



Rules as amended by all deeds of amendment up to and including the Twenty-sixth Deed of Amendment dated 23 November 2009

SUPERANNUATION ARRANGEMENTS OF THE UNIVERSITY OF LONDON

RULES CONTENTS

INTRODUCTION AND INTERPRETATION

1.1	Introduction	1
1.2	Definitions	1
1.3	Interpreting the Rules	9
1.4	Law	10

ADMINISTRATIVE PROVISIONS

2.	Employers	11
2.1	Participation in the Scheme	11
2.2	Special terms on starting to participate	11
2.3	Variation of participation terms	11
2.4	Amalgamation	11
2.5	Instructions from the Employers	12
2.6	Liability of Scheme and Employers	12
3.	Actuarial Valuations	12
4.	Tax Registration	12
5.	Investments	13
5.1	Powers	13
5.2	Insurance policies	13
5.3	Buying annuities	13
5.4	Holding assets	14
5.5	Pooling	14
5.6	Investment managers	14
5.7	Statement of investment principles	14
5.8	Employer-related investments	14
6.	The Trustee	14
6.1	Appointment	14
6.2	The Trustee's business	14
6.3	Trustee's expenses and remuneration	15
6.4	Compensation to Employers	15
6.5	Protecting the Trustee	15

6.6	The Trustee's duties	17
6.7	Administrator	17
6.8	The Trustee's powers	17
6.9	Using agents and delegating	17
6.10	Exercise of Trustee's discretions	17
6.11	Trustee as Employer's agent	18
7.	Committees	18
7.1	The SAUL Negotiating Committee	18
7.2	The Investment Committee	19
8.	Administration	20
8.1	Expenses	20
8.2	Additional expenses	20
8.3	Accounts	21
8.4	The Actuary	21
8.5	Records and Disclosure	21
8.6	Disputes	22
8.7	Arbitration	22
8.8	Information	22
8.9	Scheme Returns	22
8.10	Bank and other accounts	22
9.	Amendment	22
10.	Reduction or suspension of Employer's contributions	23
11.	Terminations	24
11.1	Termination of the Scheme	24
11.2	An Employer leaving the Scheme	24
12.	If an Employer fails to pay contributions	24
13.	When an Employer leaves the Scheme	24
13.1	Identified Beneficiaries	24
13.2	Giving Notice to Identified Beneficiaries	25
13.3	Separate Fund	25
13.4	Members' contributions	25
13.5	Employer's liability	25

13.6	No future powers or rights	25
13.7	Section 75 debts	26
13A.	Effect of Withdrawal : Section 75 Debt	26
13A.1	Application of Rule 13A	26
13A.2	Determination of "share of the difference"	26
13A.3	Allocation of Benefits	27
14.	Separate Fund	28
14.1	If all Employers leave the Scheme	28
14.2	In other cases	28
14.3	Timing	28
14.4	Balancing amounts	28
14.5	Allocating assets	28
15.	Winding up the Scheme	28
15.1	Circumstances in which the Scheme will wind up	28
15.2	Use of the Separate Fund	29
MEMBERSHIP, CONTRIBUTION AND BENEFIT PROVISIONS		
16.	Joining the Scheme	32
16.1	Who can become a Member?	32
16.2	Opting out/leaving the Scheme	32
16.3	Joining late or rejoining the Scheme	33
16.4	Reinstatement	35
17.	Members' contributions	35
17.1	Members' Normal Contributions	35
17.2	AVCs (added Pensionable Service)	36
17.3	AVCs (other benefits)	36
17.4	AVCs – General	37
17.5	Payment of Contributions	37
17.6	Salary Sacrifice for pension contributions	37
18.	Employers' Contributions	37
18.1	Ordinary Contributions	37
18.2	Additional Special Contributions	38
18.3	Contributions for Members temporarily away from work	38
18.4	Compensation Benefits	39
18.5	Payment of contributions under Salary Sacrifice Arrangements	39

19.	Retirement Benefits	39
19.1	Normal Pension	39
19.2	Lump Sum	39
19.3	Normal retirement	40
19.4	Ill-health Retirement	40
19.5	Other Early Retirement	42
19.6	Late Retirement	43
19.7	Reduction in Salary	43
19.8	Notional Earnings Arrangement	43
19.9	Re-employment	44
20.	Leaving Benefits	44
20.1	Deferred pension	44
20.2	Additional Benefits	45
20.3	Early or late payment	45
20.4	Refund of Contributions	46
20.5	Transfer payments	46
21.	Benefits on Death	46
21.1	Lump sums	46
21.2	Spouses', Civil Partners' and Dependants' Pensions	47
21.3	Paying lump sums	49
21.4	Allocation	51
22.	Lump Sum in place of pension	51
22.1	Trivial benefits	51
22.2	Serious ill health	52
23.	Absences	52
23.1	Maternity, Adoption and Paternity Leave	52
23.2	Family Leave	54
23.3	Absence due to ill-health	54
23.4	Other Temporary absence	55
23.5	Calculation of death benefits	55
24.	Pension Increases	56
24.1	Pensions in payment	56
24.2	GMPs	56
24.3	Revaluation of Deferred Benefits	56
24.4	Qualifications	56

