS OUT¹⁶⁴

(1) **Statutory right**

Certain Members have a statutory right (under Chapter 1 of Part 4ZA of the 1993 Act) to require the Trustees to use the cash equivalent of their accrued benefits to:

- (i) acquire rights under another pension scheme;
- (ii) purchase one or more “buy-out” annuities with one or more Life Insurance Company.

The Trustees will, to the extent required by Chapter 1, comply with a Member’s requirement as to the use of the Member's cash equivalent. If a person does not have this statutory right (or has it but has not exercised it), the remainder of this Rule 21B applies.

(2) **Individual transfers out**

The Trustees may, at the request of a Member, pay a transfer value out of the Scheme in respect of the Member and may make such arrangements as they think fit for the termination of membership of the individual and such other matters as they consider appropriate. The transfer payment must comply with Rule 20(2)(IV) (transfers out).

(3) **Requirements in respect of transfers**

In making a transfer under Rule 21B(2), the Trustees must comply with any relevant requirements of HMRC, the contracting-out requirements of the 1993 Act, the preservation

¹⁶⁴ This rule was inserted by clause 5 of the deed of variation dated 10 June 2016.

requirements (as defined in section 69 of the 1993 Act) and section 48 of the Pension Schemes Act 2015 (independent advice in respect of conversions and transfers).

(4) Trustees' discharge

Once the transfer has been completed, unless the terms of transfer provide otherwise:

- (i) the person or persons in respect of whom it has been made, their personal representatives and any person claiming through them, will have no entitlement under the Scheme;
- (ii) the receipt by the trustees or managers of the receiving arrangement will be a complete discharge to the Trustees in respect of that person or persons; and
- (iii) the Trustees will not be under any obligation to oversee the application of the amount transferred.

22 COMMUTATION OF PENSION¹⁶⁵

- (1) At the time a pension becomes payable to a Member they may, subject to Rule 22(7), elect to exchange any part of it in excess of the Guaranteed Minimum Pension for a lump sum payment. The lump sum payment must not exceed the maximum permitted as a "pension commencement lump sum" as specified in paragraph 2 of Schedule 29 to the Finance Act 2004 (as amended where appropriate by Schedule 36 of the Finance Act 2004).
- (2) The commutation rate will be decided by the Trustees from time to time having taken the advice of the Actuary.
- (3) This Rule shall not apply to pensions payable to or in respect of the Dependant or Eligible Children of the Member.
- (4) The election referred to in this Rule shall cease to be exercisable after a pension becomes payable to a Member.
- (5) If the Trustees receive evidence from a registered medical practitioner that the Member is expected to live for a period of less than one year then before the pension has come into payment the Member may, with the consent of the Participating Employer and the Trustees, elect to exchange all of the benefits to which the Member is actually or prospectively entitled for a lump sum provided all the conditions of paragraph 4 of Schedule 29 of the Finance Act 2004 are satisfied. The basis of calculating the lump sum will be determined by the Trustees having taken the advice of the Actuary. Any pension or pensions contingently payable on the Member's death will be treated as a new arrangement within section 152 of the Finance Act 2004 and will be separate from the arrangement under which the lump sum is payable to the Member.
- (6) A Member may commute their Equivalent Pension Benefits provided that the conditions set out in regulation 2 of the Registered Pension Schemes (Authorised Payments) Regulations 2006 are fulfilled.
- (7) A Member may not exchange any part of an addition to a pension in payment arising from an increase in Pensionable Salary applied retrospectively.

¹⁶⁵ This rule was amended by the deed of variation dated 19 December 2008 to reflect tax changes on and after 6 April 2006.

23 VARIABLE PENSION OPTION¹⁶⁶

- (1) At the time a pension becomes payable to a Member they may, subject to Rules 23(5) and (6), elect to exchange part thereof for an additional pension which shall be payable immediately but which shall cease to be payable at the State Pension Age applicable to the Member at the date of the election or on the earlier death of the Member provided that the Member shall not exchange so much of their pension as to provide them with an additional pension in excess of one-and-one half times the Flat-rate State Pension applicable on the date of such election.
- (2) The additional pension shall be determined by multiplying the annual pension exchanged by such factor as may be determined by the Trustees on the advice of the Actuary.
- (3) This Rule shall not apply to a pension payable under Rules 19, 24 and 25.
- (4) The election referred to in this Rule shall cease to be exercisable after the expiry of four weeks from the date a pension became payable to a Member or after such longer period as the Trustees may determine.
- (5) A Member may not exchange such an amount of pension as would make the pension excluding the additional pension remaining to the Member less than the greater of:
 - (a) the total of their Equivalent Pension Benefits and Guaranteed Minimum Pension increased by such rate as may be determined by the Trustees, having taken the advice of the Actuary, between the date of retirement and State Pension Age; and
 - (b) one-half the pension that would have been payable to them before the application of this Rule and Rule 22.
- (6A) A Member, who has made an election under this Rule (or a previous corresponding provision of the Rules) and in respect of whom the reduction in annual pension after age 65 would before the enactment of Finance Act 2013 be an Unauthorised Payment, may exchange a further part of a pension already in payment for an additional pension payable until such date and on such terms as the Trustees on the advice of the Actuary determine. Such election can only be exercised by such time and in such form as the Trustees determine.¹⁶⁷
- (6) A Member may not exchange any part of an addition to a pension already in payment arising from an increase in Pensionable Salary applied retrospectively.
- (7) Any exchange of pension under Rule 22 shall be made before the application of this Rule.

24 WIDOW'S, WIDOWER'S OR CIVIL PARTNER'S PENSION¹⁶⁸

- (1) If a Member dies leaving a widow, widower or Civil Partner then a pension shall be paid to the widow, widower or Civil Partner for any period such as is mentioned in section 17 of the 1993 Act. The amount of this pension shall, subject to Rule 24(2):
 - (a) where a Member is a man and dies at any time leaving a widow to receive a pension from the Scheme paid at a rate equivalent to a weekly rate of not less than half the Guaranteed Minimum;

¹⁶⁶ This rule was updated by the adoption of this consolidation.

¹⁶⁷ This rule was inserted by the deed of variation dated 15 November 2013.

¹⁶⁸ This amended by the deed of variation dated 19 December 2008 to reflect the statutory changes and the provision of benefits for civil partners. It has been expanded by the adoption of this consolidation to refer to the provisions in Appendix 1 (GMP Model Rules) to the rules.

- (b) where the Member is a woman and dies at any time on or after 6 April 1989 leaving a widower, the widower shall be entitled to receive a pension from the Scheme paid at a rate equivalent to a weekly rate of not less than half of that part of the Guaranteed Minimum which is attributable to earnings for the Tax Year 1988/89 and subsequent Tax Years up to and including 1996/97;
 - (c) where the Member dies leaving a Civil Partner or a spouse of the same sex, the Civil Partner or spouse shall be entitled to receive a pension from the Scheme paid at a rate equivalent to a weekly rate of not less than half of that part of the Guaranteed Minimum which is attributable to earnings for the Tax Year 1988/1989 and subsequent Tax Years up to and including 1996/97.
- (2) In relation to the widow, widower or Civil Partner of any Member who was a member of an Existing Scheme at 1 April 1989, the annual amount of the pension payable under this Rule shall not be less than 1/160th of the annual average of the Member's Pensionable Salary for the last three years of the Member's Contributory Membership (or, if such period is less than three years, for the whole period of the Member's Contributory Membership) for each year of Contracted-out Employment.

24A SURVIVOR'S MINIMUM PENSION¹⁶⁹

- (1) Subject to Rule 24A(2), a pension will be payable under this Rule 24A to the widow, widower or Civil Partner ("the Survivor") of any Member who was not a member of an Existing Scheme at 1 April 1989 and who dies after 5 April 1997.
- (2) Unless the Trustees otherwise determine, a pension under Rule 24A(1) will not be paid if:
- (a) the Survivor is a Dependant; or
 - (b) the Member married or entered into a civil partnership with the Survivor after having received benefits from the Scheme; or
 - (c) at the time of the Member's death, the Survivor is living together as husband or wife or as Civil Partner with another person to whom the Survivor is not married or in civil partnership with; or
 - (d) the circumstances of the Survivor fall within any circumstances that may be prescribed under the Contracting-out laws.¹⁷⁰
- (3) The pension payable under Rule 24A(1) above will be:
- (a) payable only in respect of the Member's Contracted-out Employment between 5 April 1997 and 6 April 2016¹⁷¹;
 - (b) of such annual amount as, in the opinion of the Scheme Actuary (as defined in Rule 43(1)), is necessary to enable the Scheme to satisfy the statutory standard referred to in the Contracting-out laws¹⁷²; and

¹⁶⁹ This rule was updated by the deed of variation dated 19 December 2008 to reflect the provision of benefits for civil partners.

¹⁷⁰ This rule was amended by clause 3 of the deed of variation dated 1 April 2016 with effect on and from 6 April 2016.

¹⁷¹ This rule was amended by clause 4 of the deed of variation dated 1 April 2016 with effect on and from 6 April 2016.

¹⁷² This rule was amended by clause 5 of the deed of variation dated 1 April 2016 with effect on and from 6 April 2016.

- (c) payable for life but will cease if the Survivor remarries or lives together as husband and wife or as Civil Partner with another person to whom the Survivor is not married or in civil partnership unless the Trustees otherwise determine

25 DEPENDANTS' AND ELIGIBLE CHILDREN'S PENSIONS.

- (1) If a Member dies in any of the circumstances referred to in Rule 25(2) a pension shall be payable to or in respect of the Member's Eligible Children and Dependants. Subject to Rule 25(3) the amount of this pension shall be one half of the Member's Pension in respect of the Dependand and, in the case of a Member dying on or after 1 January 1993, a total of one half or, if no pension is payable to a Dependand, the full amount of the Member's Pension (as defined in Rule 25(2)), to be divided equally between the Eligible Children up to four in number provided that no Eligible Child shall be entitled to receive more than one quarter or, if no pension is payable to a Dependand, one half of the Member's Pension.
- (2) The Member's Pension referred to in Rule 25(1) shall be:
 - (a) if the Member dies in Service after completing at least two years' Total Membership but has not attained Scheme Pension Age, the pension before any exchange under Rule 22 or 23 that would have been payable to the Member under Rule 19 if the member had retired due to incapacity on the day they died; or
 - (b) if the Member dies in Service on or after attaining Scheme Pension Age, the pension before exchange under Rule 22 or 23 that would have been payable to the Member under Rule 17 or Rule 18 if he the Member had retired on the day of their death¹⁷³; or
 - (c) if the Member dies whilst receiving a pension under Rule 21, provided that the Member had completed at least two years' Total Membership, or under Rule 17, 18 or 19, the pension that would have been payable to the Member at the date of their death with the following qualifications:
 - (i) any exchange under Rule 22 or 23 shall be disregarded; and
 - (ii) for the purpose of calculating the pension payable to a Dependand who is in receipt of a pension payable under Rule 24 there shall have been included any pension increase that had been made under Rule 28; and
 - (iii) for the purpose of calculating the pension payable to a Dependand who is not in receipt of a pension payable under Rule 24, there shall be included any pension increase that would have been made under Rule 28 if Rule 28(4)(b) had not applied; or
 - (d) if the Member had completed at least two years' Total Membership and dies after electing to receive a deferred pension under Rule 20, the pension that would have been payable to the Member under Rule 21 (but taking into account any bonus pension payable to the member under Rule 20(6)) from Scheme Pension Age with the qualifications set out in Rule 25(2)(c).¹⁷⁴
- (3) During such period as a pension is payable to the widow, widower or Civil Partner of a Member under Rule 24, the pension payable to or in respect of any Dependand (but not the

¹⁷³ This rule was amended by the deed of variation dated 19 December 2008.

¹⁷⁴ This rule was amended by clause 3 of the deed of variation dated 15 February 2013 with effect on and from 3 April 2011.

pension payable to or in respect of any Eligible Child) under this Rule shall be reduced by the amount of pension payable under Rule 24.¹⁷⁵

- (4) In the event the Trustees stop an Eligible Child's pension at age 23 they may (if in their opinion there is a reasonable expectation that the child will remain in full time education beyond the age of 23) may make an additional payment to such child as follows. The payment will be made before the child reaches age 23 and must not exceed two times the rate of the child's pension in payment and may be payable in such amounts and at such times as the Trustees decide.¹⁷⁶

26 LUMP SUM DEATH BENEFITS¹⁷⁷

- (1) If a Member dies in Service a lump sum of four times the Member's Pensionable Salary (ignoring the Scheme Earnings Cap in the case of a member who dies after 5 April 2006) may, at the discretion of the Trustees, be paid to such one or more of the persons described in Rule 26(6) and in such shares as the Trustees, in their absolute discretion, think fit.¹⁷⁸
- (2) If a Member dies after leaving Service, a lump sum may, at the discretion of the Trustees, be paid to such one or more of the persons described in Rule 26(6) and in such shares as the Trustees, in their absolute discretion, think fit. The amount of the lump sum will be:
 - (a) if the Member was receiving a pension under Rule 19(2)(c) but had not attained Scheme Pension Age, four times the Member's Pensionable Salary; or
 - (b) if the Member was receiving a pension under Rule 19(2)(b) and died within five years of leaving Service but before Scheme Pension Age, four times the Member's Pensionable Salary; or
 - (c) if otherwise and there is no pension payable under Rule 24 or 25, the lesser of five times the Member's Pension defined in Rule 25(2) (ignoring the requirement for at least two years' Total Membership) or four times the Member's Pensionable Salary; or
 - (d) if otherwise and there is a pension payable under Rule 24 or 25, the lump sum which would have been payable if the maximum amount of the Member's Pension as defined in Rule 25(2) had been commuted in accordance with Rule 22 as it stood immediately before 6 April 2006.¹⁷⁹
- (3) The lump sum payable under Rule 26(1) or Rule 26(2) shall be reduced by the amount of pension and lump sum already paid to the Member.
- (4) In the case of a Member dying between 1 September 1990 and 30 June 1993 inclusive, Rules 26(1) and (2) above shall take effect as if the words "three times" were substituted for the words "four times" wherever the same appear.
- (5) In the case of a Member who was in Part-Time Service for any period during the 12 months preceding their death, their Pensionable Salary for the purposes of this Rule 26 shall be whichever is the greater of:

¹⁷⁵ This rule was amended by clause 9 of the deed of variation dated 8 January 2002 and subsequently by the deed of variation dated 19 December 2008 to reflect the provision of benefits for civil partners.

¹⁷⁶ This rule was amended by the deed of variation dated 19 December 2008 to reflect tax changes on and after 6 April 2006.

¹⁷⁷ This clause was amended in accordance with clause 1 of schedule 1 to a deed of variation dated 7 March 2007.

¹⁷⁸ This rule has been amended by a resolution dated 26 March 2007.

¹⁷⁹ This rule has been amended in accordance with the resolution dated 19 June 2008.

- (a) the Appropriate Percentage of the Member's annual rate of salary at the date of their death, LESS, for a New Member, the Lower Earnings Limit at that date multiplied by the fraction A/B (as defined in Rule 11A(a)); and
 - (b) the Member's Contributory Pensionable Salary at the date of their death as determined under Rule 11(2).
- (6) The persons referred to Rules 26(1) and (2) are:
- (a) the Member's husband or wife, Civil Partner or unmarried partner;
 - (b) the Member's children;
 - (c) the parents, grandparents and great-grandparents of the Member and the Member's husband or wife, Civil Partner or unmarried partner;
 - (d) the descendants of the persons mentioned in (b) and (c) above;
 - (e) the husbands and wives, Civil Partners or unmarried partners of the persons mentioned in (b) and (c) above;
 - (f) any former husband or wife, Civil Partner or unmarried partner of the Member
 - (g) any Dependant of the Member;
 - (h) any person (including a charity, society or club) nominated by the Member by notice in writing received by the Trustees during the Member's lifetime;
 - (i) any person beneficially entitled under the Member's will, in respect of which a grant of representation has been obtained;
 - (j) the Member's legal personal representatives;
 - (k) the trustees of a trust (including one set up for this purpose by the Trustees for the benefit of any one or more of the persons mentioned in paragraphs (a) to (j) above). The Trustees will decide the terms of any such trust which may include powers wider than those given to trustees under statute (including those of investment, maintenance, advancement, appropriation and insurance). Any costs, expenses and tax incurred in setting up such a trust or making a payment to it may, if the Trustees decide, be deducted from the lump sum.

