



**DATED 19 NOVEMBER 2015**

**RULES  
OF  
UNIVERSITIES  
SUPERANNUATION SCHEME**

superseding previous rules of the Scheme

working copy up to and including the Twenty-  
Ninth Deed of Amendment dated 22 May 2025  
and highlighting amendments made by the  
Seventh to Twenty-Ninth Deeds of  
Amendment in footnotes

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<sup>1</sup> The heading of Rule 10 was amended by the Twenty-ninth Deed of Amendment dated 22 May 2025 with an effective date of 1 April 2016.

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**THIS DEED** is made on

**19 NOVEMBER 2015**

**BY UNIVERSITIES SUPERANNUATION SCHEME LIMITED** (a company registered in England under company number 1167127) whose registered office is at Royal Liver Building, Liverpool L3 1PY (the "**Trustee Company**").<sup>2</sup>

## **BACKGROUND**

- A This deed is supplemental to, amongst other documents, a deed dated 30 April 2009 setting out the rules, as amended by the First Deed of Amendment dated 6 August 2009, the Second Deed of Amendment dated 11 November 2009, the Third Deed of Amendment dated 19 January 2011, the Fourth Deed of Amendment dated 2 June 2011, the Fifth Deed of Amendment dated 20 July 2011, the Sixth Deed of Amendment dated 26 January 2012, the Seventh Deed of Amendment dated 30 May 2012, the Eighth Deed of Amendment dated 1 August 2012, the Ninth Deed of Amendment dated 1 August 2012, the Tenth Deed of Amendment dated 1 August 2012, the Eleventh Deed of Amendment dated 2 July 2013, the Twelfth Deed of Amendment dated 18 September 2013, the Thirteenth Deed of Amendment dated 31 January 2014, the Fourteenth Deed of Amendment dated 30 July 2014 and the Fifteenth Deed of Amendment dated 9 December 2014 ("**Former Rules**"), which currently govern a registered pension scheme known as "Universities Superannuation Scheme" ("**Scheme**") of which the Trustee Company is the sole trustee.
- B The Scheme was originally established by a Declaration of Trust dated 2 December 1974 ("**Declaration of Trust**") for the purpose of providing pension and other superannuation benefits for future academic and senior staff of, and for such of the academic and senior staff then currently employed by, the universities in the United Kingdom and certain Institutions engaged in higher education or research and for such other persons employed by such universities and institutions who in any such case qualified for membership and elected to become members in accordance with the rules thereto.
- C Under rule 76 of the Former Rules and all other powers so enabling the Trustee Company has power by deed to repeal, alter or add to all or any of the Former Rules, subject to the provisions set out in that rule 76. Sub-rule 76.5 requires that there shall be no such alteration without the consent in writing of the joint negotiating committee ("**JNC**").<sup>3</sup>

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<sup>2</sup> This reference was amended by the Twenty-second Deed of Amendment dated 7 February 2024 with an effective date of 7 February 2024.

<sup>3</sup> Recital C was amended by the Twenty-second Deed of Amendment dated 7 February 2024 with an effective date of 1 April 2016.

- D The Trustee Company wishes to amend the Rules as set out below with the consent in writing of the JNC which is attached in appendix 2 to this Deed.
- E No actuarial certificate under sections 67 to 67I of the Pensions Act 1995 is required in relation to the amendments made by this Deed since no detrimental modification or other "regulated modification" is made by this Deed within the meaning of section 67A of the Pensions Act 1995.
- F The Scheme actuary has provided an actuarial certificate for the purposes of section 37 of the Pension Schemes Act 1993 in relation to the amendments made by this Deed, a copy of which is attached at appendix 1 to this Deed.
- G Neither the arrangement of the amendments made by this Deed, nor any headings or sub-headings, shall affect the interpretation of these amendments.
- H By this deed the rules contained in this deed are adopted to replace the Former Rules in their entirety in accordance with the terms of the rules in this deed.

## **OPERATING PROVISIONS**

In accordance with rule 76 of the Former Rules, the Trustee Company, with the consent of the Joint Negotiating Committee, adopts the following rules contained in this deed, to replace the Former Rules in their entirety, with effect from 1 April 2016 in accordance with the terms of the following rules:

### **1. DEFINITIONS**

- 1.1 Except where the context otherwise requires, the following expressions shall have the following meanings and shall be shown in italics throughout these *rules*:

**"2008 Act Duty"** means any of the following duties of an *institution* in respect of an *eligible employee*:

- (a) a duty to automatically enrol the *eligible employee* under section 3 of the Pensions Act 2008;
- (b) a duty to automatically re-enrol the *eligible employee* under section 5 of the Pensions Act 2008;
- (c) a duty to comply with a notice given by the *eligible employee* under section 7 of the Pensions Act 2008;

- (d) a duty to comply with a notice given by the *eligible employee* under section 9 of the Pensions Act 2008.

**"2008 Act Opt-In Duty"** means either of the following duties of an *institution* in respect of an *eligible employee*:

- (a) a duty to comply with a notice given by the *eligible employee* under section 7 of the Pensions Act 2008;
- (b) a duty to comply with a notice given by the *eligible employee* under section 9 of the Pensions Act 2008.

**"ABS"** (Alternative benefits service) means a period of *eligible employment* after 5 April 1988 in respect of which *alternative benefits* accrue, except that:

- (a) where an *eligible employee* is a *member* in respect of more than one employment, and is in *contracted-out employment* by reference to the *scheme*, that individual will be in *ABS* only in relation to the employment in respect of which *alternative benefits* accrue; and
- (b) where a person is in *eligible employment*, and is a member of *FSSU* or belongs to a *pension scheme* to which either of sub-rules 45.2.4 or 45.2.5 (Exclusivity) applies in respect of an *eligible employment*; or would be in *eligible employment* but for being ineligible for *membership* under sub-rule 4.2.2 (Maximum entry age and excluded cases); then *alternative benefits* shall not be treated as accruing to that person in respect of that *eligible employment*.

**"Accepted Employee"** means an *excluded post employee* whom the *trustee company* has consented to treat as an *eligible employee* under sub-rule 4.7 (Excluded post employees).

**"Accounting Date"** means 31 March in each year, or such other date as the *trustee company* may decide.

**"Accrued Lump Sum Amount"** means:

- (a) in relation to a *member* or *former member*, that person's *opening credit* so far as relates to the accrued lump sum benefit that is (or was at the date of death) prospectively payable to that person, as increased by *active revaluation* commencing on 1 April 2017;

- (b) in relation to any *member* or *former member*, *preserved benefits* and benefits under sub-rule 16.3 of the rules of the *scheme* as they stood on 31 March 2016 or under sub-rule 18.3 in respect of *preserved benefits*, or benefits under sub-rule 18.3 or corresponding rule under previous *rules* in respect of a *deferred pensioner* to whom sub-rule 40.2.1 applies who makes no election under sub-rule 40.2.2, each in lump sum form; and
- (c) in relation to a *member* or *former member*:
  - (i) the sum of the *annual accrued lump sum amounts*, as increased by *active revaluation*;
  - (ii) the additional lump sum benefits accrued after 31 March 2016 under sub-rules 37.2 (Continuation of AVCs) or 38.1 (Continuation of AVCs); and
  - (iii) the lump sum benefits provided in respect of a transfer payment under sub-rule 47.3 or sub-rule 47.4 or sub-rule 48.4, as increased by *active revaluation*.

**"Accrued Pension Amount"** means:

- (a) in relation to a *member* or *former member*, that person's *opening credit* so far as relates to the accrued pension benefit that is (or was at the date of death) prospectively payable to that person, as increased by *active revaluation* commencing on 1 April 2017;
- (b) in relation to any *member* or *former member*, *preserved benefits* and benefits under sub-rule 16.3 of the rules of the *scheme* as they stood on 31 March 2016 or under sub-rule 18.3 in respect of *preserved benefits*, or benefits under sub-rule 18.3 or corresponding rule under previous *rules* in respect of a *deferred pensioner* to whom sub-rule 40.2.1 applies who makes no election under sub-rule 40.2.2, each in pension form; and
- (c) in relation to a *member* or *former member*:
  - (i) an amount of accrued pension for life of the sum of the *annual accrued pension amounts*, as increased by *active revaluation*;

- (ii) the additional pension benefits accrued after 31 March 2016 under sub-rules 37.2 (Continuation of AVCs) or 38.1 (Continuation of AVCs); and
- (iii) the pension benefits provided in respect of a transfer payment under sub-rule 47.3 or sub-rule 47.4 or sub-rule 48.4, as increased by *active revaluation*.

**"Active Member"** means a *member* (other than a *member* in respect of whom a valid election is in effect under schedule 14 (Enhanced opt out) or under schedule 16 to the rules of the *scheme* as they stood on 31 March 2016 (Enhanced protection option)) who is an *eligible employee* and who is either contributing to the *fund* under rule 5 (Member contributions) or who is exempted or excluded from paying contributions under rule 9 (Extra service contributions) or rule 12 (Late retirement) or is a *member* in respect of whom contributions are being made under sub-rule 43.3.1 (Contributions during maternity, paternity, adoption, shared parental and statutory parental bereavement leave) or rule 41 (Salary Sacrifice).

**"Active Membership"** means the period of *membership* of an *active member*, excluding any period during which *membership* is suspended, and including any period which fell within the definition of "active membership" in previous rules of the *scheme* and any period before 7 February 1994 of Membership as an Employee for the purposes of the Rules of the *scheme* then in force.

**"Active Revaluation"** means subject to rule 10 (revaluation of benefits on retirement and ceasing service part way through a benefit year):<sup>4</sup>

- (a) subject to paragraphs (b) to (d) below, an increase in benefits in respect of each *benefit year* applied in each subsequent *benefit year* ending before or on the day that the *member retires* or ceases *service*;<sup>5</sup>
- (b) the increase shall be calculated as if the benefits in respect of each *benefit year* were an official pension within the meaning of Part 1 of the *Increase Act* and

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<sup>4</sup> The definition of "Active Revaluation" was amended by the Twenty-ninth Deed of Amendment dated 22 May 2025 with an effective date of 1 April 2016.

<sup>5</sup> The definition of "Active Revaluation" was amended by the Twenty-ninth Deed of Amendment dated 22 May 2025 with an effective date of 1 April 2016.

within the scope of any direction which takes effect under that Part in that subsequent year;

- (c) the increase shall be calculated as if any deemed pension within paragraph (b) began on 1 April 2016 or on the day on which the *member* last entered *active membership*, whichever is the later, but shall not be treated as beginning before the *benefit year* in respect of which it arose;
- (d) subject to sub-rule 37.1, the increase in respect of benefits attributable to *service* under these *rules* (or to service after 30 September 2011 under previous rules of the *scheme*) shall not exceed the *increases cap* in any *benefit year* beginning after that date.

For a *member* who *retires* or ceases *service* on the last day of a *benefit year*, an increase in benefits shall be applied for that *benefit year* in respect of the benefits set out in the following parts of the *accrued pension amount* and *accrued lump sum amount* definitions respectively:

- (a) paragraph (a);
- (b) sub-paragraph (c)(i) (other than to the *annual accrued pension amount* and *annual accrued lump sum amount* earned in that *benefit year*);
- (c) sub-paragraph (c)(ii) where the terms applying for the *member* under sub-rule 37.2 (Continuation of AVCs) or sub-rule 38.1 (Continuation of AVCs) so provide; and
- (d) sub-paragraph (c)(iii) for any transfer payment unless received in that *benefit year*.

The rate of increase shall be the rate that applied under this definition to the year immediately before the *benefit year* in which the *member retired* or ceased *service*. For the avoidance of doubt, Rule 10 (Revaluation of benefits on retirement and ceasing service part way through a benefit year) shall not apply in these circumstances.<sup>6</sup>

**"Actuarial Advice"** means advice from the *actuary*.

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<sup>6</sup> A new paragraph in the definition of "Active Revaluation" was added by the Twenty-ninth Deed of Amendment dated 22 May 2025 with an effective date of 1 April 2016.

"**Actuary**" means the Fellow of the Institute of Actuaries or Fellow of the Faculty of Actuaries in Scotland who is appointed by the *trustee company* to advise either generally or in any particular case.

"**Added Years AVCs**" means voluntary contributions under an agreement made before 1 April 2016 for the purchase of additional *pensionable service* in accordance with the rules of the *scheme* as they stood on the date that agreement was made (including such an agreement as modified by rule 37 (Added years AVCs)).

"**Additional Pensionable Service**" means in relation to a *member* who has 5 or more years' *pensionable service* (calculated without applying the *part-time service fraction* for this purpose), notional additional *pensionable service* of the lesser of (a) and (b) below:

- (a) the number of additional *years' service* which the *member* would have accrued if *eligible employment* had continued from *retirement* or earlier death until the earlier of age 65 and the date when the *member's pensionable service* amounted in aggregate to 40 years; and
- (b) the following number of *years' additional pensionable service*:
  - (i) if the *member* has 5 or more, but less than 10, years' *pensionable service* (calculated without applying the *part-time service fraction* for this purpose), the number of *years' pensionable service at retirement*;  
or
  - (ii) if the *member* has 10 or more, but less than 20, years' *pensionable service* (calculated without applying the *part-time service fraction* for this purpose), the greater of:
    - (A) 20 years minus the number of *years' pensionable service*; and
    - (B) 6 years and 243 days; or
  - (iii) if the *member* has 20 or more years' *pensionable service* (calculated without applying the *part-time service fraction* for this purpose), 6 years and 243 days.

For the purposes of this definition, *pensionable service* includes *years* of pensionable service accrued or credited under rules of the *scheme* in force prior to a break in

*membership*, irrespective of whether benefits arising from it will otherwise be linked to benefits arising from such service subsequently accrued or credited, so long as the *trustee company* has not been discharged of all liability to or in respect of the *member* in relation to it.

“**Additions**” has the meaning given to it in Schedule 19.<sup>7</sup>

“**Additions Beneficiary**” has the meaning given to it in Schedule 19.<sup>8</sup>

“**Additions Member**” has the meaning given to it in Schedule 19.<sup>9</sup>

“**Additions Period**” means the period from 1 April 2022 to 31 March 2024.<sup>10</sup>

“**Advisory Committee**” means the committee established and constituted in accordance with rule 65 (Advisory committee).

“**Allocation**” means the surrender by any person under rule 33 (Allocation) of part of that person's pension out of the *fund*.

“**Alternative Benefits**” means either:

- (a) additional pension under section 44 of the Social Security Contributions and Benefits Act 1992; or
- (b) benefits under an appropriate personal pension scheme which meets the requirements of section 9(5) of *PSA 93*.

Where an *eligible employee* is not in *contracted-out employment*, having opted not to be a *member* or having withdrawn from *membership*, and is not liable to pay any primary Class 1 National Insurance Contributions, or is liable to pay them only at the reduced rate, *alternative benefits* shall be deemed to accrue.

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<sup>7</sup> The definition of ‘Additions’ was added by the Twenty-fourth Deed of Amendment dated 21 February 2024 with an effective date of 1 April 2024.

<sup>8</sup> The definition of ‘Additions Beneficiary’ was added by the Twenty-fourth Deed of Amendment dated 21 February 2024 with an effective date of 1 April 2024.

<sup>9</sup> The definition of ‘Additions Member’ was added by the Twenty-fourth Deed of Amendment dated 21 February 2024 with an effective date of 1 April 2024.

<sup>10</sup> The definition of ‘Additions Period’ was added by the Twenty-fourth Deed of Amendment dated 21 February 2024 with an effective date of 1 April 2024.

**"Annual Accrued Lump Sum Amount"** means, in respect of a *member*, an amount of accrued lump sum in respect of a *benefit year* (or, as the case may require, in respect of the last 12 months of the *member's active membership*) of:

$\frac{3}{75} \times \text{salary}$  in respect of a *benefit year* on and from 1 April 2016 up to and including the day before the *effective date*;

$\frac{3}{75} \times \text{CRB salary}$  in respect of a *benefit year* on and from the *effective date* up to and including the day before 1 April 2022; and

$\frac{3}{85} \times \text{CRB salary}$  in respect of a *benefit year* on and from 1 April 2022 up to and including the day before 1 April 2024; and<sup>11</sup>

$\frac{3}{75} \times \text{CRB salary}$  in respect of a *benefit year* on and from 1 April 2024.<sup>12</sup>

The *annual accrued lump sum amount* for an *additions member* and any *beneficiary* following the death of an *additions member* shall include any amounts due under Schedule 19 in respect of the *benefit year* commencing 1 April 2023.<sup>13</sup>

**"Annual Accrued Pension Amount"** means, in respect of a *member*, an amount of accrued pension in respect of a *benefit year* (or, as the case may require, in respect of the last 12 months of the *member's active membership*) of:

$\frac{1}{75} \times \text{salary}$  in respect of a *benefit year* on and from 1 April 2016 up to and including the day before the *effective date*;

$\frac{1}{75} \times \text{CRB salary}$  in respect of a *benefit year* on and from the *effective date* up to and including the day before 1 April 2022; and

$\frac{1}{85} \times \text{CRB salary}$  in respect of a *benefit year* on and from 1 April 2022 up to and including the day before 1 April 2024; and<sup>14</sup>

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<sup>11</sup> The definition of 'Annual Accrued Lump Sum Amount' was deleted and replaced by the Seventeenth Deed of Amendment dated 28 February 2022 with an effective date of 1 April 2022.

<sup>12</sup> The definition of 'Annual Accrued Lump Sum Amount' was deleted and replaced by the Twenty-third Deed of Amendment dated 21 February 2024 with an effective date of 1 April 2024.

<sup>13</sup> The definition of 'Annual Accrued Lump Sum Amount' was amended by the Twenty-fourth Deed of Amendment dated 21 February 2024 with an effective date of 1 April 2024.

<sup>14</sup> The definition of 'Annual Accrued Pension Amount' was deleted and replaced by the Seventeenth Deed of Amendment dated 28 February 2022 with an effective date of 1 April 2022.

$\frac{1}{75} \times$  CRB salary in respect of a *benefit year* on and from 1 April 2024.<sup>15</sup>

The *annual accrued pension amount* for an *additions member* and any *beneficiary* following the death of an *additions member* shall include any amounts due under Schedule 19 in respect of the *benefit year* commencing 1 April 2023.<sup>16</sup>

**"Appropriate Period"** means, in relation to a period of temporary absence under sub-rule 42.2 (Voluntary absence and secondment), such period as the *employer* and the *trustee company* may agree, not exceeding such period during which either the *member* retains an express statutory right to return to work for the *employer*, or the *employer* retains a definite expectation that the *member* will return, or would do so but for circumstances beyond the control of both *member* and *employer*, subject to the following maxima:

- (a) if the period of absence is to enable the *member* to undergo full-time education connected with the employment, or to be seconded to another employer, up to 10 years or such longer period as the *trustee company* may agree; or
- (b) in any other case other than absence to enable the *member* to take up work of national importance, one year or such longer period as the *trustee company* may agree.

The *employer* shall promptly notify the *trustee company* in writing of the date when the voluntary absence or secondment ends.

In the case of a *VTE*, subject to (a) and (b) above, the period shall end on the first of the following to occur:

- (c) taking the last date on which *salary* was payable before the absence, the second *accounting date* after that date;
- (d) the *member's* return to work for the *institution*; or

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<sup>15</sup> The definition of 'Annual Accrued Pension Amount' was deleted and replaced by the Twenty-third Deed of Amendment dated 21 February 2024 with an effective date of 1 April 2024.

<sup>16</sup> The definition of 'Annual Accrued Pension Amount' was amended by the Twenty-fourth Deed of Amendment dated 21 February 2024 with an effective date of 1 April 2024.

- (e) the *member's* commencement of work in *eligible employment* (which is not *VT employment*) with another *institution* and with a *salary* equal to, or higher than, that for any to which an agreement under sub-rule 42.2 applies.

**"Associated Employer"** means, in relation to 2 or more employers, each such employer, if one is under the *control* of the other or others, or both or all are under the *control* of a third party.

**"Auditor's Certificate"** means a certificate from the *institution's* auditors (in a form specified by the *trustee company*) as to the completeness and accuracy of information provided to the *trustee company*.

**"Authorised Maximum"** means, in relation to any lump sum benefit payable to a *member, former member* or *ex-spouse participant*, in connection with that individual becoming entitled to a pension under the *scheme*, the lowest of:

- (a) the available portion of that individual's lump sum allowance (as defined in paragraph 2 of Schedule 29 of *FA 04*) immediately before becoming entitled to that lump sum benefit;
- (b) the applicable amount as defined in paragraph 3 of Schedule 29 of *FA 04*; and
- (c) 25% of the aggregate value of such lump sum and pension and of the *member's DC account* under the *scheme*, as determined by the *trustee company* on *actuarial advice*.

**"Authorised Scheme"** means a *pension scheme* which either:

- (a) is approved in relation to an individual from time to time by the *trustee company* for the purposes of sub-rule 45.3; or
- (b) is approved on 31 March 2016 in relation to an individual by the *trustee company* in accordance with sub-rule 45.3 of the rules of the *scheme* as they stood at that date.

In order to be so approved under paragraph (a) above:

- (c) that individual must be (or have been), immediately before becoming an *eligible employee*, an active member accruing benefits under the *pension scheme* on a defined benefit basis; and

- (d) the rules of the *authorised scheme* must permit the individual to remain an active member of the *authorised scheme* where the individual so elects in the circumstances provided for in sub-rule 45.3.

"AVCs" (Additional voluntary contributions) means *added years AVCs, revalued benefit AVCs and MPAVCs*.

"Beneficiary" means, in relation to a person, either:

- (a) that person's spouse or *civil partner*; or
- (b) any other individual nominated by that person who would in the opinion of the *trustee company* be (or have been) a *dependant* of that person, but excluding any one who would be (or have been) an *eligible child* by virtue only of paragraphs (a) and (b)(i) of the definition of *eligible child*.

In the case of an individual who was the spouse or *civil partner* of that person when that person first became entitled to receipt of a pension under the *scheme*, that individual shall remain a *dependant*, for the purposes of this definition, even if the marriage or *civil partnership* has subsequently been dissolved or annulled.

"Benefit Crystallisation Event" has the meaning given in section 216 of *FA 04*.

"Benefit Year" means a year or part of a year beginning on 1 April and ending on the next 31 March during all or part of which a person is in *active membership*.

"Benefits in Kind" means, where the *employer* with the consent of the *trustee company* so determines, an amount of *salary* derived from benefits in kind, excluding such benefits as are within paragraph (b)(i) of the definition of *salary*, which either:

- (a) where the benefits are assessable to income tax as employment income, shall be computed under Part 3 of *ITEPA*; or
- (b) where the benefits are not assessable to income tax as employment income, shall be determined by the *trustee company* with the consent of the *employer* and the *member*.

"Board" means the board of directors of the *trustee company*.

"Calculation Date" means, in relation to a *member* or *former member* and to any *VT employment* of that individual, the date of *retirement* in the case of late retirement

under rule 12 (Late retirement) and, in all other cases, whichever is the earliest of the date of cessation of *eligible employment* or of *service* or death or the day before *normal pension age* or, in relation to *salary* for any period before the *benefit year* in which that date falls, the last day of that *benefit year*.

**"CEP"** (Contributions equivalent premium) has the same meaning as in section 55(2) of *PSA 93*.

**"Chargeable Amount"** has the meaning given in section 215(3) of *FA 04*.

**"Civil Partner"** has the meaning given in the Civil Partnership Act 2004 and "*civil partnership*" has a corresponding meaning.

**"Comparable Scheme"** means, in relation to a *member*, either:

- (a) an *occupational pension scheme*;
- (b) a relevant statutory *scheme* within the meaning of the *tax code*; or
- (c) a *scheme* to which the *employer* contributed in respect of the *member* while the *member* was normally required to work for the *employer* wholly or mainly outside the United Kingdom,

and "*membership*" of a comparable *scheme* shall mean active membership of it within the meaning of section 124 of *PA 95*.

**"Compound Interest"** means interest calculated with yearly rests (or such shorter rests as the *trustee company* may decide) on the amount of principal and interest accrued at the commencement of the year (or other shorter period), with no interest being allowed on any addition to principal or accruing interest since the commencement of that year or period.

**"Contracted-out Employment"**, in relation to an *eligible employee*, has the meaning given by section 8 of *PSA 93*.

**"Contracted-out Scheme"** means a scheme by reference to which an *employer* holds, or is named in a schedule to, a contracting-out certificate under Part 3 of *PSA 93* covering the *member's* employment.

**"Control"**, in relation to a company or an unincorporated association, has the same meaning as in section 450 of the Corporation Tax Act 2010, except that in relation to

*associated employers* of a company other than a close company, it shall have the same meaning as in section 1124(2) of that Act. In relation to a partnership, it has the meaning in section 1124(3) of that Act. In relation to rule 44 (Admission of institutions) and the definition of *institution*, it includes such other governance or ownership arrangements between a body and one or more *institutions* within sub-paragraphs (i) or (ii) of paragraph (c) of that definition as the *trustee company*, after consultation with those *institutions*, may decide prior to the admission of that body to participate in the *scheme*. *Control* shall have a corresponding meaning in these *rules* when used as a verb.

**"Conversion Rate"** means the amount of additional *pensionable service* or additional benefits to be credited to or in respect of a *member* or *former member* for each £1,000 of the *member's MPAVC fund* of that person that is to be transferred to the *main section* of the *fund* under an election under sub-rule 36.10 (Transfer for defined benefits).

**"CPA"** (Contractual pension age) means, in relation to a *CPA member*, the earliest of the ages (on or after age 60 and before age 65) at which, on 30 September 2011, that individual had the express or implied right to retire on an immediate pension either:

- (a) under the terms of the last contract of employment or terms of appointment in force as at 30 September 2011 applicable to the individual's latest employment as an *active member* in respect of which the individual accrued *pensionable service*; or
- (b) in respect of a *former member* entitled to *preserved benefits* under paragraph 2 of schedule 4 (Multiple appointments), or sub-rule 40.2 (Deferred pensioner rejoining after a period exceeding one month), or sub-rule 40.3 (Option for a member to elect to defer past service benefits and re-start accrual with separate benefits), or any similar or corresponding provision of the *rules*, or of the previous rules of the *scheme* in force at the date when the *former member* ceased *membership*, under the terms of the last contract of employment or terms of appointment in force as at 30 September 2011 applicable to the individual's last employment as an *active member*, from which the individual accrued any *pensionable service* that does not fall to be aggregated with any *pensionable service* that accrued from subsequent *active membership*.

**"CPA Member"** means an *active member*, *former member* or *pensioner member* who is within one or more of the following categories:

- (a) a male *active member* with *pensionable service* prior to 17 May 1990 who on 30 September 2011 had an employment in respect of which a *CPA* applied of less than 65;
- (b) an *active member* with *pensionable service* between 31 March 1995 and 1 October 2011 who on 30 September 2011 had an employment in respect of which a *CPA* applied of less than 63 years and 6 months;
- (c) a *former member* with periods of *pensionable service* prior to 1 October 2011 and one or more *CPAs* on 30 September 2011, whose benefits have not yet been brought into payment under the *rules* or under the previous rules of the *scheme* in force at 30 September 2011 when the *former member* had an employment in respect of which the *CPA* applied;
- (d) a *pensioner member* who was a *former member* with periods of *pensionable service* prior to 1 October 2011 and one or more *CPAs* on 30 September 2011, whose benefits have been brought into payment under the *rules* or under the previous rules of the *scheme* in force at 30 September 2011 when the *pensioner member* had an employment in respect of which the *CPA* applied; or
- (e) a *former member* with periods of *pensionable service* prior to 1 October 2011 and one or more *CPAs* on 30 September 2011 who has exercised the *former member's* statutory right, or right under the *scheme*, to take a transfer payment of the *former member's* accrued past service rights under the *scheme* in respect of such *pensionable service* to a *transfer arrangement*, where the amount of the transfer value was calculated on the assumption of a *normal pension age* of more than 60 (whether or not the benefits attributable to those rights have yet been brought into payment).

**"CRB"** means career revalued benefits.

**"CRB Salary"** means *salary* up to and including the *salary threshold* applicable in the relevant *benefit year* only.<sup>17</sup>

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<sup>17</sup> The definition of 'CRB Salary' was amended by the Seventeenth Deed of Amendment dated 28 February 2022 with an effective date of 1 April 2022.

**"Default Investment Option"** means the investment option that the *trustee company* designates from time to time, from among the investment options made available by the *trustee company* to the *members*, for default purposes.

**"Deferred Pensioner"** means a *former member* who is (or was immediately prior to death) entitled under the *scheme* to benefits which have not yet come into payment, or a person to whom paragraph E of sub-rule 23.1 (Lump Sum Benefits on Death in Active Membership) or paragraph 2 of schedule 4 (Multiple appointments) applies, notwithstanding that that person has not ceased to be a *member*.

**"Dependant"** means, in relation to a person, an individual (whether or not a *relative*) who in the opinion of the *trustee company* is at the time of the death of that person wholly or partly either:

- (a) financially dependent on that person; or
- (b) dependent on that person because of any physical or mental disability.

**"Discretionary Trusts"** means, in relation to any sum directed to be held on such trusts in respect of a deceased individual, the trusts, powers and provisions set out below:

- (a) the *trustee company* may pay or apply the whole or any part of that sum to or for the benefit of all or any of the *relatives*, *dependants*, personal representatives or *nominated beneficiaries* of the deceased individual in such shares and proportions as the *trustee company* may decide;
- (b) if the deceased leaves no *relative* or *dependant*, the *trustee company* may elect to retain all or any part of the sum in the *fund*;
- (c) the *trustee company* may declare in respect of the sum or any part of it such separate trusts, terms and limitations (including for maintenance, education, advancement and accumulation of income during a minority) as the *trustee company* may by deed appoint without infringing the rule against perpetuities; the *trustee company* may appoint as trustees of such trusts any 2 or more persons or a trust corporation and may provide for the remuneration of any such trustee;

- (d) to the extent that the *trustee company* does not exercise the powers under paragraphs (a) and (c) within 2 years of the earlier of (i) the date the *trustee company* first knew of the individual's death, and (ii) the date the *trustee company* could reasonably have been expected to know of the individual's<sup>18</sup> death, the *trustee company* shall hold that sum outside the *fund* upon trust for the personal representatives of that individual or, if there are none, the statutory next of kin of that individual; and
- (e) the *trustee company* may have regard to any document signed by the individual expressing wishes as to the disposal to or for the benefit of *nominated beneficiaries* of any sum to be held upon the *discretionary trusts*.

**"Dispute Resolution Function"** means the functions and powers delegated to the *advisory committee* by the *board* in connection with dispute resolution arrangements made under section 50 of *PA 95*, which may include any or all powers and duties of the *trustee company* under that section.

**"Effective Date"** means 1 October 2016.<sup>19</sup>

**"Eligible Child"** means, in relation to a person, an individual who:

- (a) is a lawful or legally adopted child, alive or unborn at the death of that person, or is (or would have been if born before that person died) a *dependant* who is a *stepchild* or natural child, or is a *dependant* accepted by the person as a member of the family; and
- (b) falls within one or more of the following sub-paragraphs:
  - (i) either is under age 18, or is under age 23 and receiving full-time education or undergoing full-time training approved by the *trustee company*;
  - (ii) in respect of a *pensioner* who was an *eligible child* aged 18 or over immediately before 1 February 2011, is and was immediately before

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<sup>18</sup> The definition of 'Discretionary Trusts' was amended by the Tenth Deed of Amendment dated 2 March 2020 with an effective date of 2 March 2020

<sup>19</sup> The definition of 'Effective Date' was deleted and replaced by the Seventeenth Deed of Amendment dated 28 February 2022 with an effective date of 1 April 2022.

1 February 2011, receiving full-time education or undergoing full-time training approved by the *trustee company*;

- (iii) at the death of that person or on ceasing to qualify under (i) or (ii) above, is physically or mentally incapable of being self-supporting; or
- (iv) having qualified under (iii) above, but having ceased to do so by becoming able to carry on remunerative employment so as to be self-supporting, is again, within 2 years or such reasonable longer period as the *trustee company* may decide, incapable of being self-supporting by reason of the same physical or mental incapacity as fell within (iii) above.

An *eligible child* to whom sub-paragraph (b)(iii) applies shall remain an *eligible child* until the physical or mental incapacity ceases and shall not become an *eligible child* again unless (b)(iv) above applies.

**"Eligible Employee"** has the meaning given in sub-rule 4.1.

**"Eligible Employment"** means employment as an *eligible employee* or, in relation to any period before 7 February 1994, employment as an "Employee" as defined in Rule 1 of the rules of the *scheme* in force at that time.

**"Eligible Jobholder"** means an *eligible employee* who meets the criteria set out in section 3(1) of the Pensions Act 2008.

**"Employer"** means an *institution* participating in the *scheme*, and means, in relation to:

- (a) an *eligible employee*, the employer or prospective employer;
- (b) a *member*, the employer, or each employer if the person has more than one concurrent employment; and
- (c) a *former member*, the last *institution* (or each of the last *institutions* if that person had more than one employment terminating concurrently) to have employed that person as a *member*.

**"Enhanced Incapacity Lump Sum"** means a lump sum calculated in accordance with sub-rule 15.3.

**"Enhanced Incapacity Pension"** means a pension calculated in accordance with sub-rule 15.3.

**"Enhanced Protection"** has the same meaning as in paragraphs 12 to 17 of Schedule 36 to *FA 04*.

**"EPBs"** means equivalent pension benefits under Part 3 of the National Insurance Act 1965.

**"ERA"** means the Employment Rights Act 1996.

**"Excluded Post Employee"** means an employee of an *institution* who is in an office, post or employment, or category of employment, which the *institution* has declared to be non-pensionable under sub-rule 4.7.

**"Exempt Member"** means a *final salary member* who was a member of the *scheme* on 30 September 2011 under its rules then in force and was aged 55 or over at 1 October 2011. An *exempt member* who ceases *service* and who becomes a *member* again shall remain an *exempt member* in respect of *service* both before ceasing *service* and after becoming a *member* again, if the period between ceasing *service* and becoming a *member* again is no more than six months. Such an *exempt member* shall not remain an *exempt member*, in respect of *service* after becoming a *member* again, if the period between ceasing *service* and becoming a *member* again is more than six months.

**"Ex-Spouse"** means a former spouse or former *civil partner* of a *member* or former *member* to whom *pension credit rights* have been or are to be credited.

**"Ex-Spouse Participant"** means an *ex-spouse* who participates in the *scheme*.

**"FA 04"** means the Finance Act 2004.

**"Fails to Return to Work"** means, in relation to a *member* who, having commenced *MPA leave*, subsequently either:

- (a) notifies an *employer* that he or she does not intend to return to work with the *employer*; or
- (b) fails to return to work either:
  - (i) immediately after the end of the *member's MPA leave*; or

- (ii) (where applicable) immediately after the end of the *member's* additional maternity leave, additional adoption leave or shared parental leave as defined under section 73, 75B and 235 of *ERA* or of leave under section 80AA of that Act; or
- (iii) immediately after the end of such longer period as the *member* is contractually or statutorily entitled to be absent from work pursuant to Part 8 of *ERA*.

**"Final Salary Member"** means:

- (a) a *member* who is in *membership* on 1 April 2016 and who has been in continuous membership of the *scheme* under its rules for the time being in force since before 1 October 2011; and
- (b) any *member* whom the rules of the *scheme* as they stood on 31 March 2016 required or whom the *trustee company*, acting on the advice of the *advisory committee*, on 31 March 2016 allowed, to be treated as a "pre-2011 member" within the meaning of the rules of the *scheme* as they stood on 31 March 2016.

**"Flexible Benefit"** has the same meaning as under section 74 of the Pension Schemes Act 2015.

**"Flexible Retirement"** means the commencement of payment of benefits to a *member* pursuant to an election under rule 14 (Flexible retirement) and the date of the *flexible retirement* shall be taken to be the same day as that commencement of payment of benefits.<sup>20</sup>

**"Flexible Retirer"** means a *member* who is drawing benefits under rule 14 (Flexible retirement) until the *member's retirement*.

**"Fluctuating Remuneration"** means, where the *employer* with the consent of the *trustee company* so determines, an amount of *salary* derived from remuneration which varies in amount over time, including *benefits in kind*.

**"Former Member"** means an individual who has ceased to be a *member*.

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<sup>20</sup> Definition of 'Flexible Retirement' in sub-rule 1.1 is amended by the Twenty-second Deed of Amendment dated 7 February 2024 with an effective date of 1 April 2016.

**"FSAVC Scheme"** (Free standing additional voluntary contributions scheme) means a scheme which was a retirement benefits scheme within the meaning that expression had under section 611 of the *Taxes Act* whilst that section was in force prior to 6 April 2006:

- (a) to which a *member* has made additional voluntary contributions;
- (b) to which the *employer* did not contribute; and
- (c) which was approved under section 591 of the *Taxes Act* before 6 April 2006.

**"FSSU"** means the Federated Superannuation System for Universities.

**"FSSU Member"** means a person who was an employee of an *institution* before 1 April 1975 and who was subject to an *FSSU* agreement until the date of joining the *scheme*.

**"Full-time Service"** means *service* which neither is, nor is deemed to be, *part-time service*.

**"Fund"** has the meaning given by rule 3 (Fund/main section/supplementary section).

**"General Fund"** means the notional value of the balance of the *fund* after deducting the value of all *members' DC accounts*.

**"GMP"** (Guaranteed Minimum Pension) means a guaranteed minimum pension payable under the *scheme* in accordance with *PSA 93*.

**"Greater Appointment"** means, in relation to a *MAM*, the appointment carrying the highest *salary*; where 2 or more *salaries* are equal, the *member* shall elect which appointment to treat as the greater.

**"Gross"**, in relation to any category of a *member's* remuneration, means the full amount of remuneration in that category which the *member* would have been entitled to receive, but for absence from work and but for any deductions permitted under section 13 of the *ERA* and but for any other deduction which would have been so permitted if Part 2 of the *ERA* had applied where the *member* worked.

**"Health Service Scheme"** means any of the schemes governed by section 10 of the Superannuation Act 1972 or section 1(2)(e) of the Public Service Pensions Act 2013 or

any other public sector scheme established under statute in respect of healthcare workers.<sup>21</sup>

**"Health Service Transfer Agreement"** means such of the following as applies to a *member's employer*:

- (a) the agreement dated 1 March 1995 between the Secretary of State for Health and the *trustee company* relating to the transfer of employees to *institutions* from nurse training establishments and Colleges of Health;
- (b) the agreement dated 1 July 1996 between the Secretary of State for Scotland and the *trustee company* relating to the transfer of employees to *institutions* from Colleges of Nursing and Midwifery Education;
- (c) the agreement dated 1 September 1997 between the Department for Health and Social Services for Northern Ireland and the *trustee company* relating to the transfer of employees to *institutions* from Colleges of Nursing and Midwifery Education.

**"HMRC"** means HM Revenue and Customs.<sup>22</sup>

**"Incapacity"** means either *partial incapacity* or *total incapacity*.

**"Incapacity Qualifying Employment"** means an individual's employment with either:

- (a) a university domiciled in the United Kingdom;
- (b) a higher education corporation within the meaning of section 123 of the Education Reform Act 1988;
- (c) an institution designated under section 44 of the Further and Higher Education (Scotland) Act 1992; or
- (d) a comparable body in Northern Ireland,

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<sup>21</sup> The definition of 'Health Service Scheme' was amended by the Tenth Deed of Amendment dated 2 March 2020 with an effective date of 1 April 2015.

<sup>22</sup> The definition of 'HMRC' in sub-rule 1.1 was amended by the Twenty-second Deed of Amendment dated 7 February 2024 with an effective date of 7 February 2024.

where in each case all periods of that individual's *active membership* after first ceasing after 10 December 1999 to be a member of a *comparable scheme* would have been pensionable service within the meaning of *PSA 93* for the purposes of that scheme.

**"Increase Act"** means the Pensions (Increase) Act 1971.

**"Increases Cap"** means the following limits on increases treated as arising under Part 1 of the *Increase Act* in any relevant year:

<b>The percentage increase specified for that year under Part 1 of the <i>Increase Act</i></b>	<b>The increase payable under these rules</b>
Less than 5%	The same increase
5%	5%
More than 5% but less than 15%	5% plus one-half of the excess percentage increase over 5% specified under Part 1 of the <i>Increase Act</i>
15% or more	10%

(and any proportionate percentages in respect of any part year).<sup>2324</sup>

**"Independent Director"** has the same meaning as in the articles of association of the *trustee company*.

**"Institution"** means a body, whether incorporated or not, which:

- (a) is resident in the United Kingdom; and
- (b) has been approved by the *trustee company* for participation in the *scheme*; and

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<sup>23</sup> The definition of 'Increases Cap' was amended by the Seventeenth Deed of Amendment dated 28 February 2022 with an effective date of 1 April 2022.

<sup>24</sup> The definition of 'Increases Cap' was amended by the Twenty-third Deed of Amendment dated 21 February 2024 with an effective date of 1 April 2024.

- (c) is either:
- (i) a university or university college or higher education institution (as defined in section 65(5) of the Further and Higher Education Act 1992) or an institution designated under section 44 of the Further and Higher Education (Scotland) Act 1992;
  - (ii) any other body which is established for the purpose of higher education or research and not for profit; or
  - (iii) any body which is under the *control* of one or more *employers* falling under (i) or (ii) above and which is established to, and does, carry on any activities which in the opinion of the *trustee company* are both conducted for the benefit, and materially support the primary objects, of each of those *employers*; and
- (d) has fulfilled the requirements of rule 44 (Admission of institutions).

**"Insurer"** has the same meaning as in section 180A of *PSA 93*.

**"Investment Committee"** means the sub-committee of the *board* of the *trustee company* referred to in rule 66 (Investment committee).

**"Investment Management Costs"** means all costs and charges arising out of or in connection with the investment of a *member's DC account* which fall within the meaning of "charges" under the Occupational Pension Schemes (Charges and Governance) Regulations 2015.

**"ITEPA"** means the Income Tax (Earnings and Pensions) Act 2003.

**"JNC"** means the joint negotiating committee established and constituted in accordance with rule 64 (Joint negotiating committee).

**"KIT Day"** (keeping in touch day) means any day to which any of sections 71(3)(c), 73(3)(b), 75A(2A), 75B(3)(b), 75F(14)(e), 75H(14)(e) and 80AA(7)(e) of *ERA* applies.<sup>25</sup>

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<sup>25</sup> The definition of 'KIT Days' in sub-rule 1.1 was amended by the Twenty-second Deed of Amendment dated 7 February 2024 with an effective date of 7 February 2024.

**"Known Medical Condition"** means, in relation to a *member* who last commenced *active membership* 2 or more, but less than 5 years ago (with each appointment to which *active membership* relates being considered separately for these purposes), a medical condition, which was known to the *member* or the *employer* when the *member* last commenced *active membership*, as a result of which the *member retires* or ceases the *eligible employment*. A medical condition will be excluded from this definition if both:

- (a) the *member* or the *employer* notified the *trustee company* in writing of the condition before or at the time of (or within what the *trustee company* determined to be a reasonable period after) the date the *active membership* last commenced; and
- (b) the *trustee company* determined at that time that it was not likely to cause the *member* to *retire* or cease *eligible employment* on the grounds of *incapacity* in the 5 years from the date when the *member* last commenced *active membership*, provided that the *member* shall have the right to require the *trustee company* to make such a determination on the *member* joining the *scheme* or taking up additional employment (or within a reasonable period thereafter), if the *member* meets the reasonable expenses of the *trustee company* in obtaining a *medical opinion*.

**"Land"** means any interest derived from or connected with land, including an undivided share in land and any mining or mineral rights, whether developed or not and whether income producing or not, including (without limitation) buildings, structures and fixtures erected on land, any excavations and works of all kinds, and the shares and securities of any body corporate established solely for the purpose of acquiring and holding any such interest.

**"Lesser Appointment"** means, in relation to a *MAM*, the appointment carrying the lower *salary* or, where 2 or more *salaries* are equal, the appointment which the *member* elects to be treated as the lower.

**"Lifetime Allowance Charge"** has the meaning given in sections 214 and 215 of *FA 04*.

**"Local Government Scheme"** means the Local Government Pension Scheme, or a scheme within that scheme.

**"Long Service Benefits"** means the benefits which would fall to be paid to or in respect of a *member* if the *member* remained in *service* until and *retired* on attaining *normal pension age*.

**"Lump Sum AVCs"** means *added years AVCs* and *revalued benefits AVCs*, which in either case are payable, as agreed by the *member* with the *trustee company*, otherwise than by regular instalments.

**"Main Section"** means the balance of the *fund* after deducting the amount attributable to the *supplementary section*.

**"MAM"** (Multiple appointment member) means a *final salary member* who held 2 or more separate *eligible employments* immediately prior to 1 April 2016, whether with the same *institution* or not, to which sub-rule 32.11 (Concurrent Variable Time and non-Variable Time Employment) of the rules as they stood on 31 March 2016 did not apply, for so long as that individual continues to hold those, or 2 or more of those, *eligible employments*.

**"Matching Contributions"** contributions payable by *members* under sub-rule 5.3 and by *employers* under sub-rule 6.3.

**"Material Break"** means a break, which is material in the *trustee company's* opinion, between periods of *active membership* and/or membership of a *comparable scheme*.

**"Medical Opinion"** means an opinion on the available evidence and on the balance of probabilities which is received by the *trustee company* from one or more registered medical practitioners (or other medical advisers determined by the *trustee company* to be suitably qualified) who are appointed by the *trustee company*, except that for the purposes of *rule 54* the *trustee company* may, in its discretion, also receive such opinions from such registered practitioners it has not appointed.<sup>26</sup>

**"Member"** means:

- (a) an *eligible employee* who is a member of the *scheme* in accordance with rule 4 (Terms of entry); or

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<sup>26</sup> The definition of 'Medical Opinion' was deleted and replaced by the Twenty-seventh Deed of Amendment dated 25 September 2024 with an effective date of 25 September 2024.

- (b) an individual who immediately before 1 April 2016 was a member of the *scheme* by virtue of its rules then in force, who would have remained so on 1 April 2016 had those rules not been superseded,

and who has in either case not withdrawn under rule 39 (Withdrawal from membership) in respect of all *eligible employments*, and "**Membership**" has a corresponding meaning.

"**Member's DC Account**" means the notional value of a money purchase account maintained by the *trustee company* on and from the *effective date* in respect of a *member, former member, ex-spouse participant* or *pensioner* to which the following amounts shall be notionally attributed for the purposes only of calculating benefits payable under the *scheme* to or in respect of that person:

- (a) the *employer* contributions made in respect of that *member* or *former member* under sub-rules 6.3, 6.4, 6.5 and 41.1 (Salary Sacrifice) (if any) and the *member* contributions made by that individual under sub-rules 5.2.2 and 5.3 (if any);
- (b) any sums, transferred assets or surrender values received by the *member's DC account* in respect of that individual under rule 47 (Individual transfers in) or rule 48 (Bulk transfers in) (including any such amounts that are received into a newly created *member's DC account* which is established in order to receive such amounts in respect of an *ex-spouse participant, deferred pensioner, pensioner* or *former member* under the *scheme*);
- (c) any *pension credit* in favour of that individual which is credited to the *member's DC account*;
- (d) any other amounts apportioned or credited to the *member's DC account* in accordance with the *rules* or with any previous rules of the *scheme*; and<sup>27</sup>
- (e) the return on the investment in accordance with the relevant investment option under the *rules* of any of the amounts described in paragraphs (a) to (d) above.

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<sup>27</sup> The definition of "Member's DC Account" was amended by the Twenty-third Deed of Amendment dated 21 February 2024 with an effective date of 1 January 2024.

The following amounts shall be deducted from the above amounts:

- (f) the *investment management costs* which fall to be so deducted from the *member's DC account* under rule 7; and
- (g) any tax due, whether from the *member* or *former member* or from the *member's DC account*, in respect of any of the benefits payable to or in respect of the *member* or *former member*;
- (h) any *pension debit* falling to be provided from the *member's DC account*; and
- (i) any other amounts debited from the *member's DC account* in accordance with the *rules*.

**"Member's MPAVC Fund"** means the amount payable or prospectively payable to or in respect of a *member* or *former member* or *ex-spouse participant* under any *MPAVC investment*, excluding any lump sum life assurance benefit.

**"MHO"** (Mental health officer) in relation to a *member*, has the meaning given in a *health service transfer agreement*.

**"Minimum Pension Age"** means, in relation to any *member*, *former member* or *ex-spouse participant*, age 55 or such lower age at which a pension may be paid to that person in accordance with the pension rules under section 165 of *FA 04* without the ill-health condition under paragraph 1 of Schedule 28 to that Act being satisfied.

**"MPA Leave"** means any period for which a *member* is entitled to be absent from *eligible employment* because of pregnancy, childbirth or adoption including any period during which such a *member* receives statutory maternity, paternity, adoption or shared parental pay from the *employer* or is exercising statutory rights under Part 8 of the *ERA* (other than *parental leave* or *statutory parental bereavement leave*), or any other period to which rule 43 (Maternity, paternity, adoption, shared parental and statutory parental bereavement leave) is applied by sub-rule 43.1, for which in either case that *member* is entitled to be absent because of pregnancy, childbirth or adoption, or any period immediately after such period during which the *member* is exercising a statutory right

to *parental leave*, or to any period in which the *member* is exercising a right to *statutory parental bereavement leave*<sup>28</sup>.

**"MPAVCs"** means *AVCs* paid under rule 36 (Money purchase *AVCs*).

**"MPAVC Fund"** (Money purchase *AVC* fund) comprises, so far as not expended in providing benefits:

- (a) all *MPAVCs*;
- (b) assets transferred into the *scheme* prior to the *effective date* in respect of any *member* or *former member* derived from voluntary contributions paid by that *member* or *former member* to secure additional benefits on a money purchase basis;
- (c) assets transferred into the *scheme* and directed to be paid into the *MPAVC fund* in accordance with sub-paragraph 9.3 of schedule 6 (Pension sharing on divorce etc.) (or under the corresponding provision of any previous rules of the *scheme*); and
- (d) all investments representing (a) to (c) above and the income on them.

**"MPAVC Investment"** means any investment permitted under sub-rule 36.5 (Investment) concluded by the *trustee company* with a *MPAVC provider* to provide benefits in respect of *MPAVCs*.

**"MPAVC Provider"** means a fund manager under section 34(3) of *PA 95* with which the *trustee company* invests *MPAVCs*.<sup>29</sup>

**"Nominated Beneficiary"** means any individual or corporation named in a signed expression of wish relating to the disposal of any sum to be held upon the *discretionary trusts*, as referred to in paragraph (e) of the definition of "*discretionary trusts*", who is neither a *relative* nor a *dependant* of the individual expressing the wish.

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<sup>28</sup> The definition of 'MPA Leave' was deleted and replaced by the Twelfth Deed of Amendment dated 16 April 2021 with an effective date of 6 April 2020.

<sup>29</sup> The definition of 'MPAVC Provider' in sub-rule 1.1 is amended by the Twenty-second Deed of Amendment dated 7 February 2024 with an effective date of 1 April 2016.

**"Non-Discrimination Guarantee"** means a guarantee given by an *institution* to the *trustee company* in relation to an employee or class of employees on terms that:

- (a) the *institution* guarantees that the inclusion of those employees as *members* will not give rise to any breach of the Equality Act 2010;
- (b) if that guarantee can no longer be sustained because of circumstances arising after the *trustee company* has agreed to include the employees as *members*, those employees shall remain as *eligible employees*, if those circumstances are determined by the *trustee company*, after consulting with the *institution*, not to have been reasonably foreseeable at the date of that agreement. The *trustee company* may, however, attach such conditions to the continuance of those employees as *eligible employees* as it may on *actuarial advice* deem necessary or appropriate;
- (c) the *institution* guarantees that in the reasonable opinion of the *institution* the relevant designation, determination or modification under the *rules* will not prejudice unfairly any one or more other groups of its employees or of employees of any of its *associated employers*.

**"Non-Enhanced Incapacity Pension"** means a pension calculated in accordance with sub-rule 15.2.1.

**"Non-Standard Salary Decrease"** means any decrease in a *member's* remuneration (including *benefits in kind*) which appears to the *trustee company* to have as its main object, or one of its main objects, a reduction in the amount of contributions payable to the *fund* either by the *member* or by the *employer* or both, save that the following decreases in remuneration shall not be *non-standard salary decreases*:

- (a) a decrease arising from a *member* relinquishing an appointment or taking up another with demonstrably lighter responsibilities or graded at a lower level under an appropriate job evaluation scheme; or
- (b) a decrease caused by a reduction in responsibilities or regrading under an appropriate job evaluation scheme within an existing appointment, where the reduction is not made in contemplation of *retirement*; or

- (c) a decrease that the *trustee company* has confirmed in writing, at the request of the *employer* or the *member*, that it will not treat as a *non-standard salary decrease*.

**"Non-Standard Salary Increase"** means any increase in a *member's* remuneration (including *benefits in kind*) which appears to the *trustee company* either:

- (a) to have as its main object, or one of its main objects, the enhancement of benefits under the *scheme* for the *member*; or
- (b) to relate to *service* with an *employer* other than, and subsequent to, a period in respect of which the *member* had agreed with the same or an *associated employer* (or with a body to any of whose functions such an *employer* has succeeded), to an abatement of *salary* in connection with an increase in the rate of that *member's* other remuneration,

save that the following increases in remuneration shall not be *non-standard salary increases* (except that the *trustee company* shall have a discretion in this regard in relation to *members* who elected for *enhanced protection* under schedule 13 (Enhanced protection option)):

- (i) an increase arising out of a nationally negotiated pay settlement; or
- (ii) an increase arising out of a new permanent appointment or a promotion, regrading, clinical excellence award or regular review of *salary* not made or received in contemplation of *retirement*; or
- (iii) an increase that the *trustee company* has confirmed in writing, at the request of the *employer* or the *member*, that it will not treat as a *non-standard salary increase*.

**"Normal Benefit Age"** means age 65.

**"Normal Pension Age"**<sup>30</sup> means in relation to the calculation of benefits in respect of *pensionable service* accrued or credited in each of the following periods, subject to

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<sup>30</sup> The definition of 'Normal Pension Age' was amended by the Tenth Deed of Amendment dated 2 March 2020 with an effective date of 2 March 2020.

rules 37 (Added years AVCs), 47 (Individual transfers in) and 48 (Bulk transfers in), in respect of:

- (a) *pensionable service* whilst a *member* remains an *exempt member*:
  - (i) for *pensionable service* prior to 17 May 1990, age 60 for a female *member* and age 65 or earlier *CPA* for a male *member*;
  - (ii) for *pensionable service* from 17 May 1990 to 31 March 1995 inclusive, age 60; and
  - (iii) for *pensionable service* from 1 April 1995, age 63 $\frac{1}{2}$ , or earlier *CPA*;
- (b) any other *pensionable service*, the provisions of paragraphs (c) to (g) below apply in respect of each relevant tranche of *pensionable service* (which under paragraph (g) may include more than one tranche);
- (c) *pensionable service* prior to 17 May 1990, age 60 for a female *member* and age 65 or earlier *CPA* for a male *member*;
- (d) *pensionable service* from 17 May 1990 to 31 March 1995 inclusive, age 60;
- (e) *pensionable service* from 1 April 1995 to 30 September 2011 inclusive, age 63 $\frac{1}{2}$  or earlier *CPA*;
- (f) *pensionable service* after 30 September 2011 but before the first date on which *pensionable age* is changed under paragraph (g) below, age 65;
- (g) *pensionable service* after the effective date of any change in *pensionable age* after 1 October 2011, and each subsequent change in *pensionable age*, such later age in complete years (rounded down where *pensionable age* is given in years and months) which then corresponds to the *pensionable age* applicable to an individual who attains *pensionable age* at that effective date, so far as it may from time to time be lawful for the *normal pension age* for the *scheme* so to correspond to that *pensionable age*;

and in relation to the cessation of contributions and to eligibility for benefits, and in relation to the meaning of *relevant date*, means the greater of age 65 and the meaning in (g) above. Any reference in these *rules* to the *normal pension age* "prevailing" on

any date shall be construed as a reference to the *normal pension age* which is specified, in paragraph (c) to (g) above, as applicable to *pensionable service* accruing on that day.

