CHURCH OF ENGLAND 
FUNDED 
PENSIONS SCHEME

Trust Deed and Rules to set up 
the Scheme with effect from 
1 January 1998

LINKLATTERS & PAINES

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London
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This TRUST DEED is made on the 5 December 1971 by the Church of England Pensions Board (the "Board"). It is made in accordance with the Pensions Measure 1997 (the "Measure").

1 The Board hereby establishes a funded scheme for the payment of pensions and lump sums, in respect of pensionable service, to clerks in holy orders, deaconesses and licensed lay workers of the Church of England and their widows and dependants. The scheme will be known as the Church of England Funded Pensions Scheme (the "Scheme") and takes effect from 1 January 1998.

Scheduled to this Deed are rules (the "Rules") as to the nature and amount of the pensions and lump sums payable under the funded scheme, and ancillary matters, which have been made by the Board and approved by the General Synod of the Church of England (the "General Synod").

This Deed and the Rules may be amended or replaced from time to time by the Board with the approval (actual or, when permitted by the Measure, deemed) of the General Synod, and subject to Section 67 of the Pensions Act 1995.

3 The Board hereby constitutes and will maintain a fund to be known as the Church of England Pensions Fund (the "Fund"), and shall pay into the Fund

(a) all contributions received by the Board under Clause 4 below;

(b) all other moneys received by the Board for the purposes of the Scheme.

All payments in respect of pensions and lump sum payments arising or to be provided under the Scheme shall be made by the Board out of the Fund.

The Board will be the sole trustee of the Fund.

4 The following provisions apply with regard to contributions.

4.1 Under the Measure it is the duty of each Responsible Body to make contributions for the purposes of the Scheme by paying to the Board in respect of each scheme member ("Member") for whom the body is responsible such sums as the Board may determine in accordance with regulations made under Section 6 of the Clergy Pension (Amendment) Measure 1972 (the "Regulations").

4.2 Before making any determination under Clause 4.1 the Board will obtain the advice of an Actuary and the determination will be consistent with that advice.

4.3 The payments mentioned in Clause 4.1 above shall be made at such times as may be prescribed by Regulations.

4.4 In this clause "Responsible Body" means:

4.4.1 In the case of a diocesan bishop or dean, provost or residentiary canon in receipt of a stipend or other emoluments under section 28 of the Cathedrals Measure 1963, the Church Commissioners;

4.4.2 In the case of a Member in receipt of a stipend paid from a diocesan stipends fund income account kept by the Church Commissioners under section 1 of the Diocesan Stipends Fund Measure 1953, the Diocesan Board of Finance of the diocese concerned.

4.4.3 In the case of a Member in receipt of a stipend paid wholly from capitular funds, the capitular body of the cathedral church concerned.

4.4.4 In the case of a Member in receipt of periodical payments under section 1(1)(b) of the Ordination of Women (Financial Provisions) Measure 1993, the Church Commissioners.
4.4.5 In the case of a Member who is:

(i) a clerk in Holy Orders employed by a World Mission Agency of the Church of England which was at the passing of the Measure an associate or full member of the partnership for World Mission; or

(ii) a clerk in Holy Orders employed by the Church Pastoral Aid Society, the Church Commissioners

4.4.6 In the case of a Member employed in pensionable service otherwise than as mentioned in paragraph 4.4.5 above the employer

4.4.7 In the case of any other person who is a Member performing pensionable service, the body primarily concerned for the time being in promoting that person's membership of the Scheme

4.5 In its application to the Isle of Man, Clause 4.4 has effect with the substitution for Clause 4.4.2 of the following paragraph.

"4.4.2 In the case of a scheme member in receipt of a stipend paid from a diocesan stipends account kept by the Sodor and Man Diocesan Board of Finance, that Board."

5 Further provisions regarding the Fund are contained in the Rules.

6 Terms defined in the Rules bear the same meaning in this Trust Deed.

The common seal of
The Church of England Pensions Board was put on this deed in the presence of:

[Signature]

SECRETARY
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Schedule
Rules of the Church of England Funded Pensions Scheme

1 Meaning of words used

1.1 General definitions

"Actuary" means a fellow of the Institute of Actuaries or of the Faculty of Actuaries in Scotland, who is not a Church Commissioner or a member of the Board or an employee of the Church Commissioners or of the Board. Except when required otherwise by the Pensions Act, it includes a firm of Actuaries.

"Beneficiaries" is defined in Rule 6.5 (payment of lump sum death benefits).

"Bishop" includes archbishop.

"Board" means the Church of England Pensions Board.


"Contracting-out Laws" means the laws as to contracting-out set out in Part III of the Pension Schemes Act 1993.

"Dependant" means anyone who is financially dependent on the Member or other person concerned, or was so dependent at the time of that person's death. This includes anyone who shares living expenses with, or receives financial support from, the Member or other person, and whose standard of living would be affected by the loss of that person's contribution or support. The Board's decision as to whether someone is another person's Dependant will be final.

"Disability" means physical or mental disability which prevents a Member in Service from performing the duties of his or her office or doing any other remunerated work, or which would prevent a Member who has already left Service from doing any remunerated work. The Board's decision as to whether a Member is suffering from Disability will be final. For this purpose, the Board may consider such medical and other evidence as it sees fit.

"Full Basic Pension" means two-thirds of the National Minimum Stipend in the twelve months ending on the previous 31 March.

"Fund" means the Church of England Pensions Fund constituted under the Trust Deed.

"Inland Revenue Limits" means the limits that apply to the benefits provided under the Scheme (see Rule 12.7 and the Appendix).


"Member" means a person who has joined or been included in the Scheme.

"National Minimum Stipend" means such an amount as is determined by the Central Stipends Authority.

"Past Service" means pensionable service under the Church of England Pensions Scheme.

"Pensionable Children" is defined in Rule 7.5 (children's pension).

"Pensionable Service" is defined in Rule 1.2 (meaning of "Service" and "Pensionable Service").
"Preservation Laws" means the laws as to preservation of benefit set out in Chapter I of Part IV of the Pension Schemes Act 1993.

"Responsible Body" is defined in Clause 4.4 of the Trust Deed.

"Retiring Age" means a Member's 65th birthday.

"Revaluation Laws" means the laws as to revaluation of accrued benefits set out in Chapter II of Part IV of the Pension Schemes Act 1993.


"Scheme" means the Church of England Funded Pensions Scheme established by the Trust Deed.

"Service" is defined in Rule 1.2 (meaning of "Service" and "Pensionable Service").

"Transfer Value Laws" means the laws as to transfer values set out in Chapter IV of Part IV of the Pension Schemes Act 1993.

"Trust Deed" means the trust deed to which these Rules are attached.

1.2 Meaning of "Service" and "Pensionable Service"

"Pensionable Service" means full-time equivalent Service on or after 1 January 1998 (or on or after joining or being included in the Scheme, if later); and "full-time equivalent Service" means:

(a) full-time Service during which a Member has earned an amount at least equal to the National Minimum Stipend;

(b) such proportion as the Board considers appropriate of full-time Service during which a Member has earned less than the National Minimum Stipend; and

(c) such proportion as the Board considers appropriate of a Member's part-time Service.

A Member's Pensionable Service cannot exceed 37 years less any period of Past Service.