A person's unmarried partner for the purpose of this Rule means the partner they are living with as if they were married or in a civil partnership.

The descendants of a Member (or of a Member's descendant) include a stepchild or a legitimated, adopted or illegitimate child.

The persons mentioned in (d) above include the descendants of a Member's stepsibling.¹⁸⁰

Any part of a lump sum death benefit which remains unpaid 24 months after the date on which it became payable (or such longer period as the HMRC will allow) will be paid to the Member's legal personal representatives, unless and to the extent that the Crown, the Duchy of Lancaster or the Duke of Cornwall would benefit from a lump sum death benefit payable under this Rule, when it will be retained as part of the Fund.

¹⁸⁰ This rule was amended by clause 9(b) of the deed of variation dated 10 June 2016.

- (7) The Trustees may make or authorise to be made such enquiries as they consider reasonable about the identity and whereabouts of any person who is or may be within a class of person mentioned in Rule 26(6) or obtain any other relevant information in relation to any such person. The Trustees can accept any evidence of the relationship of a person to the Member that they consider to be sufficient.

The Trustees need to consider only those persons of whom they are aware at the time they use their discretion under this Rule 26 or could have discovered on making such enquiries as they considered reasonable in the circumstances. The Trustees shall not be held to have acted in breach of trust or otherwise to have been guilty of maladministration by reason of the fact that any enquiries made were either insufficient or inappropriate.

- (8) A Member may elect in writing to the Trustees, before the Member's pension starts, to have any cash sum payable upon the Member's death after commencement of pension treated for tax purposes as a "pension protection lump sum death benefit" (as defined in paragraph 14 of Schedule 29 of the Finance Act 2004.) In that event the Trustees shall deduct from the lump sum any tax for which it may be liable to account for to HMRC under section 206 of the Finance Act 2004.¹⁸¹

27 ADDITIONAL VOLUNTARY CONTRIBUTIONS¹⁸²

- (1) A Member in Service (who has not opted out of membership under Rule 9) may elect to pay Voluntary Contributions to the Trustees provided that these together with any other contributions paid by the Member under these Rules or under any other Registered Pension Schemes (or, previously, retirement benefit schemes approved by HMRC) shall not exceed 15 per cent of the Member's emoluments.

In relation to a Class A Member (as defined in Appendix 2) "emoluments" shall be limited to the Scheme Earnings Cap.¹⁸³

- (2) A Member's Voluntary Contributions shall be credited to the Member's AVC Account which shall be kept separate from the other assets subject to the Scheme and invested in such manner as the Trustees (with the consent of the Member) shall determine.
- (3) The monies credited to the Member's AVC Account shall be applied in the following manner:
- (a) Unless the Trustees decide otherwise:
- (i) to the purchase of a life annuity (such annuity shall not be deemed a pension for the purpose of these Rules) for or in respect of the Member; or
- (ii) to the payment of a lump sum to the Member (subject to the limits and conditions set out in Rule 22(1))¹⁸⁴
- at the time the Member's other benefits under the Scheme (apart from Benefit III under Rule 20) become payable.
- (b) If the Trustees decide, they may, instead of applying those monies as described in Rule 27(3)(a), use them to provide such benefits additional to those referred to

¹⁸¹ This rule has been inserted by the deed of variation dated 19 December 2008 to reflect tax changes on and after 6 April 2006.

¹⁸² The rule was updated by the deed of variation dated 19 December 2008 has been updated to reflect statutory references.

¹⁸³ This has been amended by clause 4 of the deed of variation dated 31 March 2008.

¹⁸⁴ This amended by the deed of variation dated 19 December 2008 to reflect tax changes on and after 6 April 2006.

elsewhere in these Rules in such form, and payable at such time, as the Member, with the consent of the Trustees, may decide and of such amount as the Trustees decide after consulting the Actuary and as are notified to the Member. The Trustees will not be responsible for the Member's decisions as to the form in which the Member takes such benefits or the time at which the Member takes them. Additional benefits can include (but shall not be limited to):

- (i) a pension which is commutable into a capital sum; and/or¹⁸⁵
 - (ii) an uncrystallised funds pension lump sum (as defined in paragraph 4A of Schedule 29 to the Finance Act 2004).¹⁸⁶
- (c)¹⁸⁷ Alternatively to Rule 27(3)(a) or (b) the Trustees may comply with a Member's written request (in a form that satisfies the Trustees) to transfer part or all of the Member's AVC Account to one or more different Registered Pension Schemes or Qualifying Overseas Scheme (the "Receiving Scheme") provided that it is a recognised transfer for the purpose of section 169 of the Finance Act 2004 and the trustees, managers or administrators of the Receiving Scheme are able and willing to accept the transfer payment and comply with any requirements the Trustees have in relation to the transfer.

Once such a transfer has been completed then:

- (i) the Member (and any persons claiming through the Member) will have no entitlement under the Scheme in relation to that part of the AVC Account transferred; and
 - (ii) the receipt by the trustees, managers or administrators of the Receiving Scheme will be a complete discharge to the Trustees who will be under no liability to see to the application of that part of the AVC Account so transferred,
- (d) If the Member dies in Service (or after leaving Service but before an annuity has been bought in respect of them), the monies credited to the Member's AVC Account shall be payable at the discretion of the Trustees to such one or more of the persons described in Rule 26(6) and in such shares as the Trustees, in their absolute discretion, think fit.
- (4) Any surplus Voluntary Contributions may only be returned (less tax) to the Member to the extent that the return constitutes a refund of excess contributions lump sum within the meaning of paragraph 6 of Schedule 29 of the Finance Act 2004 and is in accordance with HMRC requirements.¹⁸⁸

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¹⁸⁵ The end of this rule was deleted by the deed of variation dated 19 December 2008 to reflect tax changes on and after 6 April 2006.

¹⁸⁶ This rule was amended by clause 8 of the deed of variation dated 10 June 2016.

¹⁸⁷ This rule was amended following clause 2 of schedule 1 to a deed of variation dated 7 March 2007 and then subsequently by the deed of variation dated 31 March 2008.

¹⁸⁸ This rule was inserted by the deed of variation dated 19 December 2008 to reflect tax changes on and after 6 April 2006.

¹⁸⁹ The previous sub-rules (4) – (6) were deleted by the deed of variation dated 19 December 2008 to reflect tax changes on and after 6 April 2006.

28 PENSION INCREASES¹⁹⁰

- (1) In this Rule:
 - (a) "**Index**" means the United Kingdom General Index of Retail Prices (for all items) published by the Central Statistical Office ¹⁹¹(January 1987 = 100), or in any index which may replace the same and which the Trustees may, after consulting the Actuary, consider to be comparable;
 - (b) "**Indexation Factor**", for each Scheme Year, means the amount (expressed as a percentage to one decimal place) by which the Index for the immediately preceding September exceeds the Index for the September before that; and
 - (c) "**Pension**" means any pension payable under the Rules (including a deferred or contingent pension which has not yet commenced but excludes any pension payable under Rule 24) and the rate of any Pension shall include any increase previously granted under the provisions of this Rule.
- (2) The rate of every Pension shall be increased annually by the Indexation Factor; the increase to take effect from 1 April in the Scheme Year.
- (3) Where a Pension commences on a date other than 1 April, the increase under Rule 28(2) for the year following the date of commencement shall be one twelfth (expressed as a percentage to one decimal place) of the Indexation Factor for every complete month between the date of commencement and the following 31 March.
- (4) Notwithstanding the foregoing provisions of this Rule:
 - (a) no increase payable to a New Member, the New Member's Dependant or Eligible Child shall exceed 5% of the Pension before the increase;
 - (b) if a New Member ceases to be in Contracted-out Employment before State Pension Age, that part of their pension which is the Guaranteed Minimum Pension will be revalued in respect of the period up to State Pension Age in accordance with paragraph 6 of Appendix 1 (GMP Model Rules). If the commencement of their Guaranteed Minimum Pension is postponed after State Pension Age, it will be increased to the extent, if any, specified in section 15 of the 1993 Act.,¹⁹²
 - (c) on that part of the Member's Pension in payment which is the Guaranteed Minimum Pension accrued up to 6 April 1988 no increase shall be paid, and on that part which is the Guaranteed Minimum Pension accrued after 5 April 1988 no increase shall exceed 3% per annum; and
 - (d) the increase in a Pension payable under Rule 25 shall be calculated as if the Pension being paid were that which would have been payable under that Rule if Rule 24 did not apply, but increases payable on that part of a Dependant's Pension which is a Guaranteed Minimum Pension calculated in accordance with sections 17(2) to 17(4) of the 1993 Act shall be dealt with as in Rule 28(4)(c) above.
- (5) Pensions payable from the Scheme to Members, Dependents and Eligible Children (including deferred or contingent Pensions) may be increased by such amount as the Trustees subject

¹⁹⁰ This wording has been amended by the adoption of this consolidation.

¹⁹¹ It is to be noted that the Central Statistical Office merged with the Office of Population of Censuses and Surveys to form the Office for National Statistics on 1 April 1996.

¹⁹² This rule was amended by clause 6 of the deed of variation dated 1 April 2016 with effect on and from 6 April 2016.

to the consent of the Principal Employer (which shall first consult the Participating Employer)¹⁹³ may approve.

28A. AUGMENTATION¹⁹⁴

- (1) Subject to Rules 28A(2) and (3) the Trustees may, if the Participating Employer so requests, augment any benefit payable under the Scheme or pay a benefit to or for any Member or other person in addition to those payable under the Rules or otherwise than in accordance with the Rules.
- (2) The Participating Employer and the Trustees may use the powers under Rule 28A(1) only if:
 - (a) the Participating Employer of the Member and/or the Member concerned agree to pay such additional contributions to the Scheme (if any) as the Trustees, having consulted the Actuary, may decide; and
 - (b) the Scheme's status as a Registered Pension Scheme is not prejudiced and the preservation requirements (within the meaning of section 69 of the 1993 Act) are satisfied; and
 - (c) where benefits otherwise payable to or for a Member are being replaced by other benefits, the overall value of all benefits for the Member under the Scheme after the replacement shall not, in the opinion of the Trustees, having consulted the Actuary, be less than their overall value before the replacement.
- (3) Augmentation of a Member's pension may be achieved by the granting of an additional amount of benefit, or by the granting of underlying guarantees of a minimum level of pension and other benefits for certain members or categories of members, or in such other way as the Trustees and the Participating Employer may agree. Details of such augmentations shall be recorded in a register maintained for this purpose by the Secretary which shall be conclusive as to the existence and terms of such augmentations.

To the extent that the terms on which the benefits are payable are inconsistent with the Rules, they will override the Rules, subject to Rule 28A(2)(b).

References in this Rule to benefits payable for a Member include benefits payable to the Member and benefits payable by reason of their membership to their family, dependants and other persons after their death.

29 CONTRACTING-OUT

- (1) This Rule applies if any employment becomes contracted-out by reference to the Scheme. Prior to 6 April 1997 the Scheme was contracted-out on a salary related basis whereby Guaranteed Minimum Pensions accrued for and on behalf of Members in Contracted-out Employment. From 6 April 1997 the Scheme became contracted-out on a salary related basis under section 12A of the 1993 Act. From 6 April 2016 contracting-out was abolished.¹⁹⁵

¹⁹³ This rule was amended by paragraph 13 of schedule 3 to the deed of variation dated 11 April 2001.

¹⁹⁴ This rule was amended by paragraph 7 of schedule 3 to the deed of variation dated 11 April 2001 in respect of "Principal" being replaced by "Participating". The statutory references were updated by the deed of variation dated 19 December 2008 to reflect tax changes on and after 6 April 2006.

¹⁹⁵ This rule was amended by clause 7 of the deed of variation dated 1 April 2016 with effect on and from 6 April 2016.

- (2) The provisions of Appendix 1 hereto (the GMP Model Rules) shall apply if any employment was Contracted-out Employment by reference to the Scheme before 6 April 1997. References to benefits which accrued in relation to such Contracted-out Employment appear in the Rules at the relevant places for ease of reference.¹⁹⁶
- (3) In relation to benefits which accrued in respect of Contracted-out Employment between 5 April 1997 and 6 April 2016, the Trustees shall ensure that the benefits provided under the Scheme overall satisfy the statutory standard under the Contracting-out laws and that the Rules comply with the requirements of Contracting-out laws. If these Rules fail to provide benefits which overall comply with that standard, or if the Rules fail to comply with those requirements, the Rules shall, unless the Trustees and the Principal Employer decide otherwise, be deemed to be amended to the extent which the Trustees, having considered the advice of the Actuary, consider is reasonable to ensure that they do comply.¹⁹⁷

30 SCHEME LIMITS¹⁹⁸

The benefits payable to a person under the Rules together with any Retained Benefits shall not in aggregate exceed Scheme Limits. The total contributions made by a Class A Member as defined in Appendix 2 (Scheme Limits) shall not exceed 15% of the Scheme Earnings Cap.

31 TAX¹⁹⁹

If, when a payment is made from the Scheme under these Rules, there is or may be any liability to tax or duties in respect of such payment, the amount of the tax or duties (including any interest due) shall, unless the Trustees determine otherwise, be deducted from the said payment to meet such liability.

31A. FINANCE ACT 2004 ISSUES: LIFETIME ALLOWANCE ETC²⁰⁰

- (1) If a Member reaches age 75 without their pension having come into payment, and the Trustees are unable to verify the amount of Lifetime Allowance remaining available to the Member, the Trustees may reduce the Member's prospective entitlement to benefits under the Scheme, determined as if the whole of the Member's benefits were chargeable to a Lifetime Allowance Charge, and will then account to the HMRC for the tax due as if the Member had no Lifetime Allowance available.
- (2) The Trustees may, with the agreement of the Member and the approval of the Principal Employer, pay any part of the Member's benefits that are subject to a Lifetime Allowance Charge to the Member in the form of a lump sum that satisfies the conditions set out in paragraph 11 of Schedule 29 to the Finance Act 2004. The amount of the lump sum will be determined by the Trustees and agreed with the Principal Employer, taking into account the capital value of any reduction in the Member's benefits made in respect of the Lifetime Allowance Charge. The Trustees will account for any Lifetime Allowance Charge to HMRC.

¹⁹⁶ This rule was amended by the adoption of this consolidation.

¹⁹⁷ This rule was amended by clauses 8, 9 and 10 of the deed of variation dated 1 April 2016 with effect on and from 6 April 2016.

¹⁹⁸ This rule was amended by clause 2(2)(d) of the deed of variation dated 6 July 2004 and was subsequently amended by the deed of variation dated 19 December 2008 to reflect tax changes on and after 6 April 2006.

¹⁹⁹ This rule was amended by paragraph 14 of schedule 3 to the deed of variation dated 11 April 2001 and was subsequently updated by the deed of variation dated 19 December 2008 to reflect tax changes on and after 6 April 2006.

²⁰⁰ This new rule 31A was inserted by the deed of variation dated 19 December 2008 to reflect tax changes on and after 6 April 2006 and has subsequently been updated in accordance with the variation dated 15 February 2013 in the deletion of the words 'as defined in paragraph 12 of Schedule 3 to the Finance Act 2004'.