**"Occupational Pension Scheme"** has the same meaning as in section 150 of *FA 04*.

**"Opening Credit"** means:

- (a) in relation to a *final salary member*, the benefits accrued to or in respect of the *final salary member* under the *scheme* in respect of the period up to and including 31 March 2016 based on *pensionable service* up to and including that day and *pensionable salary* at that day, as if the *final salary member* had ceased on 31 March 2016 to be in service (as defined by the rules of the *scheme* in effect on that date); and
- (b) in relation to a *pre-2016 CRB member*, the benefits accrued to or in respect of the *pre-2016 CRB member* under the *scheme* in respect of the period up to and including 31 March 2016, as if the *pre-2016 CRB member* had ceased on 31 March 2016 to be in service (as defined by the rules of the *scheme* in effect on that date).

**"PA 95"** means the Pensions Act 1995.

**"PA 04"** means the Pensions Act 2004.

**"Paid Adoption Absence"** has the meaning in paragraph 5B of Schedule 5 to *SSA 89*.

**"Paid Maternity Absence"** means, in relation to a *member*, a part of that period throughout which that person is either absent from work due to her pregnancy or childbirth or in receipt of statutory maternity pay from the *employer*, for which that person is paid contractual remuneration or statutory maternity pay by the *employer*.

**"Paid MPA Leave"** (paid maternity, paternity, adoption, shared parental and statutory parental bereavement leave) means a period of *paid maternity absence*, *paid paternity absence*, *paid adoption absence*, *paid shared parental leave* or *statutory parental bereavement leave* and includes every *KIT day* within such a period<sup>31</sup>.

**"Paid Paternity Absence"** has the meaning in paragraph 5A of Schedule 5 to *SSA 89*.

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<sup>31</sup> The definition of 'Paid MPA Leave' was deleted and replaced by the Twelfth Deed of Amendment dated 16 April 2021 with an effective date of 6 April 2020.

**"Paid Shared Parental Leave"** means a period of paid shared parental leave as defined in paragraph 5C of Schedule 5 to SSA 89.

**"Parental Leave"** has the meaning given in section 76 of ERA.

<sup>32</sup>**"Part II Scheme"** means a *health service scheme*, a *local government scheme* or a *statutory teachers' scheme*.

**"Partial Incapacity"** means ill-health of, or injury to, a *member* or *former member*, not amounting to *total incapacity*, which causes that individual to be able for the long term to discharge the duties of neither:

(a) an *eligible employment* currently held by that individual or held immediately before last ceasing to be an *eligible employee*;

nor

(b) any other employment (whether or not available) which has a scope and a nature similar to that in (a).

**"Part-Timers Regulations"** means the regulations made under section 19 of the Employment Relations Act 1999.

**"Part-Time Service"** means a period of *service* which is notified by the *employer* to the *trustee company* to be less than a full-time commitment.

**"Part-Time Service Fraction"** means, in relation to *part-time service* in any one or more *eligible employments* (other than *VT employment*), whichever fraction is applicable of the following (but so that the aggregate of the fractions for all concurrent *part-time service* shall not exceed 1):

(a) the fraction of a full-time commitment which the *institution* deems to be devoted to that *eligible employment* and has notified to the *trustee company*, confirming in writing that it conforms with the *Part-timers Regulations*. Such notification shall be deemed to include a *non-discrimination guarantee*;

(b) if (a) does not apply or where, in addition to remuneration in respect of *part-time service*, a *member* is in an *eligible employment* for which part or all

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<sup>32</sup> The definition of "Part II Member" in sub-rule 1.1 was deleted by the Twenty-second Deed of Amendment dated 7 February 2024 with an effective date of 7 February 2024.

of the *salary* does not reflect the part-time character of that employment because it is referable to such *member's* total employment or is not fixed remuneration for that employment:

$\frac{S}{AS}$  where:

S = *salary* excluding *fluctuating remuneration* or in the case of a *member* with more than one *eligible employment* (other than any *VT employment*) aggregate *salary* excluding *fluctuating remuneration* immediately following *flexible retirement*; and

AS = *salary* excluding *fluctuating remuneration* of an equivalent full-time employment or in the case of a *member* with more than one *eligible employment* (other than any *VT employment*) aggregate *salary* excluding *fluctuating remuneration* immediately before *flexible retirement*.

This paragraph (b) shall not apply where a value for AS cannot be ascertained;

- (c) if neither paragraph (a) nor paragraph (b) applies, and in relation to such categories of *eligible employment* as, at the request of the *employer*, the *trustee company* may agree, such fraction as the *trustee company* may agree at the request of the *employer* as would have been determined under (b) if notional figures could have been used by the *employer* for the amounts described in (b). The *trustee company* may not apply this paragraph (c) unless it has obtained a *non-discrimination guarantee*.

**"Pensionable Age":**

- (a) as it relates to *GMPs* under rule 55 and schedule 11 (GMP), has the same meaning as in paragraph (a) of the definition of "pensionable age" in section 181(1) of *PSA 93*; and
- (b) for all other purposes, has the meaning given by the rules in paragraph 1 of Schedule 4 to *PA 95*.

**"Pensionable Salary"** has the meaning given to that expression by the rules of the *scheme* as they had effect on 31 March 2016.

**"Pensionable Service"** means, in relation to a *member* who was a "pre-2011 member" (within the meaning of the rules of the *scheme* as they stood on 31 March 2016), and to the period prior to 1 April 2016, a number of *years* consisting of the aggregate of:

- (a) *full-time service*;
- (b) *part-time service* multiplied by the *part-time service fraction*;
- (c) any period of *additional pensionable service* credited on or after *retirement* on the grounds of *total incapacity*, or on the death of an *active member* before *normal pension age* as if the *active member* had *retired* on the grounds of *total incapacity* on the day before the date of death;
- (d) any additional period purchased by *AVCs* (including under sub-rule 36.10 (Transfer for defined benefits) of the rules of the *scheme* as they stood on 31 March 2016);
- (e) any additional period, credited by reason of a special contribution paid by an *employer* or a *member* (or a person treated as a *member*) or under rule 74 (Power to compromise claims), as a result of the *trustee company* compromising or satisfying any claim;
- (f) any additional period credited (without being attributable to any particular time period) as a result of a transfer under rule 47 (Individual transfers in) or 48 (Bulk transfers in); and
- (g) any other period which counts as *pensionable service* under these *rules*, or under any of the rules formerly governing the *scheme*,

provided that *pensionable service* shall not exceed actual service save in respect of *VTEs* or *additional pensionable service* or under sub-rule 3.3 (Deductions from the supplementary section).

In relation to a *pre-2016 CRB member*, and to any *member* in relation to a period beginning on or after 1 April 2016, the period in *years* during which the person is in *active membership* shall count as the corresponding period of *pensionable service*, and that individual's *pensionable service* in respect of his or her period as a "pre-2011 member" (within the meaning of the rules of the *scheme* as they stood on 31 March 2016) prior to 1 April 2016 shall also count, for the purposes of the

definitions of *additional pensionable service* and of *supplementary service* and for the purposes of qualifying periods under the *rules*.

For the purpose of calculating *additional pensionable service* and *supplementary service* and of determining whether a *member* has reached a qualifying threshold defined in terms of *years of pensionable service*, the expression *pensionable service* includes any that accrued or was credited prior to a break in *membership*.

**"Pension Commencement Lump Sum"** has the meaning given to it in paragraph 1 of Schedule 29 to FA 04.

**"Pension Credit"** means a credit under section 29(1)(b) of *WRPA 99*.

**"Pension Credit Rights"** means benefits, or actual or prospective rights to benefits, under the *scheme* to or in respect of an *ex-spouse* by reference to a *pension credit* arising under the *scheme* or under a *transfer arrangement*.

**"Pension Debit"** means a debit under section 29(1)(a) of *WRPA 99*.

**"Pensioner"** means a person who is drawing a pension from the *fund* and includes a *pensioner member*.

**"Pensioner Member"** means a *pensioner* who is drawing a pension from the *fund* by reason of having been a *member*, or was such a person immediately before death, or would in the opinion of the *trustee company* have been so but for the pension being commuted under rule 53 (Commutation above lifetime allowance) or rule 54 (Total commutation for serious ill-health).

**"Pension Scheme"** has the same meaning as in section 150 of *FA 04*.

**"Pension Sharing Order"** means such order or provision as is mentioned in section 28(1) of *WRPA 99*.

**"Perpetuity Period"** means the period of 80 years from 2 December 1974 plus such further period as may be lawful, including any period during which the trusts of the *scheme* are exempt from the application of the rule against perpetuities. The entire such period shall be the perpetuity period for the purposes of the *scheme* under the rule against perpetuities for the purposes of section 1 of the Perpetuities and Accumulations Act 1964.

**"Pre-2016 CRB Member"** means a *member* who is not a *final salary member* but, on or after 1 October 2011 and before 1 April 2016, became a member under the rules of the *scheme* then in force.

**"Preservation Regulations"** means the Occupational Pension Schemes (Preservation of Benefit) Regulations 1991.

**"Preservation Requirements"** means the preservation requirements of Chapter 1 of Part 4 of *PSA 93*.

**"Preserved Benefits"** means the benefits which must be payable to or in respect of a *former member* in order that the *scheme* shall comply with the *preservation requirements*.

**"PSA 93"** means the Pension Schemes Act 1993.

**"Qualifying Service"** means such period of *service* or other qualification as entitles a *member* or *former member* to the benefits which must be payable to or in respect of a *former member* in order that the *scheme* shall comply with the preservation requirements of Chapter 1 of Part 4 of *PSA 93*.<sup>33</sup>

**"Reference Period"** means a period of 12 months ending with 31 March.

**"Registered Pension Scheme"** has the meaning given in section 150(2) of *FA 04*.

**"Relative"** means, in respect of a deceased *member*, *former member* or *ex-spouse*, any living individual who is:

- (a) the surviving spouse or *civil partner*;
- (b) a lawful, natural or adoptive parent or the surviving spouse or *civil partner* of such parent;
- (c) a lawful, natural or adoptive child, or remoter issue, of such parent, or the spouse or *civil partner*, or surviving spouse or *civil partner*, of any such person;  
or
- (d) a former spouse or *civil partner*.

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<sup>33</sup> The definition of 'Qualifying Service' in sub-rule 1.1 was amended by the Twenty-second Deed of Amendment dated 7 February 2024 with an effective date of 7 February 2024.

**"Relevant Benefits"** means those benefits which a *registered pension scheme* is permitted to provide under section 150 of *FA 04*.

**"Relevant Date"** means, in relation to a *member* or *former member*, the date of actual *retirement* in the case of late retirement under rule 12 (Late retirement), not being later than 31 March 2016, and in all other cases, whichever is the earliest of 31 March 2016, the date of cessation of *eligible employment* or of *service* or death or the day before *normal pension age*, provided that in all cases the date is no later than the day before the individual's 75th birthday.

**"Retirement"** means the cessation, on or after *minimum pension age*, of employment which gives entitlement to *membership* or the cessation of *active membership* on the grounds of *incapacity*, without the *member* taking in either case any other employment which would give entitlement to *membership*, and **"Retire"** and **"Retired"** have corresponding meanings. A *member* shall be deemed to *retire* no later than the date which is immediately before the *member's* 75th birthday.<sup>34</sup>

**"Revalued Benefit AVCs"** means voluntary contributions under an agreement made on or before 31 March 2016 for the purchase of an additional amount of pension and lump sum in accordance with the rules of the *scheme* as they stood on the date that agreement was made.

**"RPI"** means the retail prices index as defined in section 989 of the Income Tax Act 2007.

**"Rules"** means these rules, including any schedules, as amended from time to time.

**"Salary"** means, in respect of *eligible employments* of a *member*, the aggregate of:

- (a) the *gross* fixed salary or salaries and fixed cash allowances (excluding those under (b)(i) below); and

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<sup>34</sup> The definition of "Retirement" in sub-rule 1.1 is amended by the Twenty-second Deed of Amendment dated 7 February 2024 with an effective date of 1 April 2016.

- (b) where the *employer* with the consent of the *trustee company* (such consent to be given on an individual or a class basis and subject to such terms and conditions as the *trustee company* may think fit) so determines:
- (i) any fixed cash allowances agreed between the *member* and the *employer* and taken in place of benefits in kind and all or any part of a *member's* benefits taken in kind which are, by agreement between the *member* and the *employer*, treated for the purposes of the *scheme* as being a notional fixed cash allowance; and
  - (ii) any *fluctuating remuneration* averaged over the preceding 12 months or over the whole period, if shorter.

**"Salary Sacrifice Arrangement"** means an arrangement whereby a *member's* contract of employment with an *institution* is varied so as to reduce the cash remuneration to which the *member* would otherwise be entitled in respect of *service* after the date of that variation and either:

- (a) the *institution* provides the *member* with non-cash benefits in respect of the *member's eligible employment* with that *institution*;<sup>35</sup> or
- (b) the *institution* has executed a supplementary deed of accession to the *scheme* with the *trustee company* relating to the arrangement in a form acceptable to the *trustee company* and the *institution* pays additional contributions in respect of the *member* under sub-rule 41.1 (Employer contributions corresponding to contributions under sub-rules 5.1, 5.3 and/or 5.7) or sub-rule 41.2 (Employer contributions corresponding to contributions under sub-rule 5.4).

**"Salary Threshold"** means, as at 1 April 2024, a threshold at the same level that applied as at 31 March 2022 as revalued each year up to and including 1 April 2024 on the basis of the Increases Cap, to be applied on a monthly basis as determined by the *trustee company* in respect of any *member* in relation to whom a monthly rate of *salary* can be determined. The annual rate of the threshold is to be used in respect of a *VTE*, unless the *VTE* has a concurrent regular *eligible employment* which has an annual rate of *salary* which is in excess of the annual amount of the *salary threshold*. The *salary threshold* shall be revalued each *benefit year* commencing on 1 April after 1 April 2024

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<sup>35</sup> The definition of 'Salary Sacrifice Arrangement' in sub-rule 1.1 was amended by the Twenty-second Deed of Amendment dated 7 February 2024 with an effective date of 7 February 2024.

until 31 March 2028, or (if earlier) the implementation date of any change concluded by a review of the *JNC* of the amount of the *salary threshold*, as if the *salary threshold* were an official pension within the meaning of Part 1 of the *Increase Act* which began on 1 April in the previous *benefit year* and within the scope of the direction which takes effect under that Part in the subsequent year, provided that the increase in any of those subsequent *benefit years* shall be restricted to that which would be applied if the percentage specified in the relevant direction had been limited to the *increases cap*. After this increase is calculated, the *salary threshold* for each *benefit year* will be rounded up to the nearest pound amount that is exactly divisible by 12.<sup>36</sup>

**"Scheme"** means the Universities Superannuation Scheme established by a declaration of trust dated 2 December 1974.

**"Scheme Year"** means the year beginning the day after one *accounting date* and ending with the next *accounting date*.

**"Service"** means a period of employment as an *eligible employee* which entitles a *member* to benefits under the *rules* on or after *retirement*. *Service* must be continuous, subject to the rules relating to any suspension of *membership* or break in *service*. *Service* will be deemed to be continuous although partly performed with one *institution* and partly with another. Where a period of *service* ceases on any day, it shall be deemed to do so immediately before the beginning of the next day and no earlier.

**"Special Class Member"** means a *member* who is within one of the special classes as defined in a *health service transfer agreement*.

**"Specified Employee"** means an employee of an *institution* which has, subject to the agreement of the *trustee company*, specified that individual as an *eligible employee*, either by name or by reference to a class of employees to which that individual belongs.

**"SSA 89"** means the Social Security Act 1989.

**"Staging Date"** means in relation to any *employer*, the first date under section 12 of the Pensions Act 2008 on which sections 2 to 9 of the Pensions Act 2008 apply to that *employer*, subject, in the case of an *employer* who wishes to set this date using the

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<sup>36</sup> The definition of 'Salary Threshold' was deleted and replaced by the Twenty-third Deed of Amendment dated 21 February 2024 with an effective date of 1 April 2024.

provisions for early automatic enrolment in regulation 3 of the Employers' Duties (Implementation) Regulations 2010, to the consent of the *trustee company*.

**"Statutory Parental Bereavement Leave"** has the meaning given in section 80EA of *ERA*<sup>37</sup>.

**"Statutory Teachers' Scheme"** means any of the schemes governed by section 9 of the Superannuation Act 1972.

**"Stepchild"** means an individual other than a person's lawful, natural or adopted child who, immediately before the last occasion when that person married, or formed a *civil partnership* with, another person, was that other person's lawful, natural or adopted child.

**"Supplementary Benefits"** means each of the following:

- (a) the benefits in payment under *USDPS* immediately before 1 April 1988 which became payable from the *fund* on and after that date;
- (b) those of the benefits payable under the following provisions of the *rules* (or under corresponding provisions of previous rules of the *scheme*) which are paid in respect of *supplementary service* or are expressed to be a charge on the *supplementary section*:
  - (i) sub-rule 15.3.2;<sup>38</sup>
  - (ii) sub-rule 23.2 (Lump sum benefits on death in active membership), on the death of a *member* without leaving a spouse, *civil partner*, *dependant* or child who is entitled to a survivor's, dependant's or children's pension;
  - (iii) rule 24 (Lump sum benefits on death of pensioner member);
  - (iv) sub-rule 26.2 (Survivor's pension for life on death before normal pension age);

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<sup>37</sup> The definition of 'Statutory Parental Bereavement Leave' was inserted by the Twelfth Deed of Amendment dated 16 April 2021 with an effective date of 6 April 2020.

<sup>38</sup> The definition of 'Supplementary Benefits' in sub-rule 1.1 is amended by the Twenty-second Deed of Amendment dated 7 February 2024 with an effective date of 1 April 2016.

- (v) sub-rule 27.1 (Initial survivor's pension);
- (vi) sub-rule 27.2 (Survivor's pension for life);
- (vii) sub-rule 29.2 or 30.2 (Dependants' pensions on death of pensioner member or death in deferment);
- (viii) rule 31 or 32 (Children's pensions on death of pensioner member or death in deferment);
- (ix) schedule 1 (Death in receipt of an incapacity pension);
- (x) schedule 2 (Children's pensions where deceased was in service after normal pension age);

together with any increases, on those of the above benefits which are pension benefits (whether currently or prospectively payable), which are awarded by the *trustee company* under sub-rule 17.3 (Supplementary benefits).

**"Supplementary Section"** means the section of the *fund* which is described in sub-rule 3.2.

**"Supplementary Service"** means the number of *years* by which the *pensionable service* (including *additional pensionable service* (if any)) of a *member* at the *relevant date* falls short of the *pensionable service* which would have accrued to the *member* by age 65. If *added years AVCs* have been paid in respect of the *member*, that period shall be reduced by any reduction in the number of *years' pensionable service* purchased by *added years AVCs* under sub-rule 37.5 (Unreduced benefits on death or incapacity retirement). If the aggregate of *pensionable service* (including *additional pensionable service* (if any)) and *supplementary service* would exceed 40 years, the *supplementary service* shall be reduced to the extent of the excess.

For the purposes of this definition, *pensionable service* includes *years* of pensionable service accrued or credited under rules of the *scheme* in force prior to a break in membership, irrespective of whether benefits arising from it will otherwise be linked to benefits arising from such service subsequently accrued or credited, so long as the *trustee company* has not been discharged of all liability to or in respect of the *member* in relation to it.

**"Tax Code"** means Chapter 1 of Part 14 of the *Taxes Act* as it stood on 5 April 2006, and any conditions laid down by *HMRC* for approval of schemes under that chapter as at 5 April 2006.

**"Taxes Act"** means the Income and Corporation Taxes Act 1988.

**"Total Incapacity"**<sup>39</sup> means ill-health of, or injury to, a *member* or *former member* which causes that individual to be unable for the long term to discharge the duties of both:

- (a) the employment currently held by the *member* as an *eligible employee* or which was held by the individual immediately before last ceasing to be an *eligible employee*; and
- (b) any other employment for which an employer would be likely to pay the individual more than a small fraction of the amount which would but for the cessation of *eligible employment* have been that individual's *salary*.

**"Transfer Arrangement"** means one or more *registered pension schemes* or recognised overseas pension schemes as defined in *FA 04*.

**"Transfer Club"** means the arrangements for a common basis of transfer payments operated by certain occupational pension schemes relating to public sector employment and by other occupational pension schemes which have agreed to participate.

**"Transitional MPAVC Contributor"** for the purposes of sub-rules 36.2 and 36.3 shall mean the following:

- (a) an *active member* who in the 12 months period ending on 31 May 2016, paid one or more life assurance premiums to the *MPAVC provider* or contributions to the *MPAVC provider's* with-profits fund; or
- (b) an *active member* who, to the satisfaction of the *trustee company*, had before 16 May 2016 both:
  - (i) evidenced an intention; and

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<sup>39</sup> The definition of 'Total Incapacity' was amended by the Tenth Deed of Amendment dated 2 March 2020 with an effective date of 2 March 2020

- (ii) taken active steps;

to commence or resume paying life assurance premiums to the *MPAVC provider* or contributions to the *MPAVC provider's* with-profits fund;

where in each case that *active member* continued on a regular basis, as determined by the *trustee company*, from 31 May 2016 to 30 September 2016, to pay such life assurance premiums to the *MPAVC provider* or contributions to the *MPAVC provider's* with-profits fund, provided that either:

- (i) upon the *employer* so notifying the *trustee company* in writing, an individual who has a period of suspended *membership* in accordance with these *rules* between 31 May 2016 and 30 September 2016; or
- (ii) an individual who has some other period of *membership* between 31 May 2016 and 30 September 2016 in which payment by the individual of such life assurance premiums or contributions has undergone an interruption or deferment which the individual claims, and in the opinion of the *trustee company*, was intended to be temporary,

shall be treated for the purposes of sub-rules 36.2 and 36.3 as being an *active member* continuing to pay such life assurance premiums or contributions on a regular basis, if that individual resumes paying such life assurance premiums or contributions on a regular basis when the individual's period of suspended *membership*, or such other period of interruption or deferment, ends.

This definition shall apply separately in relation to life assurance premium *MPAVCs* and to contributions to the *MPAVC provider's* with-profits fund, so that sub-rule 36.2 shall apply only to an individual who satisfies this definition in relation to life assurance premium *MPAVCs* and sub-rule 36.3 shall apply only to an individual who satisfies this definition in relation to contributions to the *MPAVC provider's* with-profits fund.

**"Trivial Amount"** means: for a trivial commutation lump sum, such amount as may be designated as the 'commutation limit' in paragraph 7 of Schedule 29 to *FA 04*; for a lump sum payable within paragraph 7A of Schedule 29 to *FA 04*, the amount specified in paragraph 7A(1)(a); for a trivial commutation lump sum death benefit, the amount specified in paragraph 20 of Schedule 29 to *FA 04*; and for a lump sum payment made within Section 164(1)(f) of *FA 04*, the amount referenced for the relevant type of

payment under Part 2 of the Registered Pension Schemes (Authorised Payments) Regulations 2009.<sup>40</sup> .

**"Trustee Company"** means Universities Superannuation Scheme Limited or any successor trustee or trustees of the *scheme* appointed under sub-rules 62.2 to 62.4.

**"UCEA"** means the Universities and Colleges Employers' Association, a company limited by guarantee (registered number 02914327) which has had certain powers and responsibilities in relation to the *scheme* since the effective date of the Twenty-Sixth Deed of Amendment.<sup>41</sup>

**"UCEA Appointee"** means a person appointed by *UCEA* to the *JNC* or to the *advisory committee*, as the case may be, and for the purposes of the Rules any *UUK appointee* still in post as at the effective date of the Twenty-Sixth Deed of Amendment shall be treated as a *UCEA appointee*.<sup>42</sup>

**"UCEA Director"** means an individual appointed by *UCEA* to be a member of the *board* in accordance with the articles of association of the *trustee company* and for the purposes of the Rules any *UUK director* who is still a member of the *board* as at the effective date of the Twenty-Sixth Deed of Amendment shall be treated as a *UCEA director*.<sup>43</sup>

**"UCU"** means the University and College Union or any other recognised trade union which assumes the functions, rights and obligations of *UCU*.

**"UCU Appointee"** means a person appointed by *UCU* to the *JNC* or to the *advisory committee*, as the case may be.

**"UCU Director"** means an individual appointed by *UCU* to be a member of the *board* in accordance with the articles of association of the *trustee company*.

**"Uncrystallised Funds Pension Lump Sum"** has the meaning given to it in paragraph 4A of Schedule 29 to *FA 04*.

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<sup>40</sup> The definition of 'Trivial Amount' in sub-rule 1.1 was deleted and replaced by the Twenty-second Deed of Amendment dated 7 February 2024 with an effective date of 1 April 2016.

<sup>41</sup> The definition of 'UCEA' was added by the Twenty-sixth Deed of Amendment dated 1 August 2024 with an effective date of 1 August 2024.

<sup>42</sup> The definition of 'UCEA Appointee' was added by the Twenty-sixth Deed of Amendment dated 1 August 2024 with an effective date of 1 August 2024.

<sup>43</sup> The definition of 'UCEA Director' was added by the Twenty-sixth Deed of Amendment dated 1 August 2024 with an effective date of 1 August 2024.

"**USDPS**" means the Universities Supplementary Dependants (and Ill-health Retirement) Pension Scheme, established by a declaration of trust dated 2 December 1974 under its original name of the Universities Supplementary Dependants Pension Scheme, which was amalgamated with the *scheme* on 1 April 1988.

"**UUK**" means Universities UK, a company limited by guarantee and registered as a charity (registered number 1001127) which had certain powers and responsibilities in relation to the *scheme* prior to the effective date of the Twenty-Sixth Deed of Amendment.<sup>44</sup>

"**UUK Appointee**" means a person appointed by *UUK* to the *JNC* or to the *advisory committee*, as the case may be.

"**UUK Director**" means an individual appointed by *UUK* to be a member of the *board* in accordance with the articles of association of the *trustee company*.

"**VTE**" (Variable time employee) means an *eligible employee* in relation to a *VT employment*, including an individual who holds in addition one or more employments which are not *VT employments*. The *trustee company*, having consulted the *employer*, shall determine whether an *eligible employee* is a *VTE* in any case where in the opinion of the *trustee company* doubt arises.

"**VT Employment**" (Variable time employment) means an *eligible employment* of a person which is not remunerated either by a fixed annual salary or in such a way that it would be reasonably practicable for a *part-time service fraction* to be computed in respect of that employment under paragraph (b) of the definition of *part-time service fraction* and includes an employment which the *trustee company*, at the request of, or after consultation with, the *employer*, has determined is to be treated as *VT employment*. The *trustee company* shall not make such a determination unless the *employer* has given a *non-discrimination guarantee* to the *trustee company* and complies with its terms.

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<sup>44</sup> The definition of 'UUK' was deleted and replaced by the Twenty-sixth Deed of Amendment dated 1 August 2024 with an effective date of 1 August 2024.

**"Withdrawing Institution"** means subject, where relevant, to the provisions of Schedule 18, an *institution* to which one or more of the following applies:<sup>45</sup>

- (a) the *institution* ceases to be resident in the United Kingdom;
- (b) the *institution* ceases to fall within any category of body which the *trustee company* approves for participation in the *scheme*;
- (c) the *institution* or the *trustee company* finds it to be impracticable or inexpedient for the *institution* to continue to participate in the *scheme*;
- (d) the *institution* establishes, maintains or contributes to another *pension scheme* in breach of rule 45 (Exclusivity);
- (e) a proposal is made to the creditors of the *institution* by its directors, or by other duly authorised members of the *institution*, for a voluntary arrangement under Part 1 of the Insolvency Act 1986, or a trust deed is drawn up on behalf of the *institution* for its creditors;
- (f) an instrument is drawn up appointing a receiver or an administrative receiver of the *institution*, which will, if all the statutory requirements are met, have effect under Part 2 (or, as the case may be, Part 3) of the Insolvency Act 1986;
- (g) a resolution is duly proposed to the members of the *institution* under section 84 of the Insolvency Act 1986 for the winding up of that *institution*; or
- (h) a petition is presented to a court of competent jurisdiction for the winding up of the *institution* under Part 4 or 5 of the Insolvency Act 1986 or, where the *institution* is not to be treated as a company or an unregistered company for the purposes of either of those parts of that Act, an application is made, or a petition presented, to the Accountant in Bankruptcy for the sequestration of the estate of the *institution* under section 6 of the Bankruptcy (Scotland) Act 1985,

provided that:

- (A) if at any time a "relevant event" within the meaning of section 75(6A) of *PA 95* occurs in relation to an *institution*

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<sup>45</sup> The definition of 'Withdrawing Institution' was amended by the Fifteenth Deed of Amendment dated 20 September 2021 with effect from the date of signature of the actuarial valuation for the Scheme that has an effective date of 31 March 2020. The actuarial valuation in question was signed on 30 September 2021.

which is not then a *withdrawing institution* under the foregoing provisions of this definition, that *institution* shall be treated as having become a *withdrawing institution* on the day immediately preceding the day of that event; and

- (B) if at any time it appears to the *trustee company* that the fulfilment by the *institution* of the conditions in any of paragraphs (a) to (h) above has not resulted, and is unlikely to result, in the occurrence in relation to that *institution* of a "relevant event" (as defined in (A) above), it may treat any such conditions as not having been so fulfilled.<sup>46</sup>

"WRPA 99" means the Welfare Reform and Pensions Act 1999.

"Year" means any complete period of 365 days (or 366 in a leap year). In relation to *pensionable service* and *supplementary service*, any additional day or part of a day shall count (even in a leap year) as 1/365th of a year.

## 1.2 General interpretation

1.2.1 Unless the context otherwise requires, in these *rules* the singular shall include the plural and the plural shall include the singular; the masculine, feminine or neuter gender shall include the other genders; and persons shall include corporations and unincorporated associations.

1.2.2 Neither the arrangement of these *rules* nor any headings or sub-headings shall

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<sup>46</sup> Deed of Amendment dated 7 August 2019 states:

" 1. In accordance with Rule 79 of the Rules, the Rules shall be amended by the Trustee Company with the attached consent in writing of the JNC so as to operate in line with the following provisions during the Interim Period:

1.1 No Institution shall become a Withdrawing Institution upon the occurrence of any of the circumstances listed at sub-paragraphs (a) to (h) of the definition of Withdrawing Institution unless and until the Trustee Company in its discretion so determines by providing written notice to the relevant Institution.

1.2 In accordance with Rule 45.1, an Institution shall not establish, maintain or contribute to any other Pension Scheme for Eligible Employees or Excluded Post Employees. An Institution that breaches this requirement shall only become a Withdrawing Institution if the Trustee Company in its discretion, and at any time, so determines by way of written notice to the relevant Institution.

2. For the purposes of clause 1 above, the Interim Period means the period starting on the date of this Deed and ending upon the earlier of:

2.1 the date the Trustee Company, with the consent in writing of the JNC, further amends the Scheme to introduce changes in respect of the provisions applicable to Withdrawing Institutions that are not time limited, satisfaction of this condition being acknowledged by the Trustee Company and the JNC in the amending instrument; and

2.2 the date of signature, on or after the date of this Deed, of an actuarial valuation for the Scheme prepared in accordance with section 224 of the Pensions Act with an effective date on or after the date of this Deed."

Such 'Interim Period' for the purposes of the Deed of Amendment dated 7 August 2019 ended with effect from 30 September 2021.

affect the interpretation of the *rules*.

- 1.2.3 Where the context so requires, in relation to a person to whom these *rules* apply under rule 2 (Commencement and scope), any reference in these *rules* to a rule or provision of the scheme shall include a reference to the corresponding or equivalent rule or provision previously in force at the relevant time, and any reference in any document to a rule or provision of the scheme previously in force shall refer to the corresponding or equivalent rule or provision in these *rules*.
- 1.2.4 All references to any enactment, regulations or orders shall be deemed to include a reference to any modification or re-enactment or re-issue thereof in force and to any corresponding enactment, regulations or orders applicable to Northern Ireland.
- 1.2.5 A reference to benefits accruing or payable "in respect of" a *member* or *former member* does not include, unless expressly stated in these *rules* to the contrary, any benefits so accruing or payable, directly or indirectly, by virtue of a *pension sharing order* to which that person was a party.
- 1.2.6 All references to:
  - 1.2.6.1 a "spouse" in these *rules* shall be deemed to include a reference to a man who is married to another man and to a woman who is married to another woman;
  - 1.2.6.2 a "widow" in these *rules* shall be deemed to include a reference to a woman whose marriage to another woman has ended with the death of the latter;
  - 1.2.6.3 a "widower" in these *rules* shall be deemed to include a reference to a man whose marriage to another man has ended with the death of the latter; and
  - 1.2.6.4 "marriage" and "married" in these *rules* shall be deemed to include a reference to a marriage between two men or between two women.

## 2. COMMENCEMENT AND SCOPE

- 2.1 The *scheme* commenced on 1 April 1975.
- 2.2 These *rules* apply to and in respect of all persons who are or become *active members* at any time on or after 1 April 2016 and to all persons claiming through such *active members*, and, subject to the following provisions of this rule 2, come into force on that date to the exclusion of all rules and other provisions relating to the *scheme* prior to that date.
- 2.3 Benefits payable to or in respect of any *former member* who does not have any *service* on or after 1 April 2016 shall be governed by the previous rules in force (or treated as having been in force) at the date when the *former member* last left service (as then defined for the purposes of the *scheme*).
- 2.4 These *rules* apply to benefits payable under any *pension sharing order* which is made on or after 1 April 2016 or, in the case of a *pension sharing order* made before that date, to *pension credit rights* for which the *trustee company* assumed responsibility on or after that date by accepting a payment from a *transfer arrangement*. The benefits payable under any other *pension sharing order* which is made before that date shall be governed by the previous rules in force at the date of making of that order.
- 2.5 Except where expressly provided elsewhere in these *rules*, these *rules* shall not apply to the calculation of the benefits payable to or in respect of a *member* by reference to a date before 1 April 2016 on which that person was treated under the rules of the *scheme* then in force as having ceased service or *retired*.
- 2.6 Except where expressly provided elsewhere in these *rules*, every *final salary member* shall be treated for the purposes of calculating benefits in respect of *pensionable salary* and *pensionable service*, and the *opening credit*, as if that *final salary member* had ceased on 31 March 2016 to be in service (as then defined for the purposes of the *scheme*).

### 3. FUND/MAIN SECTION/SUPPLEMENTARY SECTION

#### 3.1 Fund

The *fund* comprises all the assets held by the *trustee company* for the purposes of the *scheme* other than the *MPAVC fund*. The *fund* is allocated to two notional sections called the *main section* (including *members' DC accounts*) and the *supplementary section*. The *trustee company* may allocate contributions and assets between the *members' DC accounts* and the *general fund* in accordance with these *rules*.

Any segregation of one or more *members' DC accounts* from each other or from the *fund* is notional and for the purposes of benefit calculation only. No *member* or *beneficiary* or any other person entitled to benefits under the *scheme* has any entitlement to or interest in any specific assets of the *member's DC account*. This does not affect the fact that the assets of the *scheme* are held as a common trust fund out of which all the benefits under the *rules* are provided.

#### 3.2 The supplementary section of the fund

The amount attributable to the *supplementary section* shall be the aggregate of the amounts under sub-rules 3.2.1 to 3.2.5 and 3.4, minus the aggregate of the amounts under sub-rule 3.3. The assets of the *supplementary section* shall be the aggregate of the following:

- 3.2.1 all amounts transferred from *USDPS* pursuant to the amalgamation of *USDPS* with the *fund* on 1 April 1988;
- 3.2.2 the sum of 0.35% (or such other proportion as the *trustee company* may decide after consulting the *JNC*) of each *active member's CRB salary* received by the *trustee company* on or after the *effective date*, and each *active member's salary* received by the *trustee company* after 31 March 2016 and before the *effective date*;
- 3.2.3 the amounts received by the *trustee company* after 31 March 1988 and before 1 April 2016 by way of contributions to the *supplementary section* under the rules of the *scheme* for the time being in force;
- 3.2.4 the amounts credited to the *supplementary section* under sub-rule 15.4 on a *member retiring* or ceasing *eligible employment* on the grounds of *total*

*incapacity* and under sub-rule 23.3 on the death of a *member* in *active membership*; and

3.2.5 such proportion of the income and capital profits of the *fund* as the *trustee company* shall decide.

### 3.3 **Deductions from the supplementary section**

The following shall be liabilities of, and payable from, the *supplementary section*:

3.3.1 *supplementary benefits*;

3.3.2 benefits payable in respect of a *member* who died in *service* with less than 5 years' *pensionable service* (calculated without applying any *part-time service fraction* for this purpose);

3.3.3 that part of any *pension credit rights* paid, or of any payment made to a *transfer arrangement* in respect of *pension credit rights*, which is derived from a *pensioner member's* rights to *supplementary benefits*;

3.3.4 contributions which, having been apportioned to the *supplementary section* in pursuance of sub-rule 5.2.1, are reapportioned or recredited to a *member's DC account* under either of sub-rules 5.2.2 or 35.5.1;<sup>47</sup>

3.3.5 such proportion of the capital losses of the *fund* as the *trustee company* shall decide; and

3.3.6 any amount that the *trustee company*, with the *JNC's* consent, may decide to transfer irrevocably to the *main section*.

### 3.4 **Deficiency in the supplementary section**

If the *actuary* certifies that the assets of the *supplementary section* are not sufficient to finance the *supplementary benefits* currently and prospectively payable, the *trustee company* may, after consulting the *JNC*, notwithstanding anything to the contrary in the *rules*:

3.4.1 increase the rate of contribution credited to the *supplementary section* under

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<sup>47</sup> Sub-rule 3.3.4 was amended by the Twenty-third Deed of Amendment dated 21 February 2024 with an effective date of 1 January 2024.

sub-rule 3.2.2, and thereby correspondingly increase the *members'* contributions under sub-rule 5.1 (Ordinary member contributions) provided that, after the *effective date*, such an increase shall affect only the *members'* contributions on *CRB salary*; and/or

3.4.2 adjust, in such manner as the *trustee company* shall on *actuarial advice* determine, the amount of the *supplementary benefits* prospectively payable, to the intent that *supplementary benefits* shall never be financed from the *main section*.

## 4. TERMS OF ENTRY

### 4.1 Eligible employees

An *eligible employee* is an employee of an *institution* participating in the *scheme* who is either:

- 4.1.1 employed by a university or university college in an academic, research or related post; or
- 4.1.2 employed by a university or university college in a role comparable to a post under sub-rule 4.1.1 in terms of responsibility and/or salary and by reference to that *institution's* job-evaluated pay structure; or
- 4.1.3 an employee of a non-university *institution* in a post of comparable status to that of an employee under sub-rules 4.1.1 or 4.1.2; or
- 4.1.4 a *specified employee* who does not fall within sub-rules 4.1.1 to 4.1.3.

In order to become a *member*, an *eligible employee* must satisfy whichever are applicable of the following provisions of this rule.

### 4.2 Maximum entry age and excluded cases

4.2.1 An *eligible employee* who is a *pensioner member* shall be entitled to become a *member*, if the *eligible employee* is either:

- (a) a flexible retiree;
- (b) a *pensioner member* who is in receipt of a pension under rule 15 (Early pensions on incapacity);
- (c) except where and for so long as sub-rule 4.5.5 or sub-rule 4.5.6 applies, a *pensioner member* who on or after the *employer's staging date* is an *eligible jobholder*; or
- (d) except where and for so long as sub-rule 4.5.5 or sub-rule 4.5.6 applies, a *pensioner member* in respect of whom the *employer* has a *2008 Act Opt-In Duty*; or
- (e) an *eligible employee* who is an individual to whom sub-rule 15.16

(Individual rejoining after total incapacity) applies and who satisfies the requirements of sub-rule 15.16.

4.2.2 An *eligible employee* shall not be entitled to become a *member* if the *eligible employee* is either:

- (a) a *pensioner member* who does not fall within sub-rule 4.2.1; or
- (b) a *pensioner member* in respect of whom a determination has been made to which sub-rule 4.5.5 or sub-rule 4.5.6 applies; or
- (c) a person to whom a lump sum has been paid in total commutation of his or her benefits under rule 54 (Total commutation for serious ill-health); or
- (d) aged 75 or over.

4.2.3 The following provisions of this rule 4 shall apply only to an *eligible employee* who does not breach the requirements of this sub-rule 4.2.

#### 4.3 **Automatic entry to membership**

Except as provided in sub-rules 4.4 (Specified cases of membership under section 7 or 9 of the Pensions Act 2008), 4.5 (Other cases of membership), 4.7 (Excluded post employees) and 4.14 (Previous alternative benefits service), an *eligible employee* shall become a *member* of the *scheme* immediately upon commencing an *eligible employment* unless he or she either:

- 4.3.1 has the right in respect of that employment to participate in a *health service scheme* (or such a right contingent only on acceptance of an application for membership pursuant to a statutory direction from the Secretary of State or on the equivalent directions in Northern Ireland) or another *occupational pension scheme* or other *pension scheme* to which the *employer* contributes, to which either of sub-rules 45.2.4 or 45.2.5 (Exclusivity) applies; or
- 4.3.2 was, immediately before 6 April 2006, disqualified from being an *eligible employee* because his or her *membership* would have prejudiced approval of the *scheme* under the *tax code* and remains in the same *eligible employment*.

For the avoidance of doubt, an individual may be (or become, or withdraw from being) a *member* in relation to more than one *eligible employment*, and/or in relation to some, but not all, of that individual's *eligible employments*.

#### 4.4 Specified cases of membership under section 7 or 9 of the Pensions Act 2008

Where an *eligible employee* is entitled to become a *member* under paragraph 4.5.3(c), paragraph 4.5.4(c), sub-rule 4.7.5, sub-rule 35.1.2 or sub-rule 4.14 because the *institution* has a *2008 Act Opt-In Duty* or is entitled to become a *member* because an exclusion in paragraph 4.2.2(a) or sub-rule 14.6 does not apply because the *institution* has a *2008 Act Opt-In Duty*, the *eligible employee* will become a *member*:

- 4.4.1 in the case of a duty under paragraph (a) of the definition of *2008 Act Opt-In Duty*, with effect from such date as is required under section 7 of the Pensions Act 2008; and
- 4.4.2 in the case of a duty under paragraph (b) of the definition of *2008 Act Opt-In Duty*, with effect from the date that would apply had the applicable *2008 Act Opt-In Duty* been a duty under paragraph (a) of that definition.

#### 4.5 Other cases of membership

##### 4.5.1 Individuals in eligible employment

An *eligible employee* who has remained in continuous *eligible employment* since entering *eligible employment* (or since 5 April 1980 if later) and who has been since the commencement of *eligible employment* (or 5 April 1980 if later) entitled in respect of that employment to contribute to *FSSU* or to a *part II scheme*, but who elects while so entitled to cease all such contributions, may apply to the *trustee company* to become a *member* in respect of that employment. On acceptance in writing by the *trustee company* of such an application, the *eligible employee* shall become a *member* of the *scheme* on the first day of the month following that acceptance, or on such earlier date as the *trustee company* may decide.

##### 4.5.2 Individuals prior to or on entering eligible employment

An *eligible employee* who wishes to become a *member* in respect of an *eligible employment* in relation to which he or she has the right to participate in a *health*

*service scheme* (or such a right contingent only on acceptance of an application for membership pursuant to a statutory direction from the Secretary of State or on the equivalent directions in Northern Ireland) or other *pension scheme* to which either of sub-rules 45.2.4 or 45.2.5 (Exclusivity) applies, or to have the *employer* contribute to such scheme to which sub-rule 45.2.5 applies, may, on or before entering that employment, apply to the *trustee company* to become a *member*, confirming in writing that all contributions in respect of that individual to all other *pension schemes* (to which employer contributions have been made in respect of that employment) have ceased, or will cease prior to the *eligible employee* becoming a *member*. On acceptance in writing of such an application by the *trustee company*, the *eligible employee* shall become a *member* on the first day of the month following that acceptance, or on such earlier date as the *trustee company* may decide.

#### 4.5.3 Pensioner members on or after the employer's staging date

Except where and for so long as sub-rule 4.5.5 or sub-rule 4.5.6 applies, this sub-rule 4.5.3 applies to a person (i) who prior to the *staging date* of the *employer* was an *eligible employee*, but was not entitled to become a *member* because that person was a pensioner member and (ii) to whom paragraph (d) of this sub-rule does not apply.

- (a) If the *eligible employee* is an *eligible jobholder* on the *staging date* of the *employer*, the *eligible employee* shall become a *member* with effect from that *staging date*.
- (b) If paragraph (a) does not apply but the *eligible employee* becomes an *eligible jobholder* after the *staging date* of the *employer*, the *eligible employee* shall become a *member* with effect from the date after the *staging date* on which he or she first becomes an *eligible jobholder*.
- (c) If on or after the *staging date* of the *employer*, the *employer* has a *2008 Act Opt-In Duty* in respect of the *eligible employee*, the *eligible employee* shall become a *member* in accordance with sub-rule 4.4.
- (d) This paragraph applies to an *eligible employee* who has the right in respect of the *eligible employment* to which this sub-rule 4.5.3 applies, to participate in a *health service scheme* (or such a right contingent only

on a statutory direction from the Secretary of State or on the equivalent direction in Northern Ireland) or another *occupational pension scheme* or other *pension scheme* to which the *employer* contributes, to which either of sub-rules 45.2.4 or 45.2.5 (Exclusivity) applies.

#### 4.5.4 Flexible retirees on or after the employer's staging date

Except where and for so long as sub-rule 4.5.5 or sub-rule 4.5.6 applies, this sub-rule 4.5.4 applies to a person (i) who prior to the *staging date* of the *employer* was a *flexible retiree* who under sub-rule 14.6 was not entitled to become a *member* in respect of an additional employment with the same or a new *employer*, notwithstanding that that employment was an *eligible employment* and (ii) to whom paragraph (d) of this sub-rule does not apply.

Any *membership* under this sub-rule 4.5.4 will only relate to that additional employment if it is an *eligible employment*.

- (a) If the *flexible retiree* is an *eligible jobholder* on the *staging date* of the *employer*, the *flexible retiree* shall become a *member* with effect from that *staging date*.
- (b) If paragraph (a) does not apply but the *flexible retiree* becomes an *eligible jobholder* after the *staging date* of the *employer*, the *flexible retiree* shall become a *member* with effect from the date after the *staging date* on which he or she first becomes an *eligible jobholder*.
- (c) If on or after the *staging date* of the *employer*, the *employer* has a *2008 Act Opt-In Duty* in respect of the *flexible retiree*, the *flexible retiree* shall become a *member* in accordance with sub-rule 4.4.
- (d) This paragraph applies to an *eligible employee* who has the right in respect of the *eligible employment* to which this sub-rule 4.5.4 applies, to participate in a *health service scheme* (or such a right contingent only on a statutory direction from the Secretary of State or on the equivalent direction in Northern Ireland) or another *occupational pension scheme* or other *pension scheme* to which the *employer* contributes, to which either of sub-rules 45.2.4 or 45.2.5 (Exclusivity) applies.

#### 4.5.5 Notice in relation to re-employed pensioners and flexible retirees

- (a) An *employer* (other than an employer which employs, or has employed, one or more *pensioner members*, or *flexible retirees* to whom sub-rule 14.6 applies, who have become *members* under sub-rule 4.5.3 or sub-rule 4.5.4) may, with the agreement of the *trustee company* under sub-rule 4.5.2.5, determine on any date between 1 April 2016 and 30 September 2016 inclusive that, with effect from the later of 1 April 2016 and its *staging date* (or such later date as that *employer* first has in its employment a *pensioner member* or *flexible retiree* who falls in respect of that employment within one of the categories of persons listed in this paragraph 4.5.5(a)), none of the following categories of persons shall be entitled to become a *member*:
- (i) *pensioner members* in the employment of that *employer* who would, but for the operation of this sub-rule 4.5.5, meet the criteria in sub-paragraphs (c) or (d) of sub-rule 4.2.1;
  - (ii) *pensioner members* in the employment of that *employer* who would, but for the operation of this sub-rule 4.5.5, become *members* under sub-rule 4.5.3;
  - (iii) *flexible retirees* who commence an additional employment with that *employer* and to whom sub-rule 14.6 applies; and
  - (iv) *flexible retirees* who commence an additional employment with that *employer* and who would, but for the operation of this sub-rule 4.5.5, become *members* under sub-rule 4.5.4.
- (b) In the case of *flexible retirees* described in paragraphs (iii) and (iv) of sub-rule 4.5.5(a), the determination can only relate to the additional employment.
- (c) An *employer* may, with the consent of the *trustee company*, revoke a determination made under this sub-rule 4.5.5.

- (d) The *trustee company* may prescribe the form that any request for consent to a determination or a revocation under this sub-rule 4.5.5 shall take and the time period within which any such request should be made.

#### 4.5.6 Existing alternative pension arrangements at 1 April 2016

An *employer* which has prior to 1 April 2016 made a determination under sub-rule 5.4.5 of the rules of the *scheme* as they stood before 1 April 2016, with the agreement of the *trustee company* under sub-rule 4.2.2.5 of those rules, may continue to participate in another *pension scheme* for the *pensioner members* and *flexible retirees* to whom that determination applies and sub-rule 4.5.5 of these *rules* shall apply to that determination as if the determination was originally made under sub-rule 4.5.5, unless the *employer* with the consent of the *trustee company* revokes that determination under paragraphs (c) and (d) of sub-rule 4.5.5.

#### 4.6 Form of application

Any application for *membership* shall be in such form as the *trustee company* may prescribe.

#### 4.7 Excluded post employees

4.7.1 Prior to its *staging date*, an *institution* may declare that an office, post or employment or category of employment shall not give any holder of that office, post or employment nor of employment within that category, the right to be treated as an *eligible employee*. No future holder of such office, post or employment shall have a right to be treated as an *eligible employee*, except with the consent of the *trustee company*, until the *staging date* of the *institution* when sub-rules 4.7.3 to 4.7.6 will apply.

4.7.2 The holders of such offices, posts or employments or categories of employment as described in sub-rule 4.7.1 above are referred to in this sub-rule 4.7 as "*PEPEs*" (previously excluded post employees). However, references in this sub-rule 4.7 to *PEPEs* do not include the holders of such offices, posts or employments or categories of employment who, but for the declaration under sub-rule 4.7.1, would be *VTEs* in relation to that office, post or employment or category of employment. In those circumstances,

sub-rules 4.7.3 to 4.7.5 do not apply and sub-rule 32.2 of the rules of the *scheme* as they stood on 31 March 2016 shall instead apply in relation to the *membership* of those individuals in relation to that office, post or employment or category of employment.

4.7.3 If the *PEPE* is an *eligible jobholder* on the *staging date* of the *employer*, the *PEPE* shall become a *member* with effect from that *staging date*.

4.7.4 If sub-rule 4.7.3 does not apply but the *PEPE* becomes an *eligible jobholder* after the *staging date* of the *employer*, the *PEPE* shall become a *member* with effect from the date after the *staging date* on which he or she first becomes an *eligible jobholder*.

4.7.5 If on or after the *staging date* of the *employer*, the *employer* has a *2008 Act Opt-In Duty* in respect of the *PEPE*, the *PEPE* shall become a *member* in accordance with sub-rule 4.4.

4.7.6 For the avoidance of doubt, on or after the *staging date* of an *institution*, the *institution* will not be able to declare that an office, post or employment or category of employment shall not give any holder of that office, post or employment nor of employment within that category, the right to be treated as an *eligible employee*.

#### 4.8 **Exclusion of VTEs**

A declaration under sub-rule 4.7 shall not be effective in relation to a *VTE* unless the *institution* notifies that person in writing of the effect of that declaration within the specified time under Part 1 of *ERA* for receipt by that person of a statement of his or her terms and conditions of employment.

#### 4.9 **Particulars to the trustee company**

The *institution* must provide full particulars of any declaration under sub-rule 4.7 or 4.8 to the *trustee company* within 14 days (or such longer period as the *trustee company* may allow) after the *institution* has first notified any of its employees or prospective employees of that declaration.

#### 4.10 Overseas employees<sup>48</sup>

4.10.1 Where a *member* is or becomes, by virtue of the nature of his or her employment in a jurisdiction outside the United Kingdom (an “Overseas Jurisdiction”) and the terms of his or her employment contract, subject to the social, labour or tax laws of that jurisdiction, and an *overseas law event* (as defined at Rule 4.10.2 below) occurs, the *member* will be treated as having ceased to be a *member in service* with effect from immediately before the occurrence of the *overseas law event*.

4.10.2 For the purposes of Rule 4.10.1, an *overseas law event* is an event where if the *member* remained in *service*:

- (a) the *trustee company* or the *scheme* would breach any applicable law or regulatory requirement in the relevant *overseas jurisdiction*; or
- (b) the *trustee company* or the *scheme* would become subject to an applicable law or regulatory requirement in the relevant *overseas jurisdiction* that the *trustee company* determines would be materially more onerous than the applicable laws and regulatory requirements to which it and the *scheme* are subject as a result of operating in the United Kingdom as at the date of the *overseas law event*.

4.10.3 A *member* who ceases to be a *member* of the *scheme* in *service* pursuant to Rule 4.10.1 shall also cease to be an *eligible employee* for the purpose of Rule 4.1 until such time as either:

- (a) the *trustee company* receives a confirmation from the relevant employee’s *employer* (in such a form as the *trustee company* may from time to time decide) that treating the member as an *eligible employee* would no longer result in an *overseas law event*; or
- (b) they commence work for an *employer* in the United Kingdom and the *trustee company* receives a confirmation from the relevant employee’s *employer* (in such a form as the *trustee company* may from time to time decide) that by virtue of the nature of their employment and the terms

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<sup>48</sup> Rule 4.10 was deleted by the Fourteenth Deed of Amendment dated 08 September 2021 with an effective date and time of 31 December 2020 at 11:01 p.m. and replaced by the same deed with an effective date of 08 September 2021.

of their employment contract:

- (i) the relevant employee has become subject to the social, labour and tax laws of the United Kingdom; and
- (ii) the relevant employee has ceased to be subject to the social, labour and tax laws of an *overseas jurisdiction*.

4.10.4 An employee of an *employer* may work from time to time both in the United Kingdom and in one or more *overseas jurisdiction*. Where this is the case, and the relevant *employer* attributes to the *trustee company's* satisfaction parts of that employee's employment between the United Kingdom and the other relevant *overseas jurisdictions*, Rule 4.10 shall apply separately in respect of the employment attributed to each identified jurisdiction.