"Service" means service which is:

(a) rendered under the direction of a diocesan bishop or carried on in furtherance of the spiritual or administrative work of the Church of England and recognised as such by a diocesan bishop; and

(b) within the provinces of Canterbury (including the Diocese in Europe) and York in connection with a diocese cathedral or parish, or in connection with the collegiate churches of Westminster or Windsor; and

(c) stipendiary, i.e. remunerated by a payment from:

(i) the Church Commissioners' general fund, including any payment out of that fund by way of a guaranteed annuity under Section 1 of the Endowment and Giebe Measure 1976 or an annual personal grant under section 2 of that Measure; or

(ii) any diocesan fund; or

(iii) money raised in the parish and given for or allocated to the maintenance of that Member.
Service is not stipendiary if the only payment received by the Member is made to him or her by way of reimbursement or contribution to expenses incurred by the Member, including the cost of maintaining, heating, lighting and cleaning the property in which the Member lives or is entitled to live.

2 Participation in the Scheme

2.1 Automatic entry
A person is eligible for membership of the Scheme if he or she is in Service and is:

2.1.1 a bishop, priest, deacon or deaconess of the Church of England;

2.1.2 a person who has been admitted by a bishop as a lay worker of the Church of England and who has been authorised by the bishop by licence to serve as such a worker;

2.1.3 a person who has been so admitted and has been so authorised otherwise than by licence if he or she was a member of the Church Workers Pension Fund on 1 December 1988.

A person who is eligible for membership of the Scheme will be included as a Member automatically, unless he or she specifically requests otherwise. If a person chooses not to join the Scheme, the person's Service will not be treated as Pensionable Service.

If a person who has joined or been included in the Scheme later ceases to be eligible for membership, he or she will be treated as having left Service.

2.2 Other entrants
It may happen that a person who would otherwise be eligible to join the Scheme under Rule 2.1 is in service which is not "Service" as defined in Rule 1.2 (meaning of "Service" and "Pensionable Service").

The Board may enter into a participation agreement with any employer or other body so that:

2.2.1 the employer or other body is treated as a Responsible Body; and

2.2.2 any person who is in service with that employer, or whose membership of the Scheme is promoted by that body, may be treated as in "Service"; and

2.2.3 any such person who is then eligible to join the Scheme under Rule 2.1 may do so.

A person who is eligible to join the Scheme by virtue of this Rule will not be included as a Member automatically. Instead, they must complete an application in the form required by the Board and obtain the written consent of the employer or other body.

The employer or other body must agree to comply with all the requirements of the Trust Deed and Rules (including the requirement to pay contributions). That agreement may be made subject to termination on 3 months' notice, or such shorter period of notice as the Board may agree. If an agreement is terminated for any reason, any Members for whom the employer or body concerned is under a duty to make contributions for the purposes of the Scheme will be treated as having left Service.

2.3 Evidence of Health
The Board may refuse any person entry to the Scheme under Rules 2.1 or 2.2 if he or she fails to provide evidence of good health which is satisfactory to the Board. This Rule only applies where such evidence has been specifically requested.
3 Benefits for Members

3.1 Retirement at or after Retiring Age

Basic pension rates
A Member who leaves Service at or after Retiring Age with at least 37 years' Pensionable Service will receive a pension for life at a yearly rate equal to the Full Basic Pension. The Member will also receive a lump sum equal to 3 times the Full Basic Pension.

For Members with less than 37 years' Pensionable Service, the benefits will be proportionate to their Pensionable Service. However, no benefits will be provided unless the Member has a total of at least 2 years' Pensionable Service and Past Service, unless the Board decides otherwise.

A Member who stays in Service after reaching age 75 will be treated for all the purposes of the Scheme as having left on reaching that age, unless the Member has held the same office since 31 December 1975.

Other pension rates
If a Member has at any time held any office mentioned in the table, a multiple in accordance with the table will be applied to the Member’s pension, calculated as above:

<table>
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<th>Office held within the Provinces of Canterbury (including the Diocese in Europe) or York</th>
<th>Multiple</th>
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<tr>
<td>Archbishop of Canterbury or York</td>
<td>2</td>
</tr>
<tr>
<td>Bishop of London</td>
<td>1.8</td>
</tr>
<tr>
<td>Other diocesan bishop</td>
<td>1.5</td>
</tr>
<tr>
<td>Suffragan bishop, dean, provost or archdeacon</td>
<td>1.25</td>
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If the Member has held more than one office mentioned in the table, the highest applicable multiple will apply.

The multiples do not affect any lump sum payable.

3.2 Early retirement
A Member who leaves Service after reaching age 55 and before Retiring Age may choose an immediate pension and lump sum on leaving. However, the Member must give at least 3 months notice of retirement to the Board (and, if his Service is being performed under the direction of a diocesan bishop, to that bishop).

The benefits will be calculated as described in Rule 3.1, but will then be reduced to take account of early commencement and the longer potential period of payment. The Board will decide the amount of the reduction after obtaining actuarial advice.

The Board must be satisfied that the benefits (including death benefits) for a Member who retires early under this Rule are at least equal in value to the benefits to which the Member would otherwise have become entitled on leaving service.

If the Member is granted Disability benefits under Rule 5.1 (Disability retirement benefits), this Rule will not apply.
4 Early leavers

4.1 Preserved benefits
A Member who leaves Service before Retiring Age with a total of at least 2 years' Pensionable Service and Past Service and without becoming entitled to immediate benefits will receive a pension and lump sum at Retiring Age.

The benefits will be calculated as described in Rule 3.1, and will be increased up to payment by the percentage required by the Revaluation Laws. The Board will review preserved pensions from time to time, and may grant additional increases to all or any pensions, at its discretion.

A Member with less than 2 years' Pensionable Service and Past Service will also receive benefits under this Rule if he or she satisfies the preservation requirements (see Rule 4.4).

4.2 Preserved benefits paid early
A Member entitled to preserved benefits may choose to receive them before Retiring Age (but not before reaching age 55). If the benefits are paid before Retiring Age, however, they will be reduced to take account of early commencement and the longer potential period of payment. The Board will decide the amount of the reduction after obtaining actuarial advice.

The Board must be satisfied that the benefits (including death benefits) for a Member who retires early are at least equal in value to the benefits that would otherwise have been provided for the Member under the Scheme.

If the Member is granted Disability benefits under Rule 5 (Disability benefits), this Rule will not apply.

4.3 Right to transfer or buy-out
A Member who leaves Service with preserved benefits at least a year before Retiring Age can require the Board to use the cash equivalent of his or her benefits (including death benefits) to buy one or more annuities, or to acquire rights under another occupational pension scheme or a personal pension scheme, in accordance with the Transfer Value Laws.

4.4 Preservation requirements
A Member satisfies the preservation requirements if:

4.4.1 the Member leaves Service with at least two years' Qualifying Service; or

4.4.2 a transfer payment in respect of the Member's rights under a personal pension scheme has been made to the Scheme; or

4.4.3 the Member is still entitled to benefits under the Scheme from a previous period of Service.