Where a Member's benefits are subject to a Lifetime Allowance Charge and the Member receives those benefits in the form of pension the Trustees will pay the pension net of amounts whose value as determined by the Actuary represents the Lifetime Allowance Charge, plus any additional tax deduction in respect of the payment for which the Trustees are liable. The Trustees will account for any Lifetime Allowance Charge to HMRC.

- (3) At the request of Principal Employer, the Trustees may agree special terms with a Member who has indicated that they will rely on Enhanced Protection. In that event, unless otherwise agreed in writing with the Member concerned, the Scheme shall include such provisions as are necessary to prevent Enhanced Protection ceasing to apply to that Member and the terms of membership of that Member will be restricted accordingly. The Trustees and Principal Employer may rely on any information provided by or on behalf of the Member in this respect.²⁰¹
- (4) The Trustees shall not be liable for the consequences of any Relevant Benefit Accrual that occurs in relation to a Member's benefits, (including without limitation, any tax charges incurred), before the Member has registered for Enhanced Protection.
- (5) Subject to the preservation requirements (as defined in section 69 of the 1993 Act), 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 Lifetime Allowance that is available to them (if any).
- (6) Unless the Participating Employer otherwise agrees in writing with a Member, the Scheme shall include such provisions as are necessary to prevent any applicable LTA Protection Provisions²⁰² from ceasing to apply to that Member. As a result, benefits, contributions to and transfers into and out of the Scheme relating to or in respect of that Member shall be restricted accordingly.²⁰³
- (7) Where a Member has given their notice of intention to HMRC to rely on any of the LTA Protection Provisions, the Trustees shall not be liable in the event that any applicable LTA Protection Provisions ceases to apply in respect of such Member by reason of any event occurring in relation to that Member under the Scheme.²⁰⁴²⁰⁵
- (8)²⁰⁶ In the event that the Trustees:
 - (a) are liable jointly and severally with a Member to meet all or part of the Member's annual allowance charge (as defined in section 227 of the Finance Act 2004) by virtue of section 237B of the Finance Act 2004; or
 - (b) otherwise decide on the request of a Member to meet all or part of the Member's annual allowance charge (as defined in section 227 of the Finance Act 2004),

and the Trustees satisfy such liability, then the Trustees will reduce the Member's benefits in such a manner as they think fit provided that the basis for such reduction is (as provided

²⁰¹ This rule was amended by clause 1(d) of the deed of variation dated 15 February 2013 with effect on and from 1 March 2013.

²⁰² This rule was amended by clause 2 of the deed of variation dated 10 June 2016 with effect on and from 6 April 2014.

²⁰³ This rule was inserted by clause 4 of the deed of variation dated 15 February 2013 with effect on and from 6 April 2012.

²⁰⁴ This rule was inserted by clause 4 of the deed of variation dated 15 February 2013 with effect on and from 6 April 2012.

²⁰⁵ This rule was amended by clause 2 of the deed of variation dated 10 June 2016 and was effective on and from 6 April 2014.

²⁰⁶ This rule was inserted by clause 5 of the deed of variation dated 15 February 2013.

under section 237E of the Finance Act 2004) just and reasonable having regard to normal actuarial practice.^{207 208}

MISCELLANEOUS

32 BENEFITS NOT ASSIGNABLE

A beneficiary under these Rules may not assign or charge in any way any part of their entitlement (whether actual or prospective) to another person and in any event no payment shall be made to such other person. If the beneficiary does make such arrangement then the Trustees may at their absolute discretion cease to pay benefits to the beneficiary or may pay all or part of those benefits to or in respect of the beneficiary.

An order of the Court made under section 25B of the Matrimonial Causes Act 1973, or a Pension Sharing Order as defined in Appendix 3²⁰⁹ in respect of a Member's rights or benefits under the Scheme shall not be treated as an assignment or charge of any part of the Member's actual or prospective entitlement.

33 PAYMENT OF PENSIONS

- (1) All pensions payable under the Rules shall be payable in advance at four-weekly intervals or such longer intervals as the Trustees may determine.
- (2) Payment of a pension to the parent or guardian of an Eligible Child under the age of 18 shall constitute a valid payment and shall discharge the Trustees from any further liability.
- (3) All benefits payable under the Rules shall commence to be paid no later than the date on which the recipient reaches age 75 unless the Trustees decide otherwise. Where any benefit payable under the Rules has not commenced by such date, the Trustees may put those benefits into payment from the Scheme.²¹⁰

33A. INTEREST²¹¹

The Trustees may, at their discretion, on the payment of any lump sum benefit or instalment of pension due under the Rules which has been outstanding for at least three months from the date on which it first became payable, pay interest from such date and at such rate or rates as the Trustees may determine. The Trustees will exercise their discretion under this Rule in accordance with guidelines established by them and agreed with the Principal Employer from time to time. This Rule will not apply if the pension has been forfeited under Rule 40.

34 EVIDENCE OF AGE, ELIGIBILITY ETC.

The Trustees shall have the power to require a person entitled or prospectively entitled to a pension under the Rules to furnish such evidence as the Trustees may require:

- (a) of their age and of their continued survival;

²⁰⁷ This rule was inserted by clause 5 of the deed of variation dated 15 February 2013 with effect on and from 15 March 2013.

²⁰⁸ This rule was amended by clause 7 of the deed of variation dated 10 June 2016.

²⁰⁹ This rule was amended by paragraph 15 of schedule 3 to the deed of variation dated 11 April 2001.

²¹⁰ This rule was inserted by clause 6 of the deed of variation dated 10 June 2016.

²¹¹ This rule was amended by paragraph 16 of schedule 3 to the deed of variation dated 11 April 2001.

- (b) if a pensioner under Rule 19, of their continued incapacity and of the amount of any earnings;
- (c) if an Eligible Child who has attained the age of 18, of them continuing in full time education or professional or vocational training or of continued disability;²¹²
- (d) if a Dependant, that re-marriage, civil partnership or co-habitation has not occurred;²¹³
- (e) if a Dependant or Eligible Child, of their eligibility;
- (f) of any other matters relevant to their entitlement to benefits or payments to them from the Scheme; and
- (g) the amount of Lifetime Allowance that is available to them .²¹⁴

And if such evidence is not produced, the Trustees may decline to pay the benefits until such evidence is produced.

35 DETERMINATION OF DEPENDANT

- (1) If there are two or more persons qualifying as the Dependant of a Member, then, on the commencement of its payment, any benefit payable to the Dependant under these Rules shall be divided between such persons in such way as the Trustees at their absolute discretion may determine except that if one of such persons is the widow or widower or Civil Partner of the Member then that person shall be accepted by the Trustees as the Member's Dependant to the exclusion of all other persons.²¹⁵
- (2) If it appears to the Trustees that, on the death of any Member, there is no Dependant or Eligible Child surviving the Member and the claim in respect of dependency is not made within three months of the death of the Member, the Trustees may thereafter, at their discretion, apply the Rules on the assumption that there is no Dependant or Eligible Child.
- (3) If at any time there are more than four Eligible Children, then only the four oldest thereof shall be accepted as Eligible Children for the purposes of these Rules.

36 CESSATION OF PENSIONS²¹⁶

Any pension payable under the Rules shall not be payable after the last day of the four-weekly payment period during which:

- (a) if a Member, they died;
- (b) if a Dependant or Eligible Child, they died or ceased to be eligible.

²¹² This rule was amended by clause 4 of the deed of variation dated 8 January 2002.

²¹³ This rule was amended by the deed of variation dated 19 December 2008 to reflect the provision of benefits for civil partners.

²¹⁴ This rule was inserted by the deed of variation dated 19 December 2008 to reflect tax changes on and after 6 April 2006.

²¹⁵ This rule was amended by the deed of variation dated 19 December 2008 to reflect the provision of benefits for civil partners.

²¹⁶ This rule was amended by clause 5 of the deed of variation dated 8 January 2002.

37 COMMUTATION OF SMALL PENSIONS²¹⁷

- (1) The Trustees may (provided the Member so elects and that they are satisfied that the conditions applicable to a “trivial commutation lump sum” as set out in paragraph 7 of Schedule 29 of the Finance Act 2004 or a “*de minimis*” lump sum under regulations made under section 164 of the Finance Act 2004 are met) commute all of a Member’s benefits under the Scheme in return for the payment of a lump sum. The amount of the lump sum will be determined by the Actuary.
- (2) The Trustees may, provided they are satisfied that the conditions set out in paragraph 20 of Schedule 29 to the Finance Act 2004 are met, commute on the request made by or properly on behalf a person or persons entitled to a pension on the death of a Member commute all the benefits under the Scheme payable to such person or persons in return for the payment of a lump sum. The amount of the lump sum will be determined by the Actuary.

38 EXERCISE OF OPTIONS

Any person wishing to exercise an option under the Rules shall do so in writing in a form prescribed by the Trustees which shall be sent to the Secretary to be received by the Secretary within any time limit prescribed by the Rules.

“*writing*” means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

39 LIEN ON²¹⁸ BENEFITS²¹⁹

- (1) Subject to the 1995 Act, if a Member is dismissed from Service by reason of a criminal, negligent or fraudulent act or omission or resigns to avoid such dismissal, the Participating Employer shall have a lien upon any benefit payable to or in respect of the Member under the Rules for the purpose of enabling the Participating Employer to obtain a discharge of any monetary obligation due to a Participating Employer arising from such act or omission. The amount of the lien shall be a cash sum payable at the time the Member leaves Service which shall not exceed the lesser of:
 - (a) the amount of such monetary obligation; or
 - (b) the actuarial value, as at the date on which the Member leaves Service, of the actual or prospective benefits which the Member elects to take from the Scheme, excluding the value of benefits payable in respect of any Transferred Membership and/or the amount of any Guaranteed Minimum Pension.
- (2) The Secretary shall give to the Member a certificate showing the amount recovered and its effect on the Member’s benefits.
- (3) If a dispute should arise between the Member and the Participating Employer as to the amount of the lien then this Rule shall only apply if an order to that effect is made by a competent Court or by an independent arbitrator appointed by agreement between the parties (or failing such agreement by the President for the time being of the Law Society).

²¹⁷ This rule was amended by the deed of variation dated 19 December 2008 to reflect tax changes on and after 6 April 2006.

²¹⁸ This rules has been expanded by the adoption of this consolidation.

²¹⁹ This rule was amended by paragraph 7 of schedule 3 to the deed of variation dated 11 April 2001.

40 FORFEITURE OF BENEFITS²²⁰

Any lump sum benefit or instalment of pension due under the Rules which is not claimed within six years from the date on which it falls due shall be forfeited unless the Trustees shall otherwise determine.

Any instalment of a Guaranteed Minimum Pension may be forfeited if it is not paid within 8 years of the date on which the instalment became due, and the Trustees do not know the whereabouts of the recipient.

41 INCAPACITY OF BENEFICIARY

If the Trustees shall at any time be satisfied by medical or other²²¹ evidence that a person entitled to or in receipt of benefits under the Rules (on whose behalf no deputy under the Mental Capacity Act 2005²²² or any legislation repealing or amending the same has been appointed) is incapable of managing their own affairs the Trustees may pay so much of the benefits as they think fit to the institution or person having the care of the beneficiary and may pay the surplus, if any, or part thereof for or towards the maintenance and benefit of the wife, husband, relatives or Dependants of the beneficiary.

Payment of a Guaranteed Minimum Pension may be suspended during any period when the person receiving the Guaranteed Minimum Pension is unable to act (by reason of mental disorder or otherwise) but the amount of the Guaranteed Minimum Pension must either be paid or applied for the maintenance of the recipient or their dependants, or paid to the recipient when the recipient is again able to act, or paid to the recipient's estate after the recipient's death.²²³

42 PAYMENT OF DEATH BENEFIT

(1)(a)²²⁴This Rule 42(1) applies if a Member, Dependant, Eligible Child or PCB Member dies and a sum of money would, but for this Rule, be payable in respect of them under the Rules to their legal personal representatives but they have no legal personal representatives for the time being. In those circumstances, the Trustees may pay any such sum, not exceeding the amount defined in Rule 42(1)(b), to any one or more of the persons referred to in Rule 26(6) as the Trustees may determine. If the Trustees do this, they shall not be liable to make any further payment to any claimant in respect of the deceased Member, Dependant, Eligible Child or PCB Member.

(b)²²⁵The amount referred to in Rule 42(1)(a) is the greater of:

- (i) £10,000, as increased annually by the Indexation Factor defined in Rule 28, with the first increase being made in September 2002; and
- (ii) such limit as the Treasury may by Order direct for the purposes of the Administration of Estates (Small Payments) Act 1965.

²²⁰ This rule has been expanded to include within its provisions set out in Appendix 1 (GMP Model Rules) to the rules.

²²¹ This rule was amended by clause 7 of the deed of variation dated 8 January 2002.

²²² This was updated by the deed of variation dated 19 December 2008 to reflect new legislation.

²²³ This rule has been expanded to include within its provisions set out in Appendix 1 to the rules.

²²⁴ This rule was inserted by clause 8 of the deed of variation dated 8 January 2002 and it was then amended by clause 3 of schedule 1 to a deed of variation dated 7 March 2007.

²²⁵ This rule was amended by clause 8 of the deed of variation dated 8 January 2002.

- (2)²²⁶ In any case where a Member, Dependant, Eligible Child or PCB Member dies intestate in circumstances where their residuary estate shall belong to the Crown or to the Duchy of Lancaster or to the Duke of Cornwall as *bona vacantia* no sum whatsoever shall be payable out of the Scheme to the estate of the Member, Dependant, Eligible Child or PCB Member following their death notwithstanding the other provisions of the Rules.

43 THE ACTUARY

- (1A) The following provisions apply except as otherwise provided in overriding legislation.
- (1) The Trustees will appoint an individual actuary (being a Fellow of the Institute of Actuaries or of the Faculty of Actuaries) in accordance with section 47 of the 1995 Act ("the Scheme Actuary"). Notwithstanding anything else in the Trust Deed and in the Rules, the Scheme Actuary will perform the tasks required of the actuary under that Act and such other tasks as may be agreed by the Trustees. Where the Trustees have appointed a company or firm to act as Actuary then the Scheme Actuary must be a partner in, director of, or a person employed by that firm or company.
- (2) The Actuary will provide the Trustees with such actuarial services (other than tasks which are required by the 1995 Act and the 2004 Act to be performed by the Scheme Actuary) as the Trustees may require.
- (3) The Actuary must carry out a full actuarial valuation of the Scheme as and when the Trustees direct but at least once in every three years and six months and at such other intervals and within such time limits as are required to comply with the 2004 Act. Before signing a formal report on that valuation, the Actuary must give a written summary of the results of the investigation the Actuary has made for the purposes of the valuation to the Trustees and will simultaneously submit a copy of that summary to the Principal Employer. The summary of results will include a preliminary indication of the Actuary's advice in respect of the Employer's Contribution to be determined under Rule 16(1). The Actuary must also give to each Participating Employer a copy of that part of the summary of results which relates to the Section in which the Participating Employer participates²²⁷.
- (4) The Trustees and the Principal Employer and the other Participating Employers shall treat the summary of results as confidential save to the extent that the Trustees, the Principal Employer and each Participating Employer participating in the Section or Sections in respect of which disclosure is to be made, consent to its formal disclosure to other Participating Employers and to third parties whose terms of reference include consideration of the issues involved in the review referred to in Rule 43(6). It shall be a condition of the disclosure that such Participating Employers and third parties will treat it as confidential.²²⁸
- (5) Following delivery of the summary of results referred to in Rule 43(3), the Principal Employer will consult with the other Participating Employers. If, as a result of that consultation or otherwise, the Actuary decides upon any changes to the summary, the Principal Employer must consult the Trustees regarding those changes and must also notify any third parties whose terms of reference include consideration of issues which may be affected by the changes.