#### 4.11 **Non-discrimination guarantee**

An *institution* which designates an employee or class of employees as *specified employees* shall be deemed to give a *non-discrimination guarantee* to the *trustee company*. The *institution* shall provide to the *trustee company* such supporting evidence, including any relevant legal opinion, as the *trustee company* may reasonably require, that the terms of that guarantee are, and continue to be, capable of fulfilment.

#### 4.12 **Health service scheme members**

An individual who with effect from the date of entry into an *eligible employment* is a member of a *health service scheme* may not become a *member* of the *scheme* in respect of that *eligible employment* if the individual elects to continue in active membership of a *health service scheme* in respect of that employment.

#### 4.13 **Members of other pension schemes**

An individual who with effect from the date of entry into an *eligible employment* is either:

- 4.13.1 a member of another *occupational pension scheme* to which either of sub-rules 45.2.4 or 45.2.5 (Exclusivity) applies; or
- 4.13.2 a member of any other *pension scheme* to which sub-rule 45.2.5 applies to

which the *employer* and employee agree that the *employer* will contribute;

may not become a *member* of the *scheme* in respect of that *eligible employment* if the individual elects to remain a member of that other scheme in respect of that employment. An employee shall be treated as a member of another *pension scheme* for these purposes if the employee has applied for membership of that other scheme and that application has not been effectively withdrawn or refused.

#### 4.14 Previous alternative benefits service

4.14.1 An *eligible employee* who has a previous period of *ABS* shall be entitled to become a *member* in accordance with the remainder of this sub-rule 4.14.

4.14.2 An *eligible employee* who has a previous period of *ABS* and who ceased to be an *eligible employee* after the last previous period of *ABS* and has again become an *eligible employee* shall become a *member* on the date of re-entering *eligible employment*.

4.14.3 If on the *staging date* of an *employer*, an *eligible employee* who has a previous period of *ABS* is an *eligible jobholder*, the *eligible employee* shall become a *member* with effect from the *staging date*.

4.14.4 If after the *staging date* of an *employer*, an *eligible employee* who has a previous period of *ABS* becomes an *eligible jobholder*, the *eligible employee* shall become a *member* with effect from the date on which he or she becomes an *eligible jobholder*.

4.14.5 If on or after the *staging date* of an *employer*, the *employer* has a *2008 Act Opt-In Duty* in respect of an *eligible employee* who has a previous period of *ABS*, the *eligible employee* shall become a *member* in accordance with sub-rule 4.4.

4.14.6 An *eligible employee* who falls within any of paragraphs (a) or (b) below shall be entitled to become a *member* only if he or she applies to become a *member*. An *eligible employee* to whom this sub-rule 4.14.6 applies shall only become a *member* following the *trustee company's* acceptance of his or her application for *membership* with effect from the date that would have been the effective date of *membership* had sub-rule 4.4 applied or such earlier date as the *trustee company* decides.

- (a) An *eligible employee* who has a previous period of *ABS* but to whom sub-rule 4.14.2 does not apply and in respect of whom:
- (i) neither sub-rule 4.14.3 nor sub-rule 4.14.4 applies because the *eligible employee* is not an *eligible jobholder*; and
  - (ii) sub-rule 4.14.5 does not apply because of the operation of sections 7(7) and 7(8) or sections 9(4) and 9(5) of the Pensions Act 2008.
- (b) Prior to his or her *employer's staging date*, an *eligible employee* who has a previous period of *ABS* and to whom sub-rule 4.14.2 does not apply.

4.14.7 An *eligible employee* who has a previous period of *ABS* and who would meet the requirements of sub-rule 4.14.3 or sub-rule 4.14.4 or sub-rule 4.14.5 but for the fact that the *eligible employee* does not meet the criterion in section 1(1)(a) of the Pensions Act 2008, shall nevertheless become a *member* under sub-rule 4.14.3 or sub-rule 4.14.4 or sub-rule 4.14.5 as though he or she did meet that criterion.

## 5. MEMBER CONTRIBUTIONS

### 5.1 Ordinary member contributions

Unless rule 41 (Salary Sacrifice) or sub-rule 5.7 applies, and subject to sub-rules 64.10 (Cost Sharing) and 76.4 to 76.8 a *member* shall contribute to the *fund* 6.1% of *salary* in respect of any period of *membership* on or after 1 January 2024.<sup>49</sup>

### 5.2 Apportionment or crediting of member contributions

5.2.1 A *member's* contributions under sub-rule 5.1 or sub-rules 5.7.1 to 5.7.4, or an amount equal to the contributions that are treated as having been made by a *member* under rule 41 (Salary Sacrifice), shall be apportioned by the *trustee company* to the *general fund* except and to the extent that sub-rule 5.2.2

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<sup>49</sup> Sub-rule 5.1 was amended by the Twenty-First Deed of Amendment dated 19 December 2023 with an effective date of 1 January 2024. Sub-rule 5.1 was previously amended by the Seventeenth Deed of Amendment dated 28 February 2022 with an effective date of 1 April 2022.

applies.

5.2.2 Until the implementation date of any change concluded by a review of the *JNC* carried out in accordance with sub-rule 5.2.3, for any period on and from 1 January 2024 6.1% (or such other rate as applicable under sub rules 5.7.1 to 5.7.4) of *salary* in excess of the *salary threshold* shall be credited or recredited by the *trustee company* to the *member's DC account*, subject to sub rule 35.5 (Apportionment or crediting of member contributions for variable time employees). Any such crediting or recrediting shall be made as soon as reasonably practicable after it is first known by the *trustee company* that the contributions relate to *salary* in excess of the *salary threshold*.<sup>50 51</sup>

5.2.3 The *JNC* shall review the rate set out at sub-rule 5.2.2 above by 31 March 2026.<sup>52</sup>

### 5.3 Matching contributions

Subject to sub-rules 5.4 (Additional member contributions) and 5.5 (Members with more than one employer), and to rule 41 (Salary Sacrifice) (in which case an amount equal to the contributions that would have been paid by a *member* shall be paid by the *employer*), a *member* may elect to pay on or after the *effective date* additional contributions in relation to an *eligible employment* of 1% of *salary* for that employment to the *member's DC account*. Member contributions paid under this sub-rule 5.3 shall be matched and credited on the basis set out in sub-rule 6.3.<sup>53</sup>

### 5.4 Additional member contributions

Subject to sub-rule 5.5, a *member* may elect to pay on or after the *effective date* additional contributions to the *member's DC account* otherwise than or in addition to under sub-rule 5.3.

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<sup>50</sup> Sub-rule 5.2.2 was amended by the Twenty-First Deed of Amendment dated 19 December 2023 with an effective date of 1 January 2024.

<sup>51</sup> Rule 5.2 was amended by the Twenty-third Deed of Amendment dated 21 February 2024 with an effective date of 1 January 2024.

<sup>52</sup> A new sub-rule 5.2.3 was added by the Twenty-First Deed of Amendment dated 19 December 2023 with an effective date of 1 January 2024.

<sup>53</sup> Rule 5.3 was amended by the Twenty-third Deed of Amendment dated 21 February 2024 with an effective date of 1 January 2024.

## 5.5 **Members with more than one employer**

Where a *member* is concurrently in more than one *eligible employment* with more than one *employer*, the *member* shall determine in respect of which *eligible employment* contributions under sub-rule 5.3 or 5.4 are being made.

## 5.6 **Notice requirements**

A *member* must give notice in writing to the *trustee company* in such form as the *trustee company* may require of the exercise of the *member's* right to commence or cease paying contributions under sub-rule 5.3, or to commence paying, or vary the amount of, or cease paying, contributions under sub-rule 5.4. The notice must also contain such other matters as the *trustee company* may require. If the *member* provides such information to the *employer*, the *employer* must transmit all the information provided by the *member* under this sub-rule promptly to the *trustee company*. The *trustee company* shall commence or cease deducting contributions from the *member's salary* in accordance with a notice under this sub-rule within two months of such notice being received by the *trustee company* or, where applicable, within a longer period in order to comply with the *employer's salary sacrifice arrangement*.

## 5.7 **Special member contributions**

Instead of contributions under sub-rule 5.1, and unless rule 41 (Salary Sacrifice) applies, the *trustee company* may require or permit a *member* to make contributions to the *fund* at a different rate if:

- 5.7.1 the *member* has had a prior period of *ABS*, did not become a *member* when first eligible to do so and in the opinion of the *trustee company* is not in a normal state of health for a person of the *member's* age and occupation, in which case a higher contribution may be payable;
- 5.7.2 the *member* is a *pensioner member* who becomes a *member* under (a) sub-rule 4.3 because he or she is excluded from the scope of paragraph 4.2.2 because on or after the *employer's staging date* he or she is an *eligible jobholder*, (b) sub-rule 4.3 because he or she is excluded from the scope of paragraph 4.2.2 because he or she is a *pensioner member* in respect of whom

the *employer* has a *2008 Act Opt-In Duty*, or (c) sub-rule 4.5.3;<sup>54</sup>

5.7.3 the *member* is a *flexible retiree* who commences an additional employment and becomes a *member* in respect of it under (a) sub-rule 4.3 because he or she is excluded from the scope of sub-rule 14.6 because on or after the *employer's staging date* he or she is an *eligible jobholder*, (b) sub-rule 4.3 because he or she is excluded from the scope of sub-rule 14.6 because he or she is a *flexible retiree* in respect of whom the *employer* has a *2008 Act Opt-In Duty*, or (c) sub-rule 4.5.4;<sup>55</sup>

5.7.4 the *trustee company* considers that special circumstances apply to the *member*; or

5.7.5 the *member* makes an election under schedule 14 (Enhanced opt out (Option to continue death in service and incapacity benefits and option to pay contributions to the member's DC account and/or MPAVCs after withdrawal from membership)) or under schedule 15 (Employee specific voluntary salary cap), for so long as that election applies.

## 5.8 Deduction of contributions

The *employer* shall deduct from *salary* the *member's* contributions. Those contributions shall be a debt due from the *employer* to the *trustee company*.

## 5.9 Contributions by a non-member

The *trustee company* may require an individual who is not a *member* to contribute to the *fund* and be treated as a *member* where an *institution* has paid, or is to pay, one or more contributions in respect of that individual under rule 50 (Special employer contributions) and contributions by that individual are required under an order of a Court or tribunal of competent jurisdiction, or under an agreement to compromise actual or potential proceedings before such a Court or tribunal.

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<sup>54</sup> Sub-rule 5.7.2 was amended by the Twenty-second Deed of Amendment dated 7 February 2024 with an effective date of 7 February 2024.

<sup>55</sup> Sub-rule 5.7.3 was amended by the Twenty-second Deed of Amendment dated 7 February 2024 with an effective date of 7 February 2024.

#### 5.10 **Limit on member contributions**

Notwithstanding any other provisions of these *rules* or of the *scheme*, the aggregate amount of contributions paid by a *member* (or treated as having been paid by a *member*) in any *benefit year*, comprising contributions paid under sub-rules 5.1 (Ordinary member contributions), 5.3 (Matching contributions), 5.4 (Additional member contributions), 5.7 (Special member contributions), 36.1 (Money purchase AVCs), 37.2 (Added years AVCs), 38.1 (Revalued benefit AVCs) and 41 (Salary Sacrifice), shall not be such that they will exceed the amount of the *member's salary* for that *benefit year*, on the assumption that the *member's membership* and *salary* remain unaltered throughout that *benefit year*, or are changed only to such extent as could reasonably be foreseen by the *trustee company*.

## 6. ORDINARY EMPLOYER CONTRIBUTIONS

### 6.1 Ordinary employer contributions

Each *employer* shall contribute to the *fund* while the *scheme* continues the amounts determined by the *trustee company*, acting on *actuarial advice*, to be required to satisfy the rights of *members* to benefit under the *scheme*.<sup>56</sup>

### 6.2 Time limits and interest

6.2.1 The *trustee company* shall set the due dates for payment of contributions by *employers* under section 227 of *PA 04* and shall inform *employers* of those dates. The due date for payment of a contribution deducted by the *employer* from a *member's* remuneration shall not be later than the date permitted under section 49(8) of *PA 95*. Contributions under rules 5, 6, 36 (Money purchase AVCs), 37 (Added years AVCs) and 38 (Revalued benefit AVCs) shall be payable on a monthly basis. Any amount paid by an *employer* to the *trustee company* shall be applied in satisfaction of the *employer's* liability to pay amounts deducted from a *member's salary* before it is applied to any other purpose.<sup>57</sup>

6.2.2 The *trustee company* may specify dates from which the *trustee company* may require the *employer* to pay interest on unpaid contributions at such rates as the *trustee company* on *actuarial advice* may decide. The *trustee company* may require an *employer* to pay an administration charge where interest is so payable. Interest may not be charged before the first day of the month following the month in respect of which the contribution is to be paid in relation to monthly contributions, or before 30 days from the due date for payment of other contributions. Notwithstanding this, interest may be charged at any time from the due date for payment of a contribution under rule 46 (Withdrawal of institutions) or section 75 of *PA 95*.

### 6.3 Matching contributions

Subject to any requirements under sub-rules 64.10 (Cost Sharing) and 76.4 to 76.8, if a *member* elects to pay additional contributions in relation to an *eligible employment*

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<sup>56</sup> Sub-rule 6.1 was amended by the Twenty-second Deed of Amendment dated 7 February 2024 with an effective date of 7 February 2024.

<sup>57</sup> Sub-rule 6.2.1 is amended by the Twenty-second Deed of Amendment dated 7 February 2024 with an effective date of 1 April 2016.

of 1% of *salary* for that employment under sub-rule 5.3, to the *member's DC account*, the *trustee company* shall, as soon as reasonably practicable after receipt of such notice from that *employer*, credit to the *member's DC account* employer contributions of 1% of the *member's salary* for that employment for the period for which that election remains in effect.<sup>58</sup>

#### 6.4 **DC contributions on salary above the salary threshold**

6.4.1 An *employer's* contributions under sub-rule 6.1 shall be apportioned by the *trustee company* to the *general fund* except and to the extent that sub-rule 6.4.2 applies.

6.4.2 Until the implementation date of any change concluded by a review by the *JNC* carried out in accordance with sub-rule 6.4.3, and Subject to any requirements under sub rules 64.10 (Cost Sharing) and 76.4 to 76.8, for any period on and from 1 January 2024 13.9% of the *member's salary* in excess of the *salary threshold* shall be credited or recredited by the *trustee company* to the *member's DC account*, subject to sub rule 35.5 (Apportionment or crediting of member and employer contributions for variable time employees). Any such crediting or recrediting shall be made as soon as reasonably practicable after it is first known by the *trustee company* that the contributions relate to *salary* in excess of the *salary threshold*.<sup>59 60</sup>

6.4.3 The *JNC* shall review the rate set out at sub-rule 6.4.2 above by 31 March 2026.<sup>61</sup>

#### 6.5 **Optional additional employer contributions**

The *employer* may, with the consent of the *member*, elect to pay on or after the *effective date* additional contributions to the *member's DC account*.

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<sup>58</sup> Sub-rule 6.3 was amended by the Twenty-third Deed of Amendment dated 21 February 2024 with an effective date of 1 January 2024.

<sup>59</sup> Sub-rule 6.4.2 was amended by the Twenty-First Deed of Amendment dated 19 December 2023 with an effective date of 1 January 2024.

<sup>60</sup> Sub-rule 6.4.2 was amended by the Twenty-third Deed of Amendment dated 21 February 2024 with an effective date of 1 January 2024.

<sup>61</sup> A new sub-rule 6.4.3 was added by the Twenty-First Deed of Amendment dated 19 December 2023 with an effective date of 1 January 2024.

## 6.6 Representation of institutions for scheme funding consultations

*UCEA* is the person nominated by the *rules* to act as the representative of the *employers* for the purposes of the consultation required by the *trustee company* with the *employers* under section 229 of *PA04*.<sup>62</sup>

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<sup>62</sup> Sub-rule 6.6 was amended by the Twenty-sixth Deed of Amendment dated 1 August 2024 with an effective date of 1 August 2024.

## 7. DC PENSION ACCOUNTS/INVESTMENT OF A MEMBER'S DC ACCOUNT

- 7.1 Subject to sub-rules 7.2 and 7.3 and to the requirements of sections 33 to 36A of *PA95*, a *member's DC account* shall be invested in accordance with any one or more investment options chosen by the *member* by notice in writing to the *trustee company* from a range of investment options made available to *members* (including the *default investment option*) from time to time by the *trustee company*. The *trustee company* shall so invest the *member's DC account* as soon as reasonably practicable (and in any event within two months) after the date of receipt by the *trustee company* of any relevant contribution to that *member's DC account* unless the *member* has elected to *retire from active membership* or take *flexible retirement*, and use all or part of their *member's DC account* at *retirement* or *flexible retirement*, in which case any contributions to the *member's DC account* paid in or in respect of the calendar month of *retirement* or *flexible retirement* and the calendar month before *retirement* or *flexible retirement* may be held and dealt with by the *trustee company* in such other way as it determines.<sup>63</sup>
- 7.2 If the *member* chooses more than one investment option under sub-rule 7.1, the *member* must specify in the notice to the *trustee company* the proportion of contributions to be allocated to each such investment option.
- 7.3 If the *member* does not make any choice of investment option in accordance with sub-rule 7.1, the *trustee company* shall invest the *member's DC account* in accordance with the *default investment option*.
- 7.4 Subject to the remaining terms of this sub-rule:
- 7.4.1 a *member* or *former member* may elect, by notice in writing to the *trustee company*, to vary the investment options chosen by that individual on one occasion each calendar year, without incurring a deduction for expenses and charges; and
- 7.4.2 the *trustee company* shall invest the *member's DC account* in accordance with such notice as soon as reasonably practicable (and in any event within two months) after the date of receipt by the *trustee company* of that notice.

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<sup>63</sup> Rule 7.1 was amended by the Twenty-eighth Deed of Amendment dated 13 January 2025 with an effective date of 13 January 2025, but only in respect of active members who *retired* or took *flexible retirement* on or after this date.

Where an investment option or an investment comprised within or forming part of an investment option is subject to a suspension of trading, a gating provision or other similar restriction to liquidity, the *trustee company* may delay implementing, or where necessary decline to implement, in whole or in part, an election under this sub-rule 7.4 in relation to such an option.

Any second or subsequent variation of investment options under sub-rule 7.4.1 by a *member* or *former member* during a particular calendar year may be subject to a deduction from the *member's* or *former member's DC account* for expenses and charges

7.5 The *trustee company* may, acting in accordance with its fiduciary duties, from time to time add to or replace any such investment options, and may transfer existing monies to any new or alternative investment options, without the consent of the *member* or *former member*. Where reasonably practicable, the *trustee company* will take into account the *member's* or *former member's* original choice of investment options and give a reasonable period of notice in writing to affected *members* or *former members*. Where under this sub-rule the *trustee company* adds to or replaces any investment option and/or transfers existing monies to any new or alternative investment option, each affected *member* or *former member* may in these circumstances make a further choice of one or more investment options in accordance with sub-rules 7.1 and 7.2 without incurring a deduction for expenses and charges and without that choice counting as a variation under sub-rule 7.4.

7.6 Subject to sub-rule 7.7, the *investment management costs* in relation to *members' DC accounts* shall be paid from the *general fund* to the extent of the percentage of the *investment management costs* which is applicable at that time to the *default investment option*. The *investment management costs* shall not be paid from the *general fund* in relation to such part (if any) of the *member's DC account* which is attributable to transfer payments which have been received by the *scheme* from another *transfer arrangement*. The *investment management costs* shall be paid from the *general fund* in accordance with this sub-rule in relation to such part (if any) of the *member's DC account* which is attributable to a transfer from the *member's MPAVC fund*.

7.7 In the event that the amount of the *investment management costs* which have been borne by the *general fund* under sub-rule 7.6 in respect of all *members* and *former members* in aggregate exceeds 0.1% of the aggregate of all *active members' salaries*, the excess of those *investment management costs* (if any) shall be paid from the

*members' DC accounts.* The *trustee company* will undertake regular reviews of the actual *investment management costs* against the 0.1% level under this sub-rule. The *JNC* will determine whether the payment of *investment management costs* from the *general fund* and the 0.1% level under this sub-rule remain appropriate in light of experience.

- 7.8 Subject to sub-rule 7.4, the *trustee company* may deduct from a *member's DC account* any "transaction costs" within the meaning of the Occupational Pension Schemes (Charges and Governance) Regulations 2015 and any *investment management costs* other than such part of the *investment management costs* which are payable from the *general fund* under sub-rule 7.6.
- 7.9 The *trustee company's* duties in relation to investments will be discharged by the *trustee company's* compliance with sub-rules 7.1 to 7.4, unless the *trustee company* has acted in deliberate breach of trust in the selection of the investment options. Subject to sections 33 and 34(5) of *PA95*, the *trustee company* shall be under no obligation or liability in respect of any loss or reduction in value of a *member's DC account* which results from investments made under sub-rules 7.1 to 7.5, nor in respect of any delay in making such investments which results from a failure by the *member* to choose an investment option under sub-rules 7.1 and 7.2 or to notify the *trustee company* of such a choice.
- 7.10 An *ex-spouse participant* shall be treated as a *member* for the purposes of sub-rules 7.1 to 7.9.

8. **CRB BENEFIT ACCRUAL**

8.1 An *active member* shall accrue the prospective right on *retirement at normal pension age* to an *accrued pension amount* and an *accrued lump sum amount*.

8.2 For the purpose only of determining the extent of *active membership*, a period of *suspended membership* at the end of which the *member* resumes *active membership* is to be treated as if it had been a period of *active membership* and of *service*.

## 9. EXTRA SERVICE CONTRIBUTIONS

- 9.1 Sub-rule 9.2 applies to a *member* on completing 40 years' *pensionable service*, or in the case of a *member* over the age of 55 who is either an *MHO* or a *special class member*, 45 years' *pensionable service*. *Pensionable service* purchased by *AVCs* made under rule 37 (Added years *AVCs*) or derived from an election under sub-rule 36.10 (Transfer for defined benefits) taking effect after 5 April 2006 shall not count towards those periods of 40 years' or 45 years' *pensionable service*. Where a *member* is in more than one *eligible employment* and more than one year's *pensionable service* is derived from *service* in any year, the excess shall not count towards those periods of 40 years' or 45 years' *pensionable service*.
- 9.2 A *member* as referred to in sub-rule 9.1 may elect by 2 months' written notice to the *trustee company*, or such lesser notice period as the *trustee company* may accept, to cease to pay contributions under rule 5 (Member contributions).
- 9.3 Subject to sub-rule 9.5, once a *member* has so elected to cease contributions, that *member* may not subsequently elect to recommence contributions in respect of any *eligible employment* to which that notice related.
- 9.4 An *employer* shall contribute to the *fund* in respect of a *member* who does not give notice under sub-rule 9.2 and is therefore continuing to pay contributions under rule 5 and the *member* shall continue to accrue *pensionable service*.
- 9.5 Sub-rule 9.3 does not operate to prevent:
- 9.5.1 an *employer* from discharging a *2008 Act Duty* which falls into paragraph (a) or (b) of that definition in respect of such individual in which case sub-rule 4.14.3 or sub-rule 4.14.4 will apply; or
- 9.5.2 an individual from exercising a right to give notice under section 7 or section 9 of the Pensions Act 2008 in which case sub-rule 4.14.5 will apply,
- 9.6 but:
- (i) the references to the person becoming a *member* in those parts of sub-rule 4.14 will be construed as though they instead referred to the payment of contributions to the *fund* by and in respect of that *member* being resumed; and
- (ii) in the case of an individual who does not have a previous period of *ABS*, the

relevant part of sub-rule 4.14 will apply as if the individual did have a previous period of *ABS*.

10. **REVALUATION OF BENEFITS ON RETIREMENT AND CEASING SERVICE PART WAY THROUGH A BENEFIT YEAR<sup>64</sup>**

10.1 Where an *active member retires* or ceases *service* part way through a *benefit year*, the following provisions shall apply in relation to the *active revaluation* in respect of the *benefit year* in which the *active member retires* or ceases *service*, and in respect of the immediately preceding *benefit year*.

10.2 In such a case, no *active revaluation* shall be applied in respect of the *benefit year* in which the *active member retires* or ceases *service*.

10.3 In the above circumstances, *active revaluation* shall, in the *benefit year* in the course of which a period of *active membership* ends, be calculated in respect of that period of *active membership* as follows:

10.3.1 the rate of increase which applies under the definition of *active revaluation* to the year which is two years before the *benefit year* in which the *active member retires* or ceases *service*

with such rate applied to

the benefits set out in the following parts of the *accrued pension amount* and *accrued lump sum amount* definitions respectively:

(a) paragraph (a) (other than the benefits accrued to or in respect of the *active member* under the *scheme* in the immediately preceding *benefit year* where the *active member retired* or ceased *service* during the *benefit year* 1 April 2016 to 31 March 2017);

(b) sub-paragraph (c)(i) (other than to the *annual accrued pension amount* and *annual accrued lump sum amount* earned in that *benefit year* and the immediately preceding *benefit year*);

(c) sub-paragraph (c)(ii) where the terms applying for the *active member* under sub-rules 37.2 (Continuation of AVCs) or 38.1 (Continuation of AVCs) so provide (other than in respect of any *added years AVCs* where the *member retired* or ceased *service* during the *benefit year* 1 April 2016 to 31 March 2017, and any *revalued benefit AVCs* earned

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<sup>64</sup> The heading of Rule 10 was amended by the Twenty-ninth Deed of Amendment dated 22 May 2025 with an effective date of 1 April 2016.

under an arrangement that commenced between 1 April 2015 and 31 March 2016, where the *member retired* or ceased *service* during the *benefit year* 1 April 2016 to 31 March 2017); and

- (d) sub-paragraph (c)(iii) for any transfer payment unless received in that *benefit year* or the immediately preceding *benefit year*,

and (once the *active revaluation* required by sub-rule 10.3.1 above has been applied) the rate of increase applied in accordance with sub-rule 10.3.2 below.

### 10.3.2

$$\left( \begin{array}{c} \text{the period, expressed in years,} \\ \text{from the beginning of the} \\ \text{benefit year in which the active} \\ \text{member retires or ceases service} \\ \text{to the date on which the active} \\ \text{member retires or ceases service} \end{array} \right) \times \left( \begin{array}{c} \text{the increase which applies under} \\ \text{the definition of active} \\ \text{revaluation to the year which is} \\ \text{two years before the benefit year} \\ \text{in which the active member} \\ \text{retires or ceases service} \end{array} \right)$$

with such rate applied to

the benefits set out in the following parts of the *accrued pension amount* and *accrued lump sum amount* definitions respectively:

- (a) in paragraph (a);
- (b) sub-paragraph (c)(i) (other than to the *annual accrued pension amount* and *annual accrued lump sum amount* earned in that *benefit year*);
- (c) sub-paragraph (c)(ii) where the terms applying for the *active member* under sub-rules 37.2 (Continuation of AVCs) or 38.1 (Continuation of AVCs) so provide; and
- (d) sub-paragraph (c)(iii) for any transfer payment unless received in that *benefit year*.<sup>65</sup>

10.4 For the purposes only of this rule, a *member* who entered (or re-entered) *membership*

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<sup>65</sup> Rule 10.3 was amended by the Twenty-ninth Deed of Amendment dated 22 May 2025 with an effective date of 1 April 2016.

during the *benefit year* two years before that in which the *member retires* or ceases *service* shall be treated as having been in such *membership* throughout that former *benefit year*.

- 10.5 None of the *active revaluation* to be applied in respect of the *benefit year* immediately preceding that in which an *active member retires* or ceases *service* shall be taken into account in calculating any *annual accrued pension amount* or *annual accrued lump sum amount* which is required to be calculated in respect of the last 12 months of the *member's active membership*.

## 11. **BENEFITS AT NORMAL PENSION AGE**

### 11.1 **DB benefit**

A *member* who has attained the prevailing *normal pension age*, and who is not entitled to benefits under rule 12, shall from the day after the date of *retirement* be entitled to:

11.1.1 the *accrued pension amount*; and

11.1.2 the *accrued lump sum amount*.

Notwithstanding the above provisions of this sub-rule 11.1, sub-rules 14.10 to 14.15 shall apply in the case of a *flexible retiree* who subsequently *retires* under this sub-rule 11.1.

### 11.2 **DC benefit**

On a *member's retirement* from *active membership* at the prevailing *normal pension age*, the *member's DC account* will be applied by the *trustee company* to secure benefits in accordance with rule 22 (DC benefit options).

## 12. LATE RETIREMENT

### 12.1 DB benefit

#### 12.1.1 Member contribution election at normal pension age

Subject to rule 41 (Salary Sacrifice), a *member* who was in *service* immediately before the prevailing *normal pension age* may either:

12.1.1.1 elect to cease to pay contributions at that age; or

12.1.1.2 continue to pay contributions until the earlier of *retirement* and cessation of *service*.

#### 12.1.2 Cessation of contributions prior to 1 March 2013

12.1.2.1 This sub-rule 12.1.2 applies to a *member* who:

- (a) ceased to contribute to the *fund* under sub-rule 10.1.1 of the rules of the *scheme* as they had effect before 1 March 2013; and
- (b) had not before 1 March 2013 elected under sub-rule 10.1.2 of the rules of the *scheme* as they had effect before 1 March 2013 to recommence or continue to pay contributions.

12.1.2.2 If an individual to whom this sub-rule 12.1.2 applies exercises a right to give notice under section 7 or section 9 of the Pensions Act 2008 and the *employer* has a *2008 Act Opt-In Duty* as a result of that notice, sub-rule 5.13.5 of the rules of the *scheme* as they stood immediately before 1 April 2016 will apply as though that individual had a previous period of *ABS* and as though the reference to becoming a *member* instead referred to contributions to the *fund* by and in respect of that *member* being resumed.

#### 12.1.3 Late retirement benefits

Where the prevailing *normal pension age* has been attained and *service* has continued thereafter, the *member* shall be entitled to receive, from the day after the date of *retirement* in respect of that individual's *active membership*, the

*accrued pension amount* and the *accrued lump sum amount*, with that part of each of the *accrued pension amount* and the *accrued lump sum amount* which is attributable to *pensionable service* accrued or credited prior to that *normal pension age* increased by such amount as the *trustee company* may decide on *actuarial advice*.

#### 12.1.4 **Flexible retirement**

Notwithstanding the other provisions of this sub-rule 12.1, sub-rules 14.10 to 14.15 shall apply in the case of a *flexible retiree* who subsequently *retires* under this sub-rule 12.1.

#### 12.2 **DC benefit**

On a *member's retirement* from *active membership* after the prevailing *normal pension age*, the *member's DC account* will be applied by the *trustee company* to secure benefits in accordance with rule 22 (DC benefit options).

## 13. EARLY RETIREMENT

### 13.1 DB benefit

A *member* who has attained age 55, has *qualifying service* and *retires* before the prevailing *normal pension age*, otherwise than under rule 15 (Early pensions on incapacity), may elect to receive from the day after the date of *retirement*:

13.1.1 the *accrued pension amount*; and

13.1.2 the *accrued lump sum amount*,

but where the age of the *member* is on *retirement* below the *normal pension age* prevailing on the last day of any *benefit year*, that pension and lump sum shall be reduced, subject to sub-rules 37.5 and 38.4, and in so far as the *accrued pension amount*, or, as the case may be, the *accrued lump sum amount*, relate to *pensionable service* accrued or credited to the *member* in any of the periods described in the definition of *normal pension age* in sub-rule 1.1, by such amount as the *trustee company* shall decide on *actuarial advice* by reference to the length of the interval (if any) between the day after the date of *retirement* and the *member's normal pension age* for that period.

### 13.2 Pre-1 April 2016 rules

Sub-rules 11.2.3 (Early retirement at or over age 60 subject to *employer* consent, not to be unreasonably withheld) and 11.4 (Adjustments to transferred-in service) of the rules of the *scheme* as they stood on 31 March 2016 shall continue to apply to those *members* who then fell within their terms. Sub-rule 11.2.1 of the rules of the *scheme* as they stood on 31 March 2016 shall continue to apply to those *members* who then fell within their terms, but only to the extent that they provide entitlement to benefits from the day after the date of *retirement*; the calculation of those benefits shall be governed by these *rules*. The definition of “redundancy” contained at sub-rule 1.1 of the rules of the *scheme* as they stood on 31 March 2016 shall apply for the purposes of this rule.<sup>66</sup>

### 13.3 Flexible retirement

Notwithstanding the other provisions of this rule 13, sub-rules 14.10 to 14.15 shall apply in the case of a *flexible retiree* who subsequently *retires* under this rule 13.

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<sup>66</sup> Sub-rule 13.2 was amended by the Tenth Deed of Amendment dated 2 March 2020 with an effective date of 1 April 2016.

#### 13.4 **DC benefit**

On a *member's retirement* under this rule 13, in addition to the above benefits, the *member's DC account* (if any) will be applied by the *trustee company* to secure benefits in accordance with rule 22 (DC benefit options).

## 14. FLEXIBLE RETIREMENT

### 14.1 Employer consent/exclusions

An *active member*, who is in *full-time service* or *part-time service*, may, subject to the prior written consent of the *employer* and to the following provisions of this rule, make an election to draw benefits under sub-rule 14.4 (known as a *flexible retirement*) and thereby become a *flexible retiree*.

### 14.2 VT employment

A *member* may not make an election under this rule in relation to any *VT employment*.

### 14.3 Eligibility for flexible retirement

An *active member* may make an election under sub-rule 14.4, may continue in *active membership*, and may continue to accrue benefits under the *scheme*, in respect of the *eligible employment* from which the benefits drawn under sub-rule 14.4 are derived, provided that the *active member* is aged 55 or more and has *qualifying service* and provided that in relation to each *flexible retirement*:

14.3.1 the *member's part-time service fraction* (a *member* in *full-time service* being deemed for this purpose to have a *part-time service fraction* of 1) and *salary* must both be reduced on a long term basis (and in any event for no less than 12 months) by at least 20%, upon and following the *flexible retirement* and, in the case of *salary*, not be increased in such period otherwise than in fulfilment of the terms of a general settlement for substantially all the *employer's eligible employees* of the same grade or for substantially all the same collective bargaining group in relation to pay. For the avoidance of doubt, the reduction of at least 20% is to be applied to the *member's salary* and should disregard any election made by the *member* under Schedule 15 of the Rules (Employee Specific Voluntary Salary Cap);<sup>67</sup>

14.3.2 the *employer* must provide a certificate in writing to the *trustee company* before the *flexible retirement* (or such later date as agreed with the trustee company),<sup>68</sup> in such form as the *trustee company* may require, that the

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<sup>67</sup> Sub-rule 14.3.1 was amended by the Twenty-second Deed of Amendment dated 7 February 2024 with an effective date of 1 April 2016.

<sup>68</sup> Sub-rule 14.3.2 was amended by the Twenty-second Deed of Amendment dated 7 February 2024 with an effective date of 1 April 2016.

reductions in sub-rule 14.3.1 will apply from the date of *flexible retirement* and that it will not take any step which could result in those reductions not applying for at least 12 months from that date or, in the case of *salary*, in its being increased in such period otherwise than in fulfilment of the terms of a general settlement for substantially all the *employer's eligible employees* of the same grade or for substantially all the same collective bargaining group in relation to pay;

14.3.3 the certificate in sub-rule 14.3.2 must include an undertaking from the *employer* to indemnify the *trustee company* from and against all and any additional funding requirements for the *scheme* arising out of or in connection with the reductions or restrictions in sub-rules 14.3.1 and 14.3.2 not taking place or not continuing to apply.

#### 14.4 **Maximum and minimum flexible retirement benefits**

14.4.1 Subject to the provisions of this rule, an *active member* to whom sub-rule 14.3 applies may elect, by written notice to the *trustee company* given at least 2 months prior to the *member's* selected date of *flexible retirement*, or such other notice period as the *trustee company* may require, and satisfying such conditions as the *trustee company* may require, to draw such proportion of the total pension and lump sum which would be payable to the *member* on *retirement*, as if the *member* were *retiring* at the date of the election, as the *member* may elect, between a minimum of 20% and a maximum of 80% of that total pension and lump sum, in increments of 5% or in such other proportions as the *trustee company* may permit.

14.4.2 The total pension and lump sum to be taken into account under sub-rule 14.4.1 shall:

(a) include those derived from *added years AVCs*, *revalued benefit AVCs* and such benefits as are provided for under sub-rules 47.3 and 47.4 (Individual transfers in) and 48.5 (Bulk transfers in);

(b) exclude:

(i) the *member's DC account*, any *MPAVCs*, *pension credit rights*, any benefits directly attributable to *VT employment*, any benefits as are provided for under

sub-rules 47.2 (Individual transfers in) or 48.3 (Bulk transfers in);

- (ii) any separate *preserved benefits*, referable to a previous period of *membership* to which sub-rules 40.3 (Option for a member to elect to defer past service benefits and re-start accrual with separate benefits) and 40.2.2 (Deferred pensioner rejoining after a period exceeding one month) applied;<sup>69</sup>
- (iii) any separate *preserved benefits* referable to a previous period of *membership* to which sub-rules 37.5.2, 37.5.4, 37.5.5 or 37.6 of the rules of the *scheme* as they stood on 31 March 2016 applied, or in respect of which an election had been made under sub-rule 37.5.3 or 37.10.1 of the rules of the *scheme* as they stood on 31 March 2016; and

- (c) disregard any election under rule 21 (Conversion of lump sum to pension and pension to lump sum).

In this sub-rule 14.4.2 any reference to options of *members* and the relevant provisions of the *rules* or *former rules* shall be read as including a reference to the equivalent provisions of the previous governing provisions of the *scheme*.<sup>70</sup>

#### 14.5 **Active and pensioner membership**

A *flexible retiree* shall be an *active member* in relation to *active membership* and benefits accrued or credited after the date of the *flexible retirement* and a *pensioner member* in relation to the benefits drawn under sub-rule 14.4.

#### 14.6 **Additional employments non pensionable**

If a *flexible retiree* commences an additional employment with the same or a new *employer*, whilst continuing in *active membership* to which sub-rule 14.5 applies, the

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<sup>69</sup> Sub-rule 14.4.2 was amended by the Tenth Deed of Amendment dated 7 February 2014 with an effective date of 1 April 2016.

<sup>70</sup> Sub-rule 14.4.2 was amended by the Tenth Deed of Amendment dated 2 March 2020 with an effective date of 1 April 2016.

*flexible retiree* shall not be entitled to become a *member* in relation to that employment, notwithstanding that that employment may be an *eligible employment* unless:

14.6.1 on or after the *employer's staging date* the *flexible retiree* is an *eligible jobholder* or the *employer* has a *2008 Act Opt In Duty* in respect of the *flexible retiree*; and

14.6.2 notice has not been given under sub-rule 4.5.5.

**14.7 Maximum number of flexible retirements**

A *member* may make an election under this rule on a maximum of two occasions, after which the *member* may draw further benefits from the *scheme* only by *retiring*.

**14.8 Maximum benefits on a single flexible retirement**

If 80% of the total pension and lump sum benefits is drawn on the first *flexible retirement*, then the *member* is limited to that one *flexible retirement*.

**14.9 Maximum benefits on a second flexible retirement**

Upon a second *flexible retirement*, a *member* may draw up to a maximum of  $A \times B$ , where:

A equals 80% less the percentage applied under sub-rule 14.4.1 on the first *flexible retirement*, and

B equals the total pension and lump sum benefits payable (to which sub-rule 14.4.2 applies) as if the *member* were *retiring* on the date of the second *flexible retirement*.

**14.10 Benefits on retirement of a flexible retiree**

On the *retirement* of a *flexible retiree*, the benefits payable on that *retirement* under these *rules* shall be as set out in sub-rules 14.11 to 14.18 and 14.20 and 14.21.

**14.11 Retirement benefits following a single flexible retirement**

In the case of a *member* who has had only one *flexible retirement*, that *member* shall be entitled on subsequent *retirement* to the following benefits:

$(C \times D) + E$

where:

(C × D) relates to rights accrued or credited prior to the election for *flexible retirement* (benefits remaining from the *flexible retirement*)

E relates to rights accrued or credited on and after the election for *flexible retirement* (residual benefits on *retirement*)

#### **Benefits remaining from the flexible retirement**

C equals 100% less the percentage applied under sub-rule 14.4.1 in relation to the *flexible retirement*;

D equals the total pension and lump sum benefits payable to the *member* (to which sub-rule 14.4.2 applies) in respect of rights accrued prior to the election for *flexible retirement*, as if the *member* were *retiring* on the date of the election, but in relation to a *final salary member* with *pensionable salary* determined, notwithstanding any provision of previous *rules* of the *scheme*, as at 31 March 2016 and *active revaluation* applying from 1 April 2016;

#### **Residual benefits on retirement**

E equals the pension and lump sum benefits payable to the *member* on *retirement* in respect of rights accrued or credited on and after the date of the election for *flexible retirement* in accordance with whichever is applicable of rules 11, 12, 13, 15 or 16 (including in respect of any *additional pensionable service* and/or *supplementary service*).

### **14.12 Retirement benefits following 2 flexible retirements**

In the case of a *member* who has had 2 *flexible retirements*, that *member* shall be entitled on subsequent *retirement* to the following benefits:

$$(F \times I) + (J \times K) + L$$

where:

(F × I) relates to rights accrued or credited prior to the election for the first *flexible retirement* (benefits remaining from the first *flexible retirement*);

( $J \times K$ ) relates to rights accrued or credited from the date of the election for the first *flexible retirement* to the day before the date of the election for the second *flexible retirement* (benefits remaining from the second *flexible retirement*); and

L relates to rights accrued or credited on and after the election for the second *flexible retirement* (residual benefits on *retirement*).

#### **Benefits remaining from the first flexible retirement**

F equals 100% minus (G + H);

G equals the percentage applied under sub-rule 14.4.1 in relation to the first *flexible retirement*;

H equals the percentage applied under sub-rule 14.4.1 in relation to the second *flexible retirement*;

I equals the total pension and lump sum benefits payable to the *member* (to which sub-rule 14.4.2 applies) in respect of rights accrued or credited prior to the election for the first *flexible retirement*, as if the *member* were *retiring* on the date of that election, but in relation to a *final salary member* with *pensionable salary* determined, notwithstanding any provision of previous *rules* of the *scheme*, as at 31 March 2016 and *active revaluation* applying from 1 April 2016;

#### **Benefits remaining from the second flexible retirement**

J equals 100% minus H;

K equals the total pension and lump sum benefits payable to the *member* (to which sub-rule 14.4.2 applies) in respect of rights accrued or credited on and from the date of the election for the first *flexible retirement* to the day before the date of the election for the second *flexible retirement*, as if the *member* were *retiring* on the date of that election, but in relation to a *final salary member* with *pensionable salary* determined, notwithstanding any provision of previous *rules* of the *scheme*, as at 31 March 2016 and *active revaluation* applying from 1 April 2016;

#### **Residual benefits on retirement**

L equals the pension and lump sum benefits payable to the *member* in respect of rights accrued or credited on and after the date of the election for the second *flexible*

*retirement*, in accordance with whichever is applicable of rules 11, 12, 13, 15, or 16 (including in respect of any *additional pensionable service* and/or *supplementary service*).

#### 14.13 **Actuarial reductions**

The benefits payable by virtue of any *flexible retirement* shall be reduced, in so far as the *accrued pension amount* or the *accrued lump sum amount* relate to *pensionable service* accrued or credited to the *member* in any of the periods described in the definition of *normal pension age* in sub-rule 1.1, by such amount as the *trustee company* shall decide, on *actuarial advice*, by reference to the length of the interval (if any) between the day after the date of the *flexible retirement* and the *member's normal pension age* for that period.

#### 14.14 **Employer consent to unreduced benefits**

Where a *member* has on the day of a *flexible retirement* attained the age of 60, but not the *normal pension age* which applied as at 30 September 2011, that part of the benefits drawn under that *flexible retirement* which was attributable to that part of the *member's accrued lump sum amount* or *accrued pension amount* which is accrued or credited before 1 October 2011, and all of the *member's accrued lump sum amount* or *accrued pension amount* in the case of an *exempt member*, shall be paid without any reduction for early payment if the relevant *employer* consented to those benefits being so paid.

#### 14.15 **Late retirement factors**

Where benefits are payable on any *flexible retirement* taking place after the *member* has attained age 65 or *normal pension age* (if later), that part of the *accrued pension amount* and *accrued lump sum amount* which is attributable to *pensionable service* accrued or credited to the *member* in any of the periods described in the definition of *normal pension age* in sub-rule 1.1, shall be increased by reference to the length of the interval (if any) between the day after the *member* attained that age and the date of the *flexible retirement*, by such amount as the *trustee company* shall decide, on *actuarial advice*.

#### 14.16 **Commutation/conversion options**

The *member* may exercise his or her options under rule 21 (Conversion of lump sum to pension and pension to lump sum) in relation to the benefits which are drawn on *flexible retirement*.

#### 14.17 **MPAVCs**

On each *flexible retirement*, the *member* may elect, by 2 months' prior written notice to the *trustee company*, or such other notice period as the *trustee company* may require, and satisfying such conditions as the *trustee company* may require, to draw either all or none of the *MPAVC* benefits payable to the *member*, and either in lump sum or pension form, of such amount as the *trustee company* may determine, subject to the limits on *MPAVCs* under rule 36 (Money purchase AVCs).

#### 14.18 **DC benefit**

On the *flexible retirement* or *retirement* of a *flexible retiree*, the *member's DC account* will be applied by the *trustee company* to secure benefits in accordance with rule 22 (DC benefit options).

#### 14.19 **Death benefits on death of a flexible retiree**

##### 14.19.1 **Death benefits in respect of active membership**

The benefits payable out of the *fund* on the death of a *flexible retiree* whilst an *active member* shall be computed, in respect of the *flexible retiree's* continuing *service* and of the rights of that person to undrawn benefits which are not *preserved benefits*, in accordance with such as are applicable of rule 23 (taking E<sup>71</sup> to be nil), rule 26 and rule 31.

##### 14.19.2 **Death benefits in respect of preserved benefits**

The only benefits which shall be payable on the death of a *flexible retiree* in respect of the *preserved benefits* to which the *flexible retiree* was entitled under rule 16, immediately before death, shall be such as are applicable under sub-rule 28.2 and rule 32.2.

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<sup>71</sup> Sub-rule 14.19.1 was amended by the Tenth Deed of Amendment dated 2 March 2020 with an effective date of 1 April 2016.

#### **14.19.3 Death benefits in respect of benefits being drawn at date of death**

Benefits payable out of the *fund* on the death of a *flexible retiree* shall be computed, in respect of the benefits being drawn by the *flexible retiree* at the date of death, in accordance with such as are applicable of rule 24 (taking F to be nil), rule 27, sub-rule 32.1 and schedule 2 (Children's pensions where deceased was in service after normal pension age).

#### **14.19.4 Discretionary dependants' pensions**

The results of the computations in 14.19.1 to 14.19.3 above shall be applied without prejudice to the powers of the *trustee company* under sub-rule 30.3.

#### **14.19.5 Maximum overall death benefits**

The amounts paid under 14.19.1 to 14.19.4 shall in any case be limited in such manner as may be determined by the *trustee company* on *actuarial advice*, to the intent that the value of the aggregate of the benefits payable in respect of the *flexible retiree* out of the *fund* following his or her death shall not exceed the value of the aggregate of the benefits which would have been so payable if the *flexible retiree* had died whilst in *active membership* immediately before the date of his or her first *flexible retirement*.

#### **14.20 Determination of questions of interpretation/application**

Any question regarding the proper interpretation or application of this rule shall be determined by the *trustee company*, after taking such advice from the *advisory committee* as the *trustee company* may consider to be appropriate.

#### **14.21 Pre-1 April 2016 flexible retirements**

An election shall be treated as made under sub-rule 14.1 (or, as the case may be, sub-rule 14.4) if it was made before 1 April 2016 in accordance with the corresponding provision of the rules of the *scheme* then in effect, provided that any date of *flexible retirement* under such an election was on or after 31 March 2016. A certificate or undertaking shall be treated as given under sub-rule 14.3 if given under a corresponding provision of the rules of the *scheme* in effect when it was given and in substantially the same terms as would be required under that sub-rule.

## 15. EARLY PENSIONS ON INCAPACITY

### 15.1 Application of this rule

This rule applies to a *member* who satisfies all of the following conditions:

#### 15.1.1 Service

The *member* has either:

- (a) completed 2 years' *active membership*;
- (b) completed 2 consecutive years in aggregate of *active membership* and membership of any *comparable scheme* in the continuous employment throughout of one or more *institutions* and during which there has been no *material break*; or
- (c) been a member of a *comparable scheme* after 10 December 1999 by virtue of *incapacity qualifying employment* and would have been entitled, on retirement on the date of ceasing *eligible employment* while satisfying the ill health, infirmity or incapacity requirements under that scheme, to an immediate early pension under that scheme, without actuarial reduction.

#### 15.1.2 Employer agrees incapacity

In the *employer's* opinion the *member* is suffering from *incapacity* at the date of the relevant cessation of *eligible employment*.

#### 15.1.3 Trustee company agrees incapacity type

The *trustee company* determines that the *member* is suffering from *incapacity* and, if the *trustee company* makes that determination, the *trustee company* determines whether the *member* is suffering from *total incapacity* or *partial incapacity*. If the *trustee company* determines that the *member* is not suffering from *incapacity*, sub-rule 15.1.6 shall apply but no other provision of this rule 15 shall apply, except to such extent as may be determined through the appeals procedure there mentioned.

#### 15.1.4 Reason for retirement or cessation of eligible employment

The *trustee company* determines that the *member* has *retired* or ceased one or more *eligible employments* on the grounds of *total incapacity* or *partial incapacity* before *normal pension age* and, in a case of *total incapacity*, without continuing in any other *eligible employment*.

#### 15.1.5 Application to the trustee company

The *member* applies to the *trustee company*, in a form acceptable to the *trustee company*, for benefits under this rule, unless the *trustee company* determines that regulation 8(3) of the *Preservation Regulations* is satisfied.

#### 15.1.6 Incapacity appeals procedure

The *member* has the right to make one appeal (and no further appeal) against the determination made by the *trustee company* under sub-rule 15.1.3, using the procedure adopted from time to time by the *trustee company*.

### 15.2 Non-enhanced incapacity benefits

A *member* who *retires* or ceases an *eligible employment* on the grounds of *partial incapacity* or *total incapacity* shall be entitled from the day after such *retirement* or cessation of *eligible employment* to:

15.2.1 the *accrued pension amount* calculated by reference to *salary*; and

15.2.2 the *accrued lump sum amount* calculated by reference to *salary*.

### 15.3 Enhanced incapacity benefits

15.3.1 Subject to sub-rules 15.3.2 to 15.3.4 and to schedule 17 (Death or retirement on the grounds of total incapacity before 1 April 2017), a *member*, who either last became an *active member* 5 or more years ago (construed in accordance with sub-rule 15.7) or, having last become an *active member* 2 or more years before ceasing *active membership*, had no *known medical condition*, and who *retires* or ceases *eligible employment* on the grounds of *total incapacity*, shall

be entitled from the day after such *retirement* to:

15.3.1.1 a pension for life at the annual rate of:

(the number of *years' additional pensionable service*) ×

(the *annual accrued pension amount*, calculated by reference to *salary*, in respect of the last 12 months of the *member's active membership*)

and

a lump sum of:

(the number of *years' additional pensionable service*) ×

(the *annual accrued lump sum amount*, calculated by reference to *salary*, in respect of the last 12 months of the *member's active membership*)

15.3.1.2 Subject to sub-rules 15.3.2 to 15.3.4, such a *member* shall also be entitled to a pension and lump sum based on the number of *years supplementary service* calculated as follows:

(the number of *years' supplementary service*) ×

(the *annual accrued pension amount*, calculated by reference to *salary*, in respect of the last 12 months of the *member's active membership*)

and

a lump sum of:

(the number of *years' supplementary service*) ×

(the *annual accrued lump sum amount*, calculated by reference to *salary*, in respect of the last 12 months of the *member's active membership*)

15.3.2 Where a *member* whose benefit calculations include a period of *part-time*

*service* and who becomes entitled to an *enhanced incapacity pension*, *retires*<sup>72</sup> that *member's salary* shall be determined in such manner as the *trustee company* may decide for the purposes of computing the *annual accrued pension amount* and the *annual accrued lump sum amount* in respect of the last 12 months of the *member's active membership*. In determining whether and (if so) how to enhance *salary* for these purposes, the *trustee company* shall apply an adjustment based on the following:

A/B, where:

A = the *member's accrued pension amount* immediately before the date of the *member's retirement*, calculated by reference to *salary*; and

B = the number of *years* of the *member's qualifying service*.

15.3.3 For the purposes of sub-rules 15.3.1 and sub-rules 15.9 to 15.12, where the *member* was at the date of *retirement* or ceasing *eligible employment* on the grounds of *total incapacity* concurrently in *VT employment* and in *eligible employment* which was not *VT employment*, the *member's salary* in respect of the *VT employment* shall be calculated in accordance with sub-rule 35.4 (Calculation of salary) provided that where a *member* to whom this sub-rule 15.3.3 applies has, in the 12 months prior to the date of the *member's retirement* or ceasing *eligible employment*, reduced that *member's* working time, and consequently that *member's salary*, in the *VT employment* as a result of ill-health or infirmity (as notified to the *trustee company* at the time or such later date as the *trustee company* may allow) the *salary* in respect of the *VT employment* for the purposes of this sub-rule 15.3.3 shall be the *salary* appropriate to the duties as a *VTE* which the *member* would in the opinion of the *trustee company* have been asked to discharge in that period had the *member* not so reduced working time.

15.3.4 Schedule 17 (Death or retirement on the grounds of total incapacity before 1 April 2017) applies to a *member* or *former member* who was an *active member* on 31 March 2016 and who *retires* or ceases *eligible employment* on the grounds of *total incapacity* under sub-rule 15.3.1 before 31 March 2017.

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<sup>72</sup> Sub-rule 15.3.2 was amended by the Tenth Deed of Amendment dated 2 March 2020 with an effective date of 2 March 2020

## 15.4 Crediting of part of DC account to supplementary section

15.4.1 In the case of a *member* to whom benefits are payable under sub-rule 15.2 and/or sub-rule 15.3, no benefits shall be payable to such a *member* in respect of such part of the *member's DC account* as is attributable (as determined by the *trustee company*) to *member's* contributions credited or recredited to the *member's DC account* under sub-rule 5.2.2 or to *employer* contributions credited or recredited to the *member's DC account* under sub-rules 6.3 and 6.4. Such part of the *member's DC account* as is so attributable shall be credited to the *supplementary section*.

15.4.2 In the case of a *member* to whom benefits are payable under sub-rule 15.2 and/or sub-rule 15.3, who is either a *pensioner member* or a *deferred pensioner* who has elected under sub-rule 40.2.2 (Deferred pensioner rejoining after a period exceeding one month) upon becoming a *member* to keep his or her *preserved benefits* separate from his or her benefits attributable to his or her renewed *active membership*, no benefits shall be payable to such a *member* in respect of such part of the *member's DC account* as is attributable (as determined by the *trustee company*) to *member's* contributions credited or recredited to the *member's DC account* under sub-rule 5.2.2, or to *employer* contributions credited or recredited to the *member's DC account* under sub-rules 6.3 and 6.4, in respect of the individual's renewed *active membership*. Such part of the *member's DC account* as is so attributable to the individual's renewed *active membership* shall be credited to the *supplementary section*.<sup>7374</sup>

## 15.5 Deduction of DC accounts previously drawn or transferred

Notwithstanding any other provision of the *rules* or of the *scheme*, in the case of a *member* to whom benefits are payable under sub-rule 15.2 and/or sub-rule 15.3 who has drawn benefits from the *member's DC account*, or in respect of whom a transfer payment has been made to another *transfer arrangement* from the *member's DC account*, or in respect of whom a *pension debit* has been made from the *member's DC account*, the value of such part of the *member's DC account* which has been so drawn

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<sup>73</sup> Sub-rule 15.4.2 was amended by the Twenty-second Deed of Amendment dated 7 February 2024 with an effective date of 1 April 2016.