"Qualifying Service" means continuous Service after joining the Scheme and employment that qualified the Member for retirement benefit under any occupational pension scheme from which a transfer payment has been made in respect of the Member either direct to the Scheme, or to an insurance policy or annuity contract and subsequently to the Scheme. A period between leaving Service and rejoining the Scheme will be ignored (but will not count as Service) when calculating continuous Service for this purpose, if it does not exceed one month or is due to a trade dispute.
5 Disability benefits

5.1 Disability retirement benefits
The Board will grant a Disability pension and lump sum under this Rule if:

5.1.1 a Member applies for an early pension on grounds of Disability no later than 3 months after leaving Service; and

5.1.2 the Board is satisfied that the Member is suffering from Disability which is likely to be permanent.

The pension and lump sum will be calculated as described in Rule 3.1 by reference to the Pensionable Service that the Member could have completed if he or she had continued in the Service until Retiring Age. If the Member was in part-time Service or earning less than the National Minimum Stipend immediately before leaving Service, this Pensionable Service will be calculated on the assumption that the Member would have continued in the same Service and earning the same proportion of the National Minimum Stipend until Retiring Age.

The pension will be payable with effect from the day following cessation of Service.

5.2 Preserved benefits payable early on grounds of Disability
The Board will grant a Disability pension and lump sum under this Rule if:

5.2.1 a Member entitled to preserved benefits applies to receive them before Retiring Age on grounds of Disability more than 3 months after leaving Service; and

5.2.2 the Board is satisfied that the Member is suffering from Disability which is likely to be permanent.

The pension and lump sum will be equal to the Member's preserved benefits under Rule 4.1, including increases as if the Revaluation Laws applied in respect of the period between the date on which the Member left Service and the date on which the pension and lump sum become payable. If the Board has granted additional increases to the Member's preserved benefits under Rule 4.1, the benefits under this Rule will also take account of those increases.

The pension and lump sum will become payable on the date on which the application is approved, or such earlier date as the Board may decide.

5.3 Evidence of continued Disability
Until Retiring Age, the Board may from time to time require evidence of the Member's continued inability to do any regular Service (or other remunerated work). If not satisfied, the Board may suspend or reduce the Member's pension, for any period or periods before Retiring Age. If the pension is suspended, it may, at the end of the suspension period, be reinstated either in full or at a reduced rate. However, the Board must be satisfied that the benefits (including death benefits) for a Member who retires under this Rule are at least equal in value to the benefits that would otherwise have been provided for the Member under the Scheme.
6 Lump sum payable on Member’s death

6.1 Member dies in Service before Retiring Age
If a Member dies in Service before Retiring Age, a lump sum death benefit will be payable as described in Rule 6.5.

If the Member was in full-time Service and earning an amount at least equal to the National Minimum Stipend, the benefit will be equal to 3 times the National Minimum Stipend in the 12 months ending on the previous 31 March. Otherwise, the benefit will be the same proportion of that amount as the Board has considered appropriate for the purpose of the definition of “full-time equivalent service” in Rule 1.2.

6.2 Member dies in Service on or after Retiring Age
If a Member dies in Service on or after Retiring Age, a lump sum death benefit will be payable as described in Rule 6.5.

The benefit will be a fraction of the sum that would have been payable under Rule 6.1, calculated in accordance with the table:

<table>
<thead>
<tr>
<th>Member’s age at date of death</th>
<th>Fraction of benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>at or over age 65 but under age 66</td>
<td>five-sixths</td>
</tr>
<tr>
<td>at or over age 66 but under age 68</td>
<td>two-thirds</td>
</tr>
<tr>
<td>at or over age 68 but under age 69</td>
<td>one-half</td>
</tr>
<tr>
<td>at or over age 69 but under age 70</td>
<td>one-third</td>
</tr>
</tbody>
</table>

If the amount calculated in accordance with the table is less than the retirement lump sum the Member would have received under Rule 3.1 if he or she had retired immediately before death, the larger amount will be paid.

If the Member dies on or after reaching age 70, the benefit will be equal to the retirement lump sum the Member would have received if he or she had retired immediately before death.

6.3 Member dies within 1 year after pension starts
If the Member dies within 1 year after starting to receive a pension, a lump sum death benefit will be paid to the Member’s estate.

The benefit will be equal to the pension payments which would have been made during the remainder of the one-year period if the Member had not died.
6.4 Member dies before Retiring Age while receiving a Disability pension under Rule 5.1

If a Member dies before Retiring Age while receiving a Disability pension under Rule 5.1 (Disability retirement benefits), a lump sum death benefit will be payable as described in Rule 6.5.

The benefit will be based on the amount that would have been payable under Rule 6.1 if the Member had died immediately before leaving Service, but based on the National Minimum Stipend in the 12 months ending on the last 31 March before the Member's death (the "Basic Benefit").

If the Member dies within 1 year after leaving Service, the benefit will be equal to the Basic Benefit less the lump sum paid on retirement and less the payment made to the Member’s estate under Rule 6.3.

If the Member dies more than 1 year but less than 2 years after leaving Service, the benefit will be equal to 65% of Basic Benefit, less the lump sum paid to the Member on retirement;

If the Member dies more than 2 years but less than 3 years after leaving Service, the benefit will be equal to 30% of the Basic Benefit less the lump sum paid to the Member on retirement.

If a Member dies before Retiring Age while receiving a Disability pension under Rule 5.2 (preserved pension paid early on grounds of Disability), no lump sum death benefit will be payable under this Rule.

6.5 Payment of lump sum death benefits

The Board will pay any lump sum death benefit, within 2 years after the Member's death, to any person or people chosen by the Board in its discretion. If the Board decides to pay the benefit to more than one person, the Board will pay the benefit in such shares as it decides.

The Board may use all or part of the amount payable for a person's benefit, instead of paying it direct to the person concerned.
7 Pensions for spouses and children

7.1 Spouse's pension
If a Member dies leaving a surviving spouse, the spouse will receive a pension for life, calculated as described below.

Where the marriage took place after the Member started to receive a pension and within 6 months of the Member's death, the spouse will not be entitled to a pension, unless the Board in its discretion otherwise decides.

The Board may at its discretion discontinue a pension payable to a spouse (and, if it sees fit, a Pensionable Child as defined below) if the spouse remarries. If it does so, it may at its discretion resume the pension or pensions concerned.

7.2 Member dies in Service
If the Member dies in Service before Retiring Age, the spouse's pension will be two-thirds of the Disability pension the Member would have received under Rule 5.1 (Disability retirement pension) if he or she had retired on account of Disability on the day of his or her death.

If the Member dies in Service on or after Retiring Age, the spouse's pension will be equal to two-thirds of the pension that the Member would have received if he or she had retired on the day of his or her death.

7.3 Member dies after pension starts
If the Member dies after starting to receive a pension, the spouse's pension will be two-thirds of the pension payable to the Member at the date of death.

7.4 Member dies with a preserved pension that has not started
If the Member dies before Retiring Age with a preserved pension that has not started, the spouse's pension will be two-thirds of the pension the Member would have received under Rule 5.2 (Preserved pension payable early on grounds of Disability) if he or she had retired on account of Disability on the day of his or her death.

7.5 Children's pension
If the Member dies leaving any Pensionable Children, a children's pension will be payable.

"Pensionable Children" are the Member's children and step-children, and children legally adopted by the Member. These children remain Pensionable Children for so long as they are under age 18. If a child is over 18, but is still in full-time education approved by the Board, the child will continue to be a Pensionable Child until full-time education ceases or until the 30 June following the child's 23rd birthday, whichever is earlier.