²²⁶ This rule has been expanded by the adoption of this consolidation to refer to PCB Members.

²²⁷ This sub-rule was amended by paragraph 17 of schedule 3 to the deed of variation dated 11 April 2001 and updated by the deed of variation dated 19 December 2008 to reflect new statutory references.

²²⁸ This sub-rule was moved by paragraph 17 of schedule 3 to the deed of variation dated 11 April 2001, then amended by clause 3(2)(b) of the deed of variation dated 6 July 2004 and by the adoption of this consolidation by the addition of the word "a" before "condition". The latter change added for clarity.

Such consultation and notification shall take place not less than 18 weeks before the date on which the formal report on the valuation is required to be signed under the 2004 Act.²²⁹

- (6) The Trustees shall review the summary of results referred to in Rule 43(3) and may, in consequence, recommend changes in the Rules to the Principal Employer, including:
 - (a) amendment of the Member's contribution payable under Rule 13; and
 - (b) increasing any benefits payable under the Rules.

The Principal Employer is not obliged to consider any recommendations made under this Rule 43(6) which are made less than 14 weeks before the date notified by the Actuary to the Principal Employer as the date on which the formal report on the valuation under Rule 43(3) is required to be signed under the 2004 Act.²³⁰

- (7) When the Actuary submits their formal report on the valuation to the Trustees, the Actuary must at the same time submit copies of it to the Principal Employer and to each Participating Employer.²³¹

44 RULE AMENDMENTS

- (1) Subject to the provisions of the 1995 Act, the Rules may be amended (including retrospectively) by the Trustees provided that the amendment be first confirmed:
 - (a) by a resolution of the Principal Employer; and
 - (b) if contributions or benefits are affected in any way, by the Actuary; and
 - (c) if the benefits payable or prospectively payable to any person are adversely affected, by a resolution of Members at a General Meeting convened for that purpose.
- (2) If the method of calculation of benefits is amended then such amendment shall not (unless the Rule amendment specifically so states) affect the benefits payable to or in respect of a Member who has ceased to pay contributions or attained State Pension Age prior to the date from which such amendment comes into effect, and such benefits shall continue to be calculated according to the Rules in force on the date the Member ceased to pay contributions or attained State Pension Age whichever is the earlier.
- (3) No amendment shall be made which:
 - (a) will cause the main purpose of the Scheme to cease to be that of the provision of pensions for Members on retirement and for their Dependants and Eligible Children;
 - (b) authorises the payment of any of the monies held or to be held by the Trustees to the Principal Employer other than as authorised by the Trust Deed or the Rules or the application of such monies otherwise than for the purposes of the Scheme;
 - (c) reduces without his consent the benefit of any person already in receipt of a pension on the date of the amendment.

²²⁹ This sub-rule was inserted by paragraph 17 of schedule 3 to the deed of variation dated 11 April 2001. Statutory reference updated by the adoption for this consolidation.

²³⁰ This sub-rule was moved by paragraph 17 of schedule 3 to the deed of variation dated 11 April 2001. Statutory reference updated by the adoption for this consolidation.

²³¹ This sub-rule was inserted by paragraph 17 of schedule 3 to the deed of variation dated 11 April 2001.

44A PARTICIPATING EMPLOYERS

No amendment shall be made under Rule 44 which authorises the payment of any of the monies held or to be held by the Trustees to any Participating Employer.

45A CESSATION OF PARTICIPATION

- (1) A Participating Employer may cease to participate in the Scheme only in the circumstances described in Rule 2B(c). Rule 2B(c) specifies the Termination Date from which the cessation takes effect.²³²

A Participating Employer's liability (whether to contribute, pay a debt arising by reason of the 1995 Act, pay expenses, indemnify or otherwise) will not terminate in respect of amounts due, expenses incurred, or claims made on or before the Termination Date.

- (2) If a Participating Employer ceases to participate, the Trustees will identify the following persons (called "Identified Beneficiaries"):
- (a) Members in Service on the Termination Date (other than Members who, immediately after the Termination Date, are in the Service of another Participating Employer which has not ceased to participate in the Scheme), and
 - (b) at the discretion of the Trustees and with the consent of the Principal Employer, any one or more of the following persons:
 - (i) Members who are not Members in Service but are still living on the Termination Date who would, in the opinion of the Trustees, have been in the Service of the Participating Employer had they still been Members in Service, and
 - (ii) persons entitled to receive benefits as a result of the membership of Members who, in the opinion of the Trustees, would have been Identified Beneficiaries had they still been living on the Termination Date.

A person cannot be an Identified Beneficiary for one cessation if they are already an Identified Beneficiary for an earlier cessation.

The Trustees must notify Identified Beneficiaries of the cessation as soon as reasonably practicable after the event causing the cessation.

If a Participating Employer ceases to participate in the Scheme, the Trustees must set up a Separate Fund in accordance with Rule 45A(3). The Trustees may then, depending on the circumstances, either transfer the Separate Fund to another Section or²³³ apply Rule 45B. Identified Beneficiaries may not benefit from any part of the Fund other than the Separate Fund, except as mentioned in Rule 45B(12).

A Member, who is an Identified Beneficiary, may not pay contributions for Service after the Termination Date.

- (3) The Trustees will set up a Separate Fund within the Fund.

²³² This sub-rule was amended by clause 3(2)(c) of the deed of variation dated 6 July 2004.

²³³ This sub-rule was amended by paragraph 18 of schedule 3 to the deed of variation dated 11 April 2001.

If the cessation relates to the sole Participating Employer, or all the Participating Employers, of a Section, the Separate Fund will comprise the assets of that Section. In any other case²³⁴, the value of the Separate Fund will be the Basic Entitlements or such larger amount not exceeding the Share of Fund as the Trustees may, with the consent of the Principal Employer, decide. The only exception to this is if the Share of Fund is less than the Basic Entitlements, in which case the Separate Fund will be equal to the Share of Fund.

For these purposes:

- (a) "Basic Entitlements" means the amount certified by the Actuary to be required to provide or secure the benefits described in Rule 45B(6) without abatement for the Identified Beneficiaries,
- (b) "Share of Fund" means the value of that part of the assets of the Section which relates to the Identified Beneficiaries, calculated by the Actuary on a basis acceptable to the Trustees under which the whole of the assets of the Section would have related to the Beneficiaries if all Participating Employers had ceased to participate in the Scheme.²³⁵

The Separate Fund will include Voluntary Contributions on the basis set out in Rule 45B(12).

The Trustees may set up a Separate Fund with effect from any time on or after the event causing the cessation. If the Trustees have not set up the Separate Fund by the Termination Date, they shall do so as soon as reasonably practicable after that date.

Amounts paid or received by the Trustees after the Separate Fund has been set up, the whole or part of which relate to Identified Beneficiaries, shall be deducted from or added to the Separate Fund in such proportion as the Trustees consider appropriate.

Once the Separate Fund has been set up, the Identified Beneficiaries will not be entitled to benefits from any other part of the Fund in respect of periods of membership before the Termination Date.

- (4) When setting up a Separate Fund as part of the Fund, it is not necessary to allocate particular assets to it. Instead, the Scheme's accounts may record the value of the Separate Fund and all payments, receipts and other transactions affecting that value. The Trustees shall adjust the value of any part of the Separate Fund which is not so represented by assets allocated to it as they think fit, which may be by addition of interest or by additions or deductions reflecting the investment performance of all or any part of the Fund.
- (5) If a Participating Employer ceases to participate in the Scheme, on the Termination Date:
 - (a) any powers or discretions of the Participating Employer relating to benefits of persons who are not Identified Beneficiaries will be transferred to any subsequent Participating Employer of the Member or, if none, to the Principal Employer, and
 - (b) the Participating Employer may not, without the consent of the Principal Employer, receive a payment out of the Scheme on any subsequent cessation of another Participating Employer's liability.
- (6) The Trustees must deal with the Separate Fund in accordance with Rule 45B(4) to (15) as if the Separate Fund were the Fund and as if the Identified Beneficiaries were the Beneficiaries.

²³⁴ This sub-rule was amended by paragraph 18 of schedule 3 to the deed of variation dated 11 April 2001.

²³⁵ This sub-rule was amended by paragraph 18 of schedule 3 to the deed of variation dated 11 April 2001.

- (7) If the Participating Employer participated in a New Section, the Trustees may, instead of dealing with the Separate Fund in accordance with Rules 45B(4) to (15), deal with it in accordance with Rule 21A.²³⁶

45B DISCONTINUANCE OF THE SCHEME

- (1) The Scheme shall be terminated on the expiry of the period referred to in Clause 12 of the Trust Deed or earlier, if the Trustees resolve that to do so is necessary to protect the interests of the Members. The Termination Date will be such date as the Trustees decide.
- (2) The liability of every Participating Employer will terminate on the Termination Date. A Participating Employer's liability (whether to contribute, pay a debt arising by reason of the 1995 Act, pay expenses, indemnify or otherwise) will not terminate in respect of amounts due, expenses incurred, or claims made on or before the Termination Date. Interest may continue to accrue under Rule 16(7) despite termination.
- (3) The Trustees must give notice of the termination to all Members living on the Termination Date and to all persons entitled to receive benefits as a result of the membership of Members who died on or before the Termination Date (the "Beneficiaries" for the purposes of this Rule). This notice should be given as soon as reasonably practicable after the event giving rise to the termination.
- (4) If the Scheme is to terminate, the Trustees must wind up the Fund in accordance with the remainder of this Rule with effect from the Termination Date.
- (5) The Fund may be used to pay costs and expenses which relate to the Fund or the Beneficiaries and which can properly be recovered from the Fund. The Fund may also be used to buy insurance or guarantees for the Trustees against claims being made by Beneficiaries or any other person after all or part of the Fund has already been spent.
- (6) Subject to Rule 45B(5) and to the requirements of the 1995 Act, the assets of each Section must be applied, in accordance with the following priorities, to provide the benefits to which the Beneficiaries in that Section are entitled from that Section (the "Basic Entitlements").²³⁷

Priority 1

- (a) pensions and other benefits already in payment;
- (b) if a Member was in Service on the Termination Date and had then reached Scheme Pension Age, the pension and other benefits they would have received if they had retired on that date; and
- (c) in respect of each Member covered by (a) or (b) above, the pensions and other benefits to which the Member's spouse, Civil Partner, Eligible Children or Dependants will be entitled on the Member's death (assuming for a Member in Service that they retired on the Termination Date);

in each case calculated ignoring guaranteed future pension increases under Rule 28.

²³⁶ This sub-rule was inserted by paragraph 18 of schedule 3 to the deed of variation dated 11 April 2001.

²³⁷ This rule was amended by paragraph 19 of schedule 3 to the deed of variation dated 11 April 2001 and was subsequently amended by the deed of variation dated 19 December 2008 to reflect the provision of benefits for civil partners.

Priority 2

Guaranteed Minimum Pensions and accrued rights to Guaranteed Minimum Pensions, including contributions equivalent premium (as defined in the 1993 Act), and equivalent pension benefits within the meaning of the National Insurance Act 1965;

Priority 3

all other benefits to which any Beneficiary is contingently entitled (and the benefits payable on the death of any such person who is a Member) calculated on the basis that all Members in Service left Service on the Termination Date entitled to a deferred pension and calculated ignoring guaranteed future pension increases under Rule 28.

Priority 4

guaranteed future pension increases in relation to benefits under Priority 1 and Priority 3 in accordance with Rule 28.

A benefit is included only in the first Priority which refers to it.

- (7) If any one Section²³⁸ is insufficient to provide the Basic Entitlements, the Trustees shall abate all or any of them in such manner as they consider equitable after consulting the Actuary but shall not abate any of the benefits in Priority 1 or Priority 2 until they have entirely abated all of the benefits in Priority 4 and then all of the benefits in Priority 3.
- (8) If any one Section is more than sufficient to provide the Basic Entitlements, the Trustees shall use the balance of that Section to make further provision, to the maximum extent permitted by the²³⁹ Scheme Limits for benefits for Members and their Spouses, Civil Partners, Dependants and Eligible Children in such manner as the Trustees shall in their discretion consider appropriate. In exercising their discretion, the Trustees shall take and consider the advice of the Actuary and shall have regard to the extent to which the benefits of Members in that Section have accrued as at the Termination Date.²⁴⁰
- (9)²⁴¹ Any balance of the Fund that remains after applying Rules 45B(1) to 45B(8) will:
 - (a) on a winding up of the whole Fund, be paid to the Principal Employer,
 - (b) on one or more Participating Employers ceasing to participate, be transferred to the part of the Fund which is not the Separate Fund.
- (10) The provisions of Rules 45B(1) to 45B(9) above will be implemented subject to the requirements of the 1995 Act.
- (11) The Trustees may provide benefits from the Scheme in any of the following ways:
 - (a) by making individual transfer payments under the 1993 Act or Rule 20(2)(IV);²⁴²
 - (b) by making arrangements concerning any policy of assurance or indemnity which may be held in the Fund to secure payment of the benefits;

²³⁸ This rule was amended by paragraph 19 of schedule 3 to the deed of variation dated 11 April 2001.

²³⁹ The word "the" added for clarity by the adoption of this consolidation.

²⁴⁰ This rule was amended by paragraph 19 of schedule 3 to the deed of variation dated 11 April 2001 and was subsequently amended by the deed of variation dated 19 December 2008 to reflect the provision of benefits for civil partners.

²⁴¹ The whole of this rule was amended by paragraph 19 of schedule 3 to the deed of variation dated 11 April 2001.

²⁴² This rule was amended by clause 5(b) of the deed of variation dated 10 June 2016.

- (c) by paying contributions equivalent premiums in accordance with the 1993 Act;
 - (d) by deciding with the consent of the Principal Employer (unless the Principal Employer is in liquidation, administrative receivership, administration or is dissolved), to continue to run the Fund as a closed Fund and to pay out benefits in accordance with the Rules, in which case:
 - (i) the Trust Deed will continue to apply in relation to the closed fund (except that the Participating Employers will have no liability in relation to it);
 - (ii) no new Members may be admitted to the closed fund; and
 - (iii) the closed fund will be wound up as nearly as possible in accordance with this Rule at any date which the Trustees decide, but not later than the expiry of the perpetuity period stated in Clause 12 of the Trust Deed;
 - (e) if the Trustees are satisfied that the conditions applicable to a “winding up lump sum” as set out in paragraph 10 of Schedule 29 to the Finance Act 2004 or paragraph 21 of Schedule 29 to the Finance Act 2004 are met by commuting all of a Member’s benefits under the Scheme together with any benefits payable on the Member’s death in return for the payment of a lump sum the amount of which will be determined by the Actuary;²⁴³ and
 - (f) by the payment of a cash sum of an amount determined by the Trustees having taken the advice of the Actuary to a person in total commutation of any benefits, payable to or in respect of the Member under the Scheme, if the person is in an exceptional state of serious ill-health and provided that the conditions set out in paragraph 4 of Schedule 29 to the Finance Act 2004 are satisfied.²⁴⁴
- (12) The Trustees will apply the Segregated Assets to provide benefits, in respect of each Member who has paid Voluntary Contributions under Rule 27, which the Actuary advises are equal in value to the proportion of the Segregated Assets attributable to the Member.
- (13) The Trustees may transfer from the Fund to any Separate Fund, including one set up by the Trustees for this purpose, an amount or assets of such value as they think appropriate so that benefits which would otherwise be provided from the Fund shall instead be provided from the other Separate Fund to which the transfer was made.
- (14) The Trustees may transfer the whole of the Fund (or whatever remains of the Fund) to another scheme as follows:
- (a) the transfer will be made instead of applying Rule 45B(1) to 45B(12) but after applying Rule 45B(13).
 - (b) the other scheme must be one which all or some of the Beneficiaries have joined as members and which accepts the liability to pay all Guaranteed Minimum Pensions and accrued rights to Guaranteed Minimum Pensions of the Beneficiaries.
 - (c) the transfer cannot be made without the consent of the Principal Employer.