24.5	Anti-franking	56
25.	Part Time employees	57
25.1	Calculation of Benefits	57
25.2	Pensionable Service Credits: Equal Treatment	57
26.	Contracting-out	58
26.1	General	58
26.2	GMPs	58
26.3	Late Retirement	59
26.4	Increases in deferment	59
26.5	Contributions equivalent premiums	59
26.6	Transfers	59
26.7	Increases in payment	59
26.8	Anti-franking	60
26.9	Equivalent Pension Benefits	60
27.	Calculating Benefits	60
27.1	Benefits for life	60
27.2	Deciding values	60
27.3	Tax	60
28.	Paying Benefits	61
28.1	Instalments	61
28.2	Method of payment	61
28.3	Children and others who need special arrangements	61
28.4	Payments due before death	61
28.5	Forfeiture of benefits	61
28.6	Benefits are non-transferable	61
28.7	Evidence	62
28.8	Interest on late payments	62
29.	General	63
29.1	Ending employment	63
29.2	Giving notice	63
29.3	Employer's and Trustee's right to recover a debt owed by a Member	63
29.4	Power to extend time limits	64
30.	Transfers and Buy-outs	64
30.1	Transfers out	64

30.2	Transfers in	67
31.	Pension Sharing	68
31.1	The Pension Debit	68
31.2	Method of securing Pension Credit	68
31.3	Pension Credit secured within the Scheme	68
31.4	Transfers-in	71
31.5	Death before liability for Pension Credit is discharged	71
31.6	Member transferring-out after Pension Debit	71
31.7	Charges	72
31.8	Variations	72
Schedule 1	Pre-1 April 1988 Members	73
Schedule 2	Members working irregular part time hours	74
Schedule 3	Plan for premature retirement compensation	75
Appendix 1	Revenue Limits	77
Appendix 2	Trust Deed	85
Appendix 3	Index	86

SUPERANNUATION ARRANGEMENTS OF THE UNIVERSITY OF LONDON

RULES

INTRODUCTION AND INTERPRETATION

1.1 Introduction

These Rules are divided into three parts plus two Schedules and two Appendices:

- (1) Rule 1 is the first section, containing this introduction, the defined terms used in the Rules (which begin with initial capital letters in the text) and some notes on interpreting the Rules.
- (2) Rules 2 to 15 make up the second section, which sets out the administrative provisions. These are the Rules which relate to the constitution and running of the Scheme, including those dealing with the roles of the Trustee, the SAUL Negotiating Committee and the Investment Committee. It also sets out how an employer joins and leaves the Scheme and what would happen if the Scheme were to be wound up.
- (3) Rules 16 to 31 make up the third section, which deals with Members joining and leaving the Scheme and the calculation and payment of contributions and benefits.
- (4) Schedule 1 contains provisions which relate to Members who retired, left Service or died before 1 April 1988. Apart from Schedule 1, this edition of the Rules (to the extent that it makes changes to the previous edition of the Rules) does not apply to anyone who retired, left Service, opted out or died before these Rules took effect. There are some exceptions to this, namely Rules 19.4(4)(5) and (6) (ill-health pensions), 20.3(2) (early drawing of deferred pension), 21.2(7) (child allowances), 21.3 (paying lump sum death benefits), 22 (lump sum), 24.4 (pension increases for those under 55), 27 (calculating benefits), 28 (paying benefits), 29 (general) and 30.1 (transfers out).
- (5) Schedule 2 contains provisions which relate to the manner in which benefits are calculated for Members who work irregular part time hours.
- (6) Appendix 1 summarises the Revenue Limits which applied to the Scheme up to 6 April 2006.
- (7) Appendix 3 is an Index to the Rules.

1.2 Definitions

the 1993 Act means the Pension Schemes Act 1993.

the 1995 Act means the Pensions Act 1995.

Accounting Date means 31 March in any year, or any other date decided by the Trustee with the consent of any administrator appointed under Rule 6.7.

Actuary means a person or firm appointed as actuary by the Trustee. The actuary must be either a fellow of the Institute of Actuaries or a fellow of the Faculty