The children's pension will be based on the number of Pensionable Children from time to time, and the Member's pension by reference to which a spouse's pension was calculated as described in Rule 7.2, 7.3 or 7.4 (as appropriate).

If a spouse's pension is payable and there is one Pensionable Child, the children's pension will be equal to one-sixth of the relevant Member's pension. If there are two or more Pensionable Children, the children's pension will be equal to one-third of the relevant Member's pension.

If no spouse's pension is payable and there are three Pensionable Children or less, the children's pension will be equal to one-third of the relevant Member's pension for each Pensionable Child. If there are more than three Pensionable Children, the children's pension will be equal to the relevant Member's pension.

The children's pension will be divided equally between the Pensionable Children.
8 Broken Service

8.1 Periods of Pensionable Service aggregated
When a Member has different periods of Pensionable Service, they will be aggregated for the purpose of calculating the Member's benefits (subject to 8.2 below), unless the benefit from the earlier period has been extinguished by a transfer payment or buy-out. If the benefit from any period has been extinguished by a transfer payment or buy-out, the period will still count towards the maximum period of Pensionable Service in respect of which the Scheme will provide benefits.

When the interval between two periods of Service is less than 3 months (or any greater period that the Board allows in exceptional circumstances), the break between them will also count as Pensionable Service. If the Service before and after the break counted differently for the purpose of calculating Pensionable Service, the break will count as part of that period of Service which would be more beneficial to the Member.

8.2 Return from retirement
If a Member in receipt of a pension from the Scheme returns to Service, the Board may suspend or reduce the pension as they see fit.

If the Board suspend or reduce the pension, then, on the Member's second retirement, the Member will receive benefits of such amount as the Board sees fit having regard to the Member's total Pensionable Service.

If the Board do not suspend or reduce the pension, the Service after retirement will not count towards pension.

9 Maternity

9.1 Statutory maternity periods
A Member will be treated as still in Service throughout her statutory "maternity leave period" (as defined in Section 235 of the Employment Rights Act 1996) and any further period of absence due to pregnancy or confinement for which she receives pay (including statutory maternity pay) from the Responsible Body. The Member's benefits for these periods will be calculated as if she had worked normally and received the normal pay for doing so.

9.2 Extra periods of absence
The Responsible Body and the Board may agree to treat a Member as still in Service for some or all purposes of the Scheme even after the end of her maternity leave period or period of paid maternity absence. The Responsible Body and the Board will agree terms (consistent with Revenue Approval) to apply to the Member's benefits for this further period.

If a Member is not treated as still in Service after the end of her maternity leave period or period of paid maternity absence, she will be treated as if she had left Service. If she exercises a statutory right to return to work, however, her Pensionable Service before being treated as having left Service and after returning to work will be treated as continuous (but excluding the break).
10 Opting out

A Member may at any time opt out of the Scheme by giving one month's notice to the Responsible Body and the Board. The Member will be treated as having left Service on the day the notice expires except that no pension or lump sum will be paid to the Member before the Member actually leaves Service (or reaches age 75, if earlier).

Service during which a person has opted-out of the Scheme does not count as Pensionable Service.

[Handwritten note] (22 July 2002)

11 General rules about pensions

11.1 Payment of pensions

Pensions are payable in arrears by equal monthly instalments except that the Board may pay small pensions less often.

11.2 Guaranteed pension increases

Pensions in payment will increase each year by the lower of:

11.2.1 the increase in the retail prices index during a reference period chosen by the Board; and

11.2.2 5%.

Pensions will increase on a date decided by the Board. The interval between increases will not exceed 12 months. If an interval is less than 12 months, the increase will not exceed the percentage for the reference period which corresponds to 5% a year.

Increases under this Rule do not apply to any pension or part of a pension which is derived from voluntary contributions or provided under Rule 13.3 (discretionary benefits) or 14.1 (transfers from other schemes). These pensions will increase in accordance with the terms on which they were granted.

11.3 Discretionary pension increases

The Board will review pensions in payment from time to time, and may grant additional increases to all or any pensions, at its discretion.
12 General rules about benefits

12.1 Applications to the Board
An application for benefit must be made in such manner as the Board decides.

12.2 Deduction of tax
The Board may deduct from any payment under the Scheme any tax for which they may be liable in respect of it.

12.3 Benefits not assignable
Benefits under the Scheme cannot be assigned or charged; they will not be paid to anyone other than the person entitled under these Rules.

Subject to Sections 91 and 92 of the Pensions Act 1995 (assignment, forfeiture, bankruptcy etc.), a benefit will be forfeited (and will cease to be payable) if:

12.3.1 the person entitled to the benefit under these Rules tries to assign or charge it or becomes bankrupt; or

12.3.2 any other event occurs by which all or part of the benefit would become payable to some other person.

If a benefit is forfeited under this Rule, the Board may pay an equivalent or smaller discretionary benefit to, or for the benefit of, one or more of (a) the person who was entitled to the original benefit, and (b) that person's spouse and dependants. If the Board decides to pay a discretionary benefit to more than one person, they will pay it in such shares as they decide. The Board may deduct from a discretionary benefit any expenses incurred in paying it.

This Rule does not apply to any lump sum or instalment of pension that falls due for payment before the benefit is forfeited.

12.4 Failure to claim benefit
A benefit will be forfeited (and will cease to be payable) if the person entitled to the benefit does not claim it within 6 years of the date on which it becomes due.

12.5 Off-set for crime or fraud
If a Member owes money to his or her Responsible Body arising from a criminal or fraudulent act or omission, the Responsible Body may require the Member's benefits (including benefits payable on the Member's death) to be reduced by an amount that the Board decides (on actuarial advice) is equal to the debt. If the debt is more than the value of the benefits that can be reduced, the benefits will cease to be payable. However, this Rule does not apply to any benefits granted in respect of a transfer payment to the Scheme (except where regulations made under Section 91 of the Pensions Act 1995 allow).

The Member will be given a certificate that shows the amount of the debt to the Responsible Body and the effect of the reduction in benefits. If the Member disputes the amount of the debt, the benefits will not be reduced until the debt has become enforceable under an order of a court or in consequence of an award of an arbitrator.

If a Member's benefits are reduced under this Rule, the Board will pay the Responsible Body an amount equal to the Member's debt or, if less, the value of the Member's benefits.
12.6 **Beneficiary who is incapable**

If the Board considers that a person cannot look after his or her affairs (because of illness, mental disorder, age or otherwise) they may use any amounts due to that person for his or her benefit or may pay them to some other person to do so. The Board may make, for the person concerned, any choice which that person has under the Scheme. The Board may also treat any application made on behalf of that person as made by that person.

12.7 **Revenue Approval**

The Scheme is designed for Revenue Approval.

The Board will comply with all requirements for Revenue Approval of the Scheme.

The Appendix to these Rules forms part of these Rules. It restricts the benefits that can be provided under the Scheme and the contributions that Members can pay to the Scheme. The Inland Revenue require benefits and contributions to be limited to the amounts described in the Appendix as a condition of approving the Scheme. Greater amounts may be paid only if Revenue Approval of the Scheme would not be prejudiced.