<sup>74</sup> Rule 15.4 was amended by the Twenty-third Deed of Amendment dated 21 February 2024 with an effective date of 1 January 2024.

or transferred, or of such *pension debit*, as is attributable (as determined by the *trustee company*) to *member's* contributions credited or reccredited to the *member's DC account* under sub-rule 5.2.2 or to *employer* contributions credited or reccredited to the *member's DC account* under sub-rules 6.3, 6.4 and 6.5 shall be deducted in the following order:

15.5.1 first from any remaining *member's DC account*;

15.5.2 second from the lump sum benefit payable under sub-rule 15.2.2 or sub-rule 15.3.1.1 and/or sub-rule 15.3.1.2;

15.5.3 third from the amount of the pensions payable to the *member* under sub-rule 15.2.1 and/or sub-rule 15.3.1.1 and/or sub-rule 15.3.1.2 in such manner as shall be determined by the *trustee company*.<sup>75</sup>

#### 15.6 **Additional DC benefits**

In addition to the benefits payable under sub-rules 15.2 and 15.3, such part of the *member's DC account* as determined by the *trustee company* to be attributable to the *member's* contributions (if any) under sub-rules 5.3 (Matching contributions), 5.4 (Additional member contributions) and 6.5 and to any transfer payment credited to the *member's DC account* under sub-rule 47.2 or sub-rule 48.3 shall be applied to provide benefits to or in respect of the *member* in accordance with rule 22.

#### 15.7 **5 years' service qualification for enhanced incapacity benefits**

A *member* shall be treated for the purposes of sub-rule 15.3 as having last become an *active member* 5 or more years ago, if either:

15.7.1 the *member* has five or more consecutive years in aggregate of *active membership* and membership of any *comparable scheme*, throughout which the *member* has been employed by the same *institution*, or in an employment to be treated in the *trustee company's* opinion as that of the same *institution*, without any *material break*; or

15.7.2 the *member* is concurrently in receipt of a *non-enhanced incapacity pension* by reference to the cessation of one appointment ("**appointment A**") and in *active membership* by reference to another appointment ("**appointment B**")

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<sup>75</sup> Rule 15.5 was amended by the Twenty-third Deed of Amendment dated 21 February 2024 with an effective date of 1 January 2024.

and that *member* last became an *active member* 5 or more years after the date the *member* became an *active member* by reference to *appointment A*, provided that the date of becoming an *active member* by reference to *appointment B* is no more than 2 years after the cessation of *appointment A*.

#### 15.8 **Retrospective determination**

Where a *member* has ceased to be in *eligible employment* before the *trustee company* has determined that the *member* is, and was on last ceasing to be in that *eligible employment*, suffering from *incapacity*, and the *member* has *retired* or ceased that *eligible employment* on the grounds of *incapacity*, the *trustee company* may, after consulting with the *employer*, decide that the *member* shall benefit under this rule 15 from the date of cessation of *eligible employment*. Any amount that has as a result of that cessation of *eligible employment* been paid to the *former member* shall be deducted from the benefits payable to that individual under this rule.

#### 15.9 **Withdrawal or suspension of incapacity pension**

Where a *pensioner member* entitled to a pension under this rule 15 has not attained *normal pension age*, the *trustee company* may:

15.9.1 withdraw or suspend the pension for any period prior to *normal pension age* if the *trustee company* determines that the *pensioner member* is no longer suffering from *incapacity*; or

15.9.2 withdraw an *enhanced incapacity pension* but continue to pay a *non-enhanced incapacity pension* if the *trustee company* determines that the *pensioner member* is suffering from *partial incapacity* and not *total incapacity*.

#### 15.10 **Resumption of incapacity pension**

The *trustee company* may at any time up to *normal pension age* resume payment to an individual of a pension under this rule 15 (including a pension paid under rule 13 of the rules of the *scheme* which were in force before 1 April 2016) which it has withdrawn, if the *trustee company* determines that the individual is suffering *partial incapacity* or *total incapacity*.

## 15.11 Later finding of total incapacity

15.11.1 If the *trustee company* determines that a *pensioner member*, who has not attained *normal pension age* and is in receipt of a *non-enhanced incapacity pension*, is suffering from *total incapacity* and not *partial incapacity*, the *trustee company* may pay an *enhanced incapacity pension* at the level at which it would have been payable had the *pensioner member* retired on the grounds of *total incapacity* when this rule 15 first applied to that *pensioner member*.

15.11.2 The *trustee company* may further increase the *enhanced incapacity pension* by an amount which the *trustee company* determines on *actuarial advice* to be equivalent to the *enhanced incapacity lump sum* which would have been payable if the *pensioner member* had retired on the grounds of *total incapacity* when this rule 15 first applied to that *pensioner member*.

15.11.3 In the application of this sub-rule 15.11 and of sub-rule 15.12 to an individual who became entitled to receive an *enhanced incapacity pension* before 1 April 2016, references to rule 15 shall be construed as references to the relevant earlier corresponding rule in the rules then governing the *scheme*.

15.11.4 Where the *member* has continued or resumed *active membership* while entitled to a *non-enhanced incapacity pension*, the *trustee company* may, with the consent of the *advisory committee*, modify the amount of *enhanced incapacity pension* to which the *member* is entitled, by altering either or both of the number of *years' additional pensionable service* (subject to a maximum total of 10) or *years' supplementary service*.

## 15.12 Pension at normal pension age where incapacity pension withdrawn

15.12.1 Where a *pensioner member* was entitled under this rule 15 to a pension which was withdrawn and not reinstated prior to *normal pension age*, that individual shall be entitled on or after *normal pension age* to a pension at a rate which is equal to the *non-enhanced incapacity pension* which would have been payable to that individual at the date of that individual's first *retirement* under this rule 15, or (if later) immediately before *normal pension age*, as if that pension had been paid.

15.12.2 Where a *pensioner member* was entitled under this rule 15 to a pension which

was withdrawn and not reinstated prior to *normal pension age*, the *trustee company* may, in the case of a *pensioner member* who *retired* on the grounds of *total incapacity*, treat as a payment made on account of the pension under sub-rule 15.12.1 an amount determined by the *trustee company*, on *actuarial advice*, to be of equal value to the *enhanced incapacity lump sum* paid to that individual on that *retirement*.

**15.13 Minimum benefits**

No pension payable under this rule 15 at *normal pension age* shall be less than the minimum which would have been required by the *preservation requirements* if they had applied. No pension will be paid under this rule 15 which is not a scheme pension within the meaning of Part 4 of *FA 04*.

**15.14 Determinations by the trustee company under this rule**

Any determination made by the *trustee company* under this rule 15 shall be made on the balance of probabilities, having regard to a *medical opinion*.

**15.15 Flexible retirement**

Notwithstanding the other provisions of this rule 15, sub-rules 14.10 to 14.15 shall apply in the case of a *flexible retiree* who subsequently *retires* under this rule 15.

**15.16 Individual rejoining after total incapacity**

An individual who has been in receipt of a pension on the grounds of *total incapacity*, which has been withdrawn or suspended and who has subsequently become an *eligible employee*, shall resume *active membership* on such terms and conditions and subject to such increased contributions as the *trustee company*, acting on *actuarial advice*, may decide, provided that:

15.16.1 such terms and conditions would not preclude the discharge by the *employer* of any *2008 Act Duty* in respect of that *eligible employment* by arranging for that *eligible employee* to become an *active member* of the *scheme*;

15.16.2 the *preservation requirements* are complied with; and

15.16.3 that *pensionable service* on which the *total incapacity* pension was based cannot count towards the benefits referable to the new period of *active*

*membership.*

## 16. PRESERVED BENEFITS

### 16.1 Entitlement

A *member* who on ceasing *service* has *qualifying service* shall be entitled to *preserved benefits* in relation to periods of *active membership* of:

16.1.1 the *accrued pension amount*; and

16.1.2 the *accrued lump sum amount*.

Those benefits shall be reduced by the amount of any corresponding benefit which is concurrently payable under any of rule 11 (Benefits at normal pension age), rule 12 (Late retirement), rule 13 (Early retirement) and rule 15 (Early pensions on incapacity) in respect of the same *benefit years*.

### 16.2 Date of payment

Subject to sub-rules 16.3 and 16.4, a *deferred pensioner* shall be entitled to *preserved benefits* payable at the same time and upon the happening of the same events as the corresponding *long service benefits* would be payable.

### 16.3 Reduced benefits

In the case of a *former member* to whom sub-rule 16.4 does not apply, the *trustee company* shall bring the *preserved benefits* into payment on request from the date specified by the *former member* where the *former member* has attained *minimum pension age*, on such terms as the *trustee company* shall decide, acting on *actuarial advice*. Where the age of the *former member* on that date is below the *normal pension age* which is prevailing on the date when those benefits begin to be drawn, the *accrued pension amount* and the *accrued lump sum amount* for that *benefit year* shall each be reduced by such amount as the *trustee company*, on *actuarial advice*, shall decide, in respect of the period from the date when those benefits begin to be drawn up to that *normal pension age*, subject to complying with the *preservation requirements*, and provided that the early payment of the *preserved benefits* does not result in the pension payable to the *former member* being less than the *GMP*. Where sub-rule 13.2 would have limited the actuarial reduction of a pension under rule 13 (Early retirement) had the *former member* elected to draw it on *retirement*, the reduction of a pension under this sub-rule shall be correspondingly limited.

## 16.4 **Incapacity**

16.4.1 If a *former member* so applies, in a form acceptable to the *trustee company*, or if the *trustee company* determines that regulation 8(3) of the *Preservation Regulations* is satisfied, the *trustee company* may bring *preserved benefits* into payment before *normal pension age*, without any adjustment for early payment, where the *trustee company* determines that the *former member* is suffering from *total incapacity*.

16.4.2 The *trustee company* must be satisfied, before benefits are paid under sub-rule 16.4.1, that the value of those benefits is at least equal to the value of the *former member's preserved benefits*.

16.4.3 The *trustee company* may discontinue such pension before *normal pension age* if it determines that the *former member* is no longer suffering from *total incapacity*, may reinstate that pension if it determines before *normal pension age* that *total incapacity* has returned, and shall reinstate it when the *former member* attains *normal pension age*.

16.4.4 The *trustee company* shall make any determination under this sub-rule 16.4 on the balance of probabilities, having regard to a *medical opinion*.

## 16.5 **Defined contribution benefits**

In addition to the above benefits under this rule 16, the *member's DC account* (if any) shall be used to provide benefits in accordance with rule 22 (DC benefit options).

## 16.6 **Late payment of benefits for individuals remaining in eligible employment who left *qualifying service* prior to *normal pension age***

Where a *former member* who ceased to be in *qualifying service* prior to their *normal pension age* remains in *eligible employment* and has not accessed their benefits until after their *normal pension age*, the *accrued pension amount* and the *accrued lump sum amount* that the *member* is entitled to receive under Rule 16.1 shall, when coming into payment, be increased by such amount as the *trustee company* may decide on *actuarial*

*advice*, the basis for such increase being consistent with that used under Rule 12.1.3.<sup>76</sup>

#### 16.7 **Flexible Retirement of individuals remaining in eligible employment**

A *former member* who ceased to be in *qualifying service* but who remains in *eligible employment* beyond their *minimum pension age* shall be able to access their benefits in the same manner as an *active member* who opts for *flexible retirement* and the provisions of Rule 14 shall apply accordingly to them as if they were a *flexible retiree*, except for:

16.7.1 the condition of being an *active member*;

16.7.2 references to continuing to accrue benefits;

16.7.3 the exclusion under sub-rule 14.4.2(b) of separate *preserved benefits* from the total pension and lump sum to be taken into account under sub-rule 14.4.1;

16.7.4 sub-rule 14.5 not applying as they shall be a *deferred pensioner* in relation to their remaining *preserved benefits* and a *pensioner member* in relation to the benefits drawn under sub-rule 14.4; and

16.7.5 no benefits being due on death under sub-rule 14.19.1.<sup>77</sup>

#### 16.8 **Late payment of benefits for individuals remaining in eligible employment who left *qualifying service* on or after *normal pension age***

Where a *former member* who ceased to be in *qualifying service* on or after their *normal pension age* remains in *eligible employment* and has not accessed their benefits, the *accrued pension amount* and the *accrued lump sum amount* that the *member* is entitled to receive under Rule 16.1 shall, when coming into payment, be increased by such amount as the *trustee company* may decide on *actuarial advice*, the basis for such increase being consistent with that used under Rule 12.1.3.<sup>78</sup>

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<sup>76</sup> Sub-rule 16.6 was introduced by the Fourteenth Deed of Amendment dated 08 September 2021 with an effective date of 1 April 2016.

<sup>77</sup> Sub-rule 16.7 was introduced by the Fourteenth Deed of Amendment dated 08 September 2021 with an effective date of 1 April 2016.

<sup>78</sup> Sub-rule 16.8 was introduced by the Fourteenth Deed of Amendment dated 08 September 2021 with an effective date of 08 September 2021.

## 17. PENSION INCREASES

### 17.1 Pensions, lump sums and preserved benefits

17.1.1 Subject to sub-rule 17.1.3, any pension benefits currently payable, or coming into payment, out of the *general fund* (except for any *supplementary benefits* and *GMPs*), shall be increased under Part 1 of the *Increase Act* as if those benefits were official pensions.

17.1.2 Subject to sub-rule 17.1.3, any lump sum (other than any *supplementary benefits*) becoming payable out of the *general fund* in respect of the death or *retirement* of a *former member*, or in respect of the coming into payment of *pension credit rights*, under the *scheme* shall be increased as if it were a lump sum benefit to which section 9 of the *Increase Act* applied.

17.1.3 The increases under sub-rules 17.1.1 and 17.1.2 shall each be subject to the *increases cap*, in respect of such part of those benefits as is attributable to *service* after 30 September 2011, or to *AVCs* under agreements made, or supplementary credits (within the meaning of section 75 of *PSA 93*) awarded, after that date.

### 17.2 GMP increases

Notwithstanding the provisions of sub-rule 17.1, section 59 of the Social Security Pensions Act 1975 (which is deemed to be incorporated in Part 1 of the *Increase Act*) shall not have the effect of reducing the total amount of pension increases payable to a *pensioner* under this rule 17 (when aggregated with the amount (if any) by which that part of the *pensioner's* entitlement to additional pension under section 44 of the Social Security Contributions and Benefits Act 1992 has been increased by any direction under section 151(1) of the Social Security Administration Act 1992, or under the former corresponding provisions, in respect of that *pensioner's* period of *contracted-out employment* in the *scheme*) to less than the amount of pension increases which would have been payable under that section had section 59(5) of the Social Security Pensions Act 1975 not been passed.<sup>79</sup>

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<sup>79</sup> Sub-rule 17.2 was amended by the Twenty-second Deed of Amendment dated 7 February 2024 with an effective date of 7 February 2024.

### 17.3 **Supplementary benefits**

The *trustee company* may, on *actuarial advice*, increase any pension benefits currently or prospectively payable which are *supplementary benefits*, having regard to rises in the *RPI* and to the assets and liabilities of the *supplementary section*.

### 17.4 **Discretionary increases**

The *trustee company* may, on *actuarial advice*, provide from the *main section* a greater rate of increase on any pension benefits, currently payable and/or coming into payment, and/or on any lump sum benefits in any relevant *year* than would apply under sub-rule 17.1, having regard to the increases applicable to official pensions under Part 1 of the *Increase Act*, and subject to there being, in the opinion of the *trustee company* on *actuarial advice*, sufficient surplus in the *main section* to provide such additional increases.

### 17.5 **Statutory increases**

Notwithstanding sub-rules 17.1 to 17.4, statutory increases under Chapters 2 and 3 of Part 4 of *PSA 93*, section 51 of *PA 95* and section 40 of *WRPA 99* shall be applied to the extent that they are greater than the increases under those sub-rules.

## 18. EARLY LEAVERS WITHOUT QUALIFYING SERVICE<sup>80</sup>

### 18.1 Application of this Rule

This rule applies to a *former member* who does not have *qualifying service* on ceasing *service*.

### 18.2 Refund of contributions

Such a *former member* is entitled to a refund of:

- 18.2.1 that individual's contributions (excluding *MPAVCs* and that individual's contributions as referred to in sub-rule 18.2.3), subject to deduction of any tax and an amount in respect of any *CEP*, plus *compound interest* at such rate as the *trustee company* may determine;
- 18.2.2 an amount equal to the *MPAVCs* paid by that individual together with the investment return on those *MPAVCs*, subject to deduction of tax; and
- 18.2.3 an amount equal to that part of the *member's DC account* which is attributable to contributions paid by that individual, including the investment return on those contributions, subject to deduction of tax.

### 18.3 Pension and lump sum option

- 18.3.1 Notwithstanding sub-rule 18.2, a *former member* who does not have *qualifying service* on ceasing *service* (except an individual who gives notice in writing to their *employer* of retrospective withdrawal from the *scheme* in accordance with Rule 39.1) may elect, in lieu of a refund of contributions:
  - (a) if they left *service* prior to 1 April 2022, for the amount under sub-rule 18.2.1 to be applied without the deductions to provide a pension and lump sum for the *former member* at *normal pension age* (and corresponding payments on death for the *former member's* spouse or *civil partner, dependants and eligible children*) of such amounts as the *trustee company* may determine, acting on *actuarial advice*; or
  - (b) if they left *service* on or after 1 April 2022, to be treated for all purposes

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<sup>80</sup> The heading of Rule 18 was deleted and replaced by the Sixteenth Deed of Amendment dated 25 February 2022 with an effective date of 1 April 2022.

of the *rules* in the same way as a *former member* who has *qualifying service* and is entitled to *preserved benefits* in respect of whom Rule 16 (Preserved Benefits) applies.<sup>81</sup>

18.3.2 Contributions made by an *employer* under sub-rule 41 (Salary Sacrifice) (other than *matching contributions* under sub-rules 5.3 and 6.3) in respect of a *member* who has become a *former member* to whom this rule applies shall be included in the amount to be applied to provide the benefits payable under sub-rule 18.3.1.

18.3.3 Such a *former member* may opt to have a transfer payment made to a *transfer arrangement* of all of that individual's accrued rights under the *scheme* to benefits that are not *flexible benefits* as if the member had *qualifying service* and as if Chapter 1 of Part 4ZA of *PSA 93* applied to benefits calculated in accordance with rule 16 (Preserved benefits)<sup>82</sup>.

18.3.4 For *former members* who left service prior to 1 April 2022 and who opt to have a transfer payment made to a *transfer arrangement* in accordance with sub-rule 18.3.3, if the transfer payment includes the *member's DC account*, for the purposes of determining the amount of the transfer payment in respect of the *member's DC account*, the *trustee company* will calculate the value of the *member's DC account* as at the *member's* date of leaving *service* and as at the date of disinvestment, and shall pay the higher of the two calculations.<sup>83</sup>

#### 18.4 **DC account**

In addition to the benefits under sub-rule 18.3.1, the *member's DC account* (if any) shall be used to provide benefits in accordance with rule 22 (DC benefit options).

#### 18.5 **MPAVCs**

In addition to the benefits under sub-rules 18.3.1 and 18.4, the *member's MPAVC fund* (if any) shall be used to provide benefits in accordance with rule 36 (Money purchase AVCs).

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<sup>81</sup> Sub-rule 18.3.1 was deleted and replaced by the Sixteenth Deed of Amendment dated 25 February 2022 with an effective date of 1 April 2022.

<sup>82</sup> Sub-rule 18.3.3 was deleted and replaced by the Twelfth Deed of Amendment dated 16 April 2021 with an effective date of 16 April 2021.

<sup>83</sup> Sub-rule 18.3.4 was added by the Twenty-second Deed of Amendment dated 7 February 2024 with an effective date of 1 October 2016.

## 19. TRANSFERS OUT

### 19.1 Statutory right

A *member* or *former member* has the right to request a transfer payment of that individual's accrued rights under the *scheme*, or of that individual's accrued rights under the *scheme* to *flexible benefits* or to benefits that are not *flexible benefits*, to a *transfer arrangement* in accordance with Part 4ZA of *PSA 93*.

### 19.2 Recipient of transfer payment

The *trustee company* may make a transfer payment only to the trustees or administrator of a *transfer arrangement*.

### 19.3 Non-statutory transfers

#### 19.3.1 Money purchase AVC transfer

The *trustee company* may, if a *member* or *former member* so requests, make a transfer payment of that individual's *member's MPAVC fund* to a *transfer arrangement*.

#### 19.3.2 Member's DC account transfer

The *trustee company* may, if a *member* or *former member* so requests, make a transfer payment of that individual's *member's DC account* to a *transfer arrangement*.

#### 19.3.3 DB rights transfer

The *trustee company* may, if a *member*, *ex-spouse participant*<sup>84</sup> or *former member* so requests, and on such terms and conditions as the *trustee company* may require, make a transfer payment to a *transfer arrangement* of all of that individual's accrued rights under the *scheme* to benefits that are not *flexible benefits*, in circumstances where that individual would not have the statutory right to apply for such a transfer because either or both of the conditions in

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<sup>84</sup> Sub-rule 19.3.3 was amended by the Eighteenth Deed of Amendment dated 27 February 2023 with an effective date of 5 December 2017.

section 93(4)(b) and/or section 95(1A) (b) of *PSA 93* are<sup>85</sup> not satisfied but where all other conditions in Part 4ZA of *PSA 93* are satisfied.

#### 19.4 **Special reciprocal arrangements**

Where the *trustee company* has entered into any special reciprocal arrangements under sub-rule 47.5 the amount transferred to another scheme that participates in those arrangements shall be calculated accordingly.

#### 19.5 **Non-statutory transfers<sup>86</sup>**

At the request of the relevant *member, ex-spouse participant<sup>87</sup> or former member* the *trustee company* may, and subject to such conditions as it sees fit to impose, transfer all or part of a *member, ex-spouse participant or former member's* accrued rights under the *scheme* to one or more *transfer arrangements* in circumstances other than in accordance with Part 4ZA of *PSA 93*. The amount of the transfer payment (or payments) shall be calculated using methods and assumptions decided by the *trustee company*, subject to any applicable legal requirements.

#### 19.6 **Discharge of liability<sup>88</sup>**

Following a transfer in accordance with this rule 19 (Transfers out) the *trustee company* and the *scheme* shall be discharged from all liability to which the transfer relates<sup>89</sup>.

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<sup>85</sup> Sub-rule 19.3.3 was amended by the Tenth Deed of Amendment dated 2 March 2020 with an effective date of 5 December 2017.

<sup>86</sup> Sub-rule 19.5 was introduced by the Eighth Deed of Amendment dated 21 March 2019 with an effective date of 7 January 2019.

<sup>87</sup> Sub-rule 19.5 was amended by the Eighteenth Deed of Amendment dated 27 February 2023 with an effective date of 7 January 2019.

<sup>88</sup> Sub-rule 19.6 was introduced by the Eighth Deed of Amendment dated 21 March 2019 with an effective date of 7 January 2019.

<sup>89</sup> Sub-rule 19.6 was amended by the Twelfth Deed of Amendment dated 16 April 2021 with an effective date of 16 April 2021.

## 20. BUY-OUTS

### 20.1 Power to purchase insurance policy

The *trustee company*, on *actuarial advice*, may purchase from any *insurer* a policy of insurance securing any deferred or immediate benefits payable under the *rules*.

### 20.2 Insurance policy in the name of the beneficiary

The policy of insurance may be purchased in the name of the person for whom the benefits are secured, but only with the consent of that person, subject to sub-rule 20.4. Such an insurance policy shall not form part of the *fund* and shall be in complete satisfaction of the benefits to which that person has been entitled under the *rules*. That person shall thereafter have no claim or interest in the *fund* in respect of those benefits.

### 20.3 Existing allocation terms

A policy purchased under sub-rules 20.1 and/or 20.2 shall include provision for a *beneficiary* corresponding to any *allocation* made under rule 33, where the policy benefits are secured for an individual who has made such an *allocation*.

### 20.4 Preserved benefits

The *trustee company* may purchase a policy which satisfies the requirements of section 19 of *PSA 93* in order to discharge its liability in whole or in part in respect of a *deferred pensioner*, with or without that individual's consent, subject to complying with the *preservation requirements* and provided that the *trustee company* is reasonably satisfied on *actuarial advice* that the payment it makes to the *insurer* is at least equal in value to the *preserved benefits*.

## 21. CONVERSION OF LUMP SUM TO PENSION AND PENSION TO LUMP SUM

### 21.1 Member election

Subject to the discretion of, or the satisfaction of any conditions required by, the *trustee company* and on a basis of conversion determined by the *trustee company* on *actuarial advice*, a *member* or *former member* may elect by notice in writing to the *trustee company*, no later than one month before the anticipated date of *retirement* or drawing benefits (or within such later period as the *trustee company* may allow), either to convert such part of that individual's pension to an additional lump sum (provided that the total increased lump sum shall not exceed the *authorised maximum* and that the pension shall not be reduced below the individual's *GMP*), or to convert the whole or such part of the individual's lump sum to an additional pension, as the individual may determine and specify in the notice.

### 21.2 Effect on death benefits

The exercise of an election to convert lump sum to pension under sub-rule 21.1 shall not result in any additional benefit becoming payable on the individual's death, except for lump sum benefits on death of a *pensioner member* under rule 24.

### 21.3 Revocability

The *trustee company* may permit an individual to revoke an election under this rule by written notice to the *trustee company* at least 15 days prior to the individual's anticipated date of *retirement* or drawing benefits, or within such later period as the *trustee company* may allow prior to the individual becoming entitled to actual receipt of the pension or lump sum to be converted.

### 21.4 Enhanced incapacity pension cases

A *pensioner member* to whom an *enhanced incapacity pension* or *enhanced incapacity lump sum* is granted under sub-rule 15.11 shall be deemed to *retire* or draw benefits on the date of the granting of those benefits for the purposes of any election to convert pension into lump sum under this rule or to revoke such an election.

## 22. DC BENEFIT OPTIONS

### 22.1 Benefits that can be provided

Subject to the consent of the *trustee company*, and subject to such terms and conditions as the *trustee company* may require, on or after *retirement*, or on or after *flexible retirement*, or on or after deferred benefits coming into payment, a *member* or *former member* may elect, by one month's notice in writing to the *trustee company* (or such other period as the *trustee company* may allow), for the *member's DC account* to be used to provide one or more of the benefits described in this sub-rule 22.1, or any combination of them.<sup>90</sup> The *trustee company* shall then use the *member's DC account* in accordance with that notice, unless the payment would amount to an unauthorised payment by virtue of section 160 of *FA 04*, in which case the *trustee company* will have discretion whether or not to make the payment. Unless and until a *member* or *former member* makes an election under this sub-rule or sub-rule 22.1A, the relevant funds shall remain in the *member's DC account* and no benefits shall be paid from the *member's DC account*.

A *member's DC account* may be used to provide one or more of the following:

22.1.1 A pension payable to the *member* or *former member* for life in either of the following circumstances:

22.1.1.1 an annuity contract may be purchased by the trustee company from an insurer chosen by the member or former member and notified by the member or former member by one month's notice in writing to the trustee company (or such other period of notice as the trustee company may allow).

22.1.1.2 a member or former member may elect that the member's DC account be used to provide benefits under the *scheme* on a defined benefit basis subject to such terms and conditions as the *trustee company* may require. The *trustee company* shall have the power to review the operation of this provision from time to time.

22.1.2 A *pension commencement lump sum* payable to the *member* or *former member* when a pension commences to be payable from the *member's DC*

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<sup>90</sup> Sub-rule 22.1 was amended by the Twenty-second Deed of Amendment dated 7 February 2024 with an effective date of 7 February 2024.

*account*, whether or not the *member* or *former member* is exercising, or has exercised, an option to commute pension for lump sum from the *general fund* under rule 21. Any lump sum benefits payable in respect of the *member's DC account* shall not cause the lump sum benefits payable to the *member* or *former member* to exceed the *authorised maximum*.

22.1.3 One or more *uncrystallised funds pension lump sums*.

22.1.4 Any other option or options which the trustee company shall have decided from time to time to make available to members or former members.

#### 22.1A **Uncrystallised funds pension lump sums before retirement**

Subject to the consent of the *trustee company*, and subject to such terms and conditions as the *trustee company* may require, a *member* or *former member* may elect on or after *minimum pension age*, by one month's notice in writing to the *trustee company* (or such other period as the *trustee company* may allow), for the *member's DC account* to be used to provide one or more *uncrystallised funds pension lump sums*. The *trustee company* shall then use the *member's DC account* in accordance with that notice.

#### 22.1B **Annuity contract before retirement**

Subject to the consent of the *trustee company*, and subject to such terms and conditions as the *trustee company* may require, a *member* or *former member* may elect on or after *minimum pension age*, by one month's notice in writing to the *trustee company* (or such other period as the *trustee company* may allow), for the *member's DC account* to be used to purchase an annuity contract in accordance with the conditions under sub-rule 22.1.1.1. The *trustee company* shall then use the *member's DC account* in accordance with that notice.<sup>91</sup>

### 22.2 **Pension options under the DC Section: annuity contracts**

Subject to sub-rule 22.1, an annuity referred to in sub-rule 22.1.1.1 may be purchased in the name of the *trustee company* to be held on the trusts of the *scheme*, or it may be purchased in the name of the *member* or *former member*, or of any individual who is

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<sup>91</sup> A new rule 22.1B was added by the Twenty-second Deed of Amendment dated 7 February 2024 with an effective date of 7 February 2024.

the object of the *discretionary trusts*, so long as in any such case the person in whose name it is purchased has given prior consent. If the contract is bought in the *trustee company's* name, the *trustee company* may assign or transfer it to a person other than the *trustee company* at any time with that person's consent. Where an annuity has been purchased in the name of the *member* or *former member*, or of any individual who is the object of the *discretionary trusts*, the *trustee company* shall be discharged from any further liability to or in respect of that individual in respect of the benefits to which that annuity relates.

### 22.3 **Trustee company liability**

Subject to section 33 and 34(4) of *PA 95*, the *trustee company* shall be under no liability or obligation whatsoever in respect of any loss or liability or expense arising out of or in connection with any election or choice made by a *member* or *former member* under this rule 22.

### 22.4 **DC lump sum death benefits on discretionary trusts**

On the death of a *member* or *former member*, the *trustee company* shall hold the value of the *member's DC account* on the *discretionary trusts*.

### 22.5 **Pensions Advice Allowance**

At the request of a *member*, the *trustee company* may make a pension advice allowance payment to the *member* from the *member's DC account* in accordance with Part 6 of the Registered Pension Schemes (Authorised Payments) Regulations 2009.

### 22.6 **Ex-spouse participants**

An *ex-spouse participant* shall be treated for the purposes of sub-rules 22.1 to 22.5 as if that individual were a *member* or *former member* and *pension credit rights* coming into payment shall be treated as deferred benefits.

23. **LUMP SUM BENEFITS ON DEATH IN ACTIVE MEMBERSHIP**

23.1 Subject to sub-rules 23.2 to 23.5, on the death of a *member* in *active membership*, the *trustee company* shall hold on the *discretionary trusts* a lump sum benefit of the greater of A and B, where:

A = 3 times the annual rate of *salary* of the *member* at the date of death;

B = C + D + E;

C = the *accrued lump sum amount*, calculated by reference to *salary*;

D = a lump sum of:

$$\left( \begin{array}{c} \text{the number of years' } \\ \text{additional pensionable service} \end{array} \right) \times \left( \begin{array}{c} \text{the annual accrued lump sum} \\ \text{amount, calculated by reference} \\ \text{to salary, in respect of the last} \\ \text{12 months of the} \\ \text{member's active membership} \end{array} \right)$$

E = where the *active member* was also a *deferred pensioner* at the date of death, the amount of the lump sum death in deferment benefit which would have been payable under sub-rule 25.1 if none had been paid under rule 24 or this rule 23.

23.2 Subject to sub-rules 23.3 to 23.5, where a *member* dies in *active membership* before age 65 and does not leave a spouse, *civil partner*, *dependant* or child who is entitled to a survivor's, dependant's or children's pension, the *trustee company* shall hold on the *discretionary trusts* a lump sum benefit of the sum that the *trustee company* determines, on *actuarial advice*, to be equal to the value of the pension that would otherwise have been payable to a spouse based on *supplementary service* only, calculated as follows:

$$\frac{1}{2} \times \left( \begin{array}{c} \text{the number of years' } \\ \text{supplementary service} \end{array} \right) \times \left( \begin{array}{c} \text{the annual accrued pension} \\ \text{amount, calculated by reference to} \\ \text{salary, in respect of the last} \\ \text{12 months of the member's active} \\ \text{membership} \end{array} \right)$$

### 23.3 Crediting of part of DC account to supplementary section on death in active membership

23.3.1 In the case of a *member* in respect of whom a lump sum benefit under either sub-rule 23.1 or sub-rule 23.2 is payable, no benefits shall be payable in respect of such part of the *member's DC account* as is attributable (as determined by the *trustee company*) to *member's* contributions credited or recredited to the *member's DC account* under sub-rule 5.2.2 or to *employer* contributions credited or recredited to the *member's DC account* under sub-rules 6.3 and 6.4. Such part of the *member's DC account* as is so attributable shall be credited to the *supplementary section*.

23.3.2 In the case of a *member* in respect of whom a lump sum benefit under either sub-rule 23.1 or sub-rule 23.2 is payable, who was either a *pensioner member* or a *deferred pensioner* who had elected under sub-rule 40.2.2 (Deferred pensioner rejoining after a period exceeding one month) upon becoming a *member* to keep his or her preserved benefits separate from his or her benefits attributable to his or her renewed *active membership*, no benefits shall be payable in respect of such part of the *member's DC account* as is attributable (as determined by the *trustee company*) to *member's* contributions credited or recredited to the *member's DC account* under sub-rule 5.2.2, or to *employer* contributions credited or recredited to the *member's DC account* under rules 6.3 and 6.4, in respect of the individual's renewed *active membership*. Such part of the *member's DC account* as is so attributable to the individual's renewed *active membership* shall be credited to the *supplementary section*.<sup>92</sup>

23.4 Notwithstanding any other provision of the *rules* or of the *scheme*, in the case of a *member* in respect of whom a lump sum benefit under either sub-rule 23.1 or sub-rule 23.2 is payable who has drawn benefits from the *member's DC account*, or in respect of whom a transfer payment has been made to another *transfer arrangement* from the *member's DC account*, or in respect of whom a *pension debit* has been made from the *member's DC account*, the value of such part of the *member's DC account* which has been so drawn or transferred, or of such *pension debit*, as is attributable (as determined by the *trustee company*) to *member's* contributions credited or recredited to the *member's DC account* under sub-rule 5.2.2 or to *employer* contributions credited or

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<sup>92</sup> Rule 23.3 was amended by the Twenty-third Deed of Amendment dated 21 February 2024 with an effective date of 1 January 2024.

recredited to the *member's DC account* under sub-rules 6.3 and 6.4 shall be deducted in the following order:

23.4.1 first from any remaining *member's DC account*;

23.4.2 second from the lump sum benefit payable under either sub-rule 23.1 or sub-rule 23.2;

23.4.3 third from the amount of survivor's, dependants' and/or children's pensions payable under rules 26, 29 and 31 in such manner as shall be determined by the *trustee company*.<sup>93</sup>

23.5 Subject to sub-rule 22.4 (DC lump sum death benefits on discretionary trusts), benefits shall be payable from such part of the *member's DC account* (if any) as is attributable (as determined by the *trustee company*) to the *member's* contributions (if any) under sub-rules 5.3 (Matching contributions), 5.4 (Additional member contributions) and 6.5 (Optional additional *employer* contributions) and to any transfer payment credited to the *member's DC account* under sub-rule 47.2 or apportioned to the *member's DC account* under sub-rule 48.3, in addition to the benefits under this rule 23.

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<sup>93</sup> Rule 23.4 was amended by the Twenty-third Deed of Amendment dated 21 February 2024 with an effective date of 1 January 2024.

## 24. LUMP SUM BENEFITS ON DEATH OF PENSIONER MEMBER

### 24.1 Amount of lump sum

Subject to sub-rule 24.3 (5 years' pension limit), on the death of a *pensioner member*, the *trustee company* shall hold on the *discretionary trusts* a lump sum benefit of A minus G where:

A = the greater of B and C, where:

B = 3 times the annual rate of *CRB salary* of the *member* as at the day before the date of *retirement* (or, if the *pensioner member* attained age 65 before 6 June 2007, as at the day before the age was attained);

C = D + E + F;

D = the *accrued lump sum amount*, ignoring any deduction under sub-rule 15.5 (Deduction of DC accounts previously drawn or transferred) where the individual had received a pension under rule 15;

E = a lump sum of:

$$\left( \begin{array}{c} \text{the number of years' additional} \\ \text{pensionable service} \end{array} \right) \times \left( \begin{array}{c} \text{the annual accrued lump sum} \\ \text{amount in respect of the last} \\ \text{12 months of the member's active} \\ \text{membership} \end{array} \right)$$

ignoring any deduction under sub-rule 15.5 where the individual had received a pension under rule 15:

F = where the *pensioner member* was also a *deferred pensioner* at the date of death, the amount of the lump sum death in deferment benefit which would have been payable under sub-rule 25.1 if none had been paid under rule 23 or this rule 24; and

G = the pension and lump sum benefit received by the *pensioner member*, calculated in accordance with whichever is applicable of rules 11 to 13, 15 and 16 (but not

sub-rule 15.3.1.2 above), ignoring any deduction under sub-rule 15.6 where the individual had received a pension under rule 15.<sup>94</sup>

#### 24.2 **Death in receipt of an incapacity pension**

The *trustee company* shall hold an additional lump sum death benefit on the *discretionary trusts*, calculated as set out in schedule 1 (Death in receipt of an incapacity pension), on the death before *normal pension age* of a *pensioner member* who is in receipt of a pension under rule 15 (Early pensions on incapacity) and who either:

24.2.1 retired or ceased eligible employment on the grounds of partial incapacity; or

24.2.2 has been in receipt of an *enhanced incapacity pension*.

#### 24.3 **5 years' pension limit**

The aggregate of the benefits payable under sub-rule 24.1 shall not exceed A minus B, where:

A = the aggregate amount of the lump sum and 5 years' pension at the rates applicable to the *pensioner member* at the date of their death in respect of each of the lump sums and pensions payable from the *scheme* to that *pensioner member* under rules 11 to 13, 15 and 16; and

B = the aggregate amount of the lump sums and pensions paid to the *pensioner member* from the *scheme* prior to the *pensioner member's* death under rules 11 to 13, 15 and 16<sup>95</sup>.

#### 24.4 **Member's DC account**

Subject to sub-rule 22.4 (DC lump sum death benefits on discretionary trusts), benefits shall be payable from the *member's DC account* (if any) in addition to the benefits under sub-rules 24.1 to 24.3.

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<sup>94</sup> Sub-rule 24.1 was amended by the Tenth Deed of Amendment dated 7 February 2024 with an effective date of 1 April 2016.

<sup>95</sup> Sub-rule 24.3 was amended by the Twelfth Deed of Amendment dated 16 April 2021 with an effective date of 16 April 2021.

25. **LUMP SUM BENEFITS ON DEATH IN DEFERMENT**

- 25.1 On the death of a person entitled to *preserved benefits* in respect of whom no other lump sum death benefits are payable under rules 23 and 24, a lump sum of the *member's accrued lump sum amount*, shall be paid from the *fund* and held by the *trustee company* upon the *discretionary trusts*.
- 25.2 On the death of a *deferred pensioner* who did not have *qualifying service* on ceasing *service*, in respect of whom no other lump sum death benefits are payable under rules 23 and 24 and who made an election to take a pension and lump sum under sub-rule 18.3 (Pension and lump sum option), the death benefits payable shall be of such amount as the *trustee company* acting on *actuarial advice* shall have specified.
- 25.3 Subject to sub-rule 22.4 (DC lump sum death benefits on discretionary trusts), benefits shall be payable from the *member's DC account* (if any) in addition to the benefits under sub-rules 25.1 and 25.2.

## 26. SURVIVOR'S PENSION ON DEATH OF AN ACTIVE MEMBER

### 26.1 Initial survivor's pension

On the death of an *active member* with 5 or more years' *pensionable service* (calculated without applying the *part-time service fraction* for this purpose), a pension shall be payable to the surviving spouse or *civil partner* for the first 3 months beginning with the day after the date of the death at the rate of the *member's salary*.

### 26.2 Survivor's pension for life on death before normal pension age

Subject to sub-rule 23.4.3 and schedule 17 (Death or retirement on the grounds of total incapacity before 1 April 2017), where an *active member* dies on or before the date on which *normal pension age* is attained, the surviving spouse or *civil partner* shall be entitled for life, from the day after the later of the date of death of the *member* and the date of expiry of any pension under sub-rule 26.1, to a pension of:

$$\frac{1}{2} \times \left( \begin{array}{l} \text{the member's accrued pension amount,} \\ \text{calculated by reference to salary} \end{array} \right)$$

plus

$$\frac{1}{2} \times \left( \begin{array}{l} \text{the number of years' } \\ \text{additional} \\ \text{pensionable service} \end{array} \right) \times \left( \begin{array}{l} \text{the annual accrued pension amount,} \\ \text{calculated by reference to salary, in} \\ \text{respect of the last 12 months of the} \\ \text{member's active membership} \end{array} \right)$$

plus

$$\frac{1}{2} \times \left( \begin{array}{l} \text{the number of years' } \\ \text{supplementary} \\ \text{service} \end{array} \right) \times \left( \begin{array}{l} \text{the annual accrued pension amount,} \\ \text{calculated by reference to salary in} \\ \text{respect of the last 12 months of the} \\ \text{member's active membership} \end{array} \right)$$

minus the amount of any discretionary dependant's pension paid under sub-rule 29.2 or sub-rule 30.2 (Where the pensioner member was not living with the spouse or civil partner).

If an *active member* was in *part-time service* immediately before he or she died, having transferred from *full-time service* to *part-time service*, that *member's salary* shall be

determined in such manner as the *trustee company* may decide for the purposes of computing the *annual accrued pension amount* and the *annual accrued lump sum amount* in respect of the last 12 months of the *member's active membership*. In determining whether and (if so) how to enhance *salary* for these purposes, the *trustee company* shall apply an adjustment based on the following:

A/B - C, where:

A = the *member's accrued pension amount* immediately before the date of the *member's* death, calculated by reference to *salary*;

B = the number of *years* of the *member's qualifying service*; and

C = the amount of any discretionary dependant's pension paid under sub-rule 29.2 (Where the member was not living with a spouse or civil partner).

### 26.3 **Survivor's pension for life on death after normal pension age**

Subject to sub-rule 23.4.3, where an *active member* dies after the day on which *normal pension age* was attained, the surviving spouse or *civil partner* shall be entitled for life, from the day after the later of the date of death of the *member* and the date of expiry of any pension under sub-rule 26.1, to a pension of one-half of the pension which would have been payable to the *member* under rule 12.1 (Late retirement) if the *member* had *retired* on the day before death, but calculated by reference to total *salary*, not limited by the *salary threshold*, and disregarding any commutation for lump sum under any of the following:

sub-rule 21.1 (Member election);

sub-rule 52.2 (Reduction to pension to meet lifetime allowance charge liability);

sub-rule 53.1 (Commutation above lifetime allowance);

rule 54 (Total commutation for serious ill-health);

rule 55 (Total commutation for triviality);

schedule 10 (Equivalent pension benefits); or

to make an *allocation* under rule 33 (Allocation); or

any deduction under any of:

schedule 3 (Deductions for aggregable benefits); or

rule 51 (Tax); or

rule 60 (Forfeiture/non-assignment and inalienability); or

rule 61 (Charge/lien/set off).

## 27. SURVIVOR'S PENSION ON DEATH OF A PENSIONER MEMBER

### 27.1 Initial survivor's pension

On the death of a *pensioner member* with 5 or more years' *pensionable service* (calculated without applying the *part-time service fraction* for this purpose), a pension shall be payable to the surviving spouse or *civil partner* for the first 3 months beginning with the day after the date of the death at the rate of pension being paid to the *pensioner member* at date of the death, disregarding any *allocation* by the *pensioner member* under rule 33 and any reduction made to this pension under any of rule 51 (Tax), sub-rule 52.3 (Lifetime and annual allowance charge) or schedule 3 (Deductions for aggregable benefits).

### 27.2 Survivor's pension for life

Except where sub-rule 27.3 applies, and subject to schedule 17 (Death or retirement on the grounds of total incapacity before 1 April 2017), where a *pensioner member* dies, the surviving spouse or *civil partner* shall be entitled for life, from the day after the later of the date of death of the *pensioner member* and the date of expiry of any pension under sub-rule 27.1, to a pension of:

$$\frac{1}{2} \times \left( \text{the accrued pension amount} \right)$$

plus, if the *pensioner member* retired on the grounds of *total incapacity*:<sup>96</sup>

$$\frac{1}{2} \times \left( \text{the number of years' additional pensionable service} \right) \times \left( \text{the annual accrued pension amount, calculated by reference to salary, in respect of the last 12 months of the member's active membership} \right)$$

plus:

$$\frac{1}{2} \times \left( \text{the number of years' supplementary service} \right) \times \left( \text{the annual accrued pension amount, calculated by reference to salary in respect of the last 12 months of the member's active membership} \right)$$

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<sup>96</sup> Sub-rule 27.2 was amended by the Twenty-second Deed of Amendment dated 7 February 2024 with an effective date of 1 April 2016.

minus the amount of any discretionary dependant's pension paid under sub-rule 29.2 or sub-rule 30.2.

### 27.3 **Survivor's pension for life on death after late retirement**

Where a *pensioner member* dies and was receiving a pension under rule 12.1 (Late retirement):

(or would have been receiving such a pension but for any commutation under any of the following:

rule 52 (Lifetime and annual allowance charge); or

rule 53 (Commutation above lifetime allowance); or

rule 54 (Total commutation for serious ill-health); or

for any deduction under rule 60 (Forfeiture/non-assignment and inalienability))

the surviving spouse or *civil partner* shall be entitled to a pension for life, from the day after the later of the date of death and the date of expiry of any pension under sub-rule 27.1, of one half of the pension payable to the *pensioner member* at the date of *retirement* under rule 12.1 (Late retirement),

disregarding:

any commutation under any of the following:

sub-rule 21.1 (Member election);

sub-rule 52.2 (Reduction to pension to meet lifetime allowance charge liability);

sub-rule 53.1 (Commutation above lifetime allowance);

rule 54 (Total commutation for serious ill-health);

rule 55 (Total commutation for triviality);

schedule 10 (Equivalent pension benefits);

any *allocation* under rule 33; and

any deduction under:

schedule 3 (Deductions for aggregable benefits);

rule 51 (Tax);

rule 60 (Forfeiture/non-assignment and inalienability); or

rule 61 (Charge/lien/set off).

#### 27.4 **Member's DC account**

Subject to sub-rule 22.4 (DC lump sum death benefits on discretionary trusts), benefits shall be payable from the *member's DC account* (if any) in addition to the benefits payable under sub-rules 27.1 to 27.3.

## 28. SURVIVOR'S PENSION ON DEATH IN DEFERMENT

### 28.1 Initial survivor's pension

On the death of a person entitled to *preserved benefits* with 5 or more years' *pensionable service* (calculated without applying the *part-time service fraction* for this purpose) in respect of whom there is no entitlement to any pension under rules 26 and 27, the surviving spouse or *civil partner* shall be entitled, for the first 3 months beginning with the day after the date of the death, to a pension of the *accrued pension amount*.

### 28.2 Survivor's pension for life

On the death of a person entitled to *preserved benefits*, in respect of whom there is no entitlement to any pension under either of rule 26 (Survivor's pension on death of an active member) or rule 27 (Survivor's pension on death of a pensioner member), the surviving spouse or *civil partner* shall be entitled for life, from the day after the later of the date of the death of the *pensioner member* and the date of expiry of the initial pension under sub-rule 28.1, to a pension of:

$$\frac{1}{2} \times \text{the accrued pension amount}$$

### 28.3 Member's DC account

Subject to sub-rule 22.4 (DC lump sum death benefits on discretionary trusts), benefits shall be payable from the *member's DC account* (if any) in addition to the benefits payable under sub-rules 28.1 and 28.2.

## 29. DEPENDANTS' PENSIONS ON DEATH IN ACTIVE MEMBERSHIP

### 29.1 Where the member leaves no spouse or civil partner

Where a *member* dies without leaving a spouse or *civil partner*, the *trustee company* may pay to a *dependant* of the *member* a pension not exceeding:

29.1.1 for the first 3 months beginning with the day after the date of the death, that which would have been payable under sub-rule 26.1 (Initial survivor's pension); and

29.1.2 after those first 3 months, for such period as the *trustee company* may decide, that which would have been payable under sub-rule 26.2 (Survivor's pension for life on death before normal pension age) and schedule 17 (Death or retirement on the grounds of total incapacity before 1 April 2017), or under sub-rule 26.3 (Survivor's pension for life on death after normal pension age), including any element of pension based on *supplementary service*.<sup>97</sup>

### 29.2 Where the member was not living with a spouse or civil partner

Subject to schedule 17 (Death or retirement on the grounds of total incapacity before 1 April 2017), where a *member* was not at the date of death living with a spouse or *civil partner*, the *trustee company* may pay a pension for such period as the *trustee company* may decide, to any *dependant* other than an *eligible child*, not exceeding:

$$\frac{1}{2} \times \left( \begin{array}{l} \text{the number of years' } \\ \text{supplementary} \\ \text{service} \end{array} \right) \times \left( \begin{array}{l} \text{the annual accrued pension amount,} \\ \text{calculated by reference to salary, in} \\ \text{respect of the last 12 months of the} \\ \text{member's active membership} \end{array} \right)$$

If the *member* was an *active member* who was in *part-time service* immediately before he or she died, having transferred from *full-time service* to *part-time service*, that *member's salary* shall be determined in such manner as the *trustee company* may decide for the purposes of computing the *annual accrued pension amount* and the *annual accrued lump sum amount* in respect of the last 12 months of the *member's active*

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<sup>97</sup> Sub-rule 29.1.2 was amended by the Twenty-second Deed of Amendment dated 7 February 2024 with an effective date of 1 April 2016.

*membership*. In determining whether and (if so) how to enhance *salary* for these purposes, the *trustee company* shall apply an adjustment based on the following:

A/B, where:

A = the *member's accrued pension amount* immediately before the date of the *member's* death, calculated by reference to *salary*; and

B = the number of *years* of the *member's qualifying service*.

### 29.3 **Expression of wishes**

In exercising its discretion under this rule 29, the *trustee company* shall have regard to, but not be bound by, any wishes of the *member* that were expressed by him or her in writing.

30. **DEPENDANTS' PENSIONS ON DEATH OF PENSIONER MEMBER OR DEATH IN DEFERMENT**

30.1 **Where the pensioner member leaves no spouse or civil partner**

Where a *pensioner member* dies without leaving a spouse or *civil partner*, the *trustee company* may pay to a *dependant* of the *pensioner member* a pension not exceeding:

30.1.1 for the first 3 months beginning with the day after the date of death, that which would have been payable under sub-rule 27.1 (Initial survivor's pension); and

30.1.2 after those first 3 months, for such period as the *trustee company* may decide, that which would have been payable under sub-rule 27.2 (Survivor's pension for life) or sub-rule 27.3 (Survivor's pension for life on death after late retirement), including any element of pension based on *supplementary service*.<sup>98</sup>

30.2 **Where the pensioner member was not living with the spouse or civil partner**

Subject to schedule 17 (Death or retirement on the grounds of total incapacity before 1 April 2017), where a *pensioner member* was not at the date of death living with a spouse or *civil partner*, the *trustee company* may pay a pension, for such period as the *trustee company* may decide, to any *dependant* other than an *eligible child*, not exceeding:

$$\frac{1}{2} \times \left( \begin{array}{l} \text{the number of years' } \\ \text{supplementary} \\ \text{service} \end{array} \right) \times \left( \begin{array}{l} \text{the annual accrued pension amount in} \\ \text{respect of the last 12 months of the} \\ \text{pensioner member's active} \\ \text{membership} \end{array} \right)$$

30.3 **Death of a deferred pensioner**

Where a person entitled to *preserved benefits* dies unmarried and no pension is payable to a *civil partner* and no pension is paid to a *dependant* under rule 29 or under sub-rules 30.1 or 30.2, the *trustee company* may pay a pension to a *dependant* (other than an *eligible child*), of such an amount and for such a period as the *trustee company*

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<sup>98</sup> Sub-rule 30.1.2 was amended by the Twenty-second Deed of Amendment dated 7 February 2024 with an effective date of 1 April 2016.

shall decide, not exceeding the pension which would have been payable under rule 28 (Survivor's pension on death in deferment) if there had been a surviving spouse or *civil partner*.

**30.4 Expression of wishes**

In exercising its discretion under this rule 30, the *trustee company* shall have regard to, but not be bound by, any wishes of the *member, pensioner member or deferred pensioner* that were expressed by him or her in writing.

**30.5 Member's DC account**

Subject to sub-rule 22.4 (DC lump sum death benefits on discretionary trusts), benefits shall be payable from the *member's DC account* (if any) in addition to the benefits under sub-rules 30.1 to 30.3.

## 31. CHILDREN'S PENSIONS ON DEATH IN SERVICE

### 31.1 Death of an active member

31.1.1 Subject to sub-rule 31.1.2 and schedule 17 (Death or retirement on the grounds of total incapacity before 1 April 2017), except for where schedule 2 (Children's pensions where deceased was in service after normal pension age) applies, from the next day after the death of an *active member*, for any period when there are *eligible children* there shall be payable in respect of the *eligible children* a pension at the annual rate of:

31.1.1.1 whilst a pension is payable to a surviving spouse, *civil partner* or *dependant*:

A plus D, where: A = B plus C

$$\begin{aligned}
 B &= \frac{3}{8} \times \left( \begin{array}{l} \text{the accrued pension} \\ \text{amount, calculated} \\ \text{by reference to} \\ \text{salary} \end{array} \right) \times \left( \begin{array}{l} \text{number of eligible children} \\ \text{(not exceeding 2)} \end{array} \right) \\
 C &= \frac{3}{8} \times \left( \begin{array}{l} \text{the number} \\ \text{of years'} \\ \text{additional} \\ \text{pensionable} \\ \text{service} \end{array} \right) \times \left( \begin{array}{l} \text{the annual accrued} \\ \text{pension amount,} \\ \text{calculated by} \\ \text{reference to salary,} \\ \text{in respect of the last} \\ \text{12 months of the} \\ \text{member's active} \\ \text{membership} \end{array} \right) \times \left( \begin{array}{l} \text{number of} \\ \text{eligible} \\ \text{children} \\ \text{(not} \\ \text{exceeding} \\ \text{2)} \end{array} \right) \\
 D &= \frac{3}{8} \times \left( \begin{array}{l} \text{the number of} \\ \text{years'} \\ \text{supplementary} \\ \text{service} \end{array} \right) \times \left( \begin{array}{l} \text{the annual accrued} \\ \text{pension amount,} \\ \text{calculated by} \\ \text{reference to salary,} \\ \text{in respect of the} \\ \text{last 12 months of} \\ \text{the member's} \\ \text{active membership} \end{array} \right) \times \left( \begin{array}{l} \text{number of} \\ \text{eligible} \\ \text{children} \\ \text{(not} \\ \text{exceeding} \\ \text{2)} \end{array} \right)
 \end{aligned}$$

of which

$(\frac{1}{3} \times A) + D$  shall be a charge on the *supplementary section*.