²⁴³ This rule was inserted by the deed of variation dated 19 December 2008 to reflect tax changes on and after 6 April 2006.

²⁴⁴ This rule was inserted by the deed of variation dated 19 December 2008 to reflect tax changes on and after 6 April 2006.

- (d) the transfer must comply with Rule 20(2)(IV)²⁴⁵ (transfers out).
 - (e) the transfer may be subject to such terms and conditions as the Trustees think fit, which may include the giving of assurances or commitments (whether or not legally binding) by the trustees of the other scheme or by other persons.
- (15) The power of amendment contained in Rule 44 will continue to be exercisable, notwithstanding any termination of the Scheme, until the winding-up of the Scheme has been completed. However, if the Principal Employer is in liquidation, administrative receivership, administration or is dissolved, the Trustees may exercise the power of amendment without the need for a resolution by the Principal Employer.

46 CLAIMS ON THE SCHEME

Save as prescribed by the Rules no person shall have any claim upon the Scheme.

47 EXPENSES

All expenses in connection with the operation and investment of the Scheme, and all the salaries of staff referred to in Rule 6, shall be borne by the Scheme.

There are no rules 48 to 51 (inclusive).

GENERAL MEETINGS

52 MEETINGS

- (1) The Trustees shall hold a meeting of the Members at least once every year on such day and at such time and place as the Trustees shall appoint at which the Trustees will report on the Scheme and on any changes that have been made to it since the date of the last such meeting. Such a meeting will not be a General Meeting for the purposes of these Rules but Rule 53(1) which applies to notices of General Meetings will also apply to a notice of a meeting of Members held in accordance with this Rule 52(1). The Chair of the Scheme shall be chair of the meeting but if the Chair of the Scheme is not present within five minutes after the time appointed for holding the meeting, another director of the Trustees shall be the chair of the meeting.
- (2) Extraordinary General Meetings may be called by the Trustees or by a requisition to that effect signed by two hundred Members²⁴⁶.

53 PROCEEDINGS OF GENERAL MEETINGS

- (1) The Secretary shall give not less than seven clear days' notice by circular despatched to each Member (despatch thereof being effected by such means as may appear to the Secretary to be reasonable), and/or by notice displayed in the workplaces, of the day, place and hour appointed and of the business to be transacted. If any meeting is adjourned for more than a week the Secretary shall give at least two clear days' notice in like form of the adjourned meeting. The accidental failure to give notice of a meeting to a Member or the non-receipt of any such notice shall not invalidate the proceedings of that Meeting.
- (2) No business (except the adjournment of the meeting) shall be transacted and no vote shall be taken at any General Meeting unless ten Members at least are present.

²⁴⁵ This rule was amended by clause 5(c) of the deed of variation dated 10 June 2016.

²⁴⁶ This rule was corrected by clause 3(1)(c) of the deed of variation dated 6 July 2004.

- (3) No business shall be transacted at any General Meeting, or any adjournment thereof, except the business stated in the circular convening the meeting.
- (4) The Chair of the Scheme shall be the chair of a General Meeting but if the Chair of the Scheme is not present within five minutes after the time appointed for holding the meeting, another director of the Trustees shall be the chair of the meeting.
- (5) The chair of any General Meeting may, with the consent of the meeting, adjourn such meeting from time to time and from place to place.
- (6) Any Director, who is not a Member, may attend, speak at, and vote at (but not by proxy) General Meetings as if the Director were a Member.
- (7) Minutes of the proceedings of a General Meeting shall be recorded by the Secretary in a book kept for that purpose. Any such minute, if purporting to be signed by the chair of that Meeting, or by the chair of the next succeeding meeting, shall be conclusive evidence of the matters therein stated (unless and until the contrary is proved at a subsequent meeting).

54 VOTING AT GENERAL MEETINGS

- (1) At a General Meeting a motion shall be decided by a majority vote determined by:
 - (a) a show of hands of Members present; or
 - (b) if at least five Members present so demand, by an open poll; or
 - (c) if at least five Members present so demand, by a secret poll;

and in the event of an equality of votes the chair of the Meeting shall have a casting vote.

- (2) The chair of the meeting may adjourn the meeting for a reasonable time for the purpose of taking such poll. On a poll, a Member who is present shall have in addition to their own vote one vote for each Member for whom they are proxy.
- (3) A Member may appoint any other Member their proxy for voting at any General Meeting. Such appointment shall be made by an instrument of proxy, signed by the Member appointing the proxy and left with the Secretary, or at the Secretary's office, at least 48 hours before the time for holding the General Meeting and shall be available only for that meeting or any adjournment thereof. Such instrument shall be in the terms or effect as:

"I (name) of (address), a Member of the Scheme, hereby appoint (name) of (address), or failing them, (name) of (address), to act as my proxy at the General Meeting held on the (date) and at every adjournment thereof.

As witness my hand this (date)
 (Signed)

APPENDIX 1

GMP MODEL RULES²⁴⁷

1 INTERPRETATION

1.1 Definitions

The definitions set out in the Rules shall also apply for the purposes of this Appendix. In addition, in this Appendix the following words have the following meanings:

"Fixed Rate Revaluation" means the method of revaluing a GMP before State Pension Age described in Rule 6.1(B) below.

"GMP" means the guaranteed minimum pension of a Member, Widow, Widower or Civil Partner as defined in the 1993 Act.

"Normal Retiring Date" means the day on which a Member attains their normal pension age (within the meaning of the 1993 Act) under the Scheme.

²⁴⁸**"Qualifying Service"** has the same meaning as in section 71(7) of the 1993 Act

"Rule" (followed by a number) means the Rule (with that number) in this Appendix

"Section 148 Revaluation" means the method of revaluing a GMP before State Pension Age described in Rule 6.1(A) below

"Short Service Benefit" means the benefit to which an early leaver who satisfies the qualifying conditions must be entitled under the preservation requirements (as defined in section 69 of the 1993 Act)

"Widow" and **"Widower"** means respectively the widow and the widower of a Member. If a Member has married under a law which allows polygamy and, on the day of the Member's death, has more than one spouse, the Trustees must decide which, if any, survivor is the Widow or Widower. In reaching that decision, the Trustees must have regard to the practice of the Department for Work and Pensions²⁴⁹ and any relevant provisions of existing Social Security legislation, in particular section 17(5) of the 1993 Act.

1.2 Legislation

In this Appendix, references to legislation include modifications to and re-enactments of, and regulations made under that legislation and references to regulations include modifications to and re-enactments of those regulations.

2 OVERRIDING EFFECT OF APPENDIX

This Appendix shall apply if any Member's employment was²⁵⁰ Contracted-out Employment by reference to the Scheme before 6 April 1997 and the Scheme was not then contracted-

²⁴⁷ This appendix was updated by the deed of variation dated 19 December 2008 to deal with benefits for civil partners and other statutory references.

²⁴⁸ The definition "Protected Rights" has been deleted by clause 6(a) of the deed of variation dated 15 February 2013 with effect on and from 6 April 2012.

²⁴⁹ Term updated by the adoption of this consolidation.

²⁵⁰ Tense updated by the adoption of this consolidation.

out on a money purchase basis. This Appendix will only apply for so long as anyone has a GMP or a prospective right to receive a GMP under the Scheme.

Contracting-out was abolished on and from 6 April 2016. This Appendix shall continue to apply to GMPs accrued in the Scheme notwithstanding the abolition of contracting-out but subject to the Contracting-out laws.²⁵¹

This Appendix overrides any inconsistent provisions elsewhere in the Scheme except provisions which are necessary in order that the Scheme is treated as a Registered Pension Scheme.

3 ALTERATIONS TO APPENDIX

The persons or bodies having the power of alteration in relation to the rest of the Scheme may at any time in writing make any alteration to this Appendix necessary to comply with the contracting-out requirements of the 1993 Act applicable to salary related contracted-out schemes. This power of alteration may be exercised by them without any condition. It is additional to, and independent of, any other power of alteration in relation to the Scheme.

4 MEMBERSHIP OF THE SCHEME

Omitted

5 ENTITLEMENT TO GMP

5.1 Guaranteed Minimum

This Rule 5 applies to a Member, Widow, Widower or Civil Partner where the Member has a guaranteed minimum in relation to the pension provided for the Member under the Scheme in accordance with section 14 of the 1993 Act.

5.2 Member's GMP

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

(a) if the employment is employment to which the Scheme relates and the postponement is not more than five years after State Pension Age, or

(b) if the Member consents to the postponement

5.3 Widow's GMP

Where a Member is a man and dies at any time leaving a Widow, the Widow shall be entitled, subject to Rule 5.4, to receive a pension from the Scheme paid at a rate equivalent to a weekly rate of not less than half that guaranteed minimum.

5.4 Payment of Widow's GMP

The pension shall be payable to any Widow who is eligible for payment of a State benefit as described in section 17(5) of the 1993 Act. It shall cease when the Widow ceases to be entitled to receive payment of those State benefits.

²⁵¹ This provision was amended by clause 11 of the deed of variation dated 1 April 2016 with effect on and from 6 April 2016.

5.5 Widower's GMP

Where the Member is a woman and dies at any time on or after 6 April 1989 leaving a Widower, the Widower shall be entitled, subject to Rule 5.6, to receive a pension from the Scheme paid at a rate equivalent to a weekly rate of not less than half of that part of that guaranteed minimum which is attributable to earnings for the Tax Year 1988/89 and subsequent Tax Years up to and including 1996/97.

5.6 Payment of Widower's GMP

The pension shall be payable to any Widower who is eligible for payment of a GMP under the Contracting-out laws. It shall cease when the Widower ceases to be entitled to receive payment of that GMP under the Contracting-out laws.^{252 253}

5.6A Civil Partner's/same sex spouse's GMP

Where the Member dies leaving a Civil Partner or a spouse of the same sex, the Civil Partner or spouse shall be entitled, subject to Rule 5.6B, to receive a pension from the Scheme paid at a rate equivalent to a weekly rate of not less than half of that part of the guaranteed minimum which is attributable to earnings for the Tax Year 1988/1989 and subsequent Tax Years up to and including 1996/97.

5.6B Payment of Civil Partner's/same sex spouse's GMP

The pension shall be payable to any Civil Partner or spouse of the same sex who is eligible for payment of a GMP under the Contracting-out laws. It shall cease when the Civil Partner or spouse of the same sex ceases to be entitled to receive payment of that GMP under the Contracting-out laws.^{254 255}

5.7 Offsetting pension against GMP

Any pension payable to the Member, Widow, Widower or Civil Partner under any other provision of the Scheme may be offset against their pension under Rule 5 except to the extent that:

- (a) any part of the other pension is an equivalent pension benefit within the meaning of the National Insurance Act 1965, or
- (b) any part of the pension is an increase calculated in accordance with Schedule 3 of the 1993 Act and added to the amount that would be payable but for Chapter II of Part IV of the 1993 Act or regulations made under it, or
- (c) offsetting would contravene the anti-franking legislation (see Rule 8 below).

²⁵² This provision was amended by clause 12 of the deed of variation dated 1 April 2016 with effect on and from 6 April 2016.

²⁵³ This provision was amended by clause 9(c) of the deed of variation dated 1 June 2016 with effect on and from 6 April 2016.

²⁵⁴ This provision was amended by clause 12 of the deed of variation dated 1 April 2016 with effect on and from 6 April 2016.

²⁵⁵ This provision was amended by clause 9(d) of the deed of variation dated 1 June 2016 with effect on and from 6 April 2016.

6 REVALUATION OF GMP

6.1 Revaluation before State Pension Age

Where a Member ceases to be in Contracted-out Employment before State Pension Age, the Member's GMP at State Pension Age or at the Member's earlier death will be calculated by increasing the accrued rights to GMP at cessation of Contracted-out Employment under one of the options (A) or (B) below.

(A) Section 148 Revaluation

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

(B) Fixed Rate Revaluation

The increase will be by such rate as regulations made under section 16(3) of the 1993 Act specify as being relevant at the date Contracted-out Employment ceases, for each complete tax year after the tax year containing that date up to and including the last complete tax year before the Member reaches State Pension Age (or dies, if earlier).

The Trustees and the Principal Employer²⁵⁶ shall decide which of the options (A) or (B) applies to the Scheme. They may at any time decide that the other method shall be used, instead of the method currently being used for all Members ceasing to be in Contracted-out Employment after a specified date.

6.2 Transfers in ²⁵⁷

Where a payment is received in respect of a Member from another scheme ("the transferring scheme") which includes accrued rights of the Member to a GMP the earnings factors used in calculating that GMP will normally be revalued using section 148 Revaluation during the Member's Contracted-out Employment and Rule 6.1 will apply if that Contracted-out Employment ceases before State Pension Age. The Trustees may, however, decide, if the provisions of the transferring scheme so allow, to use Fixed Rate Revaluation from the date on which the Member ceased to be in contracted-out employment by reference to the transferring scheme until the Member attains State Pension Age (or dies, if earlier) but the Trustees may not make that decision if, on becoming a Member, the Member's contracted-out employment in relation to a previous scheme is treated as continuing for the purposes of the 1993 Act.

Where a Scheme accepts the proceeds of, or the assignment of an insurance policy which consists of, or includes, accrued rights to GMPs, the Trustees shall use section 148 Revaluation or, if it was in use under the policy, Fixed Rate Revaluation.

6.3 Transfers out

Where a Member's accrued rights to GMPs are transferred to another contracted-out salary related scheme or a former contracted-out salary related scheme, the Trustees may agree with the administrator of that scheme that the Member's GMP shall, instead of being revalued

²⁵⁶ Updated by the adoption of this consolidation.

²⁵⁷ This provision was amended by clause 6(b) of the deed of variation dated 15 February 2013 with effect on and from 6 April 2012.

using the method currently being adopted under Rule 6.1, be revalued using another method which would be permitted if that scheme contained a rule in the same terms as Rule 6.2.²⁵⁸

7 INCREASE OF GMP

7.1 Increase in event of postponement after State Pension Age

If the commencement of any Member's GMP is postponed for any period after State Pension Age, that GMP shall be increased to the extent, if any, specified in section 15 of the 1993 Act.

7.2 Increase after State Pension Age or Member's death

Any GMP to which a Member, Widow, Widower or Civil Partner is entitled under Rule 5 above shall, insofar as it is attributable to earnings in the tax years from and including 1988/1989, be increased in accordance with the requirements of section 109 of the 1993 Act.

8 ANTI-FRANKING

Except as permitted in sections 87-92 and 110 of the 1993 Act, no part of a Member's, Widow's, Widower's or Civil Partner's pension under the Scheme may be used to frank an increase in the Member's, Widow's, Widower's or Civil Partner's GMP under Rule 6 or Rule 7.

9 TRANSFERS INTO THE SCHEME

9.1 Acceptance of transfers²⁵⁹

The Trustees may accept:

- (1) a transfer payment in respect of the Member's accrued rights to GMPs under a scheme which is or was a contracted-out salary related scheme or a policy of insurance or annuity contract of the type described in section 19 of the 1993 Act.
- (2) a transfer of the liability for the payment of GMPs to, or in respect of, any person who has become entitled to them.

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

9.2 Effect of transfers

Where a transfer is accepted as referred to in Rule 9.1(1), the Member's accrued rights to GMPs under the Scheme will be increased accordingly.²⁶⁰

²⁵⁸ This provision was amended by clause 9 of the deed of variation dated 10 June 2016 with effect on and from 6 April 2016.

²⁵⁹ This rule was amended by clause 6(b) of the deed of variation dated 15 February 2013 with effect on and from 6 April 2012.

²⁶⁰ Rule 9.2 updated by the adoption of this consolidation.