12.8 **Contracting-out**

The Board will operate the Scheme in accordance with the Contracting-out Laws applicable to salary related contracted-out schemes. These Rules will be treated as including Rules to same effect as any rule that must be included for the Scheme to be contracted-out in relation to a Member's Service.

This Rule overrides all other provisions of the Scheme, except those that are in accordance with the Pension Schemes Act 1993.

12.9 **Pension sharing on divorce**

(22 July 2002)
13 Additional and Discretionary benefits

13.1 Voluntary contributions by Members
A Member in Service may pay voluntary contributions to the Scheme on a basis agreed with the Board. If the Board so require, Members must give notice of their intention to start or stop paying voluntary contributions, or change the amount that they pay.

The proceeds of each Member's voluntary contributions will be used to provide additional benefits for the Member, on a money purchase basis. The additional benefits will comply so far as possible with any wishes made known by the Member in writing to the Board. The additional benefits cannot include a lump sum, however, except on the Member's death or if the Trustees are satisfied that Revenue Approval of the Scheme would not be prejudiced.

If the whole proceeds of a Member's voluntary contributions cannot be used to provide benefits within Inland Revenue Limits, the Board will pay the surplus funds (less tax) to the Member or, if the Member is dead, the Member's personal representatives.

13.2 Commutation of trivial pensions
The Board may pay a person a lump sum instead of a trivial pension which has become payable to that person and any trivial pensions payable on the person's death. The Board will convert pension to lump sum on a basis certified as reasonable by an Actuary and approved by the Inland Revenue. If the pension is more than £50, however, the Board will not pay a lump sum under this Rule unless the person concerned consents or is unable to look after his or her affairs.

A pension may be treated as trivial only if all benefits payable to the person concerned under the Scheme and all other occupational pension schemes and free-standing AVC schemes relating to the same employment are less in value than a pension of £260 a year or any greater amount consistent with Revenue Approval and the Contracting-out and Preservation Laws.

13.3 Discretionary benefits
If the relevant Responsible Body (if any) agrees and pays any additional contribution that the Board considers appropriate (after taking actuarial advice), the Board may provide:

13.3.1 increased or additional benefits in respect of any Member or Members;
13.3.2 benefits in respect of any Member or Members different, or on different terms, from those set out elsewhere in the Rules; or
13.3.3 benefits on any terms for any other person for whom the Inland Revenue permit the Scheme to provide benefits).

Any benefits provided under this Rule will be consistent with the Contracting-out, Preservation, Revaluation and Transfer Value Laws and with Revenue Approval of the Scheme.
14 Transfers and buy-outs

14.1 Transfers from other schemes
The Board may accept a transfer of assets in respect of any person from another occupational
pension scheme or a personal pension scheme, or the surrender value of a "buy-out" policy or
retirement annuity contract bought in the person's name. The Board will provide such benefits in
respect of the person concerned as they decide are appropriate after considering actuarial
advice. The benefits must comply with the Contracting-out, Preservation, Revaluation and
Transfer Value Laws, and be consistent with Revenue Approval of the Scheme.

14.2 Transfers to other schemes
Instead of providing benefits under the Scheme in respect of any person, the Board may transfer
assets to another occupational pension scheme or to a personal pension scheme so that benefits
will be provided under the other scheme in respect of the person concerned.

The transfer must comply with the Contracting-out and Preservation Laws and the requirements
of the Inland Revenue. In particular, the receiving scheme must be:

14.2.1 an occupational pension scheme with Revenue Approval, or which otherwise satisfies
the Inland Revenue's requirements; or

14.2.2 a personal pension scheme approved under Chapter IV of Part XIV of the Income and
Corporation Taxes Act 1988; or

14.2.3 a "statutory scheme" as defined in Section 612(1) of the Income and Corporation Taxes

The Board will decide the amount of the transfer payment after taking actuarial advice. However,
the amount will not exceed the value of the benefits that would otherwise have been provided
under the Scheme in respect of the person concerned.

14.3 Securing benefits with an Insurance Company
Instead of providing benefits under the Scheme in respect of any person, the Board may buy an
insurance policy or annuity contract from an Insurance Company in the name of the person
concerned, or transfer a policy or contract into that person's name. The policy or contract must
comply with the Contracting-out and Preservation Laws and the requirements of the Inland
Revenue.

The amount paid to the Insurance Company will be equal to the value of the benefits that would
otherwise have been provided under the Scheme in respect of the person concerned.

Where the Preservation and Contracting-out Laws so require, the Board must obtain the consent
of the person concerned before buying or transferring the policy or contract.
15 Assets of the Scheme

15.1 Contributions
Each Responsible Body participating in the Scheme must contribute to the Scheme as required under the Trust Deed and under the Pensions Act 1995.

15.2 Assets held on trust
The Board will hold all the contributions and other assets which they receive and the property representing them and all the income on trust for the purposes of the Scheme.

15.3 Investment of assets
For the purposes of the Scheme, the Board may, in any part of the world, alone or together with others:

15.3.1 acquire and dispose of any property (tangible or intangible, movable or immovable), whether or not it produces income;
15.3.2 enter into any contract or incur any obligation;
15.3.3 lend or borrow money or other property for any purpose (including acquiring assets);
15.3.4 grant any mortgage or charge over or give any right of recourse against any or all of the assets in the Fund;
15.3.5 form and finance any company;
15.3.6 carry on and finance any business;
15.3.7 insure assets in the Fund for any amount against any risk;
15.3.8 keep assets in nominee names; and
15.3.9 exercise their powers under Section 34(1) of the Pensions Act 1995 (power of investment and delegation) to make an investment of any other kind as if they were absolutely entitled to the assets in the Fund.

The Board will exercise these powers in accordance with Sections 36 and 40 of that Act (choosing investments and restriction on Responsible Body-related investments).
15.4 Participation in common investment funds
If the Board decides to pool assets with other occupational pension schemes in common investment funds, they may exercise their powers under Rule 16.1 (delegation) to delegate investment funds to the trustee or administrator of the common investment fund. The functions that may be delegated include:

15.4.1 the Board’s powers under Rule 15.3;
15.4.2 any discretion to make any decision about investments;
15.4.3 the power to delegate investment functions on behalf of the Board to a fund manager in accordance with Section 34 of the Pensions Act 1995 (power of investment and delegation);
15.4.4 the duty to be satisfied that the fund manager has appropriate knowledge and experience and is carrying out his or her work competently and in accordance with Section 36 of the Pensions Act 1995 (choosing investments); and
15.4.5 the power to appoint any professional advisers under Section 47 of the Pensions Act 1995 (professional advisers).

15.5 Scheme expenses
The Board may pay the expenses of the Scheme and the Fund (including its own expenses incurred in attending to Scheme or Fund business) from the Fund. However, no amount may be paid from the Fund for the purpose of reimbursing the Board in respect of a fine or penalty of a kind mentioned in Section 31 of the Pensions Act 1995 (trustees not to be indemnified for fines or civil penalties)

15.6 Accounts and actuarial valuations
The Board will prepare accounts of the Fund and have them audited.

The Board will obtain actuarial valuations of the Scheme and the Fund at intervals of not more than 3 years. The valuations must comply with any relevant requirements of Schedule 22 to the Income and Corporation Taxes Act 1988 (reduction of pension fund surpluses) and section 56 of the Pensions Act 1995 (minimum funding requirement).