31.1.1.2 whilst no pension is payable to any surviving spouse, *civil partner* or *dependant*:

E + F + G where:

$$E = \frac{1}{2} \times \left( \begin{array}{l} \text{the accrued pension} \\ \text{amount, calculated} \\ \text{by reference to} \\ \text{salary} \end{array} \right) \times \left( \begin{array}{l} \text{number of eligible children} \\ \text{(not exceeding 2)} \end{array} \right)$$

$$F = \frac{1}{2} \times \left( \begin{array}{l} \text{the number} \\ \text{of years' } \\ \text{additional} \\ \text{pensionable} \\ \text{service} \end{array} \right) \times \left( \begin{array}{l} \text{the annual accrued} \\ \text{pension amount,} \\ \text{calculated by} \\ \text{reference to salary,} \\ \text{in respect of the last} \\ \text{12 months of the} \\ \text{member's active} \\ \text{membership} \end{array} \right) \times \left( \begin{array}{l} \text{number of} \\ \text{eligible} \\ \text{children} \\ \text{(not} \\ \text{exceeding} \\ \text{2)} \end{array} \right)$$

$$G = \frac{1}{2} \times \left( \begin{array}{l} \text{the number of} \\ \text{years' } \\ \text{supplementary} \\ \text{service} \end{array} \right) \times \left( \begin{array}{l} \text{the annual accrued} \\ \text{pension amount,} \\ \text{calculated by} \\ \text{reference to salary,} \\ \text{in respect of the} \\ \text{last 12 months of} \\ \text{the member's} \\ \text{active membership} \end{array} \right) \times \left( \begin{array}{l} \text{number of} \\ \text{eligible} \\ \text{children} \\ \text{(not} \\ \text{exceeding} \\ \text{2)} \end{array} \right)$$

of which

$$\left( \frac{E + F}{3} \right) + G \text{ shall be a charge on the supplementary section.}$$

31.1.2 If an *active member* was in *part-time service* immediately before he or she died, having transferred from *full-time service* to *part-time service*, that *member's salary* shall be determined in such manner as the *trustee company* may decide for the purposes of computing the *annual accrued pension*

*amount* and the *annual accrued lump sum amount* in respect of the last 12 months of the *member's active membership*. In determining whether and (if so) how to enhance *salary* for these purposes, the *trustee company* shall apply an adjustment based on the following:

A/B, where:

A = the *member's accrued pension amount* immediately before the date of the *member's death*, calculated by reference to *salary*; and

B = the number of years of the *member's qualifying service*.

### 31.2 **Payment to persons for the benefit of eligible children**

The *trustee company* may pay the pension or pensions to one or more persons who undertake to apply the pension or pensions for the maintenance or benefit of one or more of the *eligible children*. The *trustee company* shall have no liability for the way in which such a pension is applied.

### 31.3 **Splitting of pension**

The *trustee company* may split the pension payable under this rule 31 into a number of separate pensions payable to any number of persons approved by the *trustee company*.

## 32. **CHILDREN'S PENSIONS ON DEATH OF PENSIONER MEMBER OR DEATH IN DEFERMENT**

### 32.1 **Death of a pensioner member**

Subject to schedule 17 (Death or retirement on the grounds of total incapacity before 1 April 2017), from the next day after the death of a *pensioner member*, for any period when there are *eligible children*, there shall be payable in respect of the *eligible children* a pension at the annual rate of:

32.1.1 whilst a pension is payable to a surviving spouse, *civil partner* or *dependant*:

(a) A plus D, where: A = B plus C

$$B = \left( \frac{3}{8} \right) \times \left( \text{the accrued pension amount} \right) \times \left( \text{number of eligible children (not exceeding 2)} \right)$$

- (b) On the death of a *pensioner member* who *retired* or ceased *eligible employment* on the grounds of *total incapacity* in circumstances where the requirements of sub-rule 15.3 are satisfied:

$$C = \left( \frac{3}{8} \right) \times \left( \begin{array}{c} \text{the number} \\ \text{of years'} \\ \text{additional} \\ \text{pensionable} \\ \text{service} \end{array} \right) \times \left( \begin{array}{c} \text{the annual accrued} \\ \text{pension amount,} \\ \text{calculated by} \\ \text{reference to salary,} \\ \text{in respect of the last} \\ \text{12 months of the} \\ \text{member's active} \\ \text{membership} \end{array} \right) \times \left( \begin{array}{c} \text{number of} \\ \text{eligible} \\ \text{children} \\ \text{(not} \\ \text{exceeding} \\ \text{2)} \end{array} \right)$$

$$D = \left( \frac{3}{8} \right) \times \left( \begin{array}{c} \text{the number of} \\ \text{years'} \\ \text{supplementary} \\ \text{service} \end{array} \right) \times \left( \begin{array}{c} \text{the annual accrued} \\ \text{pension amount,} \\ \text{calculated by} \\ \text{reference to salary,} \\ \text{in respect of the} \\ \text{last 12 months of} \\ \text{the member's} \\ \text{active membership} \end{array} \right) \times \left( \begin{array}{c} \text{number of} \\ \text{eligible} \\ \text{children} \\ \text{(not} \\ \text{exceeding} \\ \text{2)} \end{array} \right)$$

of which,

$$\left( \frac{1}{3} \times A \right) + D \text{ shall be a charge on the } \textit{supplementary section}.$$

32.1.2 whilst no pension is payable by any surviving spouse, *civil partner* or *dependant*:

- (a) E + F + G, where:

$$E = \left( \frac{1}{2} \right) \times \left( \begin{array}{c} \text{the accrued pension} \\ \text{amount} \end{array} \right) \times \left( \begin{array}{c} \text{number of eligible children} \\ \text{(not exceeding 2)} \end{array} \right)$$

- (b) On the death of a *pensioner member* who *retired* or ceased *eligible employment* on the grounds of *total incapacity* in circumstances where the requirements of sub-rule 15.3 are satisfied:

$$F = \left( \frac{1}{2} \right) \times \left( \begin{array}{c} \text{the number} \\ \text{of years'} \\ \text{additional} \\ \text{pensionable} \\ \text{service} \end{array} \right) \times \left( \begin{array}{c} \text{the annual accrued} \\ \text{pension amount,} \\ \text{calculated by} \\ \text{reference to salary,} \\ \text{in respect of the last} \\ \text{12 months of the} \\ \text{member's active} \\ \text{membership} \end{array} \right) \times \left( \begin{array}{c} \text{number of} \\ \text{eligible} \\ \text{children} \\ \text{(not} \\ \text{exceeding} \\ \text{2)} \end{array} \right)$$

$$G = \left( \frac{1}{2} \right) \times \left( \begin{array}{c} \text{the number of} \\ \text{years'} \\ \text{supplementary} \\ \text{service} \end{array} \right) \times \left( \begin{array}{c} \text{the annual accrued} \\ \text{pension amount,} \\ \text{calculated by} \\ \text{reference to salary,} \\ \text{in respect of the} \\ \text{last 12 months of} \\ \text{the member's} \\ \text{active membership} \end{array} \right) \times \left( \begin{array}{c} \text{number of} \\ \text{eligible} \\ \text{children} \\ \text{(not} \\ \text{exceeding} \\ \text{2)} \end{array} \right)$$

of which

$$\left( \frac{E + F}{3} \right) + G \text{ shall be a charge on the supplementary section.}$$

## 32.2 Death of a deferred pensioner

From the day after the date of the death of a person entitled to *preserved benefits*, who is not entitled to any other pension under rules 31 and 32, there shall be payable in respect of the *eligible children* a pension at the annual rate of:

32.2.1 whilst a pension is payable to the surviving spouse, *civil partner* or *dependant*:

$$\left( \frac{3}{8} \right) \times \left( \text{the accrued pension amount} \right) \times \left( \text{number of eligible children (not exceeding 2)} \right)$$

32.2.2 whilst no pension is payable to the surviving spouse, *civil partner* or *dependant*:

$$\left( \frac{1}{2} \right) \times \left( \text{the accrued pension amount} \right) \times \left( \text{number of eligible children (not exceeding 2)} \right)$$

One third of the above pension amount shall be debited to and be a charge on the *supplementary section*.

## 32.3 Payment to persons for the benefit of eligible children

The *trustee company* may pay the pension or pensions to one or more persons who undertake to apply the pension or pensions for the maintenance or benefit of one or more of the *eligible children*. The *trustee company* shall have no liability for the way in which such a pension is applied.

## 32.4 Splitting of pension

The *trustee company* may split the pension payable under this rule 32 into a number of separate pensions payable to any number of persons approved by the *trustee company*.

### 33. ALLOCATION

#### 33.1 Persons who may surrender pension for another beneficiary

Any one of the following persons who has attained *minimum pension age* may make a written application to the *trustee company*, in such form as may be specified by the *trustee company*, before any pension comes into payment to that person under the *scheme*, for an *allocation* of such pension:

- 33.1.1 a *member* with 5 or more years' *pensionable service* (calculated without applying the *part-time service fraction* for this purpose) who is in *service*;
- 33.1.2 a *former member* who is entitled to *preserved benefits*, and whose benefits have not come into payment; or
- 33.1.3 an *ex-spouse participant* whose *pension credit rights* under the *scheme* have not come into payment.

#### 33.2 Exceptions

No *allocation* may be made:

- 33.2.1 in relation to any *member's DC account*;
- 33.2.2 by a *member* or *former member* who has applied for a pension under rule 15 (Early pensions on incapacity);
- 33.2.3 by a *member* or *former member* during a period when *membership* is suspended under rule 42 (Temporary absence) or such person is absent from work owing to sickness;
- 33.2.4 in respect of any additional pension derived from conversion of lump sum into pension under sub-rule 21.1; or
- 33.2.5 in respect of such part of any pension as would be required at the election of the *ex-spouse participant* to be commuted for a lump sum of 12 times its amount.

### 33.3 **Information to be included with the application for allocation**

An applicant for *allocation* must include with the application such information as the *trustee company* may reasonably require, including (without limitation) the following:

- 33.3.1 the name of the *beneficiary* in favour of whom the *allocation* is to be made and, where the *beneficiary* is not the applicant's spouse or *civil partner*, the nature of the *beneficiary's* dependency on the applicant;
- 33.3.2 the amount or proportion of the applicant's pension which is to be surrendered;
- 33.3.3 whether or not the *allocation* is to be calculated on the assumption that it is to be cancelled if the *beneficiary* predeceases the member; and
- 33.3.4 a report from the applicant's own medical adviser (obtained by the applicant at the applicant's own expense) in a form specified by the *trustee company*.

### 33.4 **Number of beneficiaries**

A person may make more than one application for *allocations* either in favour of the same *beneficiary* or different *beneficiaries*.

### 33.5 **Amount of pension payable to the applicant and the beneficiary**

The *trustee company* shall determine on *actuarial advice* the amount of the pension payable to the *beneficiary* following the *allocation* and the amount of the remaining pension payable to the applicant.

### 33.6 **Procedure on receipt of application for allocation**

On receipt of an application for *allocation* complying with this rule and with the *trustee company's* requirements, and of any such further information as the *trustee company* may reasonably require, the *trustee company* shall accept the application unless:

- 33.6.1 the applicant shall in writing have withdrawn the application before issue by the *trustee company* of a written acceptance;
- 33.6.2 the medical report is not satisfactory to the *trustee company*;
- 33.6.3 the amount surrendered would, when aggregated with all other *allocations* by

the applicant, exceed the pension remaining payable to the applicant;

33.6.4 the *allocation* would cause the applicant's pension to fall below the applicant's *GMP*; or

33.6.5 the person nominated to benefit from the *allocation* is not a *beneficiary*.

### 33.7 **Form of acceptance or rejection**

The *trustee company's* acceptance or rejection of an application for *allocation* shall be made in writing, and in the case of an acceptance, shall be binding at the time of receipt by the applicant, and in the case of a rejection, shall include the *trustee company's* reasons for the rejection.

### 33.8 **Medical reports**

If the *trustee company* rejects an application on the grounds that the medical report is not satisfactory to it, the applicant may, at the applicant's own expense, request a further medical report (following medical examination if the *trustee company* so requires) from a medical adviser selected by the *trustee company*.

After considering such further report, the *trustee company* may:

33.8.1 reject the application;

33.8.2 accept the application on normal terms; or

33.8.3 accept the application on such special terms as it considers appropriate, subject to the applicant's written agreement within 21 days of being notified of the *trustee company's* decision.

### 33.9 **Cancellation of allocation**

An *allocation* shall be cancelled:

33.9.1 if the *beneficiary* predeceases the *member*, where the *allocation* was calculated on the assumption that, if the *beneficiary* predeceases the *member*, it should be cancelled;

33.9.2 if a *member* applicant ceases to be in *service* without an immediate pension becoming payable;

- 33.9.3 at the applicant's written request with the *trustee company's* agreement, subject to the *trustee company* on *actuarial advice* recalculating the benefits payable in respect of the applicant to take account of the risk already borne by the *fund* during the period when the *allocation* was accepted and not cancelled;
- 33.9.4 if a *member* applicant dies or *retires* on the grounds of *incapacity* within 12 months of making the application, and the *trustee company* is satisfied that the medical report supplied by the *member* was misleading, or was based on misleading information supplied by the *member*; or
- 33.9.5 if a *member* applicant requests a transfer out of the *scheme* of the *member's* rights, which are to be subject to the *allocation*.

#### 34. PAYMENT OF PENSIONS

- 34.1 All pensions shall be payable at such periods and in such manner as the *trustee company* shall decide. Any pension may be paid in advance if the *trustee company* thinks fit.<sup>99</sup>
- 34.2 Pensions are payable only to a *pensioner's* bank account, or in such other manner as the *trustee company* thinks fit. Any agreement with the *trustee company* for any other method of payment shall be at the risk of the *pensioner* concerned.
- 34.3 Before making or sanctioning any payment out of the *fund*, the *trustee company* may require the production of such evidence as it may think fit of any material fact.
- 34.4 Where any payment due from the *general fund* under the *rules* is not paid within 6 months (or such shorter period as the *trustee company* may decide), interest shall be payable from the expiry of that period up to the date of payment at a rate which the *trustee company*, acting on *actuarial advice*, shall decide.
- 34.5 Notwithstanding any other provisions of these *rules* or of the *scheme*, where any payment due from the *general fund* under the *rules* is not paid by the date it becomes due under these *rules*, interest may, at the complete discretion of the *trustee company*, be paid in respect of such period, and at such rate, as the *trustee company*, acting on *actuarial advice*, may decide in respect of any such period prior to the date of payment.<sup>100</sup>

#### 34A. AUGMENTATION OF BENEFITS

- 34A.1 After taking such advice from the *advisory committee* as the *trustee company* may consider to be appropriate, the *trustee company* may provide altered, increased, additional or new benefits from the *scheme* to or in respect of any *member*, *former member* or other person, including any person who is entitled to benefits under the *scheme* in accordance with the *former rules* or any other previous governing provisions of the *scheme*, whether or not the *member*, *former member*<sup>101</sup> or other recipient of the benefit has made any claim or complaint and whether or not any such payment would be unauthorised by virtue of section 160 of *FA 04*.

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<sup>99</sup> The requirements regarding the period and manner of pension payments were amended by the Nineteenth Deed of Amendment dated 21 March 2023 in respect of deaths (and, in the case of Eligible Children, cessations of eligibility) which were notified to the Trustee Company before 1 November 2022.

<sup>100</sup> Sub-rule 34.5 was added by the Twenty-seventh Deed of Amendment dated 25 September 2024 with an effective date of 1 April 2016.

<sup>101</sup> Sub-rule 34A.1 was amended by the Tenth Deed of Amendment dated 2 March 2020 with an effective date of 1 April 2016.

34A.2 If any payment made under sub-rule 34A.1 is an unauthorised payment by virtue of section 160 of *FA 04*, the *trustee company* shall indemnify the recipient against any liability to tax consequent on the lack of such authorisation for the payment and rule 51 shall not apply to any such liability.

34A.3 Any benefit paid under sub-rule 34A.1 must comply with all applicable legislation and laws, including the *preservation requirements*, the Equality Act 2010 and the applicable requirements relating to *contracted-out employment*.

## 35. VARIABLE TIME EMPLOYEES

### 35.1 Membership

A *VTE* shall become a *member* of the *scheme* in respect of a *VT employment* in accordance with whichever part of this sub-rule 35.1 applies.

35.1.1 If the *employer* has a *2008 Act Duty* in respect of the *VTE* which falls within paragraph (a) or (b) of that definition, the *VTE* shall automatically become a *member* of the *scheme* in respect of the *VT employment* from such date as is required to comply with that *2008 Act Duty*.

35.1.2 If the *employer* has a *2008 Act Duty* in respect of the *VTE* which falls within paragraph (c) or (d) of that definition, the *VTE* shall become a *member* of the *scheme* in respect of the *VT employment* in accordance with sub-rule 4.4.

35.1.3 Subject to sub-rule 35.3, if the *employer* does not have a *2008 Act Duty* in respect of the *VTE* because it is a time prior to the *staging date* of the *employer* (or, in respect of *eligible jobholders*, a time prior to such later date as the *institution* has a *2008 Act Duty* as a result of notice being given under section 4 of the Pensions Act 2008), the *VTE* shall become a *member* of the *scheme* in respect of the *VT employment* immediately upon commencing that employment.

35.1.4 An *eligible employee* in respect of whom:

(a) sub-rule 35.1.1 does not apply because the *eligible employee* is not an *eligible jobholder* and sub-rule 35.1.2 does not apply because:

(i) of the operation of sections 7(7) and 7(8) or sections 9(4) and 9(5) of the Pensions Act 2008; or

(ii) because the *eligible employee* does not meet the criterion in section 1(1)(a) of the Pensions Act 2008;  
or

(b) sub-paragraph 35.1.1 does not apply because of the operation of section 5(4) of the Pensions Act 2008,

shall be entitled to become a *member* only if he or she applies to become a *member*. An *eligible employee* to whom this sub-rule 35.1.4 applies shall only become a *member* following the *trustee company's* acceptance of his or her application for *membership* with effect from the date that would have been the effective date of *membership* had sub-rule 4.4 applied or on such earlier date as the *trustee company* decides.

35.1.5 An *eligible employee* who would meet the requirements of sub-rule 35.1.1 but for the fact that the *eligible employee* does not meet the criterion in section 1(1)(a) of the Pensions Act 2008, shall nevertheless become a *member* under sub-rule 35.1.1 as though he or she did meet that criterion from such date as would have applied had he or she met that criterion.

## 35.2 **Employer election for membership by application**

This sub-rule 35.2 applies only where the *employer* does not have a *2008 Act Duty* in respect of a *VTE* because it is a time prior to the *staging date* of the *employer* (or, in respect of *eligible jobholders*, a time prior to such later date as the *institution* has a *2008 Act Duty* as a result of notice being given under section 4 of the Pensions Act 2008).

An *institution* which intends to employ *VTEs* may require, on written notice to the *trustee company*, that the *membership* of one or more of those *eligible employees* shall commence on the first day of the month following the *trustee company's* acceptance in writing of his or her application for *membership* in such form as the *trustee company* may prescribe (or on such earlier date as the *trustee company* may decide).

## 35.3 **Deemed membership start date**

35.3.1 This sub-rule 35.3 applies in the following circumstances.

(a) The *employer* does not have a *2008 Act Duty* in respect of a *VTE*

because it is a time prior to the *staging date* of the *employer* (or, in respect of *eligible jobholders*, a time prior to such later date as the *institution* has a *2008 Act Duty* as a result of notice being given under section 4 of the Pensions Act 2008) and a *VTE* applies for *membership* within one month of first being given written notice by the *employer* that his or her continuous employment (within the meaning of *ERA*) was *eligible employment*.

- (b) The *VTE* becomes a *member* under sub-rule 35.1.1, sub-rule 35.1.2, sub-rule 35.1.4 or sub-rule 35.1.5 and the *VTE* is subsequently given written notice by the *employer* that his or her continuous employment (within the meaning of the *ERA*) was *eligible employment*.
- (c) The *VTE* becomes a *member* under sub-rule 35.1.1, sub-rule 35.1.2, sub-rule 35.1.4 or sub-rule 35.1.5 within one month after the *VTE* has been given written notice by the *employer* that his or her continuous employment (within the meaning of the *ERA*) was *eligible employment*.

35.3.2 An individual to whom this sub-rule 35.3 applies shall be deemed to have been a member under the rules of the *scheme* for the time being in force throughout any such period of continuous *eligible employment* after 30 June 2000. If, however, that individual was a member under the rules of the *scheme* for the time being in force for any period prior to 1 April 2003 by virtue of *eligible employment* with that *employer* that was not *VT employment*, then that individual shall be deemed to have been a member under the rules of the *scheme* for the time being in force throughout any such period of continuous *eligible employment* after 31 March 2003. Any such period of continuous *VT employment* may be accepted as such by the *employer* after the individual's death, but with effect from the date of its commencement, on an application by the individual's legal personal representatives to the *trustee company*.

#### 35.4 Calculation of salary

The *salary* of a *member* in respect of *VT employment* shall, for the period of 12 complete and consecutive months immediately before the *calculation date*, be the aggregate of:

- 35.4.1 the *member's* total cash remuneration;
- 35.4.2 any other amounts that the *member* would have been entitled to receive for that employment during that period, but for absence from work under rule 42 (Temporary absence) or rule 43 (Maternity, Paternity, Adoption, Shared Parental and Statutory Parental Bereavement Leave), under contractual arrangements with the *employer*; and
- 35.4.3 if so determined by the *employer* with the consent of the *trustee company*, any *benefits in kind*.

#### 35.5 Apportionment or crediting of member and employer contributions for variable time employees

35.5.1 Unless sub-rule 35.5.2 applies, any apportionment, reapportionment, crediting or recrediting of *member* contributions under sub-rule 5.2.2 and of *employer* contributions under sub-rule 6.4 in respect of a *VTE* shall be made as soon as reasonably practicable after the earliest of:

- 35.5.1.1 the date on which the relevant *scheme year* ends;
- 35.5.1.2 the date it is first known by the *trustee company* that the contributions relate to *salary* in excess of the *salary threshold*;
- 35.5.1.3 the date of cessation of the individual's *service*; or
- 35.5.1.4 the date of the individual's *retirement*,

following a comparison by the *trustee company* between the individual's *salary* across all employments<sup>102</sup> for that *scheme year* and the *salary threshold*, and

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<sup>102</sup> Sub-rule 35.5.1 was amended by the Tenth Deed of Amendment dated 2 March 2020 with an effective date of 1 April 2016.

then only to the extent that that *salary* exceeds the annual amount of the *salary threshold*.<sup>103</sup>

35.5.2 Where a *VTE* is concurrently an *active member* by reference to one or more other employments that are not *VT employments*<sup>104</sup>, and the aggregate monthly rate of *salary* for the employments that are not *VT employments* is in excess of the monthly amount of the *salary threshold*, sub-rule 5.2 and sub-rule 6.4.2 shall apply rather than sub-rule 35.5.1.

### 35.6 **Disregard suspended membership**

Any period during which *membership* was suspended in relation to the *VT employment* shall be disregarded and the relevant period shall be the last 365 days (or 366 days if those days included 29 February) before the *calculation date* which were not days on which *membership* was suspended.

### 35.7 **Lump sum death benefits proportionate to VT employment**

Where a *member* was not in *active membership* as a *VTE* at the start of the relevant period under sub-rule 35.4, *salary* shall for the purposes of calculating lump sum benefits on death in service be calculated as follows:

$$\left( \frac{\text{length of } \textit{active membership} \text{ in that period}}{\text{total period}} \right) \times \left( \textit{salary for the total period} \right)$$

### 35.8 **Salary enhancement**

Notwithstanding sub-rule 35.7, where a *member* dies in *active membership* as a *VTE* and without *qualifying service*, that *member's salary* as a *VTE* shall, if the benefit payable would as a result be increased, be calculated as if that *member* had survived until the next *accounting date* after the date of the *member's* death and had received the *salary* appropriate to the duties as a *VTE* which the *member* had contracted to discharge up to that date, or which the *member* would in the opinion of the *trustee company* have been asked to discharge in that period if the *member* had been capable of doing so.

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<sup>103</sup> Rule 35.5 was amended by the Twenty-third Deed of Amendment dated 21 February 2024 with an effective date of 1 January 2024.

<sup>104</sup> Sub-rule 35.5.2 was amended by the Tenth Deed of Amendment dated 2 March 2020 with an effective date of 1 April 2016.

This paragraph shall also apply where such a *member* has *qualifying service* because either:

35.8.1 the *member* has *preserved benefits* under the *scheme*, has rejoined the *scheme* and has elected not to cancel those *preserved benefits*; or

35.8.2 the *member* ceased to be a *member* before 6 April 2006 because his or her continued *membership* would have prejudiced approval of the *scheme* under Chapter 1 of Part 14 of the *Taxes Act* as it stood on 5 April 2006 (and any conditions laid down by *HMRC* for approval of schemes under that chapter as at 5 April 2006), and has rejoined the *scheme*; or

35.8.3 the *member* has opted out of *membership* by giving 28 days' written notice under sub-rule 39.3 (Withdrawal from membership) and has rejoined the *scheme*.

### 35.9 **Partial withdrawal from the scheme**

A *member* who holds one or more *VT employments* may withdraw from *membership* under rule 39 (Withdrawal from membership) in respect of one *VT employment* whilst remaining an *active member* in respect of any other *eligible employments*, and may rejoin the *scheme* in respect of one *VT employment* whilst not rejoining in respect of any other *eligible employments*.

### 35.10 **Modifications for persons treated as VTEs**

Where the *trustee company* at the request of, or after consultation with, the *employer* has determined that an *eligible employment* is to be treated as *VT employment*:

35.10.1 the references in sub-rule 35.3 to 30 June 2000 and 31 March 2003 or 1 April 2003 shall be construed in each case as a reference instead to the date from which the *trustee company* determines that the employment is to be treated as *VT employment*; and

35.10.2 the *trustee company* may specify the date from which rule 42 (Temporary absence) and sub-rules 35.4, 35.6 and 35.7 shall apply with such modifications as the *trustee company* may decide.

## 36. MONEY PURCHASE AVCS

### 36.1 Member election of MPAVCs and cessation after 30 September 2016

Subject to sub-rule 5.10 (Limit on member contributions), a *member* may elect by written notice to an *employer* to pay *MPAVCs* until 30 September 2016 to secure additional *relevant benefits* on a money purchase basis on *retirement*, or following deferral of purchase of an annuity, or death. Subject to sub-rules 36.2 (Continuation of life assurance premium MPAVCs) and 36.3 (Continuation of with-profits MPAVCs for a transitional period), no arrangements to pay *MPAVCs* may be made, and no *MPAVCs* may be paid, at any time after 30 September 2016.

### 36.2 Continuation of life assurance premium MPAVCs

Notwithstanding sub-rule 36.1, but otherwise subject to this rule 36, and subject to sub-rule 5.10 (Limit on member contributions), a *transitional MPAVC contributor* who paid life assurance premiums to the *MPAVC provider*, in order to provide an additional fixed lump sum benefit under the *scheme*, or an annuity from the *MPAVC provider*, payable on or after the *transitional MPAVC contributor's* death in *active membership*, may continue to pay life assurance premiums to that *MPAVC provider* after 30 September 2016 in order to provide such an additional fixed lump sum death benefit, or such an annuity from the *MPAVC provider*, on such terms and for such period as the *trustee company* may allow.

### 36.3 Continuation of with-profits MPAVCs for a transitional period

Notwithstanding sub-rule 36.1, but otherwise subject to this rule 36, and subject to sub-rule 5.10 (Limit on member contributions), a *transitional MPAVC contributor* who was contributing to the *MPAVC provider's* with-profits fund made available by the *trustee company*, may elect by 31 July 2016, or by such later date as the *trustee company* may allow, to continue to pay contributions to such with-profits fund after 30 September 2016 for a transitional period ending on 30 September 2019, except where the *trustee company*, acting in accordance with its fiduciary duties, determines that this transitional period shall end on a date earlier than 30 September 2019 (in which case such earlier end date shall apply) and provided in any event that this sub-rule shall in no way fetter the *trustee company's* fiduciary duties and investment powers. Any election by a *transitional MPAVC contributor* under this sub-rule shall be in such form as may be determined by the *trustee company*. The *trustee company* may in exceptional

circumstances waive the requirement for a *transitional MPAVC contributor* to make an election in order to continue to pay contributions to the with-profits fund under this sub-rule.

#### 36.4 **Notice requirements**

Subject to sub-rule 36.1, a *member* must give at least 2 months' written notice to an *employer* ending before the *member* attains age 75 (unless the *trustee company* agrees to a shorter notice period) of his or her intention to commence *MPAVCs* which that member is permitted to pay under this rule 36, detailing the *MPAVC providers* with which the *MPAVCs* are to be invested from a range made available from time to time by the *trustee company* and whether or not the *MPAVCs* are to be made by one or more lump sums, and such other matters as the *trustee company* may require. A *member* may vary the proportions in which *MPAVCs* are paid between 2 or more *MPAVC providers* by at least 2 months' written notice to the *employer*, or such shorter notice period as the *trustee company* may allow. The *employer* must transmit all this information promptly to the *trustee company*.

#### 36.5 **Investment**

The *trustee company* shall make arrangements with a *MPAVC provider* so that *MPAVCs* paid by a *member* are applied to the *MPAVC investments* specified in the notice given by the *member* under sub-rule 36.4, but the *trustee company* may decline to invest *MPAVCs* as so specified if the *trustee company* believes that such application would or could put the *trustee company* in breach of any legal duty. The *trustee company* may, acting in accordance with its fiduciary duties, from time to time add to or replace any such *MPAVC investments*, and may transfer existing monies from a *member's* or *former member's* *MPAVC Fund* to any new or alternative *MPAVC investments* or into *members' DC accounts*, without the consent of the relevant *member* or *former member*. Where reasonably practicable, the *trustee company* will take into account the *member's* or *former member's* original choice of *MPAVC investments* and give a reasonable period of notice in writing to affected *members* and/or *former members*. Where under this sub-rule the *trustee company* adds to or replaces any *MPAVC investment* and/or transfers existing monies to any new or alternative *MPAVC investment* or into the *members' DC accounts*, each affected *member* or *former member*<sup>105</sup> may make a further choice of one or more investment options in accordance

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<sup>105</sup> Sub-rule 36.5 was amended by the Tenth Deed of Amendment dated 2 March 2020 with an effective date of 1 April 2016.

with sub-rules 7.1 and 7.2 by giving to the *trustee company* such period of written notice as the *trustee company* may require.

**36.6 Transfers between investments**

A *member* or *former member* may elect by written notice to the *trustee company* before a *relevant benefit* becomes payable from the *member's MPAVC fund* to transfer all or part of the assets of the *member's MPAVC fund* from one *MPAVC investment* to another, or into that individual's *member's DC account*, provided that the *trustee company's* agreement with the *MPAVC provider* so allows.

**36.7 Trustee company liability**

Subject to sections 33 and 34(4) of *PA 95*, the *trustee company* shall be under no obligation or liability in respect of any loss or reduction in value of a *member's MPAVC fund* which results from the investment of *MPAVCs* in accordance with the *member's* specification under sub-rule 36.4, nor in respect of any delay in the investment of *MPAVCs* which results from a failure by the *member* to specify the application of those *MPAVCs*.

**36.8 Deductions from salary**

The *employer* shall deduct *MPAVCs* payable by a *member* from *salary*. The *trustee company* shall decide which *employers* shall make this deduction, and in what proportions, if there is more than one *employer*. The *trustee company* may require *employers* to pay *MPAVCs* so deducted directly to the *MPAVC provider* as agent for the *trustee company*.

**36.9 Lump sum or pension**

The benefits provided in respect of *MPAVCs* may be either in lump sum or pension form and shall be of at least such value as the *trustee company*, acting on *actuarial advice*, considers reasonable having regard to the *MPAVCs* paid by the *member*. Any lump sum benefits payable in respect of *MPAVCs* shall not cause the lump sum benefits payable to the *member* to exceed the *authorised maximum*.

**36.10 Transfer for defined benefits**

A *member* or *former member* who has paid *MPAVCs* prior to 1 April 2016 may elect by written notice to the *trustee company* not more than 3 months, nor less than

one month, before a *relevant benefit* becomes payable from the *general fund* to that person, or such shorter notice period as the *trustee company* may allow, that all or part of the *member's MPAVC fund* as at 31 March 2016 (as determined by the *trustee company*) be transferred to the *main section* of the *fund* to purchase such additional pension and lump sum as the *trustee company* shall determine on *actuarial advice*. The *trustee company* shall, at the written request of that person, as soon as reasonably practicable issue to that person a quotation of the *conversion rate* it has determined on *actuarial advice* to apply to that person as at the date of issue of the quotation. The *trustee company* shall apply that *conversion rate* in determining the additional pension and lump sum to be awarded. The *trustee company* may recover from the *member's MPAVC fund* or that person such charges as it may require in accordance with tables it shall have published before that person's request. Unless the *trustee company* so permits, a *member* or *former member* may not vary or revoke an election under this sub-rule and may not make more than one such election. The *trustee company* may in its discretion permit a *member* or *former member* to make an election under this sub-rule in relation to all or part of the *member's MPAVC fund*, including that part which is attributable to *MPAVCs* paid after 31 March 2016, on such terms and conditions as the *trustee company* may decide.

#### 36.11 **Benefits on death before retirement**

On the death of a *member* before *retirement* or of a *former member* with a deferred right to an annuity in respect of *MPAVCs*, the *member's MPAVC fund* shall be applied in accordance with the directions of that individual or, if there are none, of that individual's personal representatives. In the absence of such directions, the *trustee company* shall hold the *member's MPAVC fund* on the *discretionary trusts*.

#### 36.12 **Benefits on retirement**

Subject to sub-rule 36.13, on the *retirement* of a *member*, or on deferred benefit becoming payable to a *former member*, the *trustee company* shall apply the *member's MPAVC fund* in accordance with the directions of the *member* or *former member*, or, in the absence of such directions, the *trustee company* may apply the *member's MPAVC fund* to provide such *relevant benefits* for the *member* or *former member*, or that individual's *relatives*, *dependants* or personal representatives as the *trustee company* may decide.

### 36.13 **Uncrystallised benefits**

A *member* or *former member* may on *retirement* or on a deferred benefit becoming payable to a *former member* elect by notice in writing to the *trustee company* and to the *MPAVC provider* not to draw benefits from the *member's MPAVC fund* at that time, but to defer drawing benefits from the *member's MPAVC fund* until such later date as that individual may elect by notice in writing to the *trustee company* and to the *MPAVC provider*.

### 36.14 **Benefits on death after retirement**

On the death of a *member* or *former member* after *retirement* and after any period of deferral of benefits, the *member's MPAVC fund* shall be applied in accordance with the directions of that individual or, if there are none, in providing such *relevant benefits* of a kind payable on death in *retirement* as the *trustee company* may determine.

### 36.15 **Annual limit on MPAVCs**

A *member* may not pay in any tax year any *MPAVC* of an amount which would cause the total contributions by that *member* to the *MPAVC fund* in that year to exceed the *salary* of that *member* for the *reference period* for that year, or the annual allowance specified for that year under section 228 of *FA 04*, on the assumption that the *member's membership* and *salary* remain unaltered throughout that *reference period*, or are changed only to such extent as could reasonably be foreseen by the *trustee company*.

### 36.16 **Cessation**

Subject to sub-rule 36.3, a *member* may pay *MPAVCs* until the earliest of:

36.16.1 the day before the *member's* 75th birthday; or

36.16.2 the date when the *member* ceases to be in *membership*; or

36.16.3 the date which the *member* has notified to the *employer* as the date of cessation of those *MPAVCs* by giving 2 months' notice in writing (or such shorter notice period as the *trustee company* may allow).

## 37. ADDED YEARS AVCS

### 37.1 Lump sum AVCs paid before 1 April 2016

The benefits attributable to *lump sum AVCs* paid before 1 April 2016 under rule 34 of the rules of the *scheme* as they stood before that date shall be based on *pensionable salary* calculated as if the *relevant date* were 31 March 2016, plus increases to that *pensionable salary* in each subsequent *benefit year* as if that *pensionable salary* were an official pension within the meaning of Part 1 of the *Increase Act* which began on 1 April 2016 and is within the scope of any direction which takes effect under that Part in that subsequent year, provided that, where the agreement to pay the *lump sum AVCs* was made after 30 September 2011, the increase shall be restricted to that which would have applied if the percentage specified in the relevant direction had been limited to the *increases cap*.

### 37.2 Continuation of AVCs

Notwithstanding any other provisions of these *rules* or of the *scheme*, but subject to sub-rule 5.10 (Limit on member contributions), if a *member* who has on or before 31 March 2016 paid *added years AVCs* under an agreement to do so by regular instalments that would have remained in effect after that date if the rules of the *scheme* as they stood on that date had not been superseded and has not ceased to pay such *added years AVCs* under sub-rule 37.3, that *member* shall continue on and after 1 April 2016 to pay *added years AVCs* to the *scheme* based on the *member's salary*, so that the *member* is credited with a prospective right in respect of payments of *added years AVCs* on and after 1 April 2016 to an additional amount of pension and lump sum. Such additional amount shall be based on the existing terms as to the additional *pensionable service* to be granted, as previously notified by the *trustee company* to the *member*, and shall be calculated for periods on and after 1 April 2022 by reference to the accrual rates that applied to the *member* on 31 March 2022,<sup>106</sup> but subject to sub-rule 37.4. However, the *member* shall not be required to pay *added years AVCs* to the *scheme* based on any element of the *member's salary* which relates to any additional appointment which commenced after 31 March 2016.<sup>107</sup>

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<sup>106</sup> Sub-rule 37.2 was amended by the Twenty-second Deed of Amendment dated 7 February 2024 with an effective date of 1 April 2022.

<sup>107</sup> Sub-rule 37.2 was amended by the Tenth Deed of Amendment dated 2 March 2020 with an effective date of 1 April 2016 and again by the Seventeenth Deed of Amendment dated 28 February 2022 with an effective date of 1 April 2022.

### 37.3 **Member's right to stop AVCs**

A *member* may elect, by one month's notice in writing to the *trustee company* (or such shorter period as the *trustee company* may allow), to cease to pay *added years AVCs* to the *scheme* at any time and shall then be treated, for the purpose of calculating in respect of the *member* the benefits under paragraph (c)(ii) of the definitions of each of *accrued pension amount* and *accrued lump sum amount*, as having ceased to be in *service* immediately following the last payment, and to be prospectively entitled to benefits under sub-rule 37.6.2 on that basis. A *member* may not recommence paying *added years AVCs* after having ceased to do so.

### 37.4 **Pensionable salary at 31 March 2016**

Notwithstanding any other provisions of these *rules* or of the *scheme*, the benefits attributable to *added years AVCs* shall be based on *pensionable salary* calculated as if the *relevant date* were 31 March 2016, plus increases to that *pensionable salary* in each subsequent *benefit year* in line with *active revaluation*, provided that, where the agreement to pay the *added years AVCs* was made after 30 September 2011, the increase shall be restricted to the *increases cap*.

### 37.5 **Unreduced benefits on death or incapacity retirement**

If a *member* has died or is entitled to receipt of an *enhanced incapacity pension* when the *member's added years AVCs* are used to buy additional benefits, then there shall be no reduction in those additional benefits, provided that:

37.5.1 any *lump sum AVC* was paid at least one year prior to death or *retirement*; and

37.5.2 the *member* began paying regular instalment *added years AVCs* at least 5 years prior to death or *retirement*.

If sub-rule 37.5.1 and/or sub-rule 37.5.2 are not satisfied, there shall be a reduction in those additional benefits to be decided by the *trustee company*, acting on *actuarial advice*.

### 37.6 Benefits on early retirement or leaving service

If a *member* is entitled to receipt of a pension, other than an *enhanced incapacity pension*, when the *member's added years AVCs* are used to buy additional benefits, or if the *member* ceases to be in *service*:

37.6.1 where the *member* has *retired* on an immediate pension before *normal pension age* (or before a later age specified by the *member* for *added years AVCs* to cease), the *trustee company* may reduce the additional benefits for early payment, acting on *actuarial advice*;

37.6.2 where the *member* has left *service* and is entitled to benefits under rule 16 (Preserved benefits), the *trustee company* may not reduce the additional *years of pensionable service* in respect of regular instalment *added years AVCs* paid up to the cessation of *service* to less than:

$$\frac{N}{NS} \times PS$$

where:

N is the period from the date when the first *AVC* payment became due to the date of cessation of *service* or to the cessation of *AVC* payments under sub-rule 37.3 (if earlier);

NS means the whole period over which regular instalment *added years AVC* payments were to be made under the *member's* agreement with the *trustee company*; and

PS means the additional *years of pensionable service* which the *trustee company* was to credit to the *member* under that agreement.

### 37.7 Attribution of added years AVC benefits between pre- and post- 1 April 2016 service

A *member* shall accrue benefits under the *scheme* in respect of *service* before 1 April 2016 to the extent that the *member* has paid *added years AVCs* prior to that date and those benefits shall form part of that *member's opening credit*. A *member* shall accrue benefits under the *scheme* in respect of *service* after 31 March 2016 to the extent that the *member* shall have paid *added years AVCs* after that date under sub-rule 37.2 and

those benefits shall form part of that *member's accrued pension amount* and *accrued lump sum amount*.

## 38. REVALUED BENEFIT AVCs

### 38.1 Continuation of AVCs

Notwithstanding any other provisions of these *rules* or of the *scheme*, but subject to sub-rule 5.10 (Limit on member contributions), if a *member* who has on or before 31 March 2016 paid *revalued benefit AVCs* under an agreement to do so by regular instalments that would have remained in effect after that date if the rules of the *scheme* as they stood on that date had not been superseded and has not ceased to pay such *revalued benefit AVCs* under sub-rule 38.2, that *member* shall continue on and after 1 April 2016 to pay *revalued benefit AVCs* to the *scheme* so that the *member* is credited with a prospective right in respect of payments of *revalued benefit AVCs* on and after 1 April 2016 to an additional amount of pension and lump sum based on the existing terms as previously notified by the *trustee company* to the *member*, but subject to sub-rule 38.5.

### 38.2 Member's right to stop AVCs

A *member* may elect, by one month's notice in writing to the *trustee company* (or such shorter period as the *trustee company* may allow), to cease to pay *revalued benefit AVCs* to the *scheme* at any time and shall then be treated, for the purposes of calculating in respect of the *member* the benefits under paragraph (c)(ii) of the definitions of each of *accrued pension amount* and *accrued lump sum amount*, as having ceased to be in *service* immediately following the last payment, and shall be prospectively entitled to benefits under sub-rule 38.4.2 on that basis. A *member* may not recommence paying *revalued benefit AVCs* after having ceased to do so.

### 38.3 Unreduced benefits on death or incapacity retirement

If a *member* has died or is entitled to receipt of an *enhanced incapacity pension* when the *member's revalued benefit AVCs* are used to buy additional benefits, then there shall be no reduction in those additional benefits, provided that:

38.3.1 any *lump sum AVC* was paid at least one year prior to death or *retirement*; and

38.3.2 the *member* began paying regular instalment *revalued benefit AVCs* at least 5 years prior to death or retirement.

If sub-rule 38.3.1 and/or sub-rule 38.3.2 are not satisfied, there shall be a reduction in those additional benefits to be decided by the *trustee company*, acting on *actuarial advice*.

#### 38.4 **Benefits on early retirement or leaving service**

If a *member* is entitled to receipt of a pension, other than an *enhanced incapacity pension*, when the *member's revalued benefit AVCs* are used to buy additional benefits, or if the *member* ceases to be in *service*:

38.4.1 where the *member* has retired on an immediate pension before *normal pension age* (or before a later age specified by the *member* for *revalued benefit AVCs* to cease), the *trustee company* may reduce the additional benefits for early payment, acting on *actuarial advice*;

38.4.2 where the *member* has left *service* and is entitled to benefits under rule 16 (Preserved benefits), the *trustee company* may not reduce the additional amount of pension and lump sum in respect of regular instalment *revalued benefit AVCs* paid up to the cessation of *service* to less than:

$$\frac{N}{NS} \times P \text{ in the case of the additional pension; and}$$

$$\frac{N}{NS} \times L \text{ in the case of the additional lump sum,}$$

where:

N is the period from the date when the first *AVC* payment became due to the date of cessation of *service* or to the cessation of *AVC* payments under sub-rule 38.2 (if earlier);

NS means the whole period over which regular instalment *revalued benefit AVCs* were to be made under the *member's* agreement with the *trustee company*;

P means the additional amount of pension which the *trustee company* was to credit to the *member* under that agreement; and

L means the additional amount of lump sum which the *trustee company* was to credit to the *member* under that agreement.

**38.5 Attribution of revalued benefit AVCs between pre- and post-1 April 2016 service**

A *member* shall accrue benefits under the *scheme* in respect of *service* before 1 April 2016 to the extent that the *member* has paid *revalued benefit AVCs* prior to that date and those benefits shall form part of that *member's opening credit*. A *member* shall accrue benefits under the *scheme* in respect of *service* after 31 March 2016 to the extent that the *member* shall have paid *revalued benefit AVCs* after that date under sub-rule 38.1 and those benefits shall form part of that *member's accrued pension amount* and *accrued lump sum amount*.

## 39. WITHDRAWAL FROM MEMBERSHIP

### 39.1

39.1.1 This sub-rule 39.1 applies in respect of an individual who becomes a *member*:

39.1.1.1 immediately upon becoming an *eligible employee*; or

39.1.1.2 as a result of the *employer* complying with a *2008 Act Duty*.

An individual to whom this sub-rule 39.1 applies may within 3 months of becoming a *member* give notice in writing to the *employer* of retrospective withdrawal from the *scheme*.

39.1.2 Where an individual who is already a *member* is automatically enrolled, automatically re-enrolled or enrolled because he or she is an *eligible jobholder* or in order to comply with a *2008 Act Duty*, the *member* may within 3 months of being so enrolled give notice in writing to the *employer* of retrospective withdrawal in respect of that enrolment.

39.1.3 Where an *employer* receives a notice under sub-rule 39.1.1 or sub-rule 39.1.2, the *employer* shall check whether the notice is in the form prescribed under sub-rule 39.4. If the notice is not in the form prescribed under sub-rule 39.4, the *employer* must inform the individual. If the notice is in the form prescribed under sub-rule 39.4, the *employer* must inform the *trustee company* within such period as the *trustee company* may prescribe.

39.1.4 The *trustee company* may, subject to sub-rule 39.2, repay:

(a) to the *employer* the contributions paid by the individual and contributions paid by the *employer* on behalf or in respect of the individual, in which case the *employer* shall refund to the individual his or her contributions; or

(b) to the individual his or her contributions (whether paid by the individual or on his or her behalf by the *employer*) and to the *employer* the contributions paid by the *employer* in respect of the individual.

39.1.5 The refunds referred to in sub-rule 39.1.4 will be subject to any deduction in respect of any tax under rule 51 (*Tax*) and any *CEP* and subject to such other

deductions on account of tax either by the *trustee company* or the *employer* as are required and as will not prejudice the continued treatment of the *scheme* as a *contracted-out scheme* in relation to the *employer*.

39.1.6 An individual who gives a notice in the form required by sub-rule 39.4 shall be deemed never to have been a *member* in respect of that *eligible employment*.

39.2 The *trustee company* may make to the *employer* such repayment of contributions as would not be an unauthorised employer payment under section 160(4) of *FA 04*.

39.3 A *member* to whom sub-rule 39.1 does not apply may give not less than 28 days' written notice to the *employer* and the *trustee company* to cease to be a *member* with effect from the end of the month in which the notice expires. The individual shall then be entitled:

39.3.1 to benefits under rule 16 (Preserved benefits) or sub-rule 18.3.1, and sub-rule 18.4 (DC account). If the withdrawal takes effect at or after the day when he or she attains *normal pension age*, benefits under rule 16 (Preserved benefits) or sub-rule 18.3.1, and sub-rule 18.4 (DC account), shall come into payment on the day following the earlier of the day on which he or she ceases *eligible employment* or the day he or she attains age 75, with benefits under sub-rule 18.3.1 being calculated as if his or her *normal pension age* were attained on that day.<sup>108</sup>

39.3.2 to rejoin the *scheme* in accordance with sub-rule 4.14.

39.4 A notice under this rule shall be in such form as the *trustee company* may prescribe. The *trustee company* may also specify that a notice will only be valid under this rule 39 if the individual has obtained the notice from the *trustee company*.

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<sup>108</sup> Sub-rule 39.3.1 was amended by the Fourteenth Deed of Amendment dated 08 September 2021 with an effective date of 08 September 2021 and then again by the Sixteenth Deed of Amendment dated 25 February 2022 with an effective date of 1 April 2022.

## 40. REJOINERS

### 40.1 Former member rejoining after absence not exceeding one month

40.1.1 Where a *member* ceases *membership* and becomes a *member* again not exceeding one month after so ceasing *membership*, that break in *service* shall not cause a break in the continuity of the person's *membership* and *active membership*.

40.1.2 *Active revaluation* shall be applied during a break in *service* and in *active membership* falling within sub-rule 40.1.1 in respect of previously accrued *annual accrued pension amounts* and *annual accrued lump sum amounts*. To the extent that benefits are to be calculated by reference to the last 12 months of an individual's *active membership*, that period of 12 months is to be extended by the duration of any break falling within this sub-rule 40.1.

40.1.3 A break in *service* and *membership* shall, unless the *trustee company* decides otherwise, be treated as having occurred, where an individual is or becomes or has been a "qualifying person" for the purposes of Part 7 of *PA 04*.

### 40.2 Deferred pensioner rejoining after a period exceeding one month

40.2.1 Subject to sub-rule 40.2.2, if, after a break in *membership*, a *deferred pensioner* again becomes a *member*, the *preserved benefits* and any benefits under sub-rule 18.3 to which that individual is entitled as a *deferred pensioner* shall be linked and aggregated with the benefits in respect of that individual's new *membership* for the purposes of calculating the benefits payable to and in respect of that individual under the *scheme* and *pensionable service* accrued prior to the break shall continue to be attributed to the *member*.

40.2.2 The benefits in respect of an individual to whom this sub-rule 40.2 applies shall not be linked and aggregated under sub-rule 40.2.1 if, before any payment of benefits has been made in respect of the individual's new *membership*, that individual has given written notice to the *trustee company* that those benefits are not to be so linked or aggregated, but that the individual's *preserved benefits* and benefits under sub-rule 18.3, on the one hand, and the benefits in respect of the individual's new *membership*, on the other hand, are to be kept separate for the purposes of calculating the benefits payable to and in respect of that individual under the *scheme*.

**40.3 Option for a member to elect to defer past service benefits and re-start accrual with separate benefits**

Notwithstanding sub-rule 40.1, this sub-rule 40.3 applies to an individual who has given due notice of an election under sub-rule 37.10.1 of the rules of the *scheme*, as they stood on 31 March 2016, to all *employers* by reference to whose *eligible employment* that individual was a member of the *scheme* on 31 March 2016 in accordance with those rules, or has rejoined the *scheme* under such an election. That election shall take effect or, as the case may be, remain in effect, but the benefits payable to and in respect of that individual in respect of *pensionable service* after 31 March 2016 shall be calculated in accordance with these *rules*, save that that individual's *salary* for any period on or after 31 March 2016 shall be disregarded for all purposes of the *scheme* to the extent that it exceeds £150,000.

## 41. SALARY SACRIFICE

### 41.1 Employer contributions corresponding to contributions under sub-rules 5.1, 5.3 and/or 5.7

Where a *salary sacrifice arrangement* under this sub-rule 41.1 applies to a *member* under which the *employer* has agreed to pay additional contributions to the *scheme*, the *member* shall not be required to pay any contributions to the *scheme* under sub-rule 5.1, sub-rule 5.3 and/or sub-rule 5.7. Subject to sub-rule 5.10 (*Limit on member contributions*), the *employer* shall pay additional contributions to the *scheme* equal to the amounts of those contributions which the *member* would otherwise have paid under sub-rules 5.1, 5.3 and 5.7. The *employer* shall in addition pay such further amounts to the *scheme* as are required under a supplementary deed of accession. *AVCs* and additional contributions payable under sub-rule 5.4 may not be included in any *salary sacrifice arrangement* under this sub-rule 41.1 and shall, subject to sub-rule 41.2, remain payable by the *member*.

### 41.2 Employer contributions corresponding to contributions under sub-rule 5.4

Where:

41.2.1 an *employer* decides to permit a *salary sacrifice arrangement* under this sub-rule 41.2 in relation to additional contributions under sub-rule 5.4; and

41.2.2 a *member* agrees to enter and opt into a *salary sacrifice arrangement* under this sub-rule 41.2,

the *member* shall not be required to pay contributions to the *scheme* under sub-rule 5.4 and, subject to sub-rule 5.10 (*Limit on member contributions*), the *employer* shall pay additional contributions to the *scheme* which are equal to the amounts of those contributions which the *member* would otherwise have paid under sub-rule 5.4. The *employer* shall in addition pay such further amounts to the *scheme* as are required under any supplementary deed of accession. *AVCs* and contributions payable under all or any of sub-rules 5.1, 5.3 and 5.7 may not be included in any *salary sacrifice arrangement* under this sub-rule 41.2 and shall, subject to sub-rule 41.1, remain payable by the *member*. Salary sacrifice under this sub-rule 41.2 shall apply and operate separately and independently from salary sacrifice under sub-rule 41.1.

#### 41.3 **Extra service contributions/late retirement**

A *member* to whom sub-rule 41.1 and/or 41.2 applies shall be treated as required on and from the prevailing *normal pension age* to pay any contributions that would be due under rule 9 (Extra service contributions) and sub-rule 12.1.1.2, unless he or she has elected in accordance with sub-rule 12.1.1.1 (or with the corresponding provision of the rules of the *scheme* in force before 1 April 2016) to cease to pay contributions at the age there referred to, in which case no contributions shall thereafter be treated as required.

#### 41.4 **Calculation of salary**

41.4.1 In respect of any period of *eligible employment* during which a *salary sacrifice arrangement* is in effect, *salary* for that period of *eligible employment* shall be calculated as if there were no *salary sacrifice arrangement*, as determined by the *trustee company* (so far as appears to the *trustee company* to be reasonably practicable).

41.4.2 The *employer* of such a *member* shall provide to the *trustee company* such information as the *trustee company* may require to enable the *trustee company* to calculate a *member's salary*, including (without limitation) an *auditor's certificate*.

## 42. TEMPORARY ABSENCE

### 42.1 Involuntary absence due to sickness or other causes

During a period of a *member's* absence from any *eligible employment* which is due to sickness or the exercise of an express statutory right to time off work (other than in respect of *MPA leave*), or any other cause which is beyond the control of the *member* and is approved by the *employer* and the *trustee company*:

42.1.1 Subject to sub-rule 42.4, whilst the *member* is in receipt of any remuneration from the *employer*, the *membership* shall not be suspended, *pensionable service* and *annual accrued pension amounts* and *annual accrued lump sum amounts* shall continue to accrue, and contributions shall continue to be paid in respect of the *salary* of the *member*, as if the *member* was not absent, including *matching contributions*.