10 TRANSFERS OUT OF THE SCHEME

10.1 Conditions for transfer of GMPs

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

(1) All schemes and arrangements

The Member must consent to the transfer unless it is a connected employer transfer

The transfer will be subject to any requirements of the HMRC and the Finance Act 2004.

The receiving scheme, policy or contract must be an appropriate personal pension scheme, a contracted-out occupational pension scheme, a formerly contracted-out occupational pension scheme, an overseas scheme or an insurance policy or annuity contract of the type described in section 19 of the 1993 Act.²⁶¹

(2) Contracted-out salary related schemes and section 19 insurance policies or annuity policies

The receiving scheme or policy must provide the Member and the Member's Widow, Widower or Civil Partner with GMPs equal to their accrued GMPs under the Scheme up to the date of transfer, together with revaluation until the Member reaches State Pension Age (or dies, if earlier). In the case of GMPs already in payment the receiving scheme must provide for the pensions to commence from the date from which liability for payment has been assumed by it, and for the conditions of payment relating to its own GMPs to apply equally to such pensions.

(3) All occupational pension schemes (except overseas schemes or connected employer transfers).

The Member must have entered employment with an employer which is a contributor to the receiving scheme or must previously have been a member of the receiving scheme.

(4) Appropriate personal pension schemes and occupational pension schemes which are or were contracted-out by the money purchase test.

That part of the transfer payment which relates to the Member's accrued rights to GMPs must be of an amount at least equal to the cash value of those accrued rights and applied by the receiving scheme in providing money purchase benefits for or in respect of the Member.

(5) Overseas pension schemes not covered by (2) or (4) above

The requirements of regulation 6 of the Contracting-out (Transfer and Transfer Payment) Regulations 1996 must be met.

²⁶¹ This provision was amended by clause 13 of the deed of variation dated 1 April 2016 with effect on and from 6 April 2016.

In this Rule, "connected employer transfer" and "overseas scheme" have the same meanings as in the Contracting-out (Transfer and Transfer Payment) Regulations 1996.

10.2 Effect of such transfers

Where the Member's accrued rights to GMPs or liability for GMPs already in payment are transferred in accordance with Rule 10.1, the Member and the Member's Widow, Widower or Civil Partner will cease to have any entitlement to a GMP under the Scheme. If the transfer does not relate to the whole of the Member's rights to benefits under the Scheme, the Member's remaining benefits under the Scheme may be reduced to allow for the fact that the Member's GMP rights have been transferred.

11 COMMUTATION OF GMP

A Member's, Widow's, Widower's or Civil Partner's GMP may be commuted in the circumstances set out in, and in accordance with the Contracting-out laws.²⁶²

12 SUSPENSION OF GMP

Payment of a GMP may be suspended during any period when

- (1) the person receiving the GMP is unable to act (by reason of mental disorder or otherwise) but the amount of the GMP must either be paid or applied for the maintenance of the recipient or their dependants, or paid to the recipient when the recipient is again able to act, or paid to the recipient's estate after the recipient's death, or
- (2) the Member is receiving the GMP but is then re-employed in an employment to which the Scheme relates. The GMP must then be increased under Rule 7.1 above during the period of suspension.

13 FORFEITURE OF GMP

Any instalment of a GMP may be forfeited if it is not paid within 8 years of the date on which the instalment became due, and the Trustees do not know the whereabouts of the recipient.

²⁶³

²⁶² This provision was amended by clause 14 of the deed of variation dated 1 April 2016 with effect on and from 6 April 2016.

²⁶³ This provision was amended by clause 15 of the deed of variation dated 1 April 2016 with effect on and from 6 April 2016.

APPENDIX 2 SCHEME LIMITS²⁶⁴

The Scheme Limits appropriate to a Member's contributions and any benefit are the greatest of:

- (i) the maximum amount specified in this Appendix 2 in relation to those contributions or that benefit;
- (ii) the minimum amount thereof which is consistent with the preservation requirements (as defined in section 69 of the 1993 Act); and
- (iii) such other amount as would have been permitted by HMRC's practice under Chapter 1 of Part XIV of the Income and Corporation Taxes Act 1988 as set out in IR12 (2001) (known as the Occupational Pension Scheme Practice Notes) published by the former Inland Revenue Pension Scheme Office on 23 March 2001 as it stood immediately before 6 April 2006 (as amended by any special dispensations granted in writing by that office of HMRC or its predecessor in relation to the Fund).

Provided that where a transfer payment from another scheme has been received in respect of a Member the Scheme Limits shall be increased by such amount as is consistent with the Scheme's registered status under the Finance Act 2004.

References in this Schedule and the Trust Deed and Rules to the Income and Corporation Taxes Act 1988, the Finance Act 1989 and associated regulations shall be references to those provisions as they were on 5 April 2006.

SECTION 1

1. Definitions

The definitions set out in the Rules shall also apply for the purposes of this Appendix. In addition, in this Appendix the following words have the following meanings:

- (A) "**Aggregate Retirement Benefit**" shall mean the aggregate of:
 - (i) the Member's pension under this Scheme and any Associated Scheme, and
 - (ii) the pension equivalent of the Member's Lump Sum Retirement Benefit.
- (B) "**Associated Employment**" shall mean 2 or more concurrent employments held by the Member which are associated i.e. where:
 - (i) there is a period during which the Member has held all of them,
 - (ii) the period counts under the Scheme in the case of all of them as a period in respect of which benefits are payable, and
 - (iii) during the period all the employers in question are associated.
- (C) "**Associated Scheme**" shall mean either (i) or (ii) below as appropriate:

²⁶⁴ Appendix 2 was updated by the deed of variation dated 19 December 2008 to reflect tax changes on and after 6 April 2006. It has been updated by the adoption of this consolidation.

- (i) in respect of a Class A Member any Relevant Scheme which is a Connected Scheme, or which provides benefits in respect of Service;
 - (ii) in respect of a Class B Member or Class C Member any Relevant Scheme providing benefits in respect of Service.
- (D) "**Class A Member**" shall mean any Member who joined the Scheme or on after 1 June 1989 and is not a Class B Member or Class C Member and any Class B Member or Class C Member who has elected to be deemed to have become a Class A Member.
- (E) "**Class B Member**" shall mean any Member who:
- (i) joined the Scheme on or after 17 March 1987 and before 1 June 1989, or
 - (ii) by or under regulations made under Part II of Schedule 6 to the Finance Act 1989 is not treated as a Class A Member and is not a Class C Member.

Provided that a Class B Member may elect at any time before the Relevant Date to be deemed to have become a Class A Member.

- (F) "**Class C Member**" shall mean any Member who:
- (i) joined the Scheme before 17 March 1987, or
 - (ii) by or under regulations made under Schedule 23 to ICTA 1988 is treated as a pre-17 March 1987 Member of the Scheme.

Provided that a Class C Member may elect at any time before the Relevant Date to be deemed to have become a Class A Member.

- (G) "**Connected Scheme**" shall mean any Relevant Scheme which is connected with the Scheme in relation to the Member i.e. if:
- (i) there is a period during which the Member has been the employee of 2 associated employers;
 - (ii) that period counts under both schemes as a period in respect of which benefits are payable, and
 - (iii) the period counts under one scheme for service with one employer and under the other for service with the other employer.

- (H) "**Final Remuneration**" shall mean:
- (1) In relation to a Class A Member the greater of:
 - (a) the highest remuneration for any one of the 5 years preceding the Relevant Date being the aggregate of:
 - (i) the basic pay for the year in question, and
 - (ii) the yearly average over 3 or more consecutive years ending with the expiry of the corresponding basic pay year, of any fluctuating emoluments Provided that fluctuating emoluments of a year other than the basic pay year may be increased in proportion to any increase in the Index from the last day of that year up to the last day of the basic pay year, and

- (b) the yearly average of the total emoluments for any 3 or more consecutive years ending not earlier than 10 years before the Relevant Date.

Providing that:

- (i) remuneration and total emoluments do not include
 - (I) any amounts which arise from the acquisition or disposal of shares or an interest in shares or from a right to acquire shares except where the shares, interest or right in respect of which there is a liability under Schedule E were acquired or granted before 17 March 1987, or
 - (II) anything in respect of which tax is chargeable by virtue of section 148 of ICTA 1988;
 - (iii) where Final Remuneration is computed by reference to any year other than the last complete year ending on the Relevant Date, the Member's remuneration (as calculated in (a) above) or total emoluments (for the purposes of (b) above) of any year may be increased in proportion to any increase in the Index from the last day of that year up to the Relevant Date but this proviso shall not apply to the calculation of the maximum Lump Sum Retirement Benefit in accordance with paragraph 2 of Section II unless (and subject to proviso (iv) below) the Member's Aggregate Retirement Benefit is similarly increased beyond the maximum amount which could have been paid but for this proviso and the proviso to (a)(ii) above and then only to the same proportionate extent;
 - (iv) Final Remuneration, and the annual rate of the Member's Remuneration for the purpose of the calculation of the maximum benefits in accordance with paragraphs 3 and 4(c) of Section II, shall not exceed the Scheme Earnings Cap;
- (2) in relation to Class B Member the greater of:
- (a) the highest remuneration for any one of the five years preceding the Relevant Date being the aggregate of:
 - (i) the basic pay for the year in question, and
 - (ii) the yearly average over 3 or more consecutive years, ending with the expiry of the corresponding basic pay year, of any fluctuating emoluments Provided that fluctuating emoluments of a year other than the basic pay year may be increased in proportion to any increase in the Index from the last day of that year up to the last day of the basic pay year, and
 - (b) the yearly average of the total emoluments for any 3 or more consecutive years ending not earlier than 10 years before the Relevant Date.

Provided that:

- (i) remuneration and total emoluments do not include:
 - (I) any amounts which arise from the acquisition or disposal of shares or an interest in shares or from a right to acquire shares, except where the shares, interest or right in respect of which there is a liability under Schedule E were acquired or granted before 17 March 1987 or
 - (II) anything in respect of which tax is chargeable by virtue of section 148 of ICTA 1988;
 - (ii) in relation to any Member whose remuneration in any year subsequent to 5 April 1987 used for the purpose of calculating benefits has exceeded £100,000 or such other figures as may be prescribed in an order made by the Treasury, Final Remuneration shall (subject to proviso (iv) below) be the amount ascertained in accordance with (b) above and (a) above shall not apply:
 - (iii) where Final Remuneration is computed by reference to any year other than the last complete year ending on the Relevant Date, the Member's Remuneration (as calculated in (a) above) or total emoluments (for the purposes of (b) above) of any year may be increased in proportion to any increase in the Index from the last day of that year up to the Relevant Date but this proviso shall not apply to the calculation of the maximum Lump Sum Retirement Benefit in accordance with paragraph 2 of Section III unless (and subject to proviso (iv) below) the Member's Aggregate Retirement Benefit is similarly increased beyond the maximum amount which could have been paid but for this proviso and the proviso to (a)(ii) above and then only to the same proportionate extent;
 - (iv) for the purpose of the calculation of the maximum Lump Sum Retirement Benefit in accordance with paragraph 2 of Section III Final Remuneration shall not in any event exceed £100,000 or such other sum as may be specified in an order made by the Treasury.
- (3) in relation to a Class C Member where the Relevant Date is on or before 16 March 1987 the greater of:
- (a) the highest remuneration for any one of the 5 years preceding the Relevant Date being the aggregate of:
 - (i) the basic pay for the year in question, and
 - (ii) the yearly average over 3 or more consecutive years ending with the expiry of the corresponding basic pay year, of any fluctuating emoluments provided that fluctuating emoluments of a year other than the basic pay year may be increased in proportion to any increase in the Index from the last day of that year up to the last day of the basic pay year, and
 - (b) the yearly average of the total emoluments for any 3 or more consecutive years ending not earlier than 10 years before the Relevant Date.

Provided that:

- (ii) where Final Remuneration is computed by reference to any year other than the last complete year ending on the Relevant Date, the Member's Remuneration (as calculated in (a) above) or total emoluments (for the purposes of (b) above) of any year may be increased in proportion to any increase in the Index from the last day of that year up to the Relevant Date but this proviso shall not apply to the calculation of the maximum Lump Sum Retirement Benefit in accordance with paragraph 2 of Section III unless the Member's Aggregate Retirement Benefit is similarly increased beyond the maximum amount which could have been paid but for this proviso and the proviso to (a)(ii) above and then only to the same proportionate extent.
- (4) in relation to a Class C Member where the Relevant Date is on or after 17 March 1987, the greater of:
- (a) the highest remuneration for any one of the 5 years preceding the Relevant Date being the aggregate of:
 - (i) the basic pay for the year in question, and
 - (ii) the yearly average over 3 or more consecutive years ending with the expiry of the corresponding basic pay year of any fluctuating emoluments provided that any fluctuating emoluments of a year other than the basic pay year may be increased in proportion to any increase in the Index from the last day of that year up to the last day of the basic pay year, and
 - (b) the yearly average of the total emoluments for any 3 or more consecutive years ending not earlier than 10 years before the Relevant Date.

Provided that:

- (i) remuneration and total emoluments do not include
 - (I) any amounts which arise from the acquisition or disposal of shares of an interest in shares or from a right to acquire shares except where the shares, interest or right in respect of which there is a liability under Schedule E were acquired or granted before 17 March 1987, or
 - (II) anything in respect of which tax is chargeable by virtue of section 148 of ICTA 1988;
- (ii) in relation to any Member whose remuneration in any year subsequent to 5 April 1987 used for the purpose of calculating benefits has exceeded £100,000 or such other figures as may be prescribed in an order made by the Treasury, Final Remuneration shall be the amount ascertained in accordance with (b) above and (a) above shall not apply;
- (iii) where Final Remuneration is computed by reference to any year other than the last complete year ending on the Relevant Date, the

Member's remuneration (as calculated in (a) above) or total emoluments (for the purposes of (b) above) of any year may be increased in proportion to any increase in the Index from the last day of that year up to the Relevant Date but this proviso shall not apply to the calculation of the maximum Lump Sum Retirement Benefit in accordance with paragraph 2 of Section III unless the Member's Aggregate Retirement Benefit is similarly increased beyond the maximum amount which could have been paid but for this proviso and the proviso to (a)(ii) above and then only to the same proportionate extent.

- (I) **"ICTA"** shall mean the Income and Corporation Taxes Act
- (J) **"Lump Sum Retirement Benefit"** shall mean the total value of all retirement benefits payable in any form other than non-commutable pension under this and any Associated Scheme.
- (K) **"Negative Deferred Pension"** means the amount by which the Member's pension or deferred pension under the Scheme which arose or arises from Service with the Employers is required to be reduced at the Relevant Date by section 31 of the Welfare Reform Act or under corresponding Northern Ireland legislation following a Pension Sharing Order in order not to prejudice the Scheme's status as a Registered Pension Scheme. For this purpose, Service with the Employers includes all periods of service with other employers which have been treated as if they were Service with the Employers because of a transfer payment to the Scheme in respect of that other service.
- (L) **"Pensionable Service"** shall have the meaning ascribed to it by paragraph 3 of Schedule 16 to the Social Security Act 1973.
- (M) **"Relevant Date"** shall mean:
 - (i) for a retirement or death before 1 March 1991, the date of retirement or death as the case may be,
 - (ii) where (i) does not apply, the earliest of:
 - the date of retirement,
 - leaving Pensionable Service, or
 - death,as the case may be.
- (N) **"Relevant Scheme"** shall mean any scheme which is a Registered Pension Scheme or a Qualifying Overseas Scheme.
- (O) **"Remuneration"** in relation to any year shall mean:
 - (i) as regards a Class A Member the aggregate of the total emoluments for the year in question:
 - (a) from the Employer, and
 - (b) in respect of any Associated Employment or any Connected Scheme, which are assessable to Income Tax under Schedule E but excluding:

- (I) any amounts which arise from the acquisition or disposal of shares or an interest in shares or a right to acquire shares, or
- (II) anything in respect of which tax is chargeable by virtue of section 148 of ICTA 1988

Provided that in arriving at such emoluments there shall be disregarded any emoluments in excess of the permitted maximum as defined in section 590C(2) of ICTA 1988.