15.7 Surplus assets
It may be that an actuarial valuation of the Scheme shows that the value of the Fund exceeds the value of the Scheme’s liabilities by a percentage which is more than the maximum laid down in the laws relating to surplus funds set out in Schedule 22 to the Income and Corporation Taxes Act 1988 (reduction of pension fund surpluses). If this happens, the Board may, with the prior written agreement of the Inland Revenue and after satisfying the requirements of Section 37 of the Pensions Act 1995, pay all or part of the surplus (less tax) to the Responsible Bodies, in such proportions as the Board directs.
16 The Board

16.1 Delegation
The Board may delegate powers, duties or discretions to any person and on any terms (including
terms that allow the delegate to sub-delegate).

16.2 Limit of liability
The Board will not be liable for any breach of trust other than wilful wrongdoing.

Note: This Rule is subject to Section 33 of the Pensions Act 1995 (investment powers: duty of
care). Section 33 limits the extent to which liability for breach of any obligation to take care or
exercise skill in the performance of any investment functions can be excluded or restricted.

16.3 Indemnity
The Responsible Bodies will jointly and severally indemnify each member of the Board against
any expenses and liabilities which are incurred through acting in relation to the Scheme but which
cannot, for any reason, be met from the Fund. But this does not apply to expenses and liabilities
which are incurred through wilful wrongdoing or covered by insurance under Rule 16.4
(insurance).

16.4 Insurance
The Board may insure the Scheme and the Fund against any loss caused by the Board. The
Board may also insure itself (and its members) against liability for breach of trust not involving
wilful wrongdoing. The premiums may be paid from the Fund unless the insurance covers fines or
penalties of a kind mentioned in Section 31 of the Pensions Act 1995 (trustees not to be
indemnified for fines or civil penalties).

If the Board is insured, it will waive the protection of Rule 16.2 (limit on liability).

17 Governing law
English law governs the Fund and the Scheme and their administration
Appendix
Inland Revenue Limits

Extra definitions used in this Appendix

For the purposes of this Appendix, the following terms have the following meanings:

"Aggregate Retirement Benefit" means the aggregate of:

(a) the Member's pension under the Scheme and any Associated Scheme; and
(b) the pension equivalent of the Member's Lump Sum Retirement Benefit.

"Associated Employer". An employer is associated with another employer if one is controlled by the other, or both are controlled by a third party. Control has the meaning in Section 840 of ICTA (meaning of "control" in certain contexts), or in case of a close company, Section 418 of ICTA (meaning of "associated company" and "control").

"Associated Scheme" means any Relevant Scheme providing benefits in respect of Relevant Service.

"Class A Member" means any Member who is not a Class B or Class C Member.

"Class B Member" means any Member:

(a) who joined the Scheme on or after 17 March 1987 and before 1 June 1989 (but only if the Scheme commenced before 14 March 1989); or
(b) who may be treated as a Class B Member by virtue of previous membership of a Relevant Scheme, and, in either case, has not opted to become a Class A Member.

"Class C Member" means any Member who joined the Scheme before 17 March 1987, or who joined subsequently and may be treated as a Class C Member by virtue of previous membership of a Relevant Scheme, and, in either case, has not opted to become a Class A Member.

"Connected Scheme" means any Relevant Scheme which is connected with the Scheme in relation to the Member in that:

(a) there is a period during which the Member has been the employee of 2 Associated Responsible Bodies;
(b) that period counts under both schemes as a period in respect of which benefits are payable; and
(c) the period counts under one scheme for service with one employer and under the other for service with the other employer.

"Controlling Director" means a Member who, at any time on or after 17 March 1987 and in the last 10 years before the Relevant Date, has, in relation to the employer, been both within the definition of a director in Section 812(1) of ICTA (interpretative provisions) and within paragraph (b) of Section 417(5) of ICTA (meaning of "director").

"Dependent" includes a spouse or former spouse entitled to a pension on the Member's death.

"Final Remuneration" means the greater of:

(a) the highest Remuneration upon which tax liability has been determined for any one of the five years preceding the Relevant Date being the aggregate of:
(b) the basic pay for the year in question; and
(c) the yearly average over three or more consecutive years ending with the expiry of the corresponding basic pay year, of any Fluctuating Emoluments. For the purpose of this calculation, (A) Fluctuating Emoluments of a year other than the basic pay year may be increased in proportion to the increase in the index from the last day of that year up to the last day of the basic pay year and (B) Remuneration that is received after the Relevant Date and upon which tax liability has been determined will be treated as a Fluctuating Emolument if (i) it was earned or qualified for prior to the Relevant Date and (ii) the yearly average of three or more consecutive years begins no later than the commencement of the basic pay year; or

(b) the yearly average of the total emoluments from the employer which are assessable to Income tax under Case I or II of Schedule E and upon which tax liability has been determined for any three or more consecutive years ending not earlier than 10 years before the Relevant Date. Where such emoluments are received after the Relevant Date but are earned or qualified for prior to that date, they may be included, but only if the yearly average of three or more consecutive years begins no later than the commencement of the year ending with the Relevant Date.

For the purpose of these calculations:

(1) Remuneration and total emoluments do not include any amounts which arise from the acquisition or disposal of shares or any interest in shares or from a right to acquire shares (except where the shares or rights, etc. which give rise to such an amount liable to tax under Schedule E were acquired before 17 March 1987) or anything in respect of which tax is chargeable by virtue of Section 148 of ICTA (payments on retirement or removal from office or employment);
(2) In relation to a Controlling Director, Final Remuneration shall be the amount ascertained in accordance with (b) above and (a) above shall not apply;
(3) In relation to any other employee whose Remuneration in any year subsequent to 5 April 1987 used for the purpose of calculating benefits has exceeded £100,000, (or such other figure as may be prescribed by the Treasury), Final Remuneration shall not exceed the amount ascertained in accordance with (b) above and (a) above shall not apply, unless the individual chooses to adopt £100,000 (or such other figure as may be prescribed by the Treasury);
(4) where Final Remuneration is computed by reference to any other year than the last complete year ending on the Relevant Date, the Member's Remuneration or total emoluments of any year may be increased in proportion to any increase in the index from the last day of that year up to the Relevant Date. For a Class C Member this paragraph (4) shall not apply to the calculation of the maximum Lump Sum Retirement Benefit unless the Member's aggregate total benefits are similarly increased beyond the maximum amount.
which could be paid but for this paragraph and/or the increase mentioned in (a) above, and then only to the same proportionate extent;

(5) for Class A Members, Final Remuneration shall not exceed the Earnings Cap;

(6) for the purpose of calculating the maximum lump sum retirement benefit of a Class B Member, Final Remuneration shall not in any event exceed £100,000 (or such other figure as may be prescribed by the Treasury);

(7) for an employee who remains, or is treated as remaining, in Service but by reason of incapacity is in receipt of a much reduced Remuneration (i.e. under a sick pay or permanent health insurance scheme) for more than 10 years up to the Relevant Date, Final Remuneration may be calculated under (a) or (b) above as at the cessation of normal pay and increased in accordance with the index;

(8) the total amount of any profit-related pay (whether relieved from income tax or not) may be classed as pensionable remuneration and treated as a Fluctuating Emolument;

(9) an early retirement pension in payment from the employer may not be included in Final Remuneration.