42.1.2 A *member* who is receiving Statutory Sick Pay but no other remuneration from the *employer* may opt, but is not obliged, to continue to pay contributions under sub-rule 42.1.1.

42.1.3 After the *member* has ceased to receive remuneration from the *employer*, or if the *member* does not opt to continue contributions under sub-rule 42.1.2, the *employer* with the consent of the *member* and the *trustee company* may pay the contributions which would have been payable by the *member* but for the absence, so that *membership* is not suspended and *pensionable service* and *annual accrued pension amounts* and *annual accrued lump sum amounts* continue to accrue as if the *member* was not absent. On the *member* resuming employment, the *employer*, with consent of the *trustee company*, may recoup any such contributions plus reasonable interest by a reduction in the *member's* remuneration.

42.1.4 If neither sub-rule 42.1.2 nor sub-rule 42.1.3 applies, the *membership* and *pensionable service* shall be suspended and neither *annual accrued pension amounts* nor *annual accrued lump sum amounts* shall accrue until contributions are again made to the *fund* in respect of the *member*, but such suspension shall neither break the continuity of *membership* nor interrupt the accrual of *pensionable service* nor mean that the *member* leaves *service*.

42.1.5 Where a *member* ceases *eligible employment* on the grounds of *incapacity*, or

dies, during a suspension of *membership*, the pension under rule 15 (Early pensions on incapacity) or the death benefits shall be payable from the day after the date of cessation of that *eligible employment* or death, but calculated as if that *eligible employment* had ceased, or the *member* had died, on the day before the suspension started.

42.1.6 Where, during a period of suspended *membership*, a *member* leaves an *eligible employment* other than under sub-rule 42.1.5 or withdraws from the *scheme*, *pensionable service* and *annual accrued pension amounts* and *annual accrued lump sum amounts* shall be calculated as if the *member* left that *eligible employment* on the date of suspension of *membership*.

## 42.2 Voluntary absence and secondment

42.2.1 Subject to Rule 4.10.3 where a *member* is either<sup>109</sup>:

- (a) absent or seconded from any *eligible employment* with an *employer*, other than under rule 43 (Maternity, paternity, adoption, shared parental and statutory parental bereavement leave), sub-rule 42.1 or sub-rule 42.4 (Family leave), for any reason of which that *employer* approves, and intends to return to *eligible employment*; or
- (b) absent from any *eligible employment* with an *employer* in contemplation or furtherance of a lawful trade dispute or pursuant to industrial action in accordance with the Trade Union and Labour Relations (Consolidation) Act 1992, and in that case the *employer* does not terminate the *member's* contract of employment and the *member* resumes *eligible employment* after the absence,

that *member* shall remain an *eligible employee*, and *membership* shall not be terminated, for the *appropriate period*. *Membership*, and the accrual of *pensionable service*, *annual accrued pension amounts* and *annual accrued lump sum amounts* shall continue in respect of a *member* if contributions are continued in respect of that person under sub-rule 42.2.3, but *membership* and those accruals shall be otherwise suspended for the *appropriate period*. Any such *pensionable service* or benefit accrual shall continue after *normal pension*

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<sup>109</sup> Sub-rule 42.2.1 was amended by the Fourteenth Deed of Amendment dated 08 September 2021 with an effective date of 08 September 2021.

*age* unless the *member* makes an election under rule 12.1.1 (Late retirement), in which case any *pensionable service* shall cease and no *benefit year* shall commence thereafter. Any such suspension of *membership* shall continue after *normal pension age*. Such suspension shall neither break the continuity of *membership* nor interrupt accrual of *pensionable service* nor mean that the *member* ceases *service*.

42.2.2 If the *member* leaves the employment with the *employer*, the *member* shall be treated as having left *eligible employment* on the date *membership* was suspended. For the purposes of section 8(2) of the *Increase Act* a pension in respect of a *member* to which this sub-rule 40.2.2 applies shall be deemed to begin on the day following the last day of the *appropriate period*.

42.2.3 The *employer* may with the *member's* agreement contribute to the *fund* in respect of the *member* during the *appropriate period* so long as the *member* does not become an active member of another *registered pension scheme* to which the *employer* contributes in respect of that *member*. If the *employer* makes such contributions, the *member* shall be required to contribute during the *appropriate period* under sub-rule 5.1 (Ordinary member contributions) based on the *salary* to which the *member* would have been entitled but for the absence or secondment, save that the *employer* and the *member* may agree that those contributions are not to be deducted from the *member's salary*, provided that the *employer* has agreed to pay those contributions to the *trustee company* on the *member's* behalf. On payment in full of those contributions by *member* and *employer*, *pensionable service* and *annual accrued pension amounts* and *annual accrued lump sum amounts* shall continue to accrue in respect of the *member* as if the *member* were not absent. Such *employer* and *member* contributions shall be mandatory in the case of a *VT employment*. The *employer* may agree with the *member* to pay *AVCs* and *members' contributions* under sub-rules 5.3 and 5.4 on the *member's* behalf during any period for which other contributions are made under this sub-rule 42.2.3.

42.2.4 Notwithstanding sub-rule 42.2.3, if a *member* remains in *active membership* at the end of a *scheme year* at whose commencement arrangements were in effect under sub-rule 42.2.3, and if the *salary* of that *member* for that employment for that *scheme year* did not exceed £260, then those arrangements shall be treated as having come to an end immediately before

that *scheme year, membership* by virtue of that employment shall be suspended for that *scheme year*, and the value of any contributions deducted from the *salary* of that employment shall be aggregated with the *member's* benefits in such manner as the *trustee company* may decide.

42.2.5 Where sub-rule 42.2.3 does not apply to a period, a *member* or the *employer*, or both, may enter into a written agreement with the *trustee company* to make such additional contributions in respect of the *appropriate period* as the *trustee company* may reasonably require to secure that if, during the period of such agreement, the *member* dies, or becomes incapacitated so that the *member* would have become entitled to benefits under rule 15 (Early pensions on incapacity) but for the absence, benefits are payable in respect of the *member* as if *active membership* had continued until such death or incapacity, but no period of suspension of *membership* shall count as *pensionable service* or *supplementary service* and no *annual accrued pension amount* or *annual accrued lump sum amount* shall accrue in respect of that period. No such agreement shall have effect after the *member* has become an active member of a *registered pension scheme* (other than this *scheme*) to which the *employer* makes contributions in respect of that *member*.

42.2.6 If a *member* is absent from employment with an *employer* and the absence is not one for which that *employer* and the *trustee company* have agreed that sub-rule 42.2.1 shall apply, that individual shall cease to be a *member* at the beginning of that absence. The *preservation requirements* shall be complied with for the purposes of determining *qualifying service*.

### 42.3 Calculation of salary

42.3.1 The following paragraphs apply where a *member* is absent from an *eligible employment* under sub-rules 42.1.1, 42.1.3 or 42.2.1.

42.3.2 Any reduction in the *gross* fixed salary or fixed allowance in respect of any *eligible employment* (other than *VT employment*) held by that *member*, whether at the commencement of or during the absence, shall not affect the calculation of *salary* unless and to the extent that the *trustee company* is satisfied that the reduction would have occurred at that time if the *member* had not been absent from that employment.

42.3.3 The *employer* of such a *member* shall provide to the *trustee company* such information as the *trustee company* may require to enable the *trustee company* to be satisfied of a *member's salary*, including (without limitation) an *auditor's certificate*.

42.4 **Family leave**

For any period of paid family leave by a *member* (within the meaning of paragraph 6 of Schedule 5 to *SSA 89*) to which rule 43 (Maternity, paternity, adoption, shared parental and statutory parental bereavement leave) does not apply:

42.4.1 the *member* shall pay *member* contributions under sub-rule 5.1 (Ordinary member contributions) based on actual contractual remuneration; and

42.4.2 the *employer* shall pay *employer* contributions under rule 6 (Ordinary employer contributions) on what the *member's salary* would have been but for the absence from work.

43. **MATERNITY, PATERNITY, ADOPTION, SHARED PARENTAL AND STATUTORY PARENTAL BEREAVEMENT LEAVE<sup>110</sup>**

43.1 **Scope of the rule**

This rule applies to any *eligible employment* in respect of which a *member* has a period of *MPA leave*.

The *trustee company* shall comply with the requirements of section 75 of the Equality Act 2010 and of paragraphs 5A, 5B and 5C of Schedule 5 to *SSA 89*. Where the *employer* notifies the *trustee company* that this rule is to apply to additional periods of *MPA leave* from any employment (other than periods to which rule 42 (Temporary absence) applies), to which those requirements would not otherwise apply, the *trustee company* shall apply this rule to such periods provided that the *employer* pays such additional contributions to the *scheme* as the *trustee company* acting on *actuarial advice* may decide. This rule shall apply to periods of *eligible employment* outside the United Kingdom in the same way as to *eligible employment* within Great Britain, and shall apply to periods in which the *member* is not resident, or has a spouse or *civil partner* or partner who is not resident, in the United Kingdom, or in the same part of the United Kingdom in which the *member* is in *eligible employment*, subject in each case to such modifications as the *trustee company* may think fit.

43.2 **Continuous service before and after leave**

The *member's* period of *service* immediately before the period of *MPA leave* and the *member's* period (if any) of *service* immediately after the period of *MPA leave* shall be deemed to be continuous.

43.3 **Contributions during maternity, paternity, adoption, shared parental and statutory parental bereavement leave<sup>111</sup>**

43.3.1 A *member* shall continue to make *member* contributions under sub-rule 5.1 (Ordinary member contributions), sub-rule 5.7 (Special member contributions), rule 37 (Added years AVCs) and rule 38 (Revalued benefit AVCs) during *paid MPA leave*, and during unpaid leave which is ordinary maternity leave within the meaning of section 71 of *ERA*, as if the *member's*

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<sup>110</sup> The heading of Rule 43 was deleted and replaced by the Twelfth Deed of Amendment dated 16 April 2021 with an effective date of 6 April 2020 and all references to this heading throughout the rules were updated accordingly.

<sup>111</sup> The sub-heading of Rule 43.3 was deleted and replaced by the Twelfth Deed of Amendment dated 16 April 2021 with an effective date of 6 April 2020 and all references to this sub-heading throughout the rules were updated accordingly.

*salary* was limited to no more than the aggregate of the *member's* actual statutory maternity, paternity, adoption, shared parental or parental bereavement pay and actual contractual remuneration. Such a member shall continue to accrue *pensionable service* and *annual accrued pension amounts* and *annual accrued lump sum amounts* throughout such period of continued contributions as if the *member* were not absent<sup>112</sup>.

43.3.2 The *employer* shall contribute, while such *pensionable service* and *annual accrued pension amounts* and *annual accrued lump sum amounts* are continuing to accrue, the aggregate of A plus B, where:

A means contributions at the rate specified under rule 6 (Ordinary employer contributions) based on the *salary* of the *member* determined as if the *member* had continued working in the employment held by the *member* immediately before the *MPA leave* started;

B means C minus D minus E, where:

C means the contributions (other than *MPAVCs*) which would have been payable by the *member* on that *salary* but for the *MPA leave*;

D means the contributions payable by the *member* under sub-rule 43.3.1; and

E means the additional contributions required by the *trustee company* from the *employer* under sub-rule 43.5.3 during contractual periods which extend beyond ordinary or additional maternity leave, ordinary or additional adoption leave, paternity leave, shared parental leave or *statutory parental bereavement leave*<sup>113</sup>.

43.3.3 A *member* may elect in writing to the *employer*, before the commencement of *MPA leave*, not to make contributions for the period of that leave. *Membership* and *pensionable service* will then be suspended from the commencement of the *member's MPA leave* and no *annual accrued pension amounts* or *annual accrued lump sum amounts* will accrue during the period of that suspension. On returning to work, and with the consent of the *employer*, the *member* may make such additional contributions as are

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<sup>112</sup> Sub-rule 43.3.1 was deleted and replaced by the Twelfth Deed of Amendment dated 16 April 2021 with an effective date of 6 April 2020.

<sup>113</sup> Sub-rule 43.3.2 was deleted and replaced by the Twelfth Deed of Amendment dated 16 April 2021 with an effective date of 6 April 2020.

determined by the *trustee company*, on *actuarial advice*, so that all or a specified part of the *member's MPA leave*, in respect of which an election to suspend contributions was made under this sub-rule 43.3.3 or a corresponding provision of previous rules of the *scheme*, shall count as *pensionable service* and give rise to *annual accrued pension amounts* and *annual accrued lump sum amounts*, and the *member* may with the *employer's* consent make contributions under sub-rule 5.2.2 (Member contributions apportioned to the Member's DC account) and/or under sub-rule 5.3 (Matching contributions) in respect of all or a specified part of that period of the *member's MPA leave*. If the *member* elects to make such contributions, the *employer* shall make the corresponding contributions to the *fund* under rule 6 appropriate to the *salary* of the *member*.

43.3.4 Where a *member* to whom sub-rule 37.2 (Continuation of Added Years AVCs) and/or sub-rule 38.1 (Continuation of Revalued Benefit AVCs) applies elects under sub-rule 43.3.3, before the commencement of *MPA leave*, not to make contributions for the period of that leave, and on returning to work, does not make additional contributions under sub-rule 43.3.3 in respect of that period of leave, the *member* shall recommence payment of *added years AVCs* under sub-rule 37.2 and/or *revalued benefit AVCs* under sub-rule 38.1 in respect of the period after returning to work. In those circumstances, the additional amount of pension and lump sum credited under sub-rule 37.2 and/or sub-rule 38.1 shall be proportionately reduced to reflect the period of leave in respect of which no *added years AVCs* and/or *revalued benefit AVCs* shall have been paid.

43.3.5 Subject to sub-rule 43.3.6, a *member* who has elected to pay contributions under either sub-rule 5.3 (Matching contributions) or sub-rule 5.4 (Additional member contributions) prior to a period of *MPA leave* and who is in receipt of either contractual remuneration or statutory maternity, paternity, adoption, shared parental or parental bereavement pay shall continue paying contributions under sub-rule 5.3 or sub-rule 5.4 for the period of that leave based on the *member's salary* determined as if the *member* had continued working in the employment held by the *member* immediately before the *MPA*

*leave started*<sup>114</sup>.

43.3.6 Notwithstanding sub-rule 43.3.5, a *member* who has elected to pay contributions under either sub-rule 5.3 (Matching contributions) or sub-rule 5.4 (Additional member contributions) prior to a period of *MPA leave* may elect in writing to the *employer* to cease, and/or recommence, paying contributions under sub-rule 43.3.5 at any time throughout the period of that leave.

#### 43.4 **Suspension of membership**

*Membership* shall be suspended and *pensionable service, annual accrued pension amounts* and *annual accrued lump sum amounts* shall cease to accrue on the date contributions under sub-rule 43.3 cease to be payable. *Membership* and the accrual of *pensionable service, annual accrued pension amounts* and *annual accrued lump sum amounts* shall resume upon the resumption of contributions. Such suspension of *membership* shall neither break continuity of *membership* nor mean that the *member* leaves *service*.

#### 43.5 **Failure to return to work**

43.5.1 Subject to sub-rules 43.5.2 and 43.5.3, a *member* who *fails to return to work* shall be treated as having left *service* on the first day of suspended *membership* after the earlier of the date of his or her notice to the *employer* that he or she no longer intends to return to work with the *employer* and the expiry of the *member's* additional maternity leave, additional adoption leave or shared parental leave as defined under sections 73, 75B and 235 of *ERA*.

43.5.2 Notwithstanding sub-rule 43.5.1, a *member* who *fails to return to work* shall be treated as having left *service* only on the first day of suspended *membership* after the expiry of any longer period of *MPA leave* during which the *member* is statutorily entitled to return to work with the *employer* under Part 8 of *ERA*.

43.5.3 Notwithstanding sub-rules 43.5.1 and 43.5.2, a *member* who *fails to return to work* shall be treated as having left *service* only on the first day of suspended *membership* after the expiry of any longer period of *MPA leave* during which

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<sup>114</sup> Sub-rule 43.3.5 was deleted and replaced by the Twelfth Deed of Amendment dated 16 April 2021 with an effective date of 6 April 2020.

the *member* is contractually entitled to return to work with the *employer*. Any such contractual time limit shall be notified by the *employer* to the *trustee company*. That *employer* shall pay such additional contributions as the *trustee company* determines on *actuarial advice* to be necessary to provide benefits to the *member* by reason of such a time limit.

43.5.4 If the *member* would otherwise be treated as *failing to return to work* and there is a subsisting right under Chapter 2 of Part 8 of *ERA*, or a corresponding contractual right to return to work at the end of an extended period, the relevant time under this rule shall be extended until the end of that period.

43.5.5 If, apart from this rule, the *member's* absence from an *eligible employment* would, on the date on which he or she would have been treated under the foregoing provisions of this sub-rule 43.5 as having left *service*, have fallen within rule 42 (Temporary absence) (other than sub-rule 42.1.6 or 42.2.6), then notwithstanding the foregoing provisions of this sub-rule 43.5, he or she shall not be treated as having *failed to return to work*, but his or her *MPA leave* shall nevertheless come to an end.

43.5.6 The *member's* benefits under rule 16 (Preserved benefits) shall be calculated as if that *member* left *service* on the date his or her *membership* was suspended or, if not suspended, ceased.

#### 43.6 **Incapacity or death during maternity, paternity, adoption, shared parental or statutory parental bereavement leave**<sup>115</sup>

43.6.1 Where the *member* ceases any *eligible employment* due to *incapacity* or dies whilst *membership* is suspended under this rule, the pension under rule 15 (Early pensions on incapacity) or death benefits to which the *member* is entitled shall be payable from the day after the cessation of that *eligible employment* or death, but calculated as if the *eligible employment* had ceased, or the *member* had died, on the day before the suspension started and the period of suspension shall not count as *pensionable service* or *supplementary service* and no *annual accrued pension amount* or any *annual accrued lump*

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<sup>115</sup> The heading of Sub-rule 43.6 was deleted and replaced by the Twelfth Deed of Amendment dated 16 April 2021 with an effective date of 6 April 2020.

*sum amount* shall accrue in respect of that period.

43.6.2 Where a *member* dies during *MPA leave*, *salary* for the purposes of the lump sum death in service benefit under sub-rule 23.1 shall be the *salary* the *member* would have had immediately prior to the *member's* death had the *member* continued working in the *eligible employment* he or she had immediately prior to commencing *MPA leave*.

#### 43.7 **Calculation of salary**

43.7.1 Where a *member* is absent from *eligible employment* under this rule, any reduction in the *gross* fixed salary or fixed allowance in respect of that *eligible employment* (other than *VT employment*) held by that *member*, whether at the commencement of or during the absence, shall not (unless *membership* is suspended under this rule) affect the calculation of *salary* unless and to the extent that the *trustee company* is satisfied that the reduction would have occurred at that time if the *member* had not been absent from that employment.

43.7.2 The *employer* of such a *member* shall provide to the *trustee company* such information as the *trustee company* may require to enable the *trustee company* to be satisfied of a *member's salary*, including (without limitation) an *auditor's certificate*.

#### 44. ADMISSION OF INSTITUTIONS

- 44.1 The *trustee company* may admit a body which has employees who would satisfy the terms of entry under rule 4 (Terms of entry) to participate in the *scheme* in relation to those employees, subject to the body entering into a deed of covenant with the *trustee company* to comply with the *scheme* and the *rules*.
- 44.2 Subject to first consulting with any institutions which control that employer, the *trustee company* may impose special terms and conditions before admitting an employer which falls within paragraph (c)(iii) of the definition of *institution* to participate in the *scheme*, including (without limitation) the giving of undertakings, guarantees or assurances by those *institutions* and/or by those employers.<sup>116</sup>
- 44.3 If the *employer* is, in the *trustee company's* opinion, in breach of any such term or condition, the *trustee company* may, after consulting with that *employer* and with any *institutions* which *control* that *employer*, resolve that that *employer* shall become a *withdrawing institution*.
- 44.4 The *trustee company* may modify the *rules* in relation to an *institution* and its employees, by deed entered into by the *trustee company* and the *institution*, without the consent of the *JNC*, as a condition of admitting the *institution* to participate in the *scheme*, or to participate (or continue to participate) in relation to *specified employees* or *accepted employees*, or in such other circumstances as the *trustee company* may decide subject to the prior consent of the *JNC*. The *trustee company* shall send a copy of each such deed to each member of the *JNC*. Such modification may (without limitation) involve excluding such employees from being *eligible employees*, or disapplying provisions of the *scheme* to such employees, or requiring the *institution* to pay additional contributions. Such modification may not prejudice any benefits accrued before a *member* was employed by the *institution* or cause the *scheme* to breach the *preservation requirements*.
- 44.5 Where an *institution* has *controlled* another, but ceases to do so, or where one *institution* takes *control* of another, both shall inform the *trustee company* immediately.
- 44.6 The *trustee company* may, so far as may be lawful under the Equality Act 2010, decide on *actuarial advice* that any class of *specified employee* shall not be eligible for

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<sup>116</sup> Sub-rule 44.2 is amended by the Twenty-second Deed of Amendment dated 7 February 2024 with an effective date of 1 April 2016.

*membership*, or shall be so eligible subject to terms and conditions specified by the *trustee company*, having regard to the overall age profile of that class and/or to an increased risk of mortality and/or to an increased risk of the provision of early benefits under rule 15 (Early pensions on incapacity). The *institution* shall provide such information to the *trustee company* as the *trustee company* may require to decide that question.

45. **EXCLUSIVITY**

[Note: Interim amendments made by the Ninth Deed of Amendment dated 7 August 2019 affected the operation of Sub-rule 45.1 during the ‘Interim Period’ but since superseded. See footnote to definition of *withdrawing institution*]

- 45.1 An *institution* shall not be entitled to participate, or to continue to participate, in the *scheme*, if it establishes, maintains or contributes to any other *pension scheme* for *eligible employees* or *excluded post employees*. Subject, where relevant, to the provisions of Schedule 18, an *institution* which breaches this requirement shall become a *withdrawing institution* and shall cease to participate in the *scheme*.<sup>117</sup>
- 45.2 Notwithstanding sub-rule 45.1, an *institution* may participate in the *scheme* even though it participates in or contributes to any of the following:
- 45.2.1 *FSSU* in respect of *eligible employees* who were members of *FSSU* at 5 April 1980 and have continued as members thereof since that date;
  - 45.2.2 any *part II scheme* in respect of *eligible employees* who were members of such scheme at 5 April 1980 and have continued as members of such scheme since that date;
  - 45.2.3 a *health service scheme* in respect of *eligible employees* entitled to be members of that scheme;
  - 45.2.4 any *occupational pension scheme* for any *eligible employee* of which that person has a statutory right to membership, which is not subject to the consent of any other person or to contractual arrangements between the *institution* and any third party; or
  - 45.2.5 any *authorised scheme* in respect of which an election has been made under sub-rule 45.3, or any *pension scheme* in other circumstances agreed to by the *trustee company*.
- 45.3 Subject to sub-rules 45.4 and 45.5 an *institution* may participate in the *scheme* even though it participates in or contributes to an *authorised scheme* in respect of an *eligible*

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<sup>117</sup> Rule 45.1 was amended by the Fifteenth Deed of Amendment dated 20 September 2021 with effect from the date of signature of the actuarial valuation for the Scheme that has an effective date of 31 March 2020. The actuarial valuation in question was signed on 30 September 2021.

*employee* who:

45.3.1 immediately before becoming an *eligible employee* was an active member of an *authorised scheme*; and

45.3.2 elects, by notice in writing to the *trustee company* and the *employer* with effect from the date of first becoming an *eligible employee*, to remain an active member of that *authorised scheme* instead of becoming a *member* of the *scheme*.

45.4 For the avoidance of doubt, the right of election under sub-rule 45.3 shall be exercisable in accordance with that sub-rule by an employee of an *institution* who is temporarily absent from work immediately before becoming an *eligible employee* if the period of temporary absence has been agreed by the *employer* and the individual has been in continuous employment since the absence commenced.

45.5 Sub-rule 4.13 shall have effect in respect of an *eligible employee* who has made an election under sub-rule 45.3 as if any period of continuous employment with the same *institution* (whether or not all of such employment is in fact *eligible employment*) is the same *eligible employment*.

## 46. WITHDRAWAL OF INSTITUTIONS

[Note: Interim amendments made by the Ninth Deed of Amendment dated 7 August 2019 affected the operation of Sub-rule 46.1 during the 'Interim Period' but since superseded. See footnote to definition of *withdrawing institution*.]

### 46.1 Cessation of participation by institutions and members

46.1.1 Subject, where relevant, to the provisions of Schedule 18, an *institution* shall cease to participate in the *scheme* with immediate effect on becoming a *withdrawing institution*, unless the *trustee company* determines that it may continue to participate for such period as the *trustee company* may decide.<sup>118</sup>

46.1.2 During such continuing participation, the *trustee company* may exclude *eligible employees* of that *institution* from becoming *members*.

46.1.3 Those persons who were *active members* employed by the *withdrawing institution* immediately before its withdrawal from the *scheme* under sub-rule 46.1.1 shall become *deferred pensioners* on the effective date of that withdrawal. If an *institution* withdraws from the *scheme*, no further *AVCs* or *members'* contributions may be paid in respect of employment with that *withdrawing institution*.

46.1.4 Those persons shall remain *active members* if they immediately commence *active membership* in the employment of another *institution*, provided that the *trustee company* decides their continued *active membership* to be appropriate.

46.1.5 The *trustee company* may require an *institution* to withdraw from the *scheme* with effect from such date and subject to such terms as the *trustee company* may decide, if in the *trustee company's* opinion the *institution* has persistently failed to pay contributions in accordance with rule 6 (Ordinary employer contributions).

46.1.6 Neither the *trustee company* nor any *institution* shall have any power to effect a partial winding up of the *scheme*.

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<sup>118</sup> Sub-rule 46.1.1 was amended by the Fifteenth Deed of Amendment dated 20 September 2021 with effect from the date of signature of the actuarial valuation for the Scheme that has an effective date of 31 March 2020. The actuarial valuation in question was signed on 30 September 2021.

## 46.2 **Liability for employer contributions**

- 46.2.1 A *withdrawing institution* shall as soon as practicable make any payment for which it is liable under rules 6 (Ordinary employer contributions) and 50 (Special employer contributions) and under section 75 of *PA 95*.
- 46.2.2 The *trustee company* may enter into a scheme apportionment arrangement (as defined under section 75 of *PA 95*) on such terms as the *trustee company* may decide.
- 46.2.3 If no debt is immediately payable by an *institution* under section 75 of *PA 95* when the *institution* withdraws from the *scheme*, that *institution* shall make such additional immediate contributions to the *scheme* as the *trustee company*, acting on *actuarial advice*, shall determine to be required to meet the costs and expenses to the *fund* of that *institution's* withdrawal.

## 46.3 **Trustee company power to demand additional employer contributions**

- 46.3.1 The *trustee company* may on *actuarial advice* require a *withdrawing institution* to pay additional contributions to the *scheme* under rule 6 (Ordinary employer contributions) where in the *trustee company's* reasonable opinion that *institution* has, in contemplation of withdrawing from the *scheme*, taken any action or pursued any policy with regard to the employment, *retirement* or redundancy of any of its *eligible employees* which has had as its main object, or one of its main objects, an increase in the accrued rights in respect of those *eligible employees* as at the effective date of its withdrawal from the *scheme*.
- 46.3.2 In determining the additional contributions payable under sub-rule 46.3.1, it shall be assumed that the *supplementary section* shall bear such part of the increased liabilities as relates to *supplementary benefits* (so that the *withdrawing institution* shall not be liable to pay additional contributions in respect of that part) and the *trustee company* shall deduct from the amount of such additional contributions any additional contributions attributable to the action or policy which are paid under paragraph 1 of schedule 7 (Non-standard salary increases, decreases and adjustments) or under rule 50 (Special employer contributions) and any payment received by the *trustee company* under a contribution notice under section 38 of *PA 04*.

46.3.3 If the *trustee company* determines that sub-rule 46.3.1 applies to a *withdrawing institution*, it shall allow the *withdrawing institution* to make representations to it as to whether sub-rule 46.3.1 applies. A determination by the *trustee company* under sub-rule 46.3.1 shall be final and binding provided that the *trustee company* gives due consideration to such representations. The *trustee company* may vary or revoke any determination made under sub-rule 46.3.1.

#### 47. INDIVIDUAL TRANSFERS IN

47.1 The *trustee company* may at the written request of a *member* accept a transfer payment into the *fund* in respect of rights of that individual under a *transfer arrangement*.

47.2 Subject to sub-rules 47.3 to 47.5 any such transfer payment which is accepted into the *fund* on or after the *effective date* shall be credited to the *member's DC account* on such terms as the *trustee company* may decide.

47.3 Where any *member*, having become a member of the *scheme* on a date after 31 March 2014 and prior to 1 April 2016 under the rules then in effect, submits within two years after that date a written request to the *trustee company* to accept a transfer payment into the *fund* from a *transfer arrangement* which participates in the *transfer club*, the *trustee company* shall accept that payment and shall provide as benefits in respect of it such additional pension and lump sum as it shall on *actuarial advice* decide, based on the *member's pensionable salary* as at 31 March 2016, and having regard to the requirements that would apply if the *trustee company* were then participating in the *transfer club* in pursuance of sub-rule 47.5.

47.4 On and from 1 April 2016 up to the day before the *effective date*, the *trustee company*, acting on *actuarial advice*, may at the written request of a *member* accept a transfer payment into the *fund* in respect of rights of that individual under a *transfer arrangement* in order to provide an additional amount of pension and lump sum, to be calculated by the *trustee company* on *actuarial advice* and to be treated as accrued in the *benefit year* in which the transfer payment was received by the *trustee company*.

47.5 The *trustee company*, acting on *actuarial advice*, may for the purpose of facilitating transfers between any schemes from whom transfer payments are regularly received enter into reciprocal or other arrangements for transfers to and from the *scheme* and any such arrangements shall override any other provision of this rule.

48. **BULK TRANSFERS IN**

- 48.1 Subject to sub-rules 48.2 to 48.4, the *trustee company* may accept some or all of the assets and liabilities in respect of active members and/or, subject to the agreement of the relevant *institution*, other beneficiaries, of any *transfer arrangement* in respect of which any *institution* is or has been the principal or a participating employer.
- 48.2 Before accepting such a transfer the *trustee company* must obtain the consent of the affected members of the *transfer arrangement* to the transfer, where the rules of the *transfer arrangement* so require, or, in so far as no such consent is required, the *trustee company* must ensure that the *preservation requirements* and the requirements of section 101D(4) of *PSA 93* are met.
- 48.3 Subject to sub-rule 48.4, the *trustee company* shall apportion any such transfer payment between the *member's DC account* of each affected *member* and the new *member's DC account* of each affected *ex-spouse participant, deferred pensioner* and *pensioner* under the *scheme*.
- 48.4 The *trustee company* may accept a transfer payment into the *fund* under sub-rule 48.1 in order to provide an additional amount of pension and lump sum in respect of such active members, deferred pensioners and/or pensioner members and other *relevant benefits* in respect of such other beneficiaries, to be calculated by the *trustee company* on *actuarial advice*, to be treated as accrued in the *benefit year* in which the transfer was received by the *trustee company*.
- 48.5 The *trustee company* may indemnify the trustees of the *transfer arrangement*, in respect of such liabilities as the *trustee company* may think fit, up to the value of the assets received from the *transfer arrangement*, with an addition for investment return, as determined by the *trustee company* on *actuarial advice*.

49. **AMALGAMATION OF EMPLOYERS**

- 49.1 This rule shall apply if an *institution* has absorbed, or been amalgamated with, an organisation engaged in higher education as defined in the Education Reform Act 1988 or in research, and which is not an *institution*, or has acquired some or all of the teaching or research function of such an organisation, or proposes to enter into any such transaction, and as a result of such transaction the *institution* becomes, or will become, the employer of employees who would become *eligible employees* apart from this rule.
- 49.2 Such an *institution* shall notify the *trustee company* in writing of such transaction or proposed transaction.
- 49.3 Such employees may become *eligible employees* only if the *trustee company* notifies the *institution* in writing of the *trustee company's* agreement to this.
- 49.4 The *trustee company* may modify the *rules* in relation to the *institution* and those employees in the same way as if sub-rule 44.4 applied.
- 49.5 The preceding provisions of this rule shall apply to a transaction under sub-rule 49.1 only if the number of individuals consequently becoming employees of the *institution* exceeds the lower of:
- 49.5.1 50; and
- 49.5.2 10% of those persons who, on 31 March prior to the date of that transaction, were *active members* employed by the *institution*.

50. **SPECIAL EMPLOYER CONTRIBUTIONS**

- 50.1 An *employer* may pay one or more additional special contributions to the *scheme* either for the general purposes of the *scheme* or for a particular purpose specified by the *employer*.
- 50.2 The *employer* shall state the purpose for which the payment is made, which must be consistent with the provision of *relevant benefits*.
- 50.3 The *trustee company*, acting on *actuarial advice*, shall determine the nature and amount of benefit provided by such contributions. Neither the amount of any lump sum so provided nor the initial rate of any pension so provided may exceed such reasonable maximum as the individual may specify by written notice to the *trustee company*.
- 50.4 The *trustee company* may decline to accept such contributions if to accept them would not be administratively practicable.

51. **TAX**

Subject to sub-rule 34A.2 , the *trustee company* may deduct from any amount payable under the *rules* a sum equal to its liability to *HMRC* as trustee of the *scheme* in respect of that payment.

## 52. LIFETIME AND ANNUAL ALLOWANCE CHARGES

### 52.1 Additional contributions to meet lifetime allowance charge liability

The *trustee company* may require a *member* to pay such additional contributions to the *fund* as the *trustee company* may determine where:

52.1.1 a *benefit crystallisation event* has occurred in relation to the *member*;

52.1.2 the additional contributions are paid in order to discharge the liability of the *trustee company* for the *lifetime allowance charge* in relation to the benefits payable in respect of that *member*; and

52.1.3 where in the opinion of the *trustee company* that liability will not otherwise be discharged from those benefits.

### 52.2 Reduction to pension to meet lifetime allowance charge liability

A *member* may elect, prior to becoming entitled to a pension under the *scheme* or prior to any other *benefit crystallisation event*, by written notice to the *trustee company*, and subject to the approval of the *trustee company*, to meet an expected liability to a *lifetime allowance charge*, specified by the *member* in the notice, by reducing the pension payable, and/or the value of the *member's DC account*, by an amount whose capitalised value is equal to that expected liability. The *trustee company* may only give its approval to such an election if it determines that the entitlement to receive the pension or the *benefit crystallisation event* would give rise to liability to the *lifetime allowance charge*.

### 52.3 Trustee company discharge of lifetime allowance charge liability

To the extent that any liability to the *lifetime allowance charge* is not discharged by an election by the *member* under sub-rule 52.2, the *trustee company* may, before making payment of a pension (including in respect of an *ex-spouse participant*) or before the occurrence of a *benefit crystallisation event*, and subject to sections 67 to 67I and 92 to 94 of *PA 95*, withhold such proportion of that pension (insofar as the pension exceeds the *GMP*), and/or deduct such amount from the value of the *member's DC account*, as it determines on *actuarial advice* to be equivalent to any *lifetime allowance charge* that it estimates will fall due in respect of that pension, or of that *benefit*

*crystallisation event*, and shall apply that amount in or towards the discharge of the *lifetime allowance charge*.

#### 52.4 **Trustee company discharge of annual allowance charge liability**

52.4.1 The *trustee company* may satisfy all or part of a *member's* liability to the annual allowance charge pursuant to a liability under section 237B of *FA 04*.

52.4.2 Where a *member* gives a notice in writing to the *trustee company* requesting that the *trustee company* satisfies all or part of the *member's* liability to the annual allowance charge, in circumstances where the *trustee company* has no liability to do so under section 237B of *FA 04*, the *trustee company* may nevertheless decide to accede to that request in whole or in part.

52.4.3 Where the *trustee company* accedes in whole or in part to a request by a *member* under sub-rule 52.4.2, the *trustee company* may, in addition to its powers so to do under section 237F of *FA 04*, and subject to sections 67 to 67I and 92 to 94 of *PA95*, withhold such proportion of the *member's* pension, and/or deduct such amount from the value of the *member's DC account*, as the *trustee company* determines on *actuarial advice* to be equivalent to the annual allowance charge under section 227 of *FA 04* that the *trustee company* has paid under sub-rule 52.4.2.

53. **COMMUTATION ABOVE LIFETIME ALLOWANCE**

- 53.1 A *member* may elect in writing to the *trustee company*, at least one month (or such other time as the *trustee company* may allow) before the *member* becomes entitled to actual receipt of a pension under the *scheme*, to convert into an additional lump sum the whole pension or such part of it as the *trustee company* deems to be equal in value to the *chargeable amount* less the *lifetime allowance charge*, provided that the pension is not reduced below the *member's GMP*. The additional lump sum shall be payable when the *member* becomes entitled to actual receipt of the pension.
- 53.2 A *member* may not convert all or any part of the additional lump sum payable under this rule into a pension.

54. **TOTAL COMMUTATION FOR SERIOUS ILL-HEALTH**<sup>119</sup>

54.1 Where the *trustee company* receives a *medical opinion* that a *member* or *former member* is expected to live for less than one year from the date of the *medical opinion*, and no pension has become payable to that individual by virtue of an arrangement under the *scheme*, the *trustee company* may at its discretion commute the benefits prospectively payable to the *member* or *former member* for a lump sum which shall not exceed:

54.1.1 the actuarial value of all benefits prospectively payable to that individual under that arrangement

plus

54.1.2 the actuarial value of any lump sum to be held on the *discretionary trusts* under that arrangement on the death of that individual.

54.1A Where the *trustee company* receives a *medical opinion* that a *flexible retiree* is expected to live for less than one year from the date of the *medical opinion*, the *trustee company* may at its discretion commute that proportion of the *flexible retiree's* benefits (constituting a separate arrangement under the *scheme*) which has not yet been drawn in accordance with rule 14 (Flexible retirement) for a lump sum which shall not exceed:

54.1A.1 the actuarial value of that proportion of the *flexible retiree's* benefits which has not yet been drawn under that arrangement;

plus

54.1A.2 the actuarial value of any lump sum to be held on the *discretionary trusts* under that arrangement on the death of that individual, solely in respect of the proportion of their benefits not yet drawn<sup>120</sup>.

54.2 The individual shall be deemed to be in normal health for the purposes of calculating the actuarial values under sub-rules 54.1.1, 54.1.2, 54.1A.1 and 54.1A.2<sup>121</sup>.

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<sup>119</sup> Rule 54 was amended by the Tenth Deed of Amendment dated 2 March 2020 with an effective date of 1 April 2016.

<sup>120</sup> Sub-rule 54.1A was inserted by the Twelfth Deed of Amendment dated 16 April 2021 with an effective date of 16 April 2021.

<sup>121</sup> Sub-rule 54.2 was amended by the Twelfth Deed of Amendment dated 16 April 2021 with an effective date of 16 April 2021.

54.3 Where a lump sum is paid under sub-rules 54.1 or 54.1A:

54.3.1 all claims of that individual in respect of that arrangement shall be extinguished;

54.3.2 no amount shall be held on the *discretionary trusts* under that arrangement on the death of that individual;<sup>122</sup>

54.3.3 a *member* shall cease to be in *service*, and no further contributions may be made by that *member*, in respect of that arrangement<sup>123</sup>; and<sup>124</sup>

54.3.4 it shall not affect any benefits payable on the death of an individual under rules 27, 30 and 32 (as applicable) as those benefits shall be held in a separate arrangement under the *scheme* from the date the individual's benefits are commuted.<sup>125</sup>

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<sup>122</sup> Sub-rule 54.3.2 was amended by the Twenty-eighth Deed of Amendment dated 13 January 2025 with an effective date of 13 January 2025.

<sup>123</sup> Sub-rule 54.3 was amended by the Twelfth Deed of Amendment dated 16 April 2021 with an effective date of 16 April 2021.

<sup>124</sup> Sub-rule 54.3.3 was amended by the Twenty-eighth Deed of Amendment dated 13 January 2025 with an effective date of 13 January 2025.

<sup>125</sup> A new sub-rule 54.3.4 was added by the Twenty-eighth Deed of Amendment dated 13 January 2025 with an effective date of 13 January 2025.

55. **TOTAL COMMUTATION FOR TRIVIALITY**

55.1 The *trustee company* may, when a pension becomes payable from the *general fund*, commute for a lump sum payment, not exceeding the actuarial equivalent of the relevant pensions from the *general fund*:

$$\left( \begin{array}{l} \text{all the pension benefits} \\ \text{payable in respect of an} \\ \text{employment of an} \\ \text{individual} \end{array} \right) + \left( \begin{array}{l} \text{any } \textit{pension} \\ \textit{credit rights} \text{ of} \\ \text{that individual} \end{array} \right) + \left( \begin{array}{l} \text{the pension} \\ \text{equivalent of} \\ \text{any lump sum} \\ \text{benefits} \end{array} \right)$$

payable from the *general fund*, if the aggregate value of those benefits does not exceed the *trivial amount*.

55.2 For the purpose of determining whether the benefits under sub-rule 55.1 exceed the *trivial amount*, the *GMP* must be revalued to *pensionable age* in accordance with *PSA 93*.

55.3 No lump sum payment shall be made under sub-rule 55.1 unless:

55.3.1 the individual to whom the lump sum is paid is aged 60 or over; and

55.3.2 the payment of the lump sum is an authorised payment under *FA 04*.

55.4 Payment of a lump sum under sub-rule 55.1 to an individual will extinguish all rights to any benefits from the *general fund* to or in respect of that individual, arising from that individual's participation in the *scheme* as a *member* or as an *ex-spouse participant*.

56. **INCAPACITY OF BENEFICIARY**

If the *trustee company* is of the opinion that any person entitled to benefit under the *scheme* is incapable of managing his or her own affairs due to physical or mental infirmity, the *trustee company* may pay any such benefit to any person approved by it who undertakes to apply the benefit for the maintenance or benefit of the person so entitled. The *trustee company* shall have no liability for the way in which such a benefit is applied.

57. **RESTRICTION OF MEMBERS' RIGHTS**

- 57.1 No person shall have any claim or right to any benefit save in accordance with the *rules* and so far as the *fund* allows.
- 57.2 Nothing in these *rules* shall restrict the rights of the *institutions* to terminate the employment of any *member*.
- 57.3 Notwithstanding any other provision of these *rules* or of the *scheme*, the *scheme* and the *rules* are modified, in accordance with regulation 6(1) of the Occupational Pension Schemes (Modification of Schemes) Regulations 2006, so as to achieve the same effect as all of the modifications in regulations 3 to 8 of the Registered Pension Schemes (Modification of the Rules of Existing Schemes) Regulations 2006 ("**Modification of Existing Schemes Regulations**"), but without limitation as to the transitional period as defined in regulation 1(2) of the latter regulations, and so that the *Modification of Existing Schemes Regulations* themselves no longer apply in relation to the *scheme*.<sup>126</sup>

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<sup>126</sup> Sub-rule 57.3 was deleted in its entirety and sub-rule 57.4 is renumbered as sub-rule 57.3 by the Twenty-second Deed of Amendment dated 7 February 2024 with an effective date of 7 February 2024.

58. **EFFECT OF MISSTATEMENTS**

If any person entitled to benefit makes any statement as to any of the matters referred to in the *rules* which the *trustee company* discovers to be incorrect, untrue or misleading, the *trustee company* may, on *actuarial advice*, make such adjustments as it considers fair to any pension, annuity or other money payable out of the *fund*.

59. **DISCLOSURE OF INFORMATION**

Each *institution* shall take all such steps as the *trustee company* may reasonably require to disseminate to *members* or prospective *members* in that *institution's* employment all such information as the *trustee company* may be required to provide to comply with its statutory disclosure obligations and any further information which the *trustee company* may determine to be necessary or desirable for such *members* to have in connection with the *scheme*.

## 60. FORFEITURE/NON-ASSIGNMENT AND INALIENABILITY

### 60.1 Non-assignment and inalienability of benefits

No benefits under the *scheme* may be assigned, commuted, surrendered, charged, forfeited, set off, made subject to a lien or otherwise applied in a manner prohibited by sections 91 and 92 of *PA 95* or under section 21(2) of *PSA 93*.

### 60.2 Termination of benefits by the trustee company

The *trustee company* may by written instrument terminate with immediate effect all or any *relevant benefits* under the *scheme* (whether or not in payment) which a *member, former member, pensioner, beneficiary* or *ex-spouse participant* has purported to apply in a manner prohibited under sub-rule 60.1, or in a manner which otherwise has no legal effect.

### 60.3 Forfeiture of benefits where unlawful killing

The *relevant benefits* payable in respect of an individual to a person under the *rules*, including under the *discretionary trusts*, shall be forfeit if that person is convicted of an offence involving the unlawful killing of that individual, as provided under section 92(6) of *PA 95*.

### 60.4 Discretion to pay benefits on forfeiture

The *trustee company* may pay an amount equal to the value (as determined by the *actuary*) of any *relevant benefits* forfeited under sub-rule 60.2 or 60.3 to any person to whom the *relevant benefit* could have been paid but for the forfeiture.

60.5 Notwithstanding any other provision of these *rules* or of the *scheme*, no person shall have any claim or right to any sum which has become due to that person under the *rules* if that sum is not claimed within 6 years from the date when it became due, save that if the sum formed one payment of a pension or annuity the right to such pension or annuity shall not thereby be extinguished.<sup>127</sup>

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<sup>127</sup> Sub-rule 60.5 was inserted by the Twenty-second Deed of Amendment dated 7 February 2024 with an effective date of 7 February 2024.



61. **CHARGE/LIEN/SET OFF**

- 61.1 The *trustee company* or an *employer* shall, subject to sections 91 and 92 of *PA 95*, be entitled to a charge, or lien on, or a right of set off against, and to forfeit, any benefit under the *scheme* to which a *member, former member, pensioner member* or *ex-spouse participant* is (or is prospectively) entitled under the *rules*, in order to discharge a monetary obligation owed by that individual to the *trustee company* or the *employer*, as the case may be, arising out of a criminal, negligent or fraudulent act or omission by that individual.
- 61.2 Notwithstanding sub-rule 61.1, neither the *trustee company* nor an *employer* may assign or charge any *GMP*, save as permitted by section 159 of *PSA 93*. Sub-rule 61.1 shall not be taken to confer on any *employer* any power in relation to benefits to which any person is (or is prospectively) entitled as an *ex-spouse participant*.
- 61.3 Notwithstanding sub-rule 61.1, no exercise of the power under that sub-rule by the *trustee company* shall:
- 61.3.1 prejudice any exoneration or indemnity under rule 75 (Indemnity);
  - 61.3.2 be exercised where the *trustee company* has a right of action against the *institution* which currently employs, or formerly employed, that individual and the act or omission of that individual was carried out within the actual or ostensible scope of that individual's authority as a current or former employee or officer of that *institution*; or
  - 61.3.3 be exercised where under section 91(5)(e) of *PA 95* the monetary obligation arises out of a breach of trust by that individual and the Court has under section 61 of the Trustee Act 1925 relieved that individual wholly or partly from liability.

## 62. TRUSTEE COMPANY

- 62.1 The *trustee company* is the trustee of the *scheme*.
- 62.2 The statutory power of appointing new trustees shall apply subject to sub-rules 62.3 and 62.4.
- 62.3 A corporate body may be appointed a sole trustee of the *scheme*, notwithstanding that it is not a trust corporation.
- 62.4 No new trustee shall be appointed unless and until the *JNC* has approved the appointment by resolution.
- 62.5 Subject to the *rules*, the *trustee company* shall have sole and absolute control of the *fund* and its administration.
- 62.6 The *trustee company*, or any other corporate body which is a trustee of the *scheme*, shall be repaid out of the *fund* all expenses and costs which may be incurred by it and shall be entitled to such remuneration (if any) as may be agreed between the *trustee company* (or that other body) and the *JNC*.
- 62.7 The *trustee company* may act by resolution of the *board*. The *trustee company* may enter into any document or instrument by the signatures of any 2 directors of the *trustee company*, or of any one director and the secretary of the *trustee company*.
- 62.8 No director or officer of the *trustee company* shall be disqualified from exercising any power or discretion vested in the *trustee company* by reason of their being actually, prospectively, or contingently entitled to any *relevant benefit* under the *scheme* or being a *member, eligible employee* or officer of an *institution*.
- 62.9 The *trustee company* may appoint as officers of the *scheme* such persons as the *trustee company* may require for its proper administration and may pay the remuneration and other expenses properly attributable to their employment out of the *fund*.

63. **ADMINISTRATOR**

The *trustee company* is the administrator of the *scheme* for the purposes of section 270 of *FA 04*, unless the *trustee company*, with the *JNC's* consent, decides otherwise.

## 64. JOINT NEGOTIATING COMMITTEE

### 64.1 Functions

The functions of the *JNC*, in addition to other functions prescribed in these *rules*, are:

64.1.1 to approve any amendment to the *rules* proposed by the *trustee company*;

64.1.2 to initiate or consider amendments to the *rules*;

64.1.3 to consider any amendments to the *rules* proposed by the *advisory committee* arising out of the operation of the *rules*; and

64.1.4 to decide on contributions increases or decreases and/or benefits changes under sub-rule 64.10 (Cost Sharing).

### 64.2 Constitution

64.2.1 *JNC* shall consist of 11 persons, 5 of whom shall be *UCEA appointees* and 5 of whom shall be *UCU appointees*. There shall be one independent member to act as chairman.<sup>128</sup>

64.2.2 If a significant number of non-university *institutions* participate in the *scheme*, *UCEA* and *UCU* may agree that one each of their respective nominees shall be appointed to represent the interests of such non-university *institutions* and their *eligible employees*<sup>129</sup>.

64.2.3 Neither *membership* of the *scheme* nor being a member of any one or more of the *board*, the *advisory committee* or the *investment committee* shall disqualify a person from membership of the *JNC*.

### 64.3 Appointment and removal of *UCEA*<sup>130</sup> and *UCU* appointees

64.3.1 The appointment of any member of the *JNC* (except of the independent committee member) may be terminated at any time by the body which made

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<sup>128</sup> Sub-rule 64.2.1 was amended by the Twenty-sixth Deed of Amendment dated 1 August 2024 with an effective date of 1 August 2024.

<sup>129</sup> Sub-rule 64.2.2 was amended by the Twenty-sixth Deed of Amendment dated 1 August 2024 with an effective date of 1 August 2024.

<sup>130</sup> The heading of Sub-rule 64.3 was amended by the Twenty-sixth Deed of Amendment dated 1 August 2024 with an effective date of 1 August 2024 and references to the heading throughout the Rules were updated.

it.

64.3.2 That body may appoint any other person in place of one whose appointment is terminated or who has died, retired or resigned.

64.3.3 Any removal or appointment to the *JNC* shall take effect only if it has been notified in writing to the chairman of the committee under the hand of a person duly authorised by the appointing body.

#### 64.4 **Appointment and removal of the independent committee member**

64.4.1 The independent committee member may be appointed or removed by resolution of the *JNC* at which at least 3 *UCEA appointees* and 3 *UCU appointees* vote in favour of the appointment or removal<sup>131</sup>.

64.4.2 Where the *JNC* cannot agree upon an appointment, the Secretary of State the Department for Business, Energy & Industrial Strategy (or any department which replaces or supersedes it) shall be asked to nominate the independent committee member.<sup>132</sup>

#### 64.5 **Resignation of a committee member**

A committee member (except the independent committee member) may resign from office by notice in writing to both the chairman of the *JNC* and the body by which the person was nominated. The independent committee member may resign by notice in writing to the *JNC*.

#### 64.6 **Appointment of an alternate**

64.6.1 Any committee member may by notice in writing to the *JNC* appoint any other person to act as an alternate at a meeting of the *JNC* from which that committee member is absent.

64.6.2 The independent committee member may only appoint an alternate to act if the alternate is acceptable to a majority of both the *UCEA appointees* and the

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<sup>131</sup> Sub-rule 64.4.1 was amended by the Twenty-sixth Deed of Amendment dated 1 August 2024 with an effective date of 1 August 2024.

<sup>132</sup> Sub-rule 64.4.2 was amended by the Twenty-second Deed of Amendment dated 7 February 2024 with an effective date of 14 July 2016.

*UCU appointees*.<sup>133</sup>

64.6.3 An alternate appointed under sub-rule 64.6.1 shall be entitled, during that appointment, to receive notice of meetings of the *JNC* and to attend and vote in place of the committee member who made the appointment. A committee member who is appointed as an alternate by another committee member shall be entitled to vote at a meeting of the *JNC* on behalf of the committee member who makes the appointment, in addition to the vote which the alternate has as a committee member, and shall be considered as 2 committee members for the purpose of making a quorum.

64.6.4 A committee member who appoints an alternate under sub-rule 64.6.1 may remove the alternate from office by written notice to the *JNC*. That alternate may also be removed from office by written notice from the other committee members to the chairman.

#### 64.7 **Conduct of meetings**

64.7.1 The *JNC* may regulate its meetings as it thinks fit and may determine the quorum necessary for the transaction of business. Until otherwise determined by the *JNC*, 5 committee members, comprising 2 *UCEA appointees*, 2 *UCU appointees* and (except at any meeting to remove or appoint the independent committee member) the independent committee member, shall constitute a quorum.<sup>134</sup>

64.7.2 A meeting of the *JNC* at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in the *JNC*.

64.7.3 A committee member may convene a meeting of the *JNC* to be held at the offices of the *trustee company* or at such other place as the *JNC* may determine. A meeting shall be convened at the request of the *trustee company* to consider any proposal by the *trustee company* which requires the consent of the *JNC*.

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<sup>133</sup> Sub-rule 64.6.2 was amended by the Twenty-sixth Deed of Amendment dated 1 August 2024 with an effective date of 1 August 2024.

<sup>134</sup> Sub-rule 64.7.1 was amended by the Twenty-sixth Deed of Amendment dated 1 August 2024 with an effective date of 1 August 2024.

64.7.4 Questions arising at any meeting shall be decided by a majority of votes. The chairman shall have a second or casting vote in the case of an equality of votes.

64.7.5 A resolution in writing signed by each member of the *JNC*, or on that *member's* behalf by a duly appointed alternate member, shall be valid and effective as if it had been passed at a meeting of the *JNC* duly convened and held. Such a resolution may consist of several documents in like form signed by one or more members of the *JNC* (or the alternate of any such member).

64.7.6 The *JNC* shall cause proper minutes to be kept of its meetings. Such minutes shall be prima facie evidence of the matters stated in them.<sup>135</sup>

#### 64.8 **Delegation to a sub-committee**

The *JNC* may delegate the exercise of any of its powers to a sub-committee of its members, provided that the sub-committee includes at least one *UCEA appointee*, or that member's alternate, and at least one *UCU appointee*, or that member's alternate. The business of the sub-committee shall be conducted in such manner as the *JNC* may stipulate, but otherwise at the sub-committee's discretion. A written resolution signed by the members of the sub-committee shall be as valid and effective as a written resolution of the *JNC*.<sup>136</sup>

#### 64.9 **Expenses and provision of services**

The *trustee company* shall make available to the *JNC* such services as the *JNC* shall reasonably require. The reasonable expenses of the *JNC*, including the cost of seeking independent professional advice, shall be payable out of the *general fund*.