- (ii) as regards a Class B Member and a Class C Member whose Relevant Date is on or after 17 March 1987 total emoluments from the Employer in the year in question which are assessable to Income Tax under Schedule E but excluding:
 - (I) any amounts which arise from the acquisition or disposal of shares or an interest in shares or a right to acquire shares, or
 - (II) anything in respect of which tax is chargeable by virtue of section 148 of ICTA 1988.
- (iii) as regards a Class C Member whose Relevant Date is on or before 16 March 1987 total emoluments from the Employer in the year in question which are assessable to Income Tax Under Schedule E.

(P) **"Service"**

- (i) In respect of a Class A Member the aggregate of:
 - (a) all periods of service with the Employer, and
 - (b) all other periods which count in respect of any Associated Employment or any Connected Scheme.
- (ii) in respect of a Class B Member or Class C Member service with the Employer.

SECTION II

RESTRICTIONS APPLICABLE TO CLASS A MEMBERS

Notwithstanding anything to the contrary in the Scheme provisions,

- (i) any term used in the Scheme as a measure of the annual earnings of a Class A Member for the purpose of calculating benefits is to be interpreted as though those earnings are no greater than the Scheme Earnings Cap. The benefits so calculated may be augmented up to the maximum limits in (ii) below;
- (ii) the benefits payable to a Class A Member or their Dependants or other beneficiaries in respect of them shall not, when aggregated with all benefits of a like nature provided under all Relevant Schemes providing benefits in respect of Service, exceed the limits set out below.

2. Class A Member's Aggregate Retirement Benefit

The Member's Aggregate Retirement Benefit shall not exceed:

- (a) on retirement at any time between attaining Minimum Pension Age and attaining age 75, except before Normal Retirement Date on grounds of Incapacity, a pension of 1/60th of Final

Remuneration for each year of Service (not exceeding 40 years) or such greater amount as would not have prejudiced Revenue Approval before 6 April 2006;

- (b) on retirement at any time before Normal Retirement Date on grounds on Incapacity, a pension of the amount which could have been provided at Normal Retirement Date in accordance with paragraph 1(a) above; Final Remuneration being computed as at the actual date of retirement;
- (c) on leaving Pensionable Service before attaining age 75, a pension of $1/60^{\text{th}}$ of Final Remuneration for each year of that service (not exceeding 40 years) or such greater amount as would not have prejudiced Revenue Approval before 6 April 2006;. The amount computed as aforesaid may be increased in proportion to any increase in the Index which has occurred between the date of termination of Pensionable Service and the date on which the pension begins to be payable. Any further increase necessary to comply with statutory or governmental requirements is also allowable.

3. **Class A Member's Lump Sum Death Benefit**

The lump sum benefit (exclusive of any refund of the Member's own contributions and any interest thereon) payable on the death of a Member while in Service or (having left Service with a deferred pension) before the commencement of their pension shall not, when aggregated with all like benefits under Associated Schemes, exceed the greater of:

- (a) £5,000, and
- (b) 4 times the annual rate of the Member's remuneration at the date of this death, less
 - (i) any lump sum (other than a refund of his own contributions and any interest thereon) payable on the death of the Member under all Relevant Schemes in respect of service with previous employers, and
 - (ii) any lump sum life assurance benefit payable on the death of the Member under a retirement annuity contract or a trust scheme approved under Chapter III of Part XIV of ICTA 1988, or a person pension scheme approved under Chapter IV of Part XIV of ICTA 1988,

if the aggregate of such lump sums exceeds £1,000 (£2,500 if death occurs on or after 1 August 1991),

or such greater amount as would not have prejudiced Revenue Approval before 6 April 2006.

4. **Class A Member's Dependants' Pensions**

Any pension for a Dependant, when aggregated with the pensions, other than those provided by surrender of the Member's own pension, payable to that Dependant under all Associated Schemes, shall not exceed an amount equal to $2/3$ rds of the Aggregate Retirement Benefit:

- (a) being paid to the Member at the date of the Member's death (including any pension increases given under the Rules), or
- (b) being a deferred benefit payable to the Member at any time between attaining Minimum Pension Age and attaining age 75, or
- (c) prospectively payable to the Member who dies in Service had they remained in Service up to the Normal Retirement Date at the rate of pay in force immediately before their death, or

- (d) prospectively payable to the Member who dies in Service after Normal Retirement Date on the basis that the Member had retired on the day before they died,

or such greater amount as would not have prejudiced Revenue Approval before 6 April 2006.

If pensions are payable to more than one Department of a Member, the aggregate of all Dependants' pensions payable in respect of the Member under this and all Associated Schemes shall not exceed the full amount of whichever is the appropriate Aggregate Retirement Benefit under (a), (b), (c) or (d) above or such greater sum as would not have prejudiced Revenue Approval before 6 April 2006.

5. Pension increases for Class A Members

The maximum amount of a pension ascertained in accordance with this Section II less any pension which has been commuted for a lump sum or surrendered to provide a Dependants' pension may be increased in proportion to the increase in the Index which has occurred since the pension commenced to be paid.

SECTION III

RESTRICTIONS APPLICABLE TO A CLASS B MEMBER OR CLASS C MEMBER

Notwithstanding anything to the contrary in the Scheme's provisions, the benefits payable to a Class B Member or Class C Member or to their Dependants or other beneficiaries in respect of them shall not, when aggregated with all benefits of a like nature provided under all Relevant Schemes providing benefits in respect of Service, exceed the limits set out below:

5. Class B Member's or Class C Member's Aggregate Retirement Benefit

The Member's Aggregate Retirement Benefit shall not exceed:

- (a) on retirement at or before Normal Retirement Date, a pension of 1/60th of Final Remuneration for each year of Service (not exceeding 40 years) or such greater amount as would not have prejudiced Revenue Approval before 6 April 2006;
- (b) on retirement after Normal Retirement Date, a pension of the greatest of:
 - (i) the amount calculated in accordance with paragraph 1(a) above on the basis that the actual date of retirement was the Member's Normal Retirement Date,
 - (ii) the amount which could have been provided at Normal Retirement Date in accordance with paragraph 1(a) above increased either actuarially in respect of the period of deferment or in proportion to any increase in the Index during that period, and
 - (iii) where the Member's total Service has exceeded 40 years, the aggregate of 1/60th of Final Remuneration for each year of Service before Normal Retirement Date (not exceeding 40 such years) and of a further 1/60th of Final Remuneration for each year of Service after Normal Retirement Date, with an overall maximum of 45 reckonable years.

Final Remuneration being computed in respect of (i) and (iii) above as at the actual date of retirement, but subject always to paragraph 6 below;

- (c) on leaving Pensionable Service before Normal Retirement Date, a pension of 1/60th of Final Remuneration for each year of that Service (not exceeding 40 years) or of such greater amount as would not have prejudiced Revenue Approval before 6 April 2006. The amount

computed as aforesaid may be increased in proportion to any increase in the Index which has occurred between the date of termination of Pensionable Service and the date on which the pension begins to be payable. Any further increase necessary to comply with statutory or governmental requirements is also allowable.

6. Class B Member's or Class C Member's Lump Sum Death Benefit

The lump sum benefit (exclusive of any refund of the Member's own contributions and any interest thereon) payable on the death of a Member while in Service or (having left Service with a deferred pension) before the commencement of their pension shall not, when aggregated with all like benefits under Associated Schemes, exceed the greater of:

- (a) £5,000, and
- (b) 4 times the annual rate of the Member's remuneration at the date of the Member's death, less
 - (i) any lump sum (other than a refund of their own contributions and any interest thereon) payable on the death of the Member under all Relevant Schemes in respect of service with previous employers, and
 - (ii) any lump sum life assurance benefit payable on the death of the Member under a retirement annuity contract or a trust scheme approved under Chapter III of Part XIV of ICTA 1988, or a personal pension scheme approved under Chapter IV of Part XIV of ICTA 1988,

if the aggregate of such lump sums exceeds £1,000 (£2,500 if death occurs on or after 1 August 1991),

or such greater amount as would not have prejudiced Revenue Approval before 6 April 2006.

7. Class B Member's or Class C Member's Dependants' Pension

Any pension for a Dependant, when aggregated with the pensions, other than those provided by surrender of the Member's own pension, payable to that Dependant under all Associated Schemes, shall not exceed an amount equal to 2/3rds of the Aggregate Retirement Benefit:

- (a) being paid to the Member at the date of the Member's death (including any pension increases given under the Rules), or
- (b) being a deferred benefit payable to the Member at Normal Retirement Date, or
- (c) prospectively payable to the Member who dies in Service had the Member remained in Service up to Normal Retirement Date at the rate of pay in force immediately before their death, or
- (d) prospectively payable to the Member who dies in Service after Normal Retirement Date on the basis that the Member had retired on the day before they died,

or such greater amount as would not have prejudiced Revenue Approval before 6 April 2006.

If pensions are payable to more than one Dependant of a Member, the aggregate of all Dependant's pensions payable in respect of the Member under this and all Associated Schemes shall not exceed the full amount of whichever is the appropriate Aggregate Retirement Benefit under (a), (b), (c) or (d) above or such greater sum as would not have prejudiced Revenue Approval before 6 April 2006.

8. Increases to Pensions for Class B Members and Class C Members

The maximum amount of a pension ascertained in accordance with this Section III less any pension which has been commuted for a lump sum or surrendered to provide a Dependant's pension may be increased in proportion to the increase in the Index which has occurred since the pension commenced to be paid (or by such greater amount as would not have prejudiced Revenue Approval before 6 April 2006).

9. Benefits taken before actual retirement for Class B Members and Class C Members

If a Member elects under the Rules to take any part of the Member's benefits under the Scheme in advance of actual retirement, the limits set out in paragraphs 1 and 2 above shall apply as if they had retired at the date of the election as aforesaid, no account being taken of subsequent service, save that the maximum amount of any uncommuted pension not commencing immediately may be increased either actuarially in respect of the period of deferment or in proportion to any increase in the Index during that period.

SECTION IV

SPECIAL CONDITIONS

Payment of benefits for a Class A Member

The Scheme provisions shall have effect (notwithstanding anything in them to the contrary) as if they provided:

- (a) that a Class A Member's retirement benefit shall be paid no later than the date on which the Class A Member attains age 75, and
- (b) subject to (a) above that no part of a Class A Member's retirement benefit shall be paid in advance of actual retirement or leaving Service except to the extent necessary to comply with statutory or governmental requirements.

Section V

Post-retirement increases of pension

The amount of any pension of a Class A Member which may be increased under any provision of the Scheme to take account of increases in the cost of living may not notionally include any amount of pension which has been commuted for a lump sum.

SECTION VI²⁶⁵

PENSION SHARING

10. Permanent Pension Debit Members

The benefits for a Permanent Pension Debit Member are additionally subject to the following limits, subject to compliance with Social Security legislation:

- (a) The pension must not exceed the total of the Member's pensions under the Scheme less the Negative Deferred Pension(s) in the Scheme;

²⁶⁵ This section VI was inserted by paragraph 20 of schedule 3 to the deed of variation dated 11 April 2001 and was updated by the deed of variation dated 19 December 2008 to refer to civil partners.

- (b) The lump sum from the Scheme must not exceed any amount specified in Finance Act 2004;
- (c) On the death of the Permanent Pension Debit member, any pension for a Dependant shall not exceed two thirds of an amount determined in accordance with paragraph (a) less the Negative Deferred Pension(s) in the Scheme. Where more than one pension is to be paid, the total of all the pensions cannot exceed 100% of an amount determined in accordance with paragraph (a) above as if there had been no Pension Debit, less the Negative Deferred Pension(s) in the Scheme.

11. Transfer-in of Members subject to Pension Debit

If the Trustees accept a transfer payment and are given details by the transferor of a Pension Debit relating to the transfer payment, the Trustees must take account of the Pension Debit, if appropriate, in calculating any limit on benefits for that Member.

12. Death of a former spouse or Civil Partner before a Pension Sharing Order is implemented

This paragraph applies if a former spouse or Civil Partner dies after a Pension Sharing Order is made but before the liability for the Pension Credit has been discharged by the Trustees. The lump sum payable is limited to 25% of what would have been the cash equivalent of the Pension Credit at the date of the former spouse or Civil Partner's death. The balance of that notional cash equivalent may be used (if the Rules so allow) to provide a non-commutable pension to a spouse and/or dependants of the former spouse or Civil Partner.

The amount of pension payable to a spouse or dependant of the former spouse or Civil Partner under this paragraph 3 is limited to a maximum of two thirds of the amount of the pension that could have been paid to the former spouse or Civil Partner at the date of death if the whole of what would have been the cash equivalent of the Pension Credit had been used to purchase an annuity at an available market rate. For the purpose of determining the pension which could have been paid to the former spouse or Civil Partner, it should be assumed that the former spouse or Civil Partner was aged 50 at the date of death, if the former spouse or Civil Partner died at an earlier age.

Where more than one pension is to be paid, the total of all the pensions cannot exceed the amount of the pension that could have been paid to the former spouse or Civil Partner.

These pensions must be payable for life, except that a pension paid to a child must cease on the attainment of age 18 or, if later, on the cessation of full-time education. A lump sum may be paid instead of such pension, however, if the pension may be fully commuted because its amount is trivial at the time it is due to start.

13. Death of a PCB Member before Pension Credit Benefits come into payment

This paragraph applies if a PCB Member dies after a Pension Sharing Order is made but before the PCB Member's Pension Credit Benefits under the Scheme have come into payment. The lump sum payable is limited to 25% of what would have been the cash equivalent of the Pension Credit Rights at the date of the PCB Members' death. The balance of that notional cash equivalent may be used (if the Rules so allow) to provide a non-commutable pension to a spouse, Civil Partner and/or dependant of the PCB Member.

The amount of pension payable to a spouse, Civil Partner or dependant of the PCB Member under this paragraph 4 is limited to a maximum of two thirds of the amount of the pension that could have

been paid to the PCB Member at the date of death if the whole of what would have been the cash equivalent of the Pension Credit Rights had been used to purchase an annuity at an available market rate. For the purpose of determining the pension which could have been paid to the PCB Member, it should be assumed that the PCB Member was aged 50 at the date of death, if the PCB Member died at an earlier age.

Where more than one pension is to be paid, the total of all the pensions cannot exceed the amount of the pension that could have been paid to the PCB Member.

These pensions must be payable for life, except that a pension paid to a child must cease on the attainment of age 18 or, if later, on the cessation of full-time education. A lump sum may be paid instead of such a pension, however, if the pension may be fully commuted because its amount is trivial at the time it is due to start.

14. Death of a PCB Member after pension has started

This paragraph applies if a PCB Member dies after their Pension Credit Benefits under the Scheme have come into payment. The amount of pension payable to a spouse, Civil Partner or dependant of the PCB Member must not exceed two thirds of the initial annual pension which was paid to the PCB Member as increased in line with RPI since the PCB Member's pension started. Where more than one pension is to be paid, the total of all the pensions cannot exceed the amount of the initial annual pension which was paid to the PCB Member as increased in line with RPI since the PCB Member's pension started. For these purposes, initial annual pension is calculated on the same bases as for paragraph 1(b) above.

1. **Definitions**

In this Appendix, Appendix 2 and the Rules, the following terms have the meanings given below. Other terms have the meanings given (if any) in the Rules.

"Normal Benefit Age" means, in respect of a PCB Member who is entitled to Pension Credit Benefits under the Scheme, age 60.

"PCB Member" means a person who is entitled to Pension Credit Rights or Pension Credit Benefits under the Scheme. A Member can also be a PCB Member.