Notes: Except as in paragraph (1) above, benefits in kind may be taken into account when they are assessable to income tax as emoluments under Schedule E, and will normally be regarded as Fluctuating Emoluments. If benefits are not so assessable, they may not be included as part of Final Remuneration except with the agreement of the Pension Schemes Offices.

For the purpose of providing immediate benefits at the Relevant Date, Final Remuneration may be calculated on the appropriate basis above using Remuneration assessable to tax under Case I or II of Schedule E and upon which tax liability has not been determined. On determination of this liability, Final Remuneration must be recalculated. Should this result in a lower Final Remuneration, then benefits in payment should be reduced if this is necessary to ensure that they do not exceed the maximum allowable based on the lower Final Remuneration. Where Final Remuneration is greater, it will be possible to augment benefits in payment but such augmentation must take the form of a non-commutable pension.

Where immediate benefits are not being provided or where a transfer payment is to be made in respect of accrued pension benefits, then Final Remuneration may only be calculated using Remuneration assessable to income tax under Case I or II of Schedule E and upon which tax liability has been determined.

Where Fluctuating Emoluments have not been paid for the full three years, they should be averaged over the period from the commencement of their entitlement to payment (or the beginning of the 3-year period, if later) to the end of the relevant basic pay year. Where it is proposed to include in Final Remuneration a Fluctuating Emolument which was payable in a single year only, however, the agreement of the Pension Schemes Office of the Inland Revenue must be sought.

"Fluctuating Emoluments" are any part of any employee's earnings which are not paid on a fixed basis and are additional to the basic wages or salary. They include overtime, commission, bonuses or benefits in kind as long as they are assessable to tax under Case I or II of Schedule E and profit related pay (see paragraph (6) of the definition of Final Remuneration). Directors' fees may rank as Fluctuating Emoluments according to the basis on which they are voted.

"ICTA" means the income and Corporation Taxes Act 1965 and any statutory amendment, modification or re-enactment thereof.

"Index" means the Government's Index of Retail Prices.

"Lump Sum Retirement Benefit" means the total value of all retirement benefits payable in any form other than non-commutable pension under this and any Associated Scheme.

"Pensionable Service" means Service that qualifies the Member for retirement benefits under the Scheme.

"Relevant Date" means the date of retirement, leaving Pensionable Service or death as the case may be.

"Relevant Scheme" means any other scheme with or seeking Revenue Approval and also, in respect of a Class A Member who is a Controlling Director, any retirement annuity contract or trust scheme approved under Chapter III of Part XIV or any personal pension scheme approved under Chapter IV of Part XIV of ICTA Likewise as it provides benefits secured by contributions in respect of Relevant Service.

"Remuneration" in relation to any year means the aggregate of the total emoluments for the year in question from the employer and which are assessable to income tax under Schedule E but excluding any amounts which arise from the acquisition or disposal of shares or any interest in shares or a right to acquire shares or anything in respect of which tax is chargeable by virtue of Section 148 of ICTA and, in respect of a Class A Member, excluding any emoluments in excess of the Earnings Cap.

"Retained Death Benefits" means any lump sum benefits payable on the Member's death in respect of previous employments or periods of self-employment (whether alone or in partnership) from:

(a) retirement benefits schemes with or seeking Revenue Approval or relevant statutory schemes as defined in Section 611A of ICTA (definition of relevant statutory scheme);

(b) funds to which Section 608 of ICTA applies (superannuation funds approved before 8 April 1980);

(c) retirement benefits schemes which have been accepted by the Inland Revenue as "corresponding" in respect of a claim made on behalf of the Member for the purposes of Section 598(b) of ICTA (schemes with corresponding approval);

(d) retirement annuity contracts approved under Chapter III of Part XIV of ICTA (retirement annuities);

(e) term life provisions under personal pension schemes approved under Chapter IV of Part XIV of ICTA (personal pension schemes); or

(f) transfer payments from overseas schemes held in a type of arrangement defined in (a), (d) or (e) above.

If the Retained Death Benefits do not exceed £2,500 in total, they may be ignored.

If the Member is not a Controlling Director and his or her earnings in the 12 months after entry to the Scheme (in this context including any other Relevant Scheme providing benefits in respect of service with the current employer) do not exceed one quarter of the Earnings Cap, benefits from these sources, other than those transferred into the Scheme, will not be treated as Retained Death Benefits.
"Relevant Service" means service with the employer or an Associated Employer or, except in relation to a Class A Member who is a Controlling Director of either employer, an employer who is associated with the employer only by virtue of a permanent community of interest.

Benefit limits for Class A Members

Notwithstanding anything to the contrary in the Scheme provisions, the benefits payable to a Class A Member or his Dependants or other beneficiaries in respect of him shall not, when aggregated with all benefits of a like nature provided under all Associated Schemes exceed the limits set out below:

1 The Member’s Aggregate Retirement Benefit shall not exceed:

1.1 on retirement at any time between attaining age 50 and attaining age 75, except before Retiring Age on grounds of Incapacity, a pension of 1/60th of Final Remuneration for each year of Relevant Service (not exceeding 40 years) or such greater amount as will not prejudice Revenue Approval of the Scheme;

1.2 on retirement at any time before Retiring Age on grounds of Incapacity, a pension of the amount which could have been provided at Retiring Age in accordance with paragraph 1.1 above, Final Remuneration being computed as at the actual date of retirement;

1.3 on leaving Pensionable Service before attaining age 75, a pension of 1/60th of Final Remuneration for each year of Relevant Service prior to leaving Pensionable Service (not exceeding 40 years) or such greater amount as will not prejudice Revenue Approval of the Scheme. The amount computed may be increased by 5 per cent for each complete year or, if greater, in proportion to any increase in the Index which has occurred between the date of termination of Pensionable Service and the date on which the benefit is first paid.

Contribution limits for Class A Members

Notwithstanding anything to the contrary in the Scheme provisions, the contributions paid to the Scheme by a Class A Member in a year of assessment shall not exceed either:

(a) when aggregated with the Member’s contributions to any other exempt approved schemes, 15 per cent of the Member’s Remuneration;

(b) when aggregated with the Member’s contributions to any schemes which are Associated or Connected Schemes, 15 per cent of the Earnings Cap.