#### 64.10 **Cost Sharing**

If the *trustee company* determines, on *actuarial advice*, following an actuarial investigation under rule 76, that either an increase or a decrease in the aggregate contribution rate payable by *employers* is required towards the cost of benefits under the *general fund*, whether in respect of the cost of providing for such benefits for future service and/or in respect of the cost of remedying any deficit in the *fund*, the *JNC* shall

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<sup>135</sup> Sub-rule 64.7.6 was deleted and sub-rule 64.7.7 is renumbered to 64.7.6 by the Twenty-second Deed of Amendment dated 7 February 2024 with an effective date of 7 February 2024.

<sup>136</sup> Sub-rule 64.8 was amended by the Twenty-sixth Deed of Amendment dated 1 August 2024 with an effective date of 1 August 2024.

decide how the cost of that increase, or the saving from that decrease, is to be addressed, either by increases or decreases in the rates of contributions payable under sub-rule 5.1 (Ordinary member contributions) and/or sub-rule 6.1 (Ordinary employer contributions) and/or by changes in benefits under the *scheme*. If the *JNC* does not agree, within the period allowed under sub-rule 76.4.2, how that cost, or that saving, is to be so addressed, the cost sharing arrangement under sub-rules 76.4 to 76.8 shall apply.

## 65. ADVISORY COMMITTEE

### 65.1 Functions

The functions of the *advisory committee* shall be to advise the *trustee company* on any matters on which it requires advice, including:

- 65.1.1 the exercise of its powers and discretions (except for any matter falling within the jurisdiction of the *investment committee*, save in exercising its *dispute resolution function*);
- 65.1.2 matters of difficulty in the interpretation or application of the *rules*; and
- 65.1.3 any complaints received from *members, former members, pensioner members* or *ex-spouse participants* or from *institutions* and to recommend how such complaints shall be dealt with.

The *advisory committee* shall also exercise its *dispute resolution function*.

### 65.2 Constitution

- 65.2.1 The *advisory committee* shall have an ordinary membership of 6 persons, of whom 3 shall be *UCEA appointees* and 3 shall be *UCU appointees*.<sup>137</sup>
- 65.2.2 When exercising its *dispute resolution function*, it shall include two additional members who shall be appointed, one by the *UCEA directors* and one by the *UCU directors*, each from among their number. Those additional members shall participate in the business of the *advisory committee* only for the purposes of its *dispute resolution function* and only whilst they are members of the *board*.<sup>138</sup>
- 65.2.3 If neither of the additional members and neither of their alternates is able to participate in the exercise of the *dispute resolution function*, the *board* may appoint any *independent director* (who is not otherwise a member of the *advisory committee*) to the *advisory committee* on a temporary basis to enable the relevant business to be concluded.

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<sup>137</sup> Sub-rule 65.2.1 was amended by the Twenty-sixth Deed of Amendment dated 1 August 2024 with an effective date of 1 August 2024.

<sup>138</sup> Sub-rule 65.2.2 was amended by the Twenty-sixth Deed of Amendment dated 1 August 2024 with an effective date of 1 August 2024.

65.2.4 Subject to sub-rule 65.6, the *board* shall resolve any doubt or disagreement as to whether or not the *advisory committee* is exercising its *dispute resolution function* in any particular case.

**65.3 Appointment and removal of members, additional members and independent director**

Members of the *advisory committee* may be appointed and removed in accordance with the provisions of sub-rules 64.2.3, 64.3 (Appointment and removal of UCEA and UCU appointees) and 64.5 (Resignation of a committee member), as if they applied to the *advisory committee*, except that:

65.3.1 the additional members of the *advisory committee* may be removed only by the *UCEA directors* (in the case of individuals appointed by *UCEA directors* or *UUK directors*), or the *UCU directors* (in the case of individuals appointed by *UCU directors*);<sup>139</sup>

65.3.2 an *independent director* may be removed by the *board* (excluding the *independent director* to be removed); and

65.3.3 the *UCEA directors* and the *UCU directors* shall each be treated for the purposes of sub-rule 65.2 (Constitution) and this sub-rule as a single continuing body, notwithstanding any changes in composition, and each body may act by written agreement of the majority of its members.<sup>140</sup>

**65.4 Appointment of an alternate**

65.4.1 A member of the *advisory committee* may appoint a person to act as an alternate at a meeting of the *advisory committee*, as if sub-rule 64.6 (Appointment of an alternate) applied to the *advisory committee*, subject to sub-rules 65.4.2 and 65.4.3.

65.4.2 An additional member of the *advisory committee* may not appoint an alternate from the ordinary membership of that committee and may only appoint an alternate who is a member of the *board*. Such an alternate may be removed only by that additional member or by the *board* (excluding the alternate being

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<sup>139</sup> Sub-rule 65.3.1 was deleted and replaced by the Twenty-sixth Deed of Amendment dated 1 August 2024 with an effective date of 1 August 2024.

<sup>140</sup> Sub-rule 65.3.3 was amended by the Twenty-sixth Deed of Amendment dated 1 August 2024 with an effective date of 1 August 2024.

removed). Such an alternate shall be automatically removed on ceasing to be a member of the *board*.

65.4.3 An *independent director* appointed to the *advisory committee* to serve in the exercise of its *dispute resolution function* may not appoint an alternate.

## 65.5 Conduct of meetings

65.5.1 The *advisory committee* may regulate its meetings as it thinks fit and may determine the quorum necessary for the transaction of business. Until otherwise determined, 4 ordinary members (comprising 2 *UCEA appointees* and 2 *UCU appointees*) shall constitute a quorum.<sup>141</sup>

65.5.2 When exercising its *dispute resolution function*, no meeting of the *advisory committee* shall be quorate without the presence of either at least one additional member (or at least one alternate of such a member) or a duly appointed *independent director*.<sup>142</sup>

65.5.3 A decision of the *advisory committee* may be made either by a majority of those members present and voting, or by a written resolution signed by each member who would have been entitled to vote at such a meeting (or by a duly appointed alternate member). Such a written resolution shall be valid and effective as if it had been passed at a meeting of the *advisory committee*. The written resolution may consist of several documents in like form each signed by one or more members of the *advisory committee* (or the alternate of any such member). The signature of a member who is also alternate for another shall be treated as the signature of both. All decisions of the *advisory committee* shall be notified to the *trustee company*.

65.5.4 Sub-rules 64.7.2, 64.7.3, 64.7.6, and 64.9 (Expenses and provision of services) shall apply to regulate the meetings of the *advisory committee* in the same manner as they are expressed to regulate meetings of the *JNC*, subject to sub-rule 65.5.5.<sup>143</sup>

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<sup>141</sup> Sub-rule 65.5.1 was amended by the Twenty-sixth Deed of Amendment dated 1 August 2024 with an effective date of 1 August 2024.

<sup>142</sup> Sub-rule 65.5.2 was deleted and replaced by the Twelfth Deed of Amendment dated 16 April 2021 with an effective date of 16 April 2021.

<sup>143</sup> Sub-rule 65.5.4 was amended by the Twenty-second Deed of Amendment dated 7 February 2024 with an effective date of 7 February 2024.

65.5.5 The *advisory committee* shall appoint one of their own number to be chairman. The chairman shall not have a casting vote.

65.5.6 At the request of the *board* or of a duly authorised officer of the *trustee company*, a meeting of the *advisory committee* shall be convened to consider any matter on which the *board* requires advice or a decision from the *advisory committee*.

## 65.6 **Issues of principle or policy in exercising the dispute resolution function**

65.6.1 Where, in the opinion of both of the additional members of the *advisory committee* or of any *independent director* duly appointed to that committee (whether or not this opinion is shared by any of the remaining members of the *advisory committee*), a decision by the *advisory committee* in the exercise of its *dispute resolution function* would or does involve a significant issue of principle or policy, the additional members or the *independent director* (as the case may be) may require the *advisory committee* to refer the matter to the *board*, together with the *advisory committee's* views (if any).

65.6.2 The power in sub-rule 65.6.1 may be exercised at any time prior to a decision of the *advisory committee* on the matter in question, or subject to sub-rule 65.6.3, within 2 days (excluding any Saturday, Sunday or bank holiday) following the day of the decision. The power shall be deemed to have been exercised as soon as notification of its exercise has been given by each additional member of the committee participating in the business, either orally at a meeting of the committee or in writing to the *trustee company*.

65.6.3 No decision of the *advisory committee* in exercising its *dispute resolution function* shall take effect when the power under sub-rule 65.6.1 may still be exercised in respect of it. Where that power of referral is exercised, any decision of the *advisory committee* on the matter shall, subject to sub-rule 65.6.4, be suspended and revocable pending consideration of the matter by the *board*. The *board* may confirm, revoke or vary the decision or remit it for further consideration and determination by the *advisory committee*.

65.6.4 The *advisory committee* may, with the consent of the additional member and of the *independent director*, determine that its decision in that case shall take

immediate effect. Where the *advisory committee* has made that determination, no power of referral to the *board* may be exercised under sub-rule 65.6.1 after a decision has been made on it by the *advisory committee*.

**65.7 Power to inform JNC of matter in dispute**

If the *trustee company* declines to accept the advice of the *advisory committee* in any case, the *advisory committee* may inform the *JNC* of the matter in dispute. If the matter can be rectified by an amendment of the *rules*, the *advisory committee* may request the *JNC* to propose such an amendment under sub-rule 79 (Amendment).

## 66. INVESTMENT COMMITTEE

### 66.1 Function

The *investment committee* of the *board* is established under the articles of association of the *trustee company* to advise the *trustee company* on all questions relating to the investment of the assets of the *fund*.

### 66.2 Constitution

The *investment committee* shall consist of not fewer than 4 nor more than 10 persons. At least 2 of those persons shall be members of the *board* ("*ordinary committee members*"). Not more than 5 of those persons shall be persons whom the *board* may decide to co-opt because they have special skills or are able to give competent advice to the *trustee company* on the investment policy of the *fund* ("*special committee members*"). A member of the *board* with the requisite skills may be appointed a *special committee member*.

### 66.3 Appointment and removal of members

66.3.1 The *board* may for any reason which it considers adequate remove a member of the *investment committee* from office.

66.3.2 A vacancy in the membership of the *investment committee* may be filled or left vacant as the *board* shall decide.

66.3.3 The *board* may appoint additional members of the *investment committee*, subject to the requirements of sub-rule 66.2.

### 66.4 Conduct of meetings

66.4.1 The *investment committee* shall meet at least once in every quarter and shall make a written report to the *board* of its deliberations and decisions, including any changes to the investment policy of the *fund*.

66.4.2 The articles of association of the *trustee company* shall regulate the conduct of meetings of the *investment committee*. Unless and until otherwise determined, the quorum shall be 4 members of the *investment committee*, of whom at least 2 shall be *ordinary committee members* and 2 shall be *special committee members*.

## 66.5 Delegation

The *board* shall retain the overall power of investment in relation to the *fund* but may delegate, on such terms as it may impose, to the *investment committee* the power of the *trustee company* to decide the investment policy of the *fund*.

## 66.6 Appointment of investment manager

66.6.1 The *trustee company*, acting on the advice of the *investment committee*, may appoint one or more investment managers of the *scheme*, who shall be paid out of the *fund*. The *trustee company*, acting on the advice of the *investment committee*, may remove and replace any such investment manager. The *trustee company* may delegate to such an investment manager all or any of its investment powers, other than the power to decide overall investment policy.

66.6.2 The investment manager shall, if required, report to each meeting of the *investment committee* all details of transactions authorised by the investment manager since the date of the investment manager's last report and produce such further information as the *investment committee* shall require. The investment manager's report (if any) shall be included in the *investment committee's* report to the *board* under sub-rule 66.4.1.

66.6.3 Subject to the approval of the *board*, the investment manager may employ such persons as the investment manager considers necessary to carry out the investment manager's duties effectively. Such persons shall be remunerated for their services out of the *general fund*.

## 67. INVESTMENT POWERS

### 67.1 Power to invest as beneficial owner

All trust moneys in the *fund* shall either be placed on current or deposit account with a bank, or invested or applied in the name or under the legal control of the *trustee company* in the purchase, or at interest upon the security, of such investments or property, whether involving liability or not, and whether producing income or not, or upon such personal credit, with or without security, as the *trustee company* shall think fit, to the intent that the *trustee company* shall have the same full and unrestricted powers of investing and transposing investments and of applying and dealing with monies and assets as if it was absolutely entitled to the *fund* beneficially.

### 67.2 Particular types of investment

Without prejudice to the generality of sub-rule 67.1, trust moneys may:

- 67.2.1 be invested in or upon any securities the holding of which is restricted to a particular class of persons, the *trustee company* being a member of that class;
- 67.2.2 be invested in or upon any securities of any of the *institutions* or of any corporate body which is a trustee of the *fund*;
- 67.2.3 be lent (with or without security) to any body corporate which is a trustee of the *fund* and whose business comprises the business of banking, without such trustee being liable to account for any profits made in respect thereof;
- 67.2.4 be invested in holdings of foreign currencies or in loans, bonds or other investments denominated in such currencies;
- 67.2.5 be used for entering into or meeting liabilities under underwriting or sub-underwriting contracts of all kinds and whether resulting in the actual investment of trust moneys or not;
- 67.2.6 be used for entering into or meeting liabilities under any other contracts (including traded options, financial futures and forward currency transactions) which the *trustee company* shall consider appropriate for the purpose of augmenting the capital or income of the *fund*, or protecting the *fund* against the possibility of loss of capital or income, and such as not to expose the *fund* to undue risks, and notwithstanding that any such contract

may not involve the acquisition of pre-existing property or rights or may require the temporary deposit, or a temporary delegation of, the management of assets forming part of the *fund*;

67.2.7 be invested by effecting with one or more *insurers* deferred annuity policies, annuity policies or contracts for the purpose of providing pensions or benefits (whether immediate or future and whether contingent or otherwise) for the purposes of the *scheme* and the *trustee company* shall have full power to deal with and dispose of any such policy, whether by sale surrender or otherwise in such manner as the *trustee company* shall think fit; and

67.2.8 be applied in any form of investment which may come to be developed, recognised and adopted as a new form of investment in reputable financial circles.

### 67.3 **Lending assets**

The *trustee company* shall have the like powers of lending property other than money comprised in the *fund* at interest, or using it for the purpose of effecting or facilitating contracts or otherwise applying it, as if it were money.

### 67.4 **Delegation**

The *trustee company* may delegate all or any of its powers of making and managing investments, and of keeping a register of them, to any person, firm or company whom it considers competent to do so, and to pay to such person, firm or company such fees as the *trustee company* considers to be reasonable in the circumstances. Where any asset held for the benefit of the *fund* is vested in a partnership in which the *trustee company* is a partner, the *trustee company* may arrange or agree that the management of that partnership and its investments be carried on by another person who is a partner therein (or by a person appointed by such partner as the manager of that partnership) subject to such terms and conditions as the *trustee company* may think fit (which may include remuneration for that management, wholly or partly by a share in the profits of that partnership).

## 67.5 Nominees

The *trustee company* may permit all or any part of the assets of the *fund* to be held in the name of nominees for the *trustee company*, if it considers it expedient to do so for the efficient management of the investment of the *fund*.

## 67.6 Land

67.6.1 The *trustee company* shall, in relation to any *land* held as an investment of the *fund*, have the same full and unrestricted powers of dealing with and disposing of it as if it were the absolute beneficial owner.

67.6.2 Without prejudice to the generality of its investment powers, the *trustee company* may enter into or form any partnership (whether a general partnership or a limited partnership) which has as its objective investment in *land* or the development of *land* for investment purposes and may transfer any *land* to any partner of such partnership (or nominee of such partnership) to be held on the terms of such partnership.

## 67.7 Stock lending arrangements

67.7.1 Without prejudice to the generality of the powers conferred on the *trustee company* under sub-rules 67.1 to 67.4, the *trustee company* may conclude and implement any stock lending arrangements (within the meaning of section 263B of the Taxation of Chargeable Gains Act 1992). The *trustee company* may appoint a bank or other financial institution authorised by law as its agent or delegate in connection with the carrying into effect of those arrangements and may authorise the sub-delegation of its powers by such institution.

67.7.2 The *trustee company* may conclude such agreements in connection with those arrangements and for the protection of the *fund* (including, without limitation, the provision to the *trustee company* of appropriate collateral to secure the obligations owed to it under those arrangements) as the *trustee company* may think fit.

## 67.8 Indemnities and guarantees

The *trustee company* may enter into such indemnities and provide such guarantees as it may consider requisite or desirable in connection with any exercise of its powers of investment, including the retention or development of any freehold or leasehold property in which it has any interest.

## 67.9 Recovery of losses from employer

Where, in the reasonable opinion of the *trustee company*, loss has arisen to the *fund* in respect of a *member's DC account* or to the *MPAVC fund* that was wholly or partly attributable to an act or omission, error or delay by an *employer*, the *trustee company* may, after consulting with that *institution*, require that *employer* to make a contribution to the *member's DC account*, or to the *member's MPAVC fund*, as the case may be, of an amount which the *trustee company* determines to be reasonable and no more than the aggregate of the following:

- 67.9.1 the amount of loss which has arisen to the *fund* in respect of a *member's DC account*, or to the *MPAVC fund*, as the case may be;
- 67.9.2 an administration charge for the costs associated with or connected to the recovery of such loss; and
- 67.9.3 interest on the amounts in 67.9.1 and 67.9.2 at such rates as the *trustee company* on *actuarial advice* may decide.

68. **BORROWING POWERS**

- 68.1 The *trustee company* shall have power to raise any money required for the purposes of the *scheme* by the sale, conversion, calling in, mortgage or charge of all or any part of the *fund* for the time being in its possession in the same manner and to the same extent as if the *trustee company* were the absolute and beneficial owner thereof and generally shall have power to borrow for the purposes of the *scheme* to the extent permitted by Regulation 5(2) of the Occupational Pension Schemes (Investment) Regulations 2005<sup>144</sup>.
- 68.2 The *trustee company* may delegate the exercise of its borrowing power under sub-rule 68.1 to any person to whom the *trustee company's* investment power has been delegated under sub-rule 67.4 (Delegation), upon such terms and subject to such limitations as the *trustee company* shall think fit, for the purpose of facilitating the making and transposing of investments by such person on its behalf. All interest on such borrowing shall be paid out of the *fund*.

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<sup>144</sup> Sub-rule 68.1 was deleted and replaced by the Twelfth Deed of Amendment dated 16 April 2021 with an effective date of 16 April 2021.

69. **PERSONAL INTEREST**

Any officer of the *trustee company* or member of the *board*, the *JNC*, the *advisory committee* or the *investment committee* who is engaged in any profession or business may act (either alone or jointly with one or more partners or through any person, firm or company) in a professional capacity for the *trustee company* or those committees and shall be entitled to be paid for all such work done.

## 70. PERSONAL DEALING IN INVESTMENTS

### 70.1 Adoption and applicability of the code of conduct

70.1.1 The *board* (or a duly authorised sub-committee of the *board*) shall adopt (and may amend) a code of conduct to regulate the terms on which any officer or employee of the *trustee company* may engage in dealings in any investment otherwise than for or on behalf of the *scheme* or the *trustee company*.

70.1.2 Subject to sub-rule 70.2, the code shall apply to such employees and officers of the *trustee company* as the *trustee company* may think fit, whether or not the *trustee company* has delegated to, or conferred upon, them the authority to exercise any of the *trustee company's* powers under rule 67 (Investment powers).

70.1.3 The code may impose on any officer or employee of the *trustee company* an obligation to use best endeavours to secure that any other person with a connection to that person of a kind specified in the code complies with the code.

70.1.4 For the purposes of this sub-rule, officers of the *trustee company* shall include its directors and members of any sub-committee of the *board*. "Director" shall have the meaning it has in the Financial Services and Markets Act 2000 in relation to bodies corporate.

### 70.2 Content of the code of conduct

70.2.1 The code shall comply with the relevant requirements (whether or not legally binding) of the Financial Conduct Authority and of any other regulatory body exercising functions under the Financial Services and Markets Act 2000 in relation to the *trustee company*.

70.2.2 The code shall expressly prohibit any personal dealing by any person to whom it applies which would amount to a breach of Part 5 of the Criminal Justice Act 1993 (Insider Dealing).

70.2.3 The code may contain such provisions as the *board* shall consider appropriate where any personal dealing is proposed that could give rise to a conflict with the interests of the *scheme* or of the *trustee company*.

70.2.4 The code may confer authority on any person approved by or on behalf of the *board* to give or withhold the consent of the *trustee company*, on such terms and conditions as the *board* may think fit, to personal dealings in accordance with the code. Such person may include (without limitation) any officer or employee of the *trustee company*, whether or not that person is subject to the code, and any members of the *board* or of any duly authorised sub-committee of the *board*.

### 70.3 **Ongoing review of the operation of the code of conduct**

70.3.1 The *board* (or a duly authorised sub-committee on its behalf) shall keep under review the operation of the code.

70.3.2 Where the *board* entrusts such a review to any sub-committee, the *board* shall require that sub-committee to report to it at least annually on that review or at such more frequent intervals as the *board* may decide.

70.3.3 The *board* (or a duly authorised sub-committee on its behalf) may relax any provision of the code and ratify a personal dealing made otherwise than in accordance with the code (including power retrospectively to give consent which was required under the code but which was not obtained by any individual).

### 70.4 **Personal dealing in accordance with the code of conduct**

Where an individual to whom the code applies makes a personal dealing in accordance with the code, or where any breach of the code is ratified by (or otherwise remedied to the satisfaction of) the *trustee company* under sub-rule 70.3.3 above, no such individual shall be required to account to the *trustee company* for any investment acquired by virtue of that personal dealing nor for any profit or benefit derived from the retention of, or subsequent dealing with, that investment.

### 70.5 **Amendments to the code of conduct**

70.5.1 Amendments to the code by a sub-committee of the *board* may be made by an individual member of the sub-committee (to whom that function has been delegated by that sub-committee), but no such amendment made by such an individual member shall continue to have effect unless it has been confirmed or ratified by that sub-committee, or by the *board*, within 4 months of the date

on which it was made.

70.5.2 If the amendment is not subsequently so confirmed or ratified, any personal dealing made during the interim period, pursuant to that code as so amended, shall not be in breach of the code, provided that the amendment does not itself breach any legal requirement imposed on the *trustee company*.

## 71. ACCOUNTS, AUDITS AND REPORTS

- 71.1 The *trustee company* shall keep proper books of account showing all the dealings with the assets of the *fund*. An income and expenditure account and balance sheet of the *fund* made up to the *accounting date* shall be prepared and audited in accordance with section 41 of *PA 95*.
- 71.2 There shall be annexed to the accounts and balance sheet a report of the *trustee company* on the *scheme*, including its administration, and a report of the activities of the *JNC*, the *advisory committee* and the *investment committee*.
- 71.3 As soon as possible after the accounts and balance sheet of the *fund* have been audited, the *trustee company* shall circulate to the *employers*, *UCEA* and *UCU* a copy of the accounts and balance sheet of the *fund*, together with a copy of the auditor's report, the reports referred to in sub-rule 71.2, and the report and accounts of the *trustee company* prepared in accordance with Part 15 of the Companies Act 2006.<sup>145</sup>

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<sup>145</sup> Sub-rule 71.3 was amended by the Twenty-sixth Deed of Amendment dated 1 August 2024 with an effective date of 1 August 2024.

72. **REMUNERATION OF COMMITTEE MEMBERS**

The *trustee company* may, with the approval of the *JNC*, remunerate members of the *board*, the *JNC*, the *advisory committee* and the *investment committee* out of the *general fund* for their services and reimburse them (whether remunerated or not) for all expenses properly incurred in connection with the *scheme*.

### 73. COSTS AND EXPENSES

- 73.1 Subject to section 256 of *PA 04*, to sub-rules 7.6 to 7.8 and to paragraph 15 of schedule 6 (Pension sharing on divorce etc.), all costs and expenses of managing and administering the *scheme* incurred by the *trustee company* shall be paid out of the *fund* (except to the extent that they may be paid by the *institutions*), including any sum which the Pensions Ombudsman (or any of its successors) directs the *trustee company* to pay, or to consider for payment, by way of compensation or otherwise, for any act or omission for which the *trustee company* is found responsible by that ombudsman.
- 73.2 Where any such costs and expenses arise from the breach by an *institution* of any law requiring treatment of part-time workers which is no less favourable than that accorded to full-time workers, or from the failure of an *institution* to provide timely and accurate information to enable the *trustee company* to determine a *part-time service fraction*, those costs and expenses shall be payable by that *institution*.
- 73.3 The *trustee company* may establish a bank account in its name, to be held separately to the *fund* and which shall not form part of the *scheme's* assets, for the purposes of meeting any civil penalties levied against it by the Pensions Regulator (or any of its successors), in respect of the *scheme*, and associated costs, which in either case, due to the application of legislative restrictions on such payments, could not otherwise be met from the *fund*. The *trustee company* shall have the power to require any or all of the *institutions*, on such terms and in such proportions as it may reasonably in its discretion decide, to make payments directly to it to be held within the account as an asset of the *trustee company*. The *trustee company* may only exercise this power in such a manner that does not result in the *trustee company* receiving from the *institutions* payments which in total exceed £1,000,000 in respect of any one individual penalty. Such monies shall be used as the *trustee company* sees fit, acting reasonably, in compliance with any relevant legal restrictions and the purposes of this sub-rule.<sup>146</sup>

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<sup>146</sup> Sub-rule 73.3 was inserted by the Twentieth Deed of Amendment dated 27 September 2023 with an effective date of 27 September 2023.

## 74. POWER TO COMPROMISE CLAIMS

- 74.1 The *trustee company* may compromise or satisfy any claim brought against it by any *member, former member, ex-spouse participant* or *pensioner*, or by any person claiming in respect of any such individual, in relation to any loss or other injustice suffered by such person (including distress or inconvenience) that arises from any act or omission in good faith by the *trustee company* in the actual or purported administration of the *scheme* (including any act or omission on its part which could give rise in its opinion to a sustainable claim against the *trustee company* under Part 10 of *PSA 93*), subject to sub-rules 74.5 to 74.6.
- 74.2 The power under sub-rule 74.1 may be exercised without prejudice to:
- 74.2.1 the power of the person or persons appointed by the *trustee company* for the purposes of section 50 of *PA 95*;
  - 74.2.2 the powers of the *advisory committee* under the *rules* and in particular its *dispute resolution function*;
  - 74.2.3 the powers of the *trustee company* under section 15 of the Trustee Act 1925, which may be exercised concurrently with the power conferred under this sub-rule;
  - 74.2.4 the obligation of the *trustee company* to pay interest on payments which are due from it under the *rules* under sub-rule 34.4 (Payment of pensions).
- 74.3 Compensation under sub-rule 74.1 shall not be paid twice in respect of the same loss.
- 74.4 The *trustee company* may exercise its power under sub-rule 74.1 by augmenting or providing *relevant benefits* under the *scheme*, or by making any other payment out of the *fund*.
- 74.5 The power under sub-rule 74.1 shall not be exercised in respect of a claim in relation to which the *advisory committee* may exercise its *dispute resolution function*, unless the *advisory committee* shall have agreed either to the exercise of the power in respect of that claim, or to its exercise in relation to a specified class of claims within which, in the written opinion of the chairman of the *advisory committee*, the particular claim falls. Consideration by the *advisory committee* whether so to agree shall be treated as exercising its *dispute resolution function*.

74.6 Where, in the opinion of the *trustee company*, loss has arisen to any person by reason of an act or omission that was wholly or partly attributable to an act or omission by an *institution* and the *trustee company* decides to exercise its power under sub-rule 74.1, the *trustee company* may, after consulting with that *institution*, require that *institution* (which for this purpose shall be deemed to be the *employer*) to make a contribution to the *fund* (including the *member's DC account* or to the *MPAVC fund*) of an amount which the *trustee company* determines to be no more than the amount of its costs arising from that exercise of its power as are attributable to that act or omission of the *institution*, disregarding any indemnity in favour of the *trustee company* under rule 75 (Indemnity).

## 75. INDEMNITY

75.1 Without prejudice to any right of indemnity given to them by law, the *trustee company* and the members of the *board*, the *JNC* (and any alternates appointed pursuant to Rule 64.6)<sup>147</sup>, the *advisory committee* (and any alternates appointed pursuant to Rule 65.4)<sup>148</sup> and the *investment committee* shall be entitled to an indemnity against the assets of the *fund* in respect of:-

75.1.1 all liabilities incurred in the performance or purported performance of their obligations under, or in the administration of, the *scheme*, so long as those liabilities are incurred in good faith and without any fraudulent or wrongful intent or culpable negligence and to the extent that such indemnification would not be prohibited by section 256 of *PA 04*; and

75.1.2 all expenses properly incurred by them in the execution of the trusts of the *scheme*, including in connection with any liability for which they may be indemnified under sub-rule 75.1.1 or in connection with any breach of trust for which they are exonerated from liability under sub-rule 75.2.

75.2 Neither the *trustee company* nor the members of the *board*, the *JNC*, the *advisory committee* or the *investment committee* shall be liable for any breach of trust, provided that no director or employee of the *trustee company* nor any member of such committees shall be released from any liability in respect of:-

75.2.1 that person's fraud or deliberate or culpable disregard of the interests of those actually, prospectively or contingently entitled to any *relevant benefit* under the *scheme*; or

75.2.2 any liability for breach of an obligation under any rule of law to take care or exercise skill in the performance of any investment functions under the *scheme* in the circumstances referred to section 33 of *PA 95*,

but neither any director or employee of the *trustee company* nor any member of such committees shall be liable for any act or default of any fund manager (within the

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<sup>147</sup> The wording in parentheses was introduced by the Seventh Deed of Amendment dated 6 February 2019 with an effective date of 19 November 2015.

<sup>148</sup> The wording in parentheses was introduced by the Seventh Deed of Amendment dated 6 February 2019 with an effective date of 19 November 2015.

meaning of section 47 of *PA 95*) where the requirements of section 34(4) or (6) of *PA 95* have been met.

- 75.3 The *trustee company* may enter into such agreements and give such undertakings, indemnities or guarantees which are binding upon the *fund* as the *trustee company* may decide to be necessary or desirable for the proper and efficient administration of the *scheme*.
- 75.4 The *trustee company*, in making any investment which requires an indemnity to be given by the *trustee company* against liabilities arising in the event that the investment involves or results in the de registration of the *scheme* under section 157 of *FA 04*, has power to give such an indemnity so as to bind the *fund*, notwithstanding that the indemnity may only become operative by reason of a breach of trust on the part of the *trustee company*.

## 76. ACTUARIAL INVESTIGATION

- 76.1 There shall be an actuarial investigation of the *scheme* by the *actuary* appointed for that purpose at intervals of not more than 3 years. Following each actuarial investigation, the *actuary* shall report to the *trustee company* on the financial condition of the *scheme* and shall make such recommendations as the *actuary* shall think fit, including as to the contributions to be payable by the *employers* under rule 6 (Ordinary employer contributions).
- 76.2 The actuarial valuation and actuarial statement to be prepared by the *actuary* shall comply with Part 3 of *PA 04* and be sufficient to enable the *trustee company* to comply with its obligations under that Part.
- 76.3 In the event of the actuarial investigation disclosing that an alteration in or addition to the *scheme* is desirable, the *trustee company*, in consultation with the *JNC* and in accordance with rule 79 (Amendment), shall take such steps as it shall consider appropriate to achieve such alteration or addition.
- 76.4 In the event that:
- 76.4.1 the *trustee company* determines on or after the *effective date*, on *actuarial advice*, following the actuarial investigation, that an increase in the aggregate contribution rate payable by *employers* is required towards the cost of benefits under the *fund*, whether in respect of the cost of providing for such benefits for future service and/or in respect of the cost of remedying any deficit in the *fund*; and
  - 76.4.2 the *JNC* does not decide, within a period of 3 months from the date on which the *actuary's* report on the actuarial investigation under sub-rule 76.1 is received by the *JNC*, or such longer period as the *trustee company* may allow, how the cost of that increase is to be addressed under sub-rule 64.10;
- then, if an increase in the aggregate contribution rate payable by *employers* is required towards the cost of such benefits, the rate of matching contributions payable by the *employers* to *members' DC accounts* under sub-rule 6.3 is to be prospectively reduced to the extent necessary, as determined by the *trustee company*, to meet that increase.
- 76.5 If that rate of matching contributions is extinguished under sub-rule 76.4, the *JNC* will consider a reduction in the rate of contributions payable by the *employers* to *members'*

*DC accounts on salary* in excess of the *salary threshold* under sub-rule 6.5, among other potential changes.

76.6 Before the *JNC* makes any decision regarding any such reduction in the rate of those contributions payable under sub-rule 6.4.2 or any other such change, there shall first be a consultation in accordance with sections 259 to 261 of *PA 04*.

76.7 Following any such consultation referred to in sub-rule 76.6, the *JNC* may decide that the rate of contributions payable under sub-rule 6.4.2 is to be reduced, so far as is necessary, as determined by the *trustee company*, to meet the increase in the aggregate contribution rate payable by *employers* required towards the cost of benefits under the *general fund*.

76.8 If, after the application of the relevant foregoing provisions of this rule, there remains an increase in the aggregate contribution rate payable by the *employers* required towards the cost of such benefits, or there is a decrease in that aggregate contribution rate so required and a consequent saving in relation to the cost of such benefits, that cost (or that saving) shall be shared in the ratio 35:65 between *members* and *employers*, so that:

76.8.1 35% of that cost (or that saving) shall be applied to increase (or decrease) the contributions payable by each *member* under sub-rule 5.1; and

76.8.2 65% of that cost (or that saving) shall be applied to increase (or decrease) the contributions otherwise payable by each *employer* under sub-rule 6.1,

provided that nothing in rules 76.4 to 76.8 shall affect the powers of the *trustee company* under sub-rule 6.1 (Ordinary employer contributions).

77. **LIABILITY OF INSTITUTIONS**

No *institution* shall have any liability in connection with the *scheme*, except as expressly provided in the *rules* and except for any liability incurred under *PA 95* or other duty which may not by law be excluded.

## 78. DISPUTE RESOLUTION

### 78.1 Dispute resolution procedure

The *trustee company* shall operate an internal dispute resolution procedure in accordance with section 50 of *PA 95*. Until all stages of that procedure have been exhausted in relation to any disagreement within its scope, including those contemplated under the *advisory committee's dispute resolution function* and referred to under sub-rules 65.6.1 and 65.6.2, the *trustee company* shall not, subject to sub-rule 78.3, consent to the disagreement being referred to outside arbitration.

### 78.2 Referral to arbitration

Except in so far as the resolution of any disagreement or other matter of doubt is otherwise provided for by these *rules* or Part 10 of *PSA 93*, any disagreement arising under the *rules* may, by consent of the parties to or affected by it, be referred to arbitration in accordance with the Arbitration Act 1996. If the *trustee company* is a party to such disagreement, then, unless the parties otherwise agree, the seat of arbitration shall be in England and there shall be a single arbitrator appointed by the President of the Law Society of England and Wales.

### 78.3 Dispute relating to contractual pension age

Where the disagreement is between a beneficiary under the *scheme*, the *trustee company* and/or any *employer*, or any employer which formerly participated in the *scheme*, and relates to:

78.3.1 the existence or nature of a right to a *CPA* or its effect on entitlements under the *scheme*;

78.3.2 the adequacy of the evidence required to establish a *CPA*; or

78.3.3 the amount of any adjustment to any *relevant benefits* or of any compensatory cash sum payable in relation to a *CPA* (other than matters of actuarial science and practice, which shall be determined by the *actuary*),

the parties to the disagreement may, without prejudice to their rights to seek a Judgment or order of the Court or of a tribunal of competent jurisdiction, agree to refer the matter to arbitration by an appropriately experienced independent Counsel of at least 10 years' standing, nominated by the *trustee company*, to act as an arbitrator and not as an expert.

The costs of such referral shall be borne by such parties in such proportions as the arbitrator shall see fit.

## 79. AMENDMENT

### 79.1 Power of amendment

Subject to the provisions of this rule, the *trustee company* may by deed repeal, alter or add to all or any of the *rules*.

### 79.2 Not to affect existing benefits

No amendment shall prejudice or affect any pension or annuity payable at the date of such amendment under the *scheme*, or the rights of any *member*, *former member*, *ex-spouse participant* or *pensioner* who is at the date of such amendment excused from or not liable for contributions under the *scheme*.

### 79.3 Not to affect purpose of the scheme

No amendment shall have the effect of altering the purpose of the *scheme*, which shall continue to be the provision of *relevant benefits* for *eligible employees*, *relatives*, *dependants* and *ex-spouses*.

### 79.4 Not to return to institutions any part of the fund

No amendment shall result in the return to any *institution* of any part of the *fund*, save under sub-rule 82.4.5 (Appointment of assets and liabilities on winding-up).

### 79.5 Consent of the JNC

79.5.1 No amendment shall be made without the written consent of the *JNC*.

79.5.2 Subject to sub-rule 79.5.3, an amendment shall be effective from the date of execution of the deed of amendment under sub-rule 79.1, or from any earlier or later date specified in that deed.

79.5.3 If the *JNC*, in consenting to an amendment, makes that consent subject to an express stipulation that the amendment is not to operate until its consent has been obtained, the amendment shall not take effect until its consent has been obtained.

**79.6 Statutory subsisting rights provisions**

Any modification of the *scheme* must satisfy the requirements of sections 67 to 67I of *PA 95*.

**79.7 Power of JNC to recommend amendment**

Where the *JNC* recommends to the *trustee company* any amendment of the *rules*, the *trustee company* shall, in accordance with this rule, take steps to implement the recommendation, unless it appears to the *trustee company*, acting on *actuarial advice*, to:

79.7.1 prejudice unfairly any one or more groups of *members* or *former members* when compared with another or other groups;

79.7.2 impose any unfair liability upon any one or more of the *institutions* or upon the *trustee company*;

79.7.3 be likely to result in *HMRC* having grounds to de-register the *scheme* under section 157 of *FA 04*;

79.7.4 be inconsistent with the constitution of the *scheme* as an irrevocable trust; or

79.7.5 be undesirable for any other reason which the *trustee company* shall notify in a reasoned written statement to the *JNC*.

**79.8 Section 37 of the Pension Schemes Act 1993**

No amendment shall be made to the *rules* which would be an alteration of the rules of a *contracted-out scheme* which is prohibited by section 37 of *PSA 93*.

## 80. EVENTS TRIGGERING SCHEME WIND-UP

The *scheme* shall be wound up if:

- 80.1 all the *institutions* so agree in writing;
- 80.2 a majority of the *institutions* so agree in writing and the *trustee company* and the *JNC* concur;
- 80.3 the *trustee company* and the *JNC* so decide on the grounds that the objects for which the *scheme* was established no longer exist or that the administration of the *scheme* cannot conveniently be carried on;
- 80.4 the *perpetuity period* expires; or
- 80.5 an order to that effect is made by the Pensions Regulator under section 11 of *PA 95*.

The effective date of commencement of the winding-up of the *scheme* shall be such date as the *trustee company* may decide, and shall be no earlier than the date of the event triggering the winding-up of the *scheme* and no later than the first date after that event on which there are no *members in service*.

81. **CONTINUATION OF SCHEME AS FROZEN SCHEME**

On the occurrence of any of the events in rule 80 (Events triggering scheme wind-up), the *trustee company* may, with the prior written consent of the *JNC* (and of the Pensions Regulator where sub-rule 80.5 applies), defer the winding-up of the *scheme*. The *trustee company* shall then continue to administer the *scheme* as a scheme closed to new entrants and to further accrual of benefits.

## 82. APPLICATION OF SCHEME ASSETS ON SCHEME WIND-UP

### 82.1 Active members who have not attained normal pension age

82.1.1 Subject to sub-rules 82.1.2 and 82.1.3, on the commencement of the winding-up of the *scheme*, *active members* who have not attained *normal pension age* shall be treated as *former members* to whom rule 16 (Preserved benefits) or rule 18 (Early leavers without qualifying service)<sup>149</sup> applies.

82.1.2 Unless a *former member* who does not have *qualifying service* on ceasing *service* elects otherwise:

- (a) the contributions paid to the *scheme* by the *former member* who left *service* prior to 1 April 2022 shall be applied to provide benefits under sub-rule 18.3.1(a); and
- (b) benefits for the *former member* who left *service* on or after 1 April 2022 shall be provided under sub-rule 18.3.1(b).<sup>150</sup>

82.1.3 A *former member* shall have the same rights to a cash equivalent transfer value during the course of the winding-up of the *scheme* as if Chapter 1 of Part 4ZA of *PSA 93* applied and the *trustee company* may extend the time limit for payment of a guaranteed cash equivalent for such period as the *trustee company* may decide.

### 82.2 Active members who have attained normal pension age

*Active members* who attained *normal pension age* on or before the effective date of the commencement of the winding-up of the *scheme* under rule 80 (Events triggering scheme wind-up) shall be treated as if they had *retired* on that date.

### 82.3 Application of the fund on a winding-up

82.3.1 On the winding-up of the *scheme*, and subject to the payment from the *member's DC account* of all costs, charges and expenses in respect of the winding up of the *scheme* which are properly attributable to the *member's DC account*, the *trustee company* shall use each *member's DC account* and

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<sup>149</sup> The heading of Rule 18 was deleted and replaced by the Sixteenth Deed of Amendment dated 25 February 2022 with an effective date of 1 April 2022

<sup>150</sup> Sub-rule 82.1.2 was deleted and replaced by the Sixteenth Deed of Amendment dated 25 February 2022 with an effective date of 1 April 2022.

*member's MPAVC fund* (including in respect of an *ex-spouse participant*) to secure benefits in accordance with rule 83 (Securing of benefits on scheme wind-up).

82.3.2 The *fund* shall be converted into money and, subject to the payment of all costs, charges and expenses then owing and to the discharge of all liabilities to third parties, the *trustee company* shall apply that money in securing the liabilities of the *scheme* in the order required under section 73 of *PA95*.

82.3.3 The provisions of schedule 8 (Winding up priority order under the scheme rules (if section 73 of the Pensions Act 1995 does not apply)) shall apply in so far as section 73 of *PA 95* does not apply.

82.3.4 No part of any surplus in the *fund* on a winding up of the *scheme* shall be applied to augment any of the benefits payable from a *member's MPAVC fund*, including in respect of an *ex-spouse participant*.

#### 82.4 **Apportionment of assets and liabilities on winding-up**

82.4.1 The *trustee company* shall apportion the liabilities of the *fund* referred to in sub-rule 82.3.2 between the *main section* and the *supplementary section* according to the section on which the benefits to be secured would in its opinion have become a charge. If the resources of that section are insufficient to meet the liabilities apportioned to it, those liabilities shall be met from the other section, subject to section 73 of *PA 95* and sub-rule 82.3 (Application of the fund on a winding-up) being complied with.

82.4.2 If after the *trustee company* has secured out of the *supplementary section* the liabilities apportioned to it under sub-rule 82.4.1, there remain resources apportioned to the *supplementary section*, those resources shall be applied first under sub-rule 82.4.3 and secondly under sub-rule 82.4.4.

82.4.3 The *trustee company* may, on *actuarial advice*, and after consulting with the *JNC*, augment the *relevant benefits* payable to or in respect of *ex-spouse participants*, subject to the limits in paragraph 11 of schedule 6 (Pension sharing on divorce etc.).

82.4.4 Subject to sub-rule 82.4.3, so far as the resources of the *supplementary section* are sufficient for this, the *trustee company* shall augment the *relevant benefits*

payable to or in respect of *members, deferred pensioners and pensioner members*, subject to the limits in section 17 of the rules of the *scheme* in force at 5 April 2006. In so far as the resources of the *supplementary section* are insufficient to secure those benefits up to those limits in all cases, the *trustee company* may select such *relevant benefits* as it thinks fit for augmentation, having regard to *actuarial advice* and having consulted the *JNC*, in relation to that selection.

82.4.5 Subject to sub-rules 82.4.3 and 82.4.4, the *trustee company* shall distribute the remaining resources of the *fund* to those bodies which were *institutions* immediately before commencement of the winding-up of the *scheme* in such proportions as it shall on *actuarial advice* decide, subject to deduction of any tax charge under Chapter 5 of Part 4 of *FA 04*.

## 82.5 **Continuance of scheme provisions during scheme wind-up**

Such of the provisions of the *scheme* as the *trustee company* shall consider requisite or desirable to facilitate the winding-up of the *scheme* (including all powers of amendment and of modification of the *scheme* vested in the *trustee company*, subject to the consents required by rule 80 (Events triggering scheme wind-up)) shall remain in force and be exercisable after the effective date of commencement of the winding-up of the *scheme* until the winding-up of the *scheme* has been completed.

**83. SECURING OF BENEFITS ON SCHEME WIND-UP**

- 83.1 The *trustee company* shall satisfy its obligations under sub-rules 82.3 (Application of the fund on a winding-up) and 82.4 (Apportionment of assets and liabilities on winding-up) and (so far as applicable) schedule 8 (Winding up priority order under the scheme rules (if section 73 of the Pensions Act 1995 does not apply)), and be discharged from any further liability in respect of those benefits, by securing the benefits of the relevant *members, former members, ex-spouse participants, pensioners* and *beneficiaries* in accordance with section 74(3) of *PA 95*.
- 83.2 The *trustee company* may secure benefits for any person under sub-rule 83.1 by:
- 83.2.1 the acquisition of rights for that person under a *transfer arrangement*, but only if that *transfer arrangement* satisfies the requirements of section 95 or 101F of *PSA 93*, as if the transfer were a transfer at the request of that person of the cash equivalent of that person's accrued rights or *pension credit rights* under the *scheme*; or
  - 83.2.2 transferring to that person the benefits of an insurance policy, but only if that policy satisfies the requirements of section 19(4) or 101E of *PSA 93*.
- 83.3 The *trustee company* may, acting in accordance with its fiduciary duties exercise its powers under this rule 83 without requiring the consent of any *member, former member, ex-spouse participant, pensioner, beneficiary* or any other person. Where reasonably practicable, the *trustee company* will give a reasonable period of notice in writing to such affected persons.

84. NOTICES

84.1 Notice may be given to any person in receipt of or entitled to any benefit from the *scheme* by sending written notice through the post addressed to that person at their last known place of abode. Any notice so sent shall be deemed to be served on the second day following that on which it is posted.

84.2 Every *member, pensioner, former member and ex-spouse participant* prospectively entitled to benefit under the *scheme* shall give written notice to the *trustee company* of the address of their residence on first falling within such a description of beneficiary under the *scheme* and also immediately of any change of residence.

IN WITNESS of which this deed has been executed and delivered on the date first shown above.

EXECUTED as a deed and delivered )  
by Universities Superannuation Scheme )  
Limited by the affixing of its common )  
seal in the presence of: )

Authorised Signatory

Authorised Signatory

## SCHEDULE 1

### Death in receipt of an incapacity pension

1. On the death before *normal pension age* of a *pensioner member* to whom sub-rule 24.2 applies, the *trustee company* shall hold on the *discretionary trusts* a lump sum benefit of A minus I, where

A = B + C - F, where:

B =  $3 \times$  the annual rate of *salary*, as at the date of *retirement*, increased in proportion to any increase in the *RPI* between the last published as at that date and the last published as at the date of the *pensioner member's* death;

C = D minus E, where:

D =  $3/12 \times$  the annual rate of *salary*;

E = the aggregate of the pensions payable to the *pensioner member* under rule 15 in the first 3 months from the date of *retirement* or ceasing *eligible employment* on the grounds of *incapacity* ignoring any deduction under sub-rule 15.5 (Deduction of DC accounts previously drawn or transferred);

F = G minus H, where:

G = the total amount of pension and lump sum received by the *member* from the *general fund* ignoring any deduction under sub-rule 15.5;

H = the aggregate *salary* payable to the *member* for the period from *retirement* to death, had the *member* worked throughout that period in the same employment as before;

I = the amount of the lump sum under sub-rule 24.1.

2. Any benefits payable under this schedule shall be a charge on the *supplementary section*.

## SCHEDULE 2

### Children's pensions where deceased was in service after normal pension age

1. Paragraphs 2 and 3 apply where either a *pensioner member* dies to whom a pension was payable under rule 12 (Late retirement) (or would have been but for any commutation under any of the following:  
  
rule 52 (Lifetime and annual allowance charge); or  
  
rule 53 (Commutation above lifetime allowance); or  
  
rule 54 (Total commutation for serious ill-health); or  
  
deduction under rule 60 (Forfeiture/non-assignment and inalienability)); or  
  
a *member* dies to whom the foregoing provisions of this paragraph would have applied had the *member retired* on the day before the date of death.
2. Whilst a pension is payable to a surviving spouse, *civil partner* or *dependant*, a pension shall be payable, for any period when there are *eligible children*, in respect of each *eligible child* (not exceeding 2), of:  
  
 $3/8 \times$  (the pension to which the *pensioner member* was, or a *member* is deemed to have been, entitled on the day following the date of *retirement*).
3. Whilst no pension is payable to any surviving spouse, *civil partner* or *dependant*, a pension shall be payable, for any period when there are *eligible children*, in respect of each *eligible child* (not exceeding 2) of one-half the pension to which the *pensioner member* was, or a *member* is deemed to have been, entitled on the day following the date of *retirement*.
4. In calculating the pension under paragraph 2 or 3, there shall be disregarded any commutation of benefits under any of:  
  
sub-rule 21.1 (Conversion of lump sum to pension and pension to lump sum); or  
  
rules 52 (Lifetime and annual allowance charge) to 54 (Total commutation for serious ill-health);  
  
any *allocation* under rule 33 (Allocation); and

any deduction under schedule 3 (Deductions for aggregable benefits) or any of the following rules:

rule 60 (Forfeiture/non-assignment and inalienability);

rule 61 (Charge/lien/set off);

rule 51 (Tax); or

sub-rule 52.3 (Trustee company discharge of lifetime allowance charge liability).

5. One-third of the amount of any pension paid under paragraph 2 or paragraph 3 above shall be a charge on the *supplementary section*.

## SCHEDULE 3

### Deductions for aggregable benefits

#### 1. Benefits to be deducted

Where benefits have been received out of the *fund*, or are payable in respect of a *member* or *former member* under another *occupational pension scheme* in relation to a period of employment which counts automatically as *pensionable service*, the *trustee company* shall deduct the value of those benefits from the corresponding benefits of the like nature payable under the *scheme*.

#### 2. The value of the benefits to be deducted

2.1 The value of the benefits to be deducted shall be determined by the *trustee company* on *actuarial advice*.

2.2 If the value of the benefits to be deducted would:

2.2.1 exceed the amount of the corresponding benefits payable out of the *fund*; or

2.2.2 reduce the amount of a *member's* or *former member's* or surviving spouse's or *civil partner's* pension under the *scheme* below the applicable *GMP*,

the *trustee company* shall make such adjustments to the other benefits payable out of the *fund* in respect of the *member* or *former member* as it shall decide on *actuarial advice*.

2.3 The amount deducted shall include compound interest on the amount of any benefits of a specifiable cash value received by the *member* or *former member* at the rate of 4 per cent per annum from the date of receipt, or such other rate as the *trustee company* shall determine on *actuarial advice*.

2.4 If the benefits to be deducted include a refund of the *member's* or *former member's* contributions, the amount deducted shall include the amount of any tax deducted from the refund.

### 3. Prior contracted-in employment

Where a *member* or *former member* has been a member of any other *pension scheme* before 6 April 2016 which was not *contracted out employment*, or has "Pre-Scheme Service" and/or "Pre-Scheme University Service", each within the meaning of the rules of the *scheme* in force on 31 March 2016, the additional pension earned under the State Earnings Related Pension Scheme or State Second Pension in respect of a period of employment of the kind described above shall be deducted from the corresponding benefits of the like nature under the *scheme*.

### 4. Exemptions

No deductions shall be made under this schedule:

- 4.1 to the extent of any payment or transfer of assets by the *member* or *former member* to the *trustee company* in respect of the benefits which would otherwise be deducted under paragraph 1 above;
- 4.2 in respect of benefits from a scheme supplementing the benefits of a *member* or *former member* under a contract between the *institution* and that individual;
- 4.3 in respect of benefits referable to additional voluntary contributions paid by the *member* or *former member* to another *occupational pension scheme* where both:
  - 4.3.1 the ordinary benefits in respect of that individual under that other scheme are taken into account under this schedule; and
  - 4.3.2 the level of compulsory contributions to that other scheme in respect of those ordinary benefits is reasonably comparable to the level of contributions to the *scheme*;
- 4.4 in respect of any benefits paid under any *occupational pension scheme* which was neither approved under the *tax code* nor a relevant statutory scheme as that expression was defined in the *tax code*; or

4.5 in respect of *pension credit rights*, or benefits payable under an *FSAVC scheme* or from the *member's DC account* or *MPAVC fund*.

## SCHEDULE 4

### Multiple appointments

#### 1. Pre-1 April 2016 Service Only

This schedule shall apply only to benefits in respect of *service* as a *MAM* prior to 1 April 2016.

#### 2. Cessation of greater appointment

Except where rule 14 (Flexible retirement) applies, a *MAM* who ceases to hold a *greater appointment* but retains a *lesser appointment*, and who would, but for the retention of the *lesser appointment*, be entitled to an immediate pension under these *rules*, may elect to take an immediate pension and lump sum, subject to reductions or increases, on *actuarial advice*, in accordance with rules 12 (Late retirement), and 13 (Early retirement), in respect of the *greater appointment*, comprising:

(1) a pension at an annual rate of

$$\left( \frac{\text{Number of years' service in the } \textit{greater appointment} \text{ prior to 1 April 2016}}{80} \times \text{PS} \right)$$

and

(2) a lump sum of 3 times that annual pension,

where:

PS is *pensionable salary* determined:

- (a) as at 31 March 2016, as increased by *active revaluation* commencing on 1 April 2017; and
- (b) by reference only to the *salary* of the *greater appointment*, after deducting any actual or prospective increase in *salary* for the *lesser appointment* resulting from the cessation of the *greater appointment*.

If a *MAM* ceases to hold a *greater appointment* and retains the *lesser appointment*, but does not elect to take an immediate pension and lump sum under this schedule, the *member* will be entitled to *preserved benefits* under rule 16.

**3. Revaluation**

Any benefits payable under this schedule shall be subject to *active revaluation* in respect of the period from and including 1 April 2016 to the day before the date of the individual's *retirement*.

**4. Effect on opening credit**

The value of the individual's *opening credit* shall be reduced by the value of any benefits payable under this schedule.

## SCHEDULE 5

### Salary Reduction

1. This schedule applies to an *active member* who made an election before 1 April 2016 under schedule 6 to the rules of the *scheme* as they stood on 31 March 2016 or under the corresponding provisions of previous versions of the rules of the *scheme* which were in force at the date of the election. Such an *active member* shall be treated as retaining the higher *salary* which applied before that individual's election until the election is revoked by the *member* by written notice. Such an election shall not affect the limit on *AVCs* under rule 36 (Money purchase *AVCs*).
2. An election under this schedule shall cease to apply if the *member* enters the *eligible employment* of an *institution* which was not that *member's employer* at the effective date of that election, unless either:
  - 2.1 that *institution* and the *trustee company* consent to the election remaining in force;
  - 2.2 that *institution* is an *associated employer* of an *employer* of the *member* at that date, or of an *employer* which has *control* over, or is under the *control* or is a successor of, any such *employer*; or
  - 2.3 sub-paragraph 2.2 above would apply if the references to an *employer* at that date were to an *institution* which previously gave its consent under sub-paragraph 2.1 above in relation to the same election or to an *institution* in respect of *eligible employment* in respect of which the *member* has previously made contributions under this schedule under the same election.
3. For the purposes of this schedule *salary* shall exclude *salary* in relation to which rule 32 (Variable time employees) of the rules of the *scheme* as they stood on 31 March 2016, or the corresponding provisions of the previous version of the rules of the *scheme* in force at the date of the relevant election, applied.