"Pension Credit" means a credit under section 29(1)(b) of the Welfare Reform Act.

"Pension Credit Benefits" means any benefits payable from the Scheme for a PCB Member arising from rights under the Scheme attributable (directly or indirectly) to a Pension Credit.

"Pension Credit Rights" means rights to future benefits under the Scheme (or any other scheme if the context so requires) which are attributable, directly or indirectly, to a Pension Credit.

"Pension Debit" means a debit under section 29(1)(a) of the Welfare Reform Act.

"Pension Sharing Order" means any order or provision as is mentioned in 28(1) of the Welfare Reform Act.

"Permanent Pension Debit Member" means a Member whose benefits have been permanently reduced by a Pension Debit.

"Qualifying Benefit" has the meaning given to it by section 31(3) of the Welfare Reform Act.

²⁶⁷

"Welfare Reform Act" means the Welfare Reform and Pensions Act 1999.

2. **The Pension Debit**

2.1 If a Member's benefits under the Scheme are subject to a Pension Debit, the benefits will be reduced by the Pension Debit in a manner decided by the Trustees which complies with the requirements of section 31 of the Welfare Reform Act. The Pension Debit will be deducted from each of the Member's Qualifying Benefits within the implementation period (as defined in section 34 of the Welfare Reform Act).

2.2 The Trustees may require the Member to provide evidence (at the Member's own expense) of the Member's state of health in relation to a cash equivalent transfer value quotation to be issued for the purposes of pension sharing at the time the Pension Sharing Order is made.

²⁶⁶ This Appendix was inserted by paragraph 21 of schedule 3 to the deed of variation dated 11 April 2001 and was updated by the deed of variation dated 19 December 2008 to deal with pension sharing for civil partners. It has been updated by the adoption of this consolidation.

²⁶⁷ This definition "safeguarded rights" was deleted by clause 6(a) of the deed of variation dated 15 February 2013 with effect on and from 6 April 2009.

3. Method of securing Pension Credit

If a Member's benefits under the Scheme are subject to a Pension Debit, the Trustees may discharge their liability for the corresponding Pension Credit by:

- (a) transferring the amount of the Pension Credit to a qualifying arrangement in line with paragraph 1(3) of Schedule 5 to the Welfare Reform Act, or
- (b) providing benefits under the Scheme for the person entitled to the Pension Credit in line with paragraph 1(2) of Schedule 5 to the Welfare Reform Act. The benefits will be in the form of a pension and a lump sum (unless a lump sum has been paid to the Member whose benefits are subject to the relevant Pension Sharing Order before the Order was made). These benefits will be treated as being provided separately from any other benefits provided under the Scheme for the same person. The Trustees must comply with the requirements of the Welfare Reform Act in relation to Pension Credit Rights and Pension Credit Benefits generally.²⁶⁸

The Trustees may decide from time to time that they will, either in all cases or in certain cases, discharge their liability for Pension Credits under (a) above.

4. Pension Credit Secured within the Scheme

If the Trustees provide benefits from the Scheme for a PCB Member under paragraph 3(b) above or paragraph 5 below, the following provisions will apply.

4.1 *Drawing benefits at Normal Benefit Age or when Order implemented*

The PCB Member will be entitled to draw the Pension Credit Benefits from Normal Benefit Age or (if the PCB Member is already over the Normal Benefit Age) the date the Order is implemented.

4.2 *Drawing benefits early*

A PCB Member who is over Minimum Pension Age may apply to the Trustees for the Pension Credit Benefits, to be paid immediately. If the Trustees agree to the immediate payment, the benefits will be adjusted for early payment by an amount decided by the Trustees, having taken the advice of the Actuary.²⁶⁹

The Trustees may only pay Pension Credit Benefits to a PCB Member who is under Minimum Pension Age if the PCB Member also has a right to benefits under the Scheme as a Member and the Trustees are satisfied, on such evidence as they think fit, that that PCB Member is prevented by mental or physical incapacity from the performance of the duties of their employment. The Trustees may at their discretion apply the provisions of Rule 19 to such a PCB Member as if the references to "Member" in that Rule 19 were to the PCB Member.

4.3 *Drawing benefits late*

A PCB Member who is under Normal Benefit Age when the Order is implemented may apply to the Trustees for the Pension Credit Benefits to be paid later than Normal Benefit Age. The benefits will be adjusted for late payment by an amount decided by the Trustees, having taken the advice of the Actuary. Nothing in this Rule 4.3 shall allow a PCB Member to defer commencement of the payment of Pension Credit Benefits beyond the date at which the PCB Member reaches 75 years of age.

²⁶⁸ This rule was amended by clause 6(a) of the deed of variation dated 15 February 2013 with effect on and from 6 April 2009.

²⁶⁹ This rule was amended by clause 6(a) of the deed of variation dated 15 February 2013 with effect on and from 6 April 2009.

4.4 *Lump sums*

- (1) At the time the Pension Credit Benefit becomes payable to the PCB Member, the PCB Member may elect to exchange some pension for a lump sum not exceeding the amount specified in the Finance Act 2004.
- (2) The Trustees can, at their discretion, decide to pay the PCB Member the whole of the Pension Credit Rights in the form of a lump sum, instead of a pension, in the circumstances set out in Rules 22(5) (exceptional circumstances of serious ill-health) and 37 (small pension) and on the same terms and conditions as are set out in those Rules (but on the basis that references to the member are treated as references to the PCB Member).
- (3) If the PCB Member also has a right to benefits under the Scheme as a Member:
 - (a) in order to establish whether the benefits payable under the Scheme are less than the prescribed amount as defined in Rule 37²⁷⁰, benefits from Pension Credit Rights must be included; and
 - (b) the Pension Credit Rights can be commuted under Rule 37 only if the PCB Member's benefits arising from Service as a Member are commuted at the same time.

4.5 *Revaluation*

The Pension Credit Rights will be revalued up to Normal Benefit Age in line with the requirements of the 1993 Act and the 1995 Act relating to preservation of benefits for early leavers.

4.6 *Pension Increases*

The Trustees will identify and record the rate or rates of increase to be applied to each element of the PCB Member's pension in payment each year being the same as the rates that apply or would apply to the pension (in excess of the Guaranteed Minimum Pension) of the Member whose benefits were subject to the relevant Pension Sharing Order, based on the Rules and legislation in force at the time the Order is implemented. Such increases will be applied on such date and on such terms as to part years and transitional periods as the Trustees may decide.

4.7 *Death before drawing benefits*

If the PCB Member dies before starting to receive benefits, the Trustees will pay a lump sum death benefit, subject to Scheme Limits, equal to five times the annual pension that would have been paid if the PCB Member had retired on the day before the date of death (ignoring any reduction that would have applied on account of retiring before reaching age 60 and ignoring any restriction on retiring before Minimum Pension Age if in fact below that age) including revaluation under paragraph 4.5 up to the date of death. This lump sum will be paid to the PCB Member's legal personal representatives.
²⁷¹

4.8 *Death while pension in payment*

If the PCB Member dies within five years of starting to receive the pension, the Trustees will pay to the legal personal representatives of the PCB Member a lump sum death benefit subject to any applicable Scheme Limits equal to the aggregate amount of pension that would have been paid to the PCB Member during the remainder of that five-year period ignoring any future pension increases and assuming that no exchange was made under paragraph 4.4 above.

²⁷⁰ Cross reference corrected by the adoption of this consolidation.

²⁷¹ This rule was amended by clause 9(c) of the deed of variation dated 10 June 2016.

4.9 *Transfers out*

The PCB Member may ask the Trustees to arrange a transfer of their Pension Credit Rights to another Registered Pension Scheme or Qualifying Overseas Scheme. The Trustees will allow such a transfer only if the relevant requirements of the Welfare Reform Act and the Finance Act 2004 are satisfied in relation to the transfer.

The Trustees must inform the receiving scheme or arrangements that the transfer value consists wholly or partly of Pension Credit Rights for the benefit of a PCB Member.

4.10 *No assignment of PCB*

The rights to Pension Credit Benefits under the Scheme are not absolute but will be forfeited in the circumstances described in Rule 32 or upon the bankruptcy of the PCB Member. The Trustees may then at their absolute discretion pay all or part of those benefits to or in respect of the PCB Member.

4.11 *Allocation*

If the Trustees so decide, the PCB Member can, on starting to receive the pension, give up part of it to provide an allocated pension for a spouse, Civil Partner or dependant on terms to be decided by the Trustees.

4.12 *Annuity purchase*

If the Trustees so decide they may, at the request of the PCB Member at the time when the PCB Member starts to receive the pension, arrange for the purchase of an annuity from a Life Insurance Company chosen by the PCB Member. In order to do this, the PCB Member must apply in writing to the Trustees in whatever form the Trustees may from time to time require (which may include a form of discharge). The Trustees will allow an annuity to be purchased only if the relevant requirements of the Welfare Reform Act are satisfied in relation to it.

4.13 *Commutation of Pension*

Any pension provided under paragraphs 4.1, 4.2 or 4.3 of this Appendix cannot be commuted surrendered or assigned except in accordance with the Rules. Such a pension must be payable for life unless it is fully commuted on grounds of triviality or serious ill-health and may be guaranteed.

5. Transfers in

This paragraph applies if the Trustees accept a transfer payment for an individual who is already a Member of the Scheme, or a PCB Member and they are informed by the transferor that the transfer payment consists wholly or partly of Pension Credit Rights in the former scheme or arrangement. The Trustees must separately identify the transfer payment, or the part of the transfer payment, relating to the Pension Credit Rights from other funds held for the benefit of that individual. The Trustees must ensure that transferred-in Pension Credit Rights are treated as provided separately from any other benefits provided under the Scheme to the intent that the Pension Credit Rights will not count towards any Scheme limit on benefits for that individual. Pension Credit Rights and Benefits in such a case will be provided on the terms set out in paragraph 4 above and subject to paragraphs 8 and 9 below.

6. Death before liability for Pension Credit is discharged

This paragraph applies if the PCB Member dies after a Pension Sharing Order is made, but before the liability for the Pension Credit has been discharged by the Trustees. In that case, the Trustees

can pay benefits in the form of either a pension or a lump sum and a pension, as they may, in their discretion, decide subject to Scheme Limits. These benefits must not exceed and need not be equal in value to the Pension Credit. Any lump sum death benefit will be payable (if the Trustees allow such nomination) to any one or more people nominated by the PCB Member for this purpose or, if not or no nomination has been made, to the PCB Member's legal personal representatives. If a pension is paid, it can be paid to any one or more of the spouse, Civil Partner or dependants of the PCB Member.

7. Member transferring-out after Pension Debit

If the Trustees make a transfer payment to a Registered Pension Scheme or Qualifying Overseas Scheme for a Member whose benefits have been reduced by a Pension Debit, the transfer payment will be the reduced amount after the Pension Debit has been deducted

8. Charges

The Trustees may make reasonable charges for the administration involved in providing information for the purposes of a Pension Sharing Order and in implementing such an Order. Any charge made may be deducted from the benefits payable to either the Member or the PCB Member, subject to the relevant terms of the Order. The Trustees may require either party to pay the charge before providing the information or before the Pension Sharing Order is implemented where allowed by the Welfare Reform Act.

9. Variations

The Trustees may decide from time to time to alter the structure of the Pension Credit Rights or Benefits to be granted to PCB Members in the future, in general or in individual cases, and may amend the terms of benefits already provided, provided that either the Actuary advises that no material extra costs will be imposed on the Scheme or the Principal Employer consents, and subject to the requirement of Section 67 of the 1995 Act²⁷² in the case of Pension Credit Rights or Benefits which have been granted to a PCB Member already.

²⁷² Updated by the adoption of this consolidation.

APPENDIX 4

DEEDS UP TO AND INCLUDING THE DEED OF VARIATION DATED 23 MARCH 2000

The table below sets out brief details of the deeds that were entered into in relation to the Fund up to and including the deed of variation dated 23 March 2000 which adopted a consolidated trust deed and rules for the Fund. Brief details of the effect of the relevant deed are set out below. Footnotes to relevant provisions of the Trust Deed and the Rules (including the Appendices to the Rules) refer to amendments to those provisions made by deeds of variation and Trustee resolutions subsequent to the deed of variation dated 23 March 2000.

Date	Type of document and brief details of the effect of such document	Parties
26 November 1986	Interim Trust Deed establishing the Fund	London Regional Transport (LRT) Individual trustees
31 March 1989	Definitive Trust Deed and Rules	LRT Trustees
11 May 1993	Order of the Court directing to amend the Definitive Deed dated 31 March 1989 for the purposes of giving effect to or amplify the declarations contained in the Court Order.	
16 July 1993	Deed amending the provisions of the Definitive Trust Deed with Revised Rules attached to give effect to the Court Order and make other changes.	LRT Trustees
29 September 1994	Deed of Variation This deed provided for a different calculation of a transfer value payable under the Rules for an early leaver if agreed by the Actuary and LRT after consultation with the Trustees.	LRT Trustees
25 January 1996	Deed of Variation This deed updated rule 14 dealing with maternity leave. In particular the first 18 weeks of such leave were made pensionable and members were liable to pay contributions.	LRT Trustees
26 March 1997	Deed of Variation The provisions regarding the appointment of the Actuary were updated following enactment of Pensions Act 1995 which introduced the concept of a "Scheme Actuary."	LRT Trustees

Date	Type of document and brief details of the effect of such document	Parties
22 May 1997	<p>Deed of Variation</p> <p>This deed:</p> <ul style="list-style-type: none"> - changed the provisions for the appointment of the Scheme Secretary so that the Trustees appoint from a shortlist of candidates provided by LRT; - removed the provisions relating to the appointment and duties of the Council from the Rules and replaced it with references to the Pensions Consultative Council established by LRT - updated the provisions for the appointment of Trustees reflecting amongst other things the changes to the Rules relating to the Council. 	<p>LRT</p> <p>Trustees</p>
13 November 1997	<p>Deed of Variation</p> <p>The statutory requirements for contracting-out on a defined benefit basis changed with effect from 6 April 1997 to contracting out on a reference test basis. In order that the Fund could meet the new statutory test provisions for a new survivor's pension were included – the introduction to the deed provided that there was no intention that a Dependant's pension would be reduced by the amount of the new survivor's pension.</p>	<p>LRT</p> <p>Trustees</p>
1 July 1998	<p>Deed of Variation</p> <p>This deed made a number of changes including:</p> <ul style="list-style-type: none"> - the provision of an indemnity to the Trustees from LRT - the discretion for the Trustees to vary or suspend an ill health pension - the introduction of an interest provision where certain benefits are paid late - the reduction in the number of Members needed to requisition a General Meeting - amendments reflecting the cessation of contracting out on Guaranteed Minimum Pension basis on 5 April 1997. 	<p>LRT</p> <p>Trustees</p>

Date	Type of document and brief details of the effect of such document	Parties
27 November 1998	<p>Deed of Variation</p> <p>This deed changed the Rules to:</p> <ul style="list-style-type: none"> - incorporate with effect from 1 November 1992 the way in which Pensionable Salary was to be calculated for those persons employed by London Underground Limited since the introduction of the LUL Company Plan (the outcome with regard to pay and conditions of the total review of the organisation of London Underground Limited undertaken during 1992) - implement changes in the way in which Pensionable Salary was to be calculated with effect from 6 April 1998 for such members. 	LTR Trustees
11 October 1999	<p>Deed of Variation</p> <p>The definition of "Eligible Child" was extended to recognise children in full-time or professional of vocational training up to age 25 from age 22.</p>	LRT Trustees
19 October 1999	<p>Deed of Variation</p> <p>This deed included:</p> <ul style="list-style-type: none"> - provisions for part-timers with effect from 24 September 1999 - an augmentation power (rule 28A). 	LRT Trustees