Benefit limits for Class B Members and Class C Members

Notwithstanding anything to the contrary in the Scheme provisions, the benefits payable to a Class B or a Class C Member or to his Dependants or other beneficiaries in respect of him shall not, when aggregated with all benefits of a like nature provided under all Associated Schemes, exceed the limits set out below:

1 The Member’s Aggregate Retirement Benefit shall not exceed:

1.1 on retirement at or before Normal Retirement Date, a pension of 1/60th of Final Remuneration for each year of Relevant Service (not exceeding 40 years) or such greater amount as will not prejudice Revenue Approval of the Scheme;

1.2 on retirement at any time before Normal Retirement Date on grounds of Incapacity, a pension of the amount calculated in accordance with paragraph 1.1 above as if the Member had remained in Relevant Service until Normal Retirement Date, Final Remuneration being computed as at the actual date of retirement;

1.3 on retirement after Normal Retirement Date, a pension of the greatest of:

1.3.1 the amount calculated in accordance with paragraph 1.1 above on the basis that the actual date of retirement was the Member’s Normal Retirement Date;

1.3.2 the amount which could have been provided at Normal Retirement Date in accordance with paragraph 1.1 above increased either actuarially in respect of the period of deferment or in proportion to any increase in the Index during that period; and

1.3.3 where the Member’s total Relevant Service has exceeded 40 years, the aggregate of 1/60th of Final Remuneration for each year of Relevant Service before Normal Retirement Date (not exceeding 40 such years) and of a further 1/60th of Final Remuneration for each year of Relevant Service after Normal Retirement Date, with an overall maximum of 45 reckonable years,

Final Remuneration being computed in respect of 1.3.1 and 1.3.3 above as at the actual date of retirement, but subject always to paragraph 3 below;

1.4 on leaving Pensionable Service before Normal Retirement Date, a pension of 1/60th of Final Remuneration for each year of Relevant Service prior to leaving Pensionable Service (not exceeding 40 years) or such greater amount as will not prejudice Revenue Approval of the Scheme. The amount computed may be increased by 5 per cent for each complete year or, if greater, in proportion to any increase in the Index which has occurred between the date of termination of
Pensionable Service and the date on which the pension begins to be payable. Any further increase necessary to comply with Social Security legislation is also allowable.

2 The Member's Lump Sum Retirement Benefit shall not exceed:

2.1 on retirement at or before Normal Retirement Date, 3/60ths of Final Remuneration for each year of Relevant Service (not exceeding 40 years) or such greater amount as will not prejudice Revenue Approval of the Scheme;

2.2 on retirement at any time before Normal Retirement Date on grounds of incapacity, the amount calculated in accordance with paragraph 2.1 above as if the Member had remained in Relevant Service until Normal Retirement Date, Final Remuneration being computed as at the actual date of retirement;

2.3 on retirement after Normal Retirement Date, the greatest of:

2.3.1 the amount calculated in accordance with paragraph 2.1 above on the basis that the actual date of retirement was the Member's Normal Retirement Date;

2.3.2 the amount which could have been provided at Normal Retirement Date in accordance with paragraph 2.1 above, together with an amount representing interest thereon; and

2.3.3 where the Member's total Relevant Service has exceeded 40 years, the aggregate of 3/60ths of Final Remuneration for each year of Relevant Service before Normal Retirement Date (not exceeding 40 such years) and of a further 3/60ths of Final Remuneration for each year of Relevant Service after Normal Retirement Date, with an overall maximum of 45 reckonable years, Final Remuneration being computed in respect of 2.3.1 and 2.3.3 above as at the actual date of retirement, but subject always to paragraph 3 below;

2.4 on leaving Pensionable Service before Normal Retirement Date, a lump sum of 3/60ths of Final Remuneration for each year of Relevant Service prior to leaving Pensionable Service (not exceeding 40 years) or such greater amount as will not prejudice Revenue Approval of the Scheme. The amount computed as aforesaid may be increased in proportion to any increase in the Index which has occurred between the date of termination of Pensionable Service and the date on which the benefit is first paid.

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

4 The preceding provisions of this Appendix shall be modified in their application to a Member who is a Controlling Director as follows:

4.1 the amount of the maximum Aggregate Retirement Benefit in paragraph 1 and of the maximum Lump Sum Retirement Benefit in paragraph 2 shall be reduced, where necessary for Revenue Approval of the Scheme, to take account of any corresponding benefits under retirement annuity contracts or trust schemes approved under Chapter III of Part XIV of ICTA or under personal pension schemes approved under Chapter IV of Part XIV of ICTA;

4.2 where retirement takes place after Normal Retirement Date but not later than the Member's 70th birthday, paragraph 1.3.2 and 1.3.3 and paragraph 2.3.2 and 2.3.3 shall not apply, and if retirement is later than the attainment of that age, those paragraphs shall apply as if the Member's 70th birthday had been specified in the Rules as his Normal Retirement Date, so as not to treat as Relevant Service after Normal Retirement Date any Relevant Service before the Member reaches the age of 70;

4.3 where paragraph 3 applies to the Member, the rate of the actuarial increase referred to therein in relation to any period of deferment prior to his attaining the age of 70, shall not exceed the percentage increase in the index during that period.

Contribution limits for Class B Members and Class C Members

The total contributions paid by a Class B Member or a Class C Member in a year of assessment to this and any Associated Scheme shall not exceed 15 per cent of the Member's Remuneration for that year.

Other limits on benefits relating to all Members

1 Lump sum death benefit

The lump sum benefit (exclusive of any refund of the Member's own contributions not applied specifically to secure the payment of benefits on the Member's death and any Interest thereon) payable on the death of a Member while in Relevant Service or (having left Pensionable Service with a deferred pension) before the commencement of his pension, shall not, when aggregated with all benefits of a like nature under all Associated Schemes, exceed the greater of:

1.1 £5,000; and

1.2 4 times the greatest of:

1.2.1 the annual rate (subject, for a Class A Member, to the Earnings Cap) of the Member's basic salary or wages at the date of death or leaving Pensionable Service together with the yearly average of Fluctuating Emoluments received in the three years (or the whole period of Relevant Service if less) up to the date of death or leaving Pensionable Service; and

1.2.2 the Member's total emoluments (subject, for a Class A Member, to the Earnings Cap) of any selected period of 12 months ending not earlier than 36 months before the date of death;

1.2.3 Final Remuneration disregarding paragraphs (1), (2) and (3) of that definition;

less Retained Death Benefits.

2 Dependents' pensions

Any pension for a Dependant, when aggregated with the pensions, other than those provided by surrender or allocation of the Member's own pension, payable to that Dependant under all Associated Schemes, shall not exceed an amount equal to 3/60ths of the maximum Aggregate Retirement Benefit payable to the Member immediately before death as described above. Where the death of the Member occurs whilst in Relevant Service before Normal Retirement Date the maximum is that which would have been appropriate if the Member had retired on grounds of incapacity on the date of death with no retained benefits from previous employments.

If pensions are payable to more than one Dependant of a Member, the aggregate of all Dependents' pensions payable in respect of the Member under this and all Associated Schemes will not exceed the
full amount of the maximum Aggregate Retirement Benefit described in the previous paragraph of this Appendix.

3 Increases of pensions in payment

The maximum amount of a pension ascertained in accordance with the previous provisions of this Appendix, less any pension which has been commuted for a lump sum or the pension equivalent of any benefits in lump sum form and any pension surrendered to provide a Dependant’s pension, may be increased by 3 per cent for each complete year or, if greater, in proportion to any increase in the Index since the pension commenced.

4 Additional voluntary contributions

Where the application of the limits in this Appendix requires the amount of the Aggregate Retirement Benefit to be restricted and the Member has paid additional voluntary contributions to supplement scheme benefits, that restriction shall first be effected on those supplementary benefits so as to permit the repayment of the surplus additional voluntary contributions, subject to Section 556A of ICTA (charge to tax: payments out of surplus funds).