## SCHEDULE 6

### Pension sharing on divorce etc.

#### 1. Application of this schedule

Paragraphs 2 and 4 to 15 of this schedule apply where a person has acquired entitlement to a *pension credit* as against the *trustee company* or has sought to acquire *pension credit rights* by arranging for a transfer payment to the *trustee company*. Paragraph 3 of this schedule applies where rights of any person under the *scheme* have become subject to a *pension debit*.

#### 2. Discharge of liability for pension credits

- 2.1 Subject to sub-paragraph 2.3, the *trustee company* shall by written notice offer to the *ex-spouse* to transfer, and shall if accepted transfer, the *pension credit* to a *transfer arrangement* chosen by the *ex-spouse* (by completing such form of instruction and discharge as the *trustee company* may specify) or, in the absence of such choice, the *trustee company* may offer to the *ex-spouse* to transfer the *pension credit* to a *transfer arrangement* chosen by the *trustee company*.
- 2.2 Subject to sub-paragraph 2.3, in the absence of such an instruction and discharge, or if such an instruction and discharge is cancelled by the *ex-spouse* and the cancellation is accepted by the *trustee company* before a transfer payment has been made, *pension credit rights* shall be conferred on the *ex-spouse*.
- 2.3 Except and to the extent that the relevant *pension sharing order* otherwise provides, on and from the *effective date* the *pension credit rights* shall be provided proportionately from the rights of the *member* or *former member* in the *general fund* and in the *member's DC account* of that person and those *pension credit rights* shall be apportioned likewise between the *general fund* and a *member's DC account* of the *ex-spouse participant*.
- 2.4 Neither an *ex-spouse* with *pension credit rights*, nor a person whose *pension credit rights* derive from an *ex-spouse*, shall be entitled to *membership* of the *scheme* by virtue of their *pension credit rights*.

2.5 The *trustee company* shall by written notice offer to the *ex-spouse* the opportunity to elect that a guarantee period shall apply to any pension payable to the *ex-spouse* under paragraph 4 or 5. Subject to section 41 of *WRPA 99*, the *trustee company* may make such charges as it considers appropriate for providing information or taking other steps necessary to facilitate the making or implementation of any *pension sharing order* or of any pension attachment order under section 23 of the Matrimonial Causes Act 1973 or described in section 24 of *WRPA 99*.

### **3. Discharge of liability for pension debits**

3.1 The benefits payable in respect of a *member, former member, pensioner member* or *ex-spouse participant* shall be reduced by any relevant *pension debit*.

3.2 On and from the *effective date* the benefits payable in respect of a *member, former member, pensioner member* or *ex-spouse participant* out of the *general fund* and in respect of the *member's DC account* shall be reduced proportionately by any relevant *pension debit*. Any such *pension debit* shall be treated for the purposes of these *rules*, including (without limitation) sub-rules 15.5 (Early pensions on incapacity/Deduction of DC accounts previously drawn or transferred) and 23.4 (Lump sum benefits on death in active membership), as if it were a transfer payment made to another *transfer arrangement*.

### **4. Benefit for ex-spouse participants from normal benefit age**

4.1 An *ex-spouse participant* shall be entitled from *normal benefit age* (or such later date as the *ex-spouse participant* becomes entitled to draw *pension credit rights*) to:

4.1.1 a pension for life out of the *general fund* of such amount as is determined by the *trustee company* on *actuarial advice*, regard being had to any election for a guarantee period under sub-paragraph 7.2; and

4.1.2 such benefits as may be provided from that individual's *member's DC account* under sub-rule 22.1 (Benefits that can be provided), as modified by sub-rule 22.6 (Ex-spouse participants), including an amount attributable to any transfer payment received from a *transfer arrangement* in respect of *pension credit rights* which is accepted by the *trustee company*. Such a transfer

payment shall be credited to a *member's DC account* for the *ex-spouse participant*.

- 4.2 Except where immediately before the *ex-spouse participant* became so entitled the individual from whose rights the *pension credit* was derived was a *pensioner member*, an *ex-spouse participant* may elect, by written notice to the *trustee company* before becoming entitled to actual receipt of a pension under sub-paragraph 4.1.1, to commute part of that pension for a lump sum of 12 times the amount commuted, subject to a maximum of one-fifth of the pension, or such other multiple of the amount commuted as the *trustee company* shall on *actuarial advice* have determined, excluding any amount attributable to any disqualifying pension credit (as defined in paragraph 2(3) of Schedule 29 to *FA 04*) from the amount commuted and from the pension for this purpose.

## 5. Early payment of pension credit rights

- 5.1 The *trustee company* may, at the *ex-spouse participant's* request, bring all of that individual's *pension credit rights* into payment on or after *minimum pension age*. The *ex-spouse participant* may exclude all or part of their *pension credit rights* under their *member's DC account* from such a request, provided that those remaining rights may only be used subsequently to provide one or more *uncrystallised funds pension lump sums* in accordance with sub-paragraph 5.5.<sup>151</sup>
- 5.2 An *ex-spouse participant* who is aged 60 or over may by written notice require the *trustee company* to bring all of that individual's *pension credit rights* into payment between age 60 and *normal benefit age* inclusive, from a date which is no less than 2 months (or such shorter period as the *trustee company* may decide) after the date when the *trustee company* receives the notice.<sup>152</sup> The *ex-spouse participant* may exclude all or part of their *pension credit rights* under their *member's DC account* from such a notice, provided that those remaining rights may only be used subsequently to provide one or more *uncrystallised funds pension lump sums* in accordance with sub-paragraph 5.5.<sup>153</sup>

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<sup>151</sup> Paragraph 5.1 of Schedule 6 was amended by the Twenty-second Deed of Amendment dated 7 February 2024 with an effective date of 7 February 2024.

<sup>152</sup> Paragraph 5.2 of Schedule 6 was amended by the Twenty-second Deed of Amendment dated 7 February 2024 with an effective date of 7 February 2024.

<sup>153</sup> Paragraph 5.2 of Schedule 6 was amended by the Twenty-second Deed of Amendment dated 7 February 2024 with an effective date of 7 February 2024.

- 5.3 Benefits from the *general fund* under sub-paragraphs 5.1 and 5.2 shall be brought into payment on such terms as the *trustee company* on *actuarial advice* shall decide, provided that the *trustee company* is reasonably satisfied on *actuarial advice* that the benefits brought into payment from the *general fund* are at least equal in value to the corresponding *pension credit rights* which could have been brought into payment at the *ex-spouse's normal benefit age* under sub-paragraph 4.1.1.
- 5.4 Where an *ex-spouse participant* is also a *member* who is to *retire* on the grounds of *incapacity* under rule 15, that *ex-spouse participant* may by written notice (given before or after that individual's *service* has ceased) require the *trustee company* to bring the *pension credit rights* from the *general fund* into payment without actuarial reduction from the date the pension under rule 15 is payable. The *trustee company* may withdraw or suspend payments of the *pension credit rights* prior to *normal benefit age* if it has determined, having regard to a *medical opinion*, that the *ex-spouse participant* is no longer suffering from *incapacity*. Where the *pension credit rights* have been withdrawn or suspended, the pension shall be resumed at *normal benefit age* in such amount as the *trustee company* may decide, having obtained *actuarial advice*.
- 5.5 Subject to the consent of the *trustee company*, and subject to such terms and conditions as the *trustee company* may require, an *ex-spouse participant* may elect on or after *minimum pension age*, by one month's notice in writing to the *trustee company* (or such other period as the *trustee company* may allow), for the *ex-spouse participant's member's DC account* to be used to provide one or more *uncrystallised funds pension lump sums*. The *trustee company* shall then use the *ex-spouse participant's member's DC account* in accordance with that notice.<sup>154</sup>

## 6. Benefits on the death of an ex-spouse participant before pension credit rights payable

If an *ex-spouse participant* dies without *pension credit rights* having become payable to that person, the following benefits shall be payable:

- 6.1 A lump sum to be held of  $2.4 \times$  the annual rate of pension which would have been payable from the *general fund* to the *ex-spouse participant* at *normal benefit age* under sub-paragraph 4.1.1 (disregarding any commutation or *allocation*) if that age had been attained immediately before death, together with the value of the *member's DC account*

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<sup>154</sup> Paragraph 5.5 of Schedule 6 was added by the Twenty-second Deed of Amendment dated 7 February 2024 with an effective date of 7 February 2024.

(if any) in accordance with sub-rule 22.1 as applied by sub-rule 22.6 (Ex-spouse participants), all to be held on the *discretionary trusts*.

- 6.2 A pension for life for the surviving spouse or *civil partner* from the date of the death of 40% of the annual rate of pension to which the *ex-spouse participant* would have been entitled at *normal benefit age* from the *general fund* under sub-paragraph 4.1.1 (disregarding any commutation or *allocation*) if that age had been attained immediately before death.
- 6.3 Where there is no surviving spouse or *civil partner*, the *trustee company* may pay a pension to a *dependant* of the *ex-spouse participant* (other than an *eligible child*), for such period as it shall determine, of an amount not exceeding the pension which would have been payable to a surviving spouse or *civil partner* from the *general fund*, having regard to, but not being bound by, any written expression of wishes by the *ex-spouse participant*.
- 6.4 Pensions from the *general fund* in respect of *eligible children* of the *ex-spouse participant* of in aggregate:

$$\left( 75\% \text{ of the spouse's or } \textit{civil partner's} \text{ pension under sub paragraph 6.2} \right) \times \left( \text{the number (not exceeding two) of } \textit{eligible children} \right)$$

Whilst no pension is payable to a surviving spouse, *civil partner* or *dependant* under sub-paragraph 6.2 or 6.3, this percentage shall increase to 100%.

#### 6.4.1 **Splitting of pension**

The *trustee company* may split the pension payable in respect of *eligible children* into a number of separate pensions payable to any number of persons approved by the *trustee company*.

#### 6.4.2 **Payment to persons for the benefit of eligible children**

The *trustee company* may pay the pension or pensions in respect of *eligible children* to one or more persons who undertake to apply the pension or pensions for the maintenance or benefit of one or more of the *eligible children*. The *trustee company* shall have no liability for the way in which such a pension is applied.

**7. Benefits on the death of an ex-spouse participant after pension credit rights payable**

- 7.1 On the death of an *ex-spouse participant* to whom a pension had become payable under sub-paragraph 4.1.1 or paragraph 5, the pension benefits payable under sub-paragraphs 6.2 to 6.4 shall be payable.
- 7.2 Where an *ex-spouse* has elected by written notice to the *trustee company* prior to *pension credit rights* being conferred on the *ex-spouse*, or within such other period as the *trustee company* may allow, that a guarantee period shall apply to the pension payable from the *general fund* to that person under sub-paragraph 4.1.1 or paragraph 5, the *trustee company* shall on the *ex-spouse's* death determine on *actuarial advice* an amount to be held upon the *discretionary trusts* equal to the lump sum death benefit payable from the *general fund* on the death of a hypothetical *pensioner member* of the same age as the *ex-spouse*.
- 7.3 On the death of an *ex-spouse participant* on or after the *effective date*, the value of the *member's DC account* shall be applied in accordance with sub-rule 22.4 as applied by sub-rule 22.6 (Ex-spouse participants).

**8. Death before implementation of pension sharing order**

If a person who is an *ex-spouse* by virtue of a *pension sharing order* dies after it has taken effect but before the *trustee company* has conferred *pension credit rights* on the *ex-spouse*, death benefits shall be payable in accordance with paragraph 6 as if that person had been an *ex-spouse participant*.

**9. Inward transfers of rights attributable to pension credits prior to the effective date**

- 9.1 Prior to the *effective date* the *trustee company* may in respect of an *active member* accept a transfer payment which consists of or includes rights to *pension credits* from a *transfer arrangement*.
- 9.2 The *trustee company* shall separately identify the proportion of any *pension credit rights* conferred in respect of a transfer payment received by the *scheme*.
- 9.3 Where any part of the transfer payment in respect of *pension credits* accepted under sub-paragraph 9.1 prior to the *effective date* is attributable to voluntary contributions made to secure additional benefits on a money purchase basis, then that part shall be

paid by the *trustee company* as the *active member* may direct by notice in writing to the *trustee company*, and within such period as the *trustee company* may determine, into the *fund* or into the *MPAVC fund*, but, in the absence of a direction, into the *fund*. Where that part is paid into the *MPAVC fund*, the *member* shall detail the matters specified in sub-rule 36.4 (Money purchase AVCs: Notice requirements) by written notice to the *employer* and the *employer* must transmit those details to the *trustee company*.

## **10. Inward transfers of rights attributable to pension credits on or after the effective date**

10.1 On and from the *effective date*, the *trustee company* may in respect of an *active member* accept a transfer payment into the *member's DC account* which consists of or includes rights to *pension credits* from a *transfer arrangement*.

10.2 The *trustee company* shall separately identify the proportion of any *pension credit rights* conferred in respect of a transfer payment received by the *scheme* to enable the *trustee company* to determine the extent to which it would fall to be considered a disqualifying pension credit (as defined in paragraph 2(3) of Schedule 29 to the *FA 04*).<sup>155</sup>

## **11. Pension credit rights in respect of money purchase AVCs**

11.1 An *ex-spouse participant* shall be deemed to be a *member* for the purposes of sub-rules 36.5 (Investment) and 36.6 (Transfers between investments) in relation to any part of that individual's *pension credit rights* which are referable to a transfer payment made into the *MPAVC fund*, which shall be treated as that individual's *MPAVC investment*.

11.2 *Pension credit rights* referable to a transfer payment made into the *MPAVC fund* shall be of such amounts and in such form as will ensure that the *scheme* conforms to the requirements of Schedule 5 to *WRPA 99*.

11.3 Subject to sub-paragraph 11.1 and paragraph 14, on the death of an *ex-spouse participant* without *pension credit rights* having become payable to that person, the amount which would be the *member's MPAVC fund* if that *ex-spouse participant* were treated as a *member* shall be applied in accordance with the directions of the deceased, or, if there are no such directions, with those of that individual's legal personal representatives. In the absence of any directions, the amount shall be held upon the *discretionary trusts*.

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<sup>155</sup> Paragraph 10.2 of Schedule 6 was amended by the Twenty-second Deed of Amendment dated 7 February 2024 with an effective date of 7 February 2024.

11.4 On *pension credit rights* becoming payable to an *ex-spouse participant*, the amount which would be the *member's MPAVC fund* if the *ex-spouse participant* were treated as a *member* shall be applied in the same way that it would be applied if the *ex-spouse participant* were *retiring* as a *member*, with the *ex-spouse participant* having the right to transfer the *member's MPAVC fund*, as under sub-rule 36.10 (Transfer for defined benefits), to purchase such additional defined benefits as the *trustee company* shall determine on *actuarial advice* as the *member* would have had under sub-rule 36.10.

## 12. Pension credit rights in respect of other money purchase benefits

*Pension credit rights* referable to a transfer payment made into that individual's *member's DC account* shall be of such amounts and in such form as will ensure that the *scheme* conforms to the requirements of Schedule 5 to *WRPA 99*.

## 13. Outward transfers of pension credit rights

13.1 An *ex-spouse participant*, who is at least one year below *normal benefit age* and to whom no part of his or her individual's *pension credit rights* are payable, may require the *trustee company* to use the cash equivalent of the *pension credit rights* in accordance with Chapter 2 of Part 4A of *PSA 93*, within 3 months after the date by reference to which the cash equivalent has been calculated. For the avoidance of doubt, this sub-paragraph 13.1 is subject to any applicable overriding legislation.<sup>156</sup>

13.2 An *ex-spouse participant* may exercise the right under sub-paragraph 13.1 notwithstanding that he or she remains a *member*, *deferred pensioner* or *pensioner member* after the transfer payment has been made under that sub-paragraph.

13.3 The *trustee company* may decline to make a transfer payment in respect of a *deferred pensioner* with *pension credit rights* if no notice has been given in accordance with paragraph 13.1 above or section 101F of *PSA 93* to use the cash equivalent of the *pension credit rights* for a purpose authorised under that Act, and shall decline to do so if the proposed *transfer arrangement* is an unfunded public service pension scheme to which paragraph 2 of Schedule 5 to the *WRPA 99* applies and the *deferred pensioner* is an active member (within the meaning of Part 1 of *PA 95*) of that scheme.

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<sup>156</sup> Paragraph 13.1 of Schedule 6 was amended by the Twenty-eighth Deed of Amendment dated 13 January 2025 with an effective date of 13 January 2025.

- 13.4 Where *pension credit rights* are transferred from the *scheme* to a *transfer arrangement*, the *trustee company* shall confirm to the trustees or administrator of the *transfer arrangement* that the transfer value consists wholly or partly of *pension credit rights*.
- 13.5 The *trustee company* may, if an *ex-spouse participant*, who is less than one year below *normal benefit age* and to whom no part of his or her *pension credit rights* are payable so requests, transfer all or part of the *ex-spouse participant's pension credit rights* to a *transfer arrangement*. The amount of the transfer payment (or payments) shall be calculated using methods and assumptions decided by the *trustee company*, subject to any applicable legal requirements.<sup>157</sup>

#### 14. Limits on pension credit rights

- 14.1 The limits set out in this paragraph shall apply notwithstanding the preceding provisions of this schedule.
- 14.2 Any *pension credit rights* payable to an *ex-spouse* from the *general fund* shall come into payment no later than the *ex-spouse's* 75th birthday.
- 14.3 No pension under this schedule may be commuted, surrendered or assigned except in accordance with the *rules*. Any pension payable to an *ex-spouse participant* shall be paid for life unless it is commuted in full under rule 54 (Total commutation for serious ill-health) or 55 (Total commutation for triviality) or is withdrawn or suspended under sub-paragraph 5.4.
- 14.4 No lump sum payment may be made to any *ex-spouse participant*, in connection with a pension becoming payable to that individual under this schedule, which would result in the *authorised maximum* being exceeded.
- 14.5 Where an *ex-spouse participant* dies after a pension under this schedule has come into payment to that person, no lump sum may be paid by way of *pension credit rights* if it would be a scheme chargeable payment within the meaning of section 241 of *FA 04*.

#### 15. Charges

The *trustee company* may make such charges as it considers appropriate for providing information or taking other steps to facilitate the making or

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<sup>157</sup> Paragraph 13.5 of Schedule 6 was introduced by the Eighteenth Deed of Amendment dated 27 February 2023 with an effective date of 5 December 2017.

implementation of any *pension sharing orders* or pensions attachment orders under the Matrimonial Causes Act 1973 or as described in section 24 of *WRPA 99*, subject to the Pensions on Divorce etc. (Charging) Regulations 2000.

**16. Where an ex-spouse participant is also a member**

An individual who is an *ex-spouse participant* is not, in his or her capacity as such, a *member* except for the purposes of rule 7, rule 22 or (as applied by paragraph 11 of this schedule) rule 36. An individual who has a *member's DC account* by virtue of being an *ex-spouse participant*, and is therefore treated as a *member* for the purposes of rules 7 and 22, shall be treated as a separate *member* in relation to the *member's DC account* (if any) which he or she has as an *active member* or *former member*. An individual who has an *MPAVC fund* by virtue of being an *ex-spouse participant*, and is therefore treated as a *member* for the purposes of rule 36 as applied by paragraph 11 of this schedule, shall be treated as a separate *member* in relation to the *MPAVC fund* (if any) which he or she has as an *active member* or *former member*.

## SCHEDULE 7

### Non-standard salary increases, decreases and adjustments

#### 1. Non-standard salary increases

- 1.1 Where the *trustee company* determines that there is a *non-standard salary increase*, the *trustee company* may:
- 1.1.1 disallow all or part of the *non-standard salary increase as salary*; and/or
  - 1.1.2 require the *employer* and/or the *member* to make such additional contributions to the *fund* as the *trustee company*, acting on *actuarial advice*, determines to be the cost of the increase in benefits payable to the *member* by reason of the *non-standard salary increase* being treated as *salary*.
- 1.2 A determination under sub-paragraph 1.1 above may be made retrospectively by the *trustee company*. An amount which is so disallowed shall be deemed never to have been *salary*. All contributions paid by reference to the *non-standard salary increase* will be refunded to the *employer* and the *member*, after making such deductions under rule 51 (Tax) as the *trustee company* shall determine, or offset against other contributions.

#### 2. Non-standard salary decreases

- 2.1 Where the *trustee company* determines that there is a *non-standard salary decrease*, the *trustee company* may:
- 2.1.1 disregard all or part of the *non-standard salary decrease*, provided that there is no adverse effect on the entitlement or accrued rights of the *member* in respect of *service* prior to the purportedly effective date of the *non-standard salary decrease*; and/or
  - 2.1.2 require the *employer* and/or the *member* to make such additional contributions to the *fund* as the *trustee company*, acting on *actuarial advice*, determines to be the amount of the loss to the *fund* arising from the *non-standard salary decrease*.
- 2.2 A determination under sub-paragraph 2.1 above may be made retrospectively by the *trustee company*. An amount which is so disallowed shall be deemed to have been *salary* throughout the relevant period.

### **3. Adjustments to salary**

Notwithstanding the definition of *salary*, for the purposes of calculating *salary* of any *member* or *former member*:

#### **3.1 Suspension of membership**

If *membership* has been suspended at the date of retirement or death or cessation of *eligible employment* or cessation of *service*, as the case may be, *salary* shall be calculated at the date on which the *member's* contributions to the *scheme* ceased.

#### **3.2 A member with less than one year's continuous service**

Where a *member's service* has ceased and there is less than one *year's salary*, *salary* shall be calculated as if the *member's service* had continued at the same rate of *salary* as at the date of cessation of *service* for a complete year.

#### **3.3 Remuneration for alternative benefits service**

Remuneration for *ABS*, or for any prior period of *pensionable service* for which a *member* is entitled to benefits as a *deferred pensioner*, in respect of which a payment, refund or transfer has been made from the *scheme* and to which schedule 3 (Deductions for aggregable benefits) continues to apply, shall not count as *salary*.

#### **3.4 Notional higher salary**

A notional higher amount may be substituted for actual *salary*, either generally or for such limited period or in such limited circumstances as the *trustee company* thinks fit, provided that this is by agreement between the *institution* and the *trustee company*.

## SCHEDULE 8

### **Winding up priority order under the scheme rules (if section 73 of the Pensions Act 1995 does not apply)**

In so far as section 73 of *PA 95* does not apply to the *scheme*, the *trustee company* shall apply the proceeds of conversion of the *fund* into money under sub-rule 82.3.1 in securing benefits in the following priority order, in descending order of priority of paragraphs and pro rata within each paragraph below:

1. any liability for *relevant benefits* which, in the *trustee company's* opinion, is derived from *members' DC accounts* or *members' MPAVC funds*;
2. any liability for *relevant benefits* which, in the *trustee company's* opinion, is derived from *AVCs* (other than any which fall under paragraph 1 above) or from any transfer under sub-rule 36.10 (Transfer for defined benefits);
3. where the *trustee company* entered into a contract of insurance before 6 April 1997 with a view to securing part or all of the *scheme's* liability for any benefits in payment, and either that contract may not be surrendered, or the amount payable on surrender does not exceed the liabilities secured by the contract (excluding liability for increases to pensions), the liabilities so secured;
4. where the entitlement of a person to payment of a *relevant benefit* has arisen under the *scheme*, liability for that *relevant benefit* and for any benefit which will be payable in respect of that person on that person's death (excluding any increases to pensions otherwise payable);
5. any liability for *EPBs*, *GMPs* or section 9(2B) rights (each as defined under *PSA 93*) (excluding increases to pensions in each case), or for the return of contributions in respect of *members* or *former members* without *qualifying service* who are not entitled to accrued rights under the *scheme*;
6. any liability for increases to pensions referred to in paragraphs 3 and 4;
7. any liability for increases to pensions referred to in paragraph 5; and

so far as not included in any of the preceding paragraphs, any liability for the benefits of *deferred pensioners* and others prospectively entitled to benefits, including *preserved benefits* not then in

payment, which have accrued to or in respect of any *members* or *former members* or *ex-spouse participants* (including increases to pensions).<sup>158</sup>

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<sup>158</sup> Schedule 8 was amended by the Twenty-second Deed of Amendment dated 7 February 2024 with an effective date of 1 April 2016.

## SCHEDULE 9

### Employment outside the UK

The *trustee company* may make regulations to determine the rate at which contributions and *salary* shall be converted into the currency of the United Kingdom in relation to any *member* whose *employer* has notified the *trustee company* that the *member's* employment is being carried on outside the United Kingdom and whose *salary* is expressed in a currency other than that of the United Kingdom.

## SCHEDULE 10

### Equivalent pension benefits

1. The *trustee company* will comply with its statutory obligations in relation to *EPBs*.
2. Subject to section 91(5)(c) of *PA 95*, the *trustee company* may, when a pension becomes payable from the *fund*, commute any *EPBs*, to which a *member* or *former member* is actually or prospectively entitled. Such commutation will extinguish all claims against the *fund* for those *EPBs*.

## SCHEDULE 11

### GMP

#### 1. Scope of this schedule

This schedule applies in relation to *GMPs*, in respect of *service* prior to 6 April 1997, and of transfer credits granted to a *member* in respect of service completed in a *transfer arrangement* prior to 6 April 1997.

#### 2. Requirements of PSA 93

Notwithstanding any other provisions of the *rules*, the *rules* shall be deemed to include such provisions as are required for compliance with, and shall be subject to, *PSA 93* in relation to *GMPs*.

#### 3. GMP for members

A *member* shall be entitled to a pension at *pensionable age* payable for life at a weekly rate of not less than the *member's GMP*.

#### 4. GMP for surviving spouse or civil partner

4.1 Where a *member* or *former member* dies with actual or prospective entitlement to a *GMP* and leaves a widow, she shall be entitled to a pension in respect of the *membership* of her deceased spouse at a weekly rate of not less than half that spouse's *GMP* or, if that spouse is a woman, than any such lower amount (including nil) as is in that widow's case permitted under section 17 of *PSA 93*.

4.2 On the death with actual or prospective entitlement to a *GMP* of a woman, or of a man who leaves a surviving *civil partner*, the widower or *civil partner* shall be entitled, in accordance with section 17(6) of *PSA 93*, to a pension at a weekly rate of not less than half that part of the *member's GMP* which is attributable to earnings for the tax year 1988-89 and subsequent tax years.

## **5. Transfers in**

Where a transfer payment to the *scheme* includes rights to a guaranteed minimum pension under a contracted-out money purchase scheme or to pre-97 protected rights as defined under *PSA 93*, the *GMP* payable from the *scheme* shall include the guaranteed minimum pension which would have been provided under the *transfer arrangement* for the period for which the rights to a guaranteed minimum pension or protected rights had accrued under that arrangement, as if the transfer payment had not been made.

## **6. No reduction in GMP**

Except as may be permitted by Part 3 of *PSA 93*, neither any provision of, nor any power exercised under, the *rules* shall cause any pension payable under the *rules* to be less than the applicable *GMP*, as revalued under paragraph 10, where applicable.

## **7. Deduction from lump sum where excess GMP benefit**

Where at the time pension comes into payment to a *pensioner member* under sub-rule 11.1.1 or 16.1.1 (Benefits at normal pension age), it is payable at a rate which is exceeded by the rate of the *GMP* (increased, as appropriate, under paragraphs 9 and 10) to which that person is entitled by virtue of *membership*, the *trustee company* shall raise the difference by deducting from the lump sum benefit that would otherwise be payable to that person under

sub-rule 11.1.2 or 16.1.2 -such amount as it shall decide on *actuarial advice* to be the cost of doing so.

## **8. No duplication of benefits**

Any *GMP* shall be included in a person's overall entitlement to a pension under the *scheme*, other than an entitlement to *EPBs*.

## **9. Retirement after pensionable age**

### **9.1 Postponement of payment of GMP**

Where any *member* remains in *service* after *pensionable age*, payment of the *GMP* shall be postponed until the earlier of:

9.1.1 cessation of *service*; and

9.1.2 5 years after *pensionable age*.

Payment of the *GMP* may be further postponed with the *member's* consent (but not beyond age 75) if the *member* is not receiving a pension under any of rules 11 (Benefits at normal pension age), 12 (Late retirement), 13 (Early retirement) or 15 (Early pensions on incapacity).

### **9.2 GMP increase where postponement in payment**

Where payment of the *GMP* is postponed for more than 7 weeks after *pensionable age* or such other period as may be required by *PSA 93*, the *GMP* calculated at *pensionable age* shall be increased by 0.143% for each complete week of postponement or at such other rate as may be required under *PSA 93*. For the purposes of this paragraph, "week" means any 7 consecutive days.

## **10. Revaluation of GMP for early leavers**

Where a *GMP* is preserved in the *fund* under rule 16 (Preserved benefits), the *GMP* shall be revalued yearly in accordance with orders made under section 148 of the Social Security Administration Act 1992. No pension under these *rules*, as increased under rule 17 (Pension increases), shall be less than

the *GMP* at *pensionable age*, as revalued under this paragraph.

## 11. Purchase of annuity to secure GMP

Any policy or contract intended to secure a *GMP*, and purchased under either rule 19 (Transfers out) or rule 20 (Buy-outs), shall comply with the following conditions:

- 11.1 the *insurer* shall assume an obligation to the *member*, and/or if appropriate the *member's* surviving spouse or *civil partner*, to pay the benefits secured by the policy or contract;
- 11.2 the policy or contract shall contain or be endorsed with terms providing that:
  - 11.2.1 it may not be assigned, surrendered or commuted except as prescribed under section 19(4)(b) or (c) of *PSA 93*;
  - 11.2.2 the annuity to be paid under the policy or contract to or for the *member's* benefit, or to the *member's* surviving spouse or *civil partner*, shall be at least equal to the *GMP* due (or prospectively due) to the *member* at *pensionable age* (including any increase or revaluation under section 15 or 16 of *PSA 93*) or to the surviving spouse or *civil partner*, as the case may be;
- 11.3 the policy or contract shall be endorsed with a statement of the total periods of service giving rise to the benefits secured or (where relevant) a statement that those periods exceed 2 years; and
- 11.4 the policy or contract must meet the requirements under section 19(5) of *PSA 93*.

## SCHEDULE 12

### Reference scheme test for contracting-out

#### 1. Scope of this schedule

This schedule applies to a *member's contracted-out employment* by reference to the *scheme* on and after 6 April 1997.

#### 2. Reference scheme test

2.1 Notwithstanding any other provisions of the *rules*, the *trustee company* shall operate the *scheme* in accordance with the requirements of *PSA 93* relating to salary-related contracted-out schemes and the *rules* shall be deemed to include such provisions as are required under *PSA 93* for a salary-related *contracted-out scheme* in relation to *service* on and after 6 April 1997.

2.2 The *trustee company* shall have power to act on behalf of all *institutions* for the purposes of the contracting-out requirements under Part 3 of *PSA 93*.

#### 3. Purchase of annuity

Any policy or contract purchased under rule 20 (Buy-outs) which extends to rights to *relevant benefits* which were required to accrue under the *scheme* so as to comply with section 9(2B) of *PSA 93* shall meet the conditions under section 12C of *PSA 93*.

#### 4. Contributions equivalent premium

4.1 A *CEP* may be paid in accordance with Chapter 3 of Part 3 of *PSA 93* in respect of a *member* without *qualifying service* who either dies or ceases to be in *service*. No *CEP* shall be paid where a transfer payment has been made in respect of a *member* under rule 19 (Transfers out) in respect of the relevant rights.

4.2 Where a *CEP* has been paid in respect of a *member* to whom a refund of contributions is payable under rule 18 (Early leavers without qualifying service)<sup>159</sup>, the *trustee*

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<sup>159</sup> The heading of Rule 18 was deleted and replaced by the Sixteenth Deed of Amendment dated 25 February 2022 with an effective date of 1 April 2022

*company* may recover from that refund an amount not exceeding the amount certified by *HMRC* under section 63(1)(d) of *PSA 93* as being the *member's* share of that *CEP*.

## SCHEDULE 13

### Enhanced protection option

This schedule applies to an individual who has given due notice of an election under schedule 16 to the rules of the *scheme* as they stood on 31 March 2016 (Enhanced protection option) to all *employers* by reference to whose *eligible employment* that individual was a member of the *scheme* on 31 March 2016 in accordance with those rules. Unless and until the *trustee company* revokes the election, that election shall take effect, or, as the case may be, remain in effect, but the benefits payable to and in respect of that individual shall be calculated in accordance with these *rules*, and *pensionable salary* shall be determined at 31 March 2016.

## SCHEDULE 14

### **Enhanced opt out (Option to continue death in service and incapacity benefits and option to pay contributions to the member's DC account and/or MPAVCs after withdrawal from membership)**

1. This schedule shall apply to a *member* who makes an election under paragraph 2 and to an individual who has given due notice of an election under schedule 17 to the rules of the *scheme* as they stood on 31 March 2016 to all *employers* by reference to whose *eligible employment* that individual was a member of the *scheme* on 31 March 2016 in accordance with those rules. That election shall take effect, or, as the case may be, remain in effect, but the benefits payable to and in respect of that individual shall be calculated in accordance with these *rules*.
2. A *member* may elect to discontinue accrual of *annual accrued pension amounts and annual accrued lump sum amounts* by giving not less than 28 days' prior written notice to the *trustee company* and to the *employer*, or such other notice period as the *trustee company* may require. Such a notice shall take effect from the end of the month in which the notice expires. Such a *member* shall continue to contribute to the *scheme*, and to be entitled to benefits under the *scheme*, in accordance with this schedule, with effect from the first day of the month following the month in which the notice expires.
3. A *member's* election under paragraph 2 shall, on taking effect, terminate that *member's service*, but shall not terminate that person's *membership*. The benefits payable to or in respect of the *member* shall, subject to paragraphs 5 to 7 below, be determined by reference to the *member's accrued pension amount and accrued lump sum amount* accrued up to and including the last day of the month in which the notice under paragraph 2 expired.
4. A *member* to whom this schedule and sub-rule 5.7.5 apply shall contribute to the *fund* from the first day of the month following the month in which the notice under paragraph 2 expires such amounts, or at such rate, based on the *member's salary*, as shall be determined by the *trustee company* on *actuarial advice*. The *employer* of such a *member* shall, from the first day of the month following the month in which the notice under paragraph 2 expires, contribute to the *general fund*, at any time when a recovery plan is in force in relation to the *scheme* in accordance with section 226 of *PA04*, such amounts, or at such rate, based on the *member's salary*, as shall be determined by the *trustee company* on *actuarial advice*. Provided that the *member* and the *employer* each pays the contributions required by this paragraph, the benefits under paragraphs 5 to 7 below will be payable.

5. Benefits under rule 15 (Early pensions on incapacity) will be payable to or in respect of a *member* who *retires* or ceases *eligible employment* on the grounds of *incapacity* while this schedule applies to that *member*, and those benefits shall be determined by reference to the *member's accrued pension amount* and *accrued lump sum amount*, and *annual accrued pension amounts* and *annual accrued lump sum amounts*, accrued up to and including the date of the *member's retirement* or ceasing *eligible employment* as if the *member* had remained in *service* until that date, together with, where the *member retires* or ceases *eligible employment* on the grounds of *total incapacity*, any *additional pensionable service* and *supplementary service* that would have been credited to the *member* under rule 15 from the date of the *member's retirement* or ceasing *eligible employment*.
6. Benefits under rule 23 (Lump sum benefits on death in active membership), rule 26 (Survivor's pension on death of an active member) and rule 31 (Children's pensions on death in service) will be payable on the death of a *member* to whom this schedule applies.
7. The death benefits payable under each of rule 24 (Lump sum benefits on death of pensioner member), rule 27 (Survivor's pension on death of a pensioner member), sub-rules 30.1 and 30.2 (Dependants' pensions on death of pensioner member or death in deferment) and sub-rule 32.1 (Children's pensions on death of pensioner member or death in deferment) in respect of a *member* to whom this schedule applies who dies after *retiring* or ceasing *eligible employment* on the grounds of *incapacity* under rule 15 (Early pensions on incapacity) shall be calculated by reference to the *member's accrued pension amount* and *accrued lump sum amount*, and *annual accrued pension amounts* and *annual accrued lump sum amounts*, accrued up to and including the date when the *member* so *retired* or ceased *eligible employment*, including for this purpose as *pensionable service* the period during which the election under paragraph 2 applied, together with, where the *member retired* or ceased *eligible employment* on the grounds of *total incapacity*, any *additional pensionable service* and *supplementary service* that would have been credited to the *member* under rule 15 from the date of the *member's retirement*, or ceasing *eligible employment*.
8. A *member* to whom this schedule applies may elect to pay contributions to the *member's DC account* on or after the *effective date* and/or *MPAVCs* in any *reference period* after 31 March 2016 in accordance with sub-rule 5.4 and/or rule 36 (Money purchase AVCs). An election under paragraph 2 shall automatically revoke any election under sub-rule 5.3 (Matching contributions) but such a revocation shall be treated as an election under sub-rule 5.4 (Additional member contributions) to make contributions (or additional contributions) in

respect of the same *eligible employment* at the rate of 1% of *salary*, which shall have effect until such time as it may be varied or revoked under sub-rule 5.6 (Notice requirements).

9. An election under this schedule may be made once only. An election under this schedule shall be valid and effective only if the election shall continue to be in force, and is not revoked, for a period of at least 12 months, or until (if earlier) cessation of *eligible employment*.
10. The terms of an election under this schedule shall continue to apply to the relevant *member* unless and until the *member* recommences *service*. For the avoidance of doubt, if a *member* is automatically enrolled into *membership* in accordance with Part 1 of the Pensions Act 2008 and subsequently opts out of *membership* in accordance with Part 1 of that Act or under sub-rule 39.1 (Withdrawal from membership), the *member* shall not thereby be treated as having recommenced *service* or *membership*.
11. The *trustee company* will undertake a review of elections made under this schedule every three years (or at such other interval upon the request of the *JNC* but no more than once in any 12 month period) and will report the outcome of that review to the *JNC*.<sup>160</sup>
12. A *member* to whom this schedule applies who remains in *eligible employment* beyond their *minimum pension age* shall be able to access their benefits in the same manner as an *active member* who opts for *flexible retirement* and the provisions of Rule 14 shall apply accordingly to them as if they were a *flexible retiree*, with:
  - 12.1 references to ‘*active member*’ and ‘*active membership*’ read as if the words were replaced by ‘member on the terms under Schedule 14’ or ‘membership in accordance with the terms of Schedule 14’ as appropriate; and
  - 12.2 references to continuing to accrue benefits read as subject to the *member’s* continued election under Schedule 14.<sup>161</sup>

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<sup>160</sup> Paragraph 11 of Schedule 14 was amended by the Twenty-second Deed of Amendment dated 7 February 2024 with an effective date of 7 February 2024.

<sup>161</sup> Paragraph 12 was introduced by the Fourteenth Deed of Amendment dated 08 September 2021 with an effective date of 08 September 2021.

## SCHEDULE 15

### Employee Specific Voluntary Salary Cap

1. This schedule applies to a *member* who makes an election under this schedule with effect from the *effective date* or 1 April in any *scheme year* which commences after the *effective date*.
2. The *member* must give to the *trustee company* and to the *employer* 28 days' prior notice in writing (or such other notice period as the *trustee company* may require) that the *member* is making an election under this schedule.
3. An election by a *member* under this schedule shall have the effect that, for any period while it is in force, the *salary* of the *member* for all purposes of the *scheme*, except for those of sub-rule 37.2 and subject to paragraph 7 below, shall be disregarded to the extent that that *salary* exceeds such annual figure as shall be specified by the *member* in the notice given under paragraph 2 above, provided that that amount of *salary* shall be no lower than the *salary threshold* and that the specification by the *member* shall be deemed to include an automatic increase up to the amount of the *salary threshold*, if at any time the amount specified would otherwise be lower than the *salary threshold*.
4. A *member* to whom this schedule applies shall, unless sub-rule 41.1 (Salary Sacrifice) applies, contribute to the *fund* in accordance with sub-rule 5.1 (Ordinary member contributions) or, as the case may be, sub-rule 5.7 (Special member contributions) on the *member's salary* as modified by paragraph 3 above. The *employer* of such a *member* shall contribute:
  - 4.1 to the *fund* in accordance with sub-rule 6.1 (Ordinary employer contributions) and, where applicable, in accordance with sub-rule 41.1 based on the *member's salary* as modified by paragraph 3 above, and
  - 4.2 to the *general fund*, at any time when a recovery plan is in force in relation to the *scheme* in accordance with section 226 of *PA 04*, such amounts, or at such rate, as shall be determined by the *trustee company* on *actuarial advice*, based on the amount by which the *member's salary* (as if the *member* had not made an election under this schedule) exceeds the *member's salary* as modified by paragraph 3 above.
5. A *member* to whom this schedule applies may elect to contribute to the *member's DC account* in accordance with sub-rule 5.3 (Matching contributions) on the *member's salary* as modified by paragraph 3 above and *employer* contributions shall in that event be credited to the *member's DC account* under sub-rule 6.3 (Matching contributions) based on the *member's salary* subject

to the same specified amount. Except in so far as it alters *salary* for the purposes of sub-rule 5.3, an election under this schedule does not affect a prior election under that sub-rule.<sup>162</sup>

6. An election under this schedule shall continue to apply unless and until it is revoked by the *member* by 28 days' prior notice in writing to the *trustee company* and to the *employer* (or such other notice period as the *trustee company* may require). Once an election under this schedule is in effect, the *member* may not vary or revoke it with effect from a date earlier than 31 March following the effective date of the election.
7. The *trustee company* may allow a *member* who has made an election under this schedule to pay such additional contributions as the *trustee company* may determine on *actuarial advice*, based on the amount by which the *member's salary* (as if the *member* had not made an election under this schedule) exceeds the *member's salary* as modified by paragraph 3 above, in order that if the *member* were to die whilst in *active membership*, or were to *retire* or cease *eligible employment* on the grounds of *incapacity*, the benefits payable in either of those events shall be calculated by reference to what the *member's salary* would have been if the *member* had not made any election under this schedule.
8. The *trustee company* will undertake a review of elections made under this schedule every three years (or at such other interval upon the request of the *JNC*, but no more than once in any 12 month period) and will report to the *JNC* on the outcome of that review.<sup>163</sup>

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<sup>162</sup> Paragraph 5 of Schedule 15 was amended by the Twenty-third Deed of Amendment dated 21 February 2024 with an effective date of 1 January 2024.

<sup>163</sup> Paragraph 8 of Schedule 15 was amended by the Twenty-second Deed of Amendment dated 7 February 2024 with an effective date of 7 February 2024.

## SCHEDULE 16

### Salary cap for certain members who joined the scheme prior to 6 April 2006

1. Any election made under the provisions of either of sections 17B and 17C of the rules of the *scheme* as they stood on 6 April 2006 (or under those provisions as continued in effect by the rules of the *scheme* in effect on or after 1 May 2009 but before 1 April 2016) shall, if in effect immediately before that latter date, continue in effect in accordance with those provisions.
2. No election of such a kind as is described in paragraph 1 above may come into effect after 31 March 2016 and none which after that date continues in effect by virtue of that paragraph may thereafter be revoked.
3. When by virtue of paragraph 1 above an election in relation to a *member* remains in effect which took effect in accordance with the provisions of section 17C there referred to, then the annual rate of *salary* of that *member* for any period after 31 March 2016 shall be treated as limited to the amount which would have fallen to be specified under section 590C of the *Taxes Act* for the tax year into which that period falls, had that enactment not been repealed.

## SCHEDULE 17

### Death or retirement on the grounds of total incapacity before 1 April 2017

If a *member* or *former member* dies, or *retires* or ceases *eligible employment* on the grounds of *total incapacity*, before 1 April 2017, having been an *active member* on 31 March 2016 and, if in consequence, a pension becomes payable under any of sub-rules 15.3.1, 15.3.2, 26.2, 27.2, 29.1.2, 29.2, 30.2, 31.1, and 32.1, the *annual accrued pension amount* in respect of the last 12 months of the *member's active membership* shall be calculated by reference to the aggregate of:

(a) the pension accrued for the period from 1 April 2016 to the date of the *member's* death, or *retirement* or cessation of *eligible employment* on the grounds of *total incapacity*, at the rate of:

(i) in the case of an individual who dies whilst in *active membership*:

$1/12 \times 1/75 \times \textit{salary} \times (\text{the number of months of such } \textit{active membership} \text{ on and after 1 April 2016}); \text{ and}$

(ii) in the case of an individual who dies after having ceased to be an *active member*:

$1/12 \times 1/75 \times \textit{salary} \times (\text{the number of months between 1 April 2016 and the } \textit{effective date})$

and

$1/12 \times 1/75 \times \textit{CRB salary} \times (\text{the number of months on and after the } \textit{effective date}).$

(b) the pension accrued prior to 1 April 2016 for the balance of a period of 12 months at the rate of:

(i) in the case of an individual who is or was then a *final salary member*:

$1/12 \times 1/80 \times (\textit{pensionable salary} \text{ calculated as at a } \textit{relevant date} \text{ of 31 March 2016}) \times (\text{the number of such months prior to 1 April 2016}); \text{ and}$

(ii) in the case of any other individual:

$1/12 \times 1/80 \times \textit{salary} \times (\text{the number of such months prior to 1 April 2016}).$

## SCHEDULE 18<sup>164</sup>

### Withdrawing Institutions during Withdrawal Restriction Period

1. During the *withdrawal restriction period* no *institution* shall become a *withdrawing institution* upon the occurrence of any of the circumstances listed at sub-paragraphs (a) to (h) of the definition of *withdrawing institution*, unless and until the *trustee company* in its discretion so determines and provides written notice of that determination to the relevant *institution*.
2. In accordance with Rule 45.1, an *institution* shall not establish, maintain or contribute to any other *pension scheme* for *eligible employees* or *excluded post employees*. During the *withdrawal restriction period*, an *institution* that breaches this requirement shall only become a *withdrawing institution* if the *trustee company* in its discretion so determines and provides written notice of that determination to the relevant *institution*.
3. Subject to paragraphs 8 and 9 below, the *withdrawal restriction period* shall commence on the date of signature of the actuarial valuation for the *scheme* that has an effective date of 31 March 2020 and is prepared in accordance with section 224 of the *PA 04*, and shall terminate at the end of the *expiry period*.
4. The *expiry period* is a period initiated by way of a written notice from *UCEA* to the *trustee company*. It will start on the relevant effective date set out in paragraph 5 below and, subject to paragraph 6 below, terminate on the twentieth anniversary of that date.<sup>165</sup>
5. The effective date of any notice under paragraph 4 above shall be as follows:
  - (a) where the notice is received six months or less after the effective date of an actuarial valuation prepared in accordance with section 224 of the *PA 04*, the date of signature of that actuarial valuation; or
  - (b) where there is no actuarial valuation prepared in accordance with section 224 of the *PA 04* having an effective date within six months prior to the date on which the notice received, the date of signature of the next such actuarial valuation.

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<sup>164</sup> Schedule 18 was introduced by the Fifteenth Deed of Amendment dated 20 September 2021 with effect from the date of signature of the actuarial valuation for the Scheme that has an effective date of 31 March 2020. The actuarial valuation in question was signed on 30 September 2021.

<sup>165</sup> Paragraph 4 of Schedule 18 was amended by the Twenty-sixth Deed of Amendment dated 1 August 2024 with an effective date of 1 August 2024.

6. Before or during the *expiry period*, UCEA may by written notice to the *trustee company* extend the *expiry period* or withdraw the notice that initiated the *expiry period*.<sup>166</sup>
7. Following the end of the *withdrawal restriction period*, the provisions of this Schedule 18 shall cease to apply in their entirety.<sup>167</sup>

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<sup>166</sup> Paragraph 6 of Schedule 18 was amended by the Twenty-sixth Deed of Amendment dated 1 August 2024 with an effective date of 1 August 2024.

<sup>167</sup> Paragraphs 8-14 of Schedule 18 were deleted and paragraph 7 of Schedule 18 was amended by the Twenty-second Deed of Amendment dated 7 February 2024 with an effective date of 7 February 2024.

## SCHEDULE 19<sup>168</sup>

### Additions Members

1. This schedule applies to an *active member*, *deferred pensioner* or *pensioner member* who was in *active membership* within the *additions period* and who remained an *active member*, *deferred pensioner* or *pensioner member* as at 1 April 2024, subject to the provisions of paragraphs 6 to 8 below (an "**Additions Member**"). It also applies to a spouse, *civil partner*, *eligible child* or *dependant* following the death of an individual who would have been an *additions member* had they not died during the *additions period* (an "**Additions Beneficiary**").

### Additions

2. The following shall apply to an *additions member* who remained an *active member* or *deferred pensioner* as at 31 March 2024 (including an individual who is a *flexible retiree* at that date):
  - a. an additional amount of pension at the annual rate of £215 will be added to the *annual accrued pension amount* in respect of the *benefit year* commencing 1 April 2023; and
  - b. an additional amount of £645 will be added to the *annual accrued lump sum amount* for the *benefit year* commencing 1 April 2023.
3. In respect of an *additions member* who *retired* prior to 1 April 2024 and became a *pensioner member* (other than (a) in respect of part only of their benefits under sub-rule 14.4 or (b) in relation to one or more periods of *membership* while remaining an *active member* or a *deferred pensioner* as at 31 March 2024 in relation to another period of *membership* for whom, in either case, paragraph 2 alone shall apply), an additional amount of pension at the annual rate of £241 will be added to the pension payable to such *pensioner member*, subject to paragraph 6 below.
4. Where an individual would have been an *additions member* had they not died during the *additions period*, that individual's benefit shall not be altered, however an additional amount of pension at the annual rate of £108 will be added to the pension payable to every *additions beneficiary's* pension which became payable upon the death of that individual under the *rules* and was still payable, on 1 April 2024.
5. The additional amounts detailed in paragraphs 2 to 4 above are the "**Additions**" for the purposes of the rules.

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<sup>168</sup> Schedule 19 was added by the Twenty-fourth Deed of Amendment dated 21 February 2024 with an effective date of 1 April 2024.

### **Specific categories of members**

6. An *additions member* who is a *pensioner member* and, prior to 1 April 2024, commuted their benefits for a serious ill health lump sum under rule 54 shall be entitled to receive the *additions*, unless the *additions* had been taken into account in the calculation of the actuarial value of benefits prospectively payable to them for the purposes of rule 54.1.1 or 54.1.A.1. The *additions member's* entitlement to the *additions* shall also be included when calculating the amount of such *additions member's* pension for the purposes of determining any survivor's benefits payable upon their death, if such pension is to be calculated on the basis as that which would otherwise have been payable to them as at a date on or after 1 April 2024.
7. An individual in respect of whom a valid election was in effect under schedule 14 (Enhanced opt out) as at 31 March 2024 will not be an *additions member*.
8. A *VTE* who paid any *member* contributions to the *scheme* during the *additions period* will be an *additions member* provided that the other criteria in paragraph 1 are met.
9. An individual who was in a period of suspended *membership* for the full *additions period* will not be an *additions member*. An individual who was in a period of suspended *membership* for only part of the *additions period* and who had some *active membership* during that period will be an *additions member* provided that the criteria in paragraph 1 are met.

### **Applications to benefits**

10. As the *additions* form part of the individual's *annual accrued pension amounts* and *annual accrued lump sum amounts*, as at 1 April 2025 and in the April of each subsequent *benefit year*, subject in all cases to Rule 10, the *additions* shall be revalued as provided for under the *rules*. As the pension element of the *additions* forms part of a *member's* or *beneficiary's* pension, it will be increased whilst in payment as provided for under the *rules*.<sup>169</sup>
11. The *additions* are not member contributions, and therefore will not be included in a refund of contributions paid to a *former member* without *qualifying service* under rule 18 (Early leavers without qualifying service).

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<sup>169</sup> Paragraph 10 of Schedule 19 was amended by the Twenty-ninth Deed of Amendment dated 22 May 2025 with an effective date of 1 April 2024.

12. The *additions* will be eligible for conversion of pension to lump sum, and vice versa under rule 21 (Conversion of lump sum to pension and pension to lump sum), upon the *retirement* of an *additions member*.
13. For an *additions member*, the *additions* will be included in the calculation of accrued benefits for the purpose of calculating death and incapacity retirement benefits which fall due after 31 March 2024.
14. For an *additions member* who retires on the grounds of *total incapacity* before 1 April 2025 and whose benefits are calculated under rule 15.3, the *additions* will be applied before calculation of the *enhanced incapacity* pension under rule 15.3 as if they accrued entirely on 31 March 2024.
15. Where an *additions member* has a *pension debit* applied to their benefits after 31 March 2024, the *additions* will be counted for the purposes of that *pension debit*. An *Ex-spouse* will not otherwise receive the *additions*, and the *additions* will not be counted for the purposes of any *pension credit* that a person acquired entitlement to prior to 1 April 2024.

## SCHEDULE 20<sup>170</sup>

### Abolition of the Lifetime Allowance

#### 1. Scope of this schedule

- 1.1 This schedule makes provision for the effects of the abolition of the lifetime allowance from 6 April 2024 by the Finance Act 2024.
- 1.2 This schedule applies to any person who receives benefits from the *scheme* on or after 6 April 2024, whether entitlement to those benefits is governed by the *rules* or by any of the series of trust deeds and rules that have governed the *scheme* from time to time since its establishment.
- 1.3 The amendments made by this schedule shall have effect from 6 April 2024.

#### 2. Defined terms

- 2.1 All references to the *authorised maximum*, including its definition in sub-rule 1.1 (Definitions), shall operate as references to the "permitted maximum" as defined in paragraph 2 of Schedule 29 to *FA 04*.
- 2.2 The definitions of *benefit crystallisation event*, *chargeable amount* and *lifetime allowance charge* shall be interpreted by reference to the provisions of *FA 04* in place on 5 April 2024, and references to a *benefit crystallisation event*, *chargeable amount* or *lifetime allowance charge* in the *rules* shall refer to a *benefit crystallisation event*

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<sup>170</sup> Schedule 20 was added by the Twenty-fourth Deed of Amendment dated 21 February 2024 with an effective date of 1 April 2024. Please note that the Schedule was added by that deed as 'Schedule 19', however references should have been to a new 'Schedule 20'.

occurring, or *chargeable amount* or *lifetime allowance charge* calculated in relation to actions that took place prior to 6 April 2024.

**3. References to provisions of FA 04 or ITEPA amended by the Finance Act 2024**

Sub-rule 1.2.4 (General interpretation) shall apply to any reference to a provision of *FA 04* or *ITEPA* in the *rules*, except where that would not be consistent with paragraph 2.1 or paragraph 2.2 above.

**4. Pension Commencement Excess Lump Sum**

In accordance with paragraph 132 of part 6 of Schedule 9 to the Finance Act 2024, Rule 53 (Commutation above lifetime allowance) shall, in relation to entitlements arising on or after 6 April 2024, have effect as a rule relating to a member's entitlement to a pension commencement excess lump sum as defined in paragraph 3C of Schedule 29 to *FA 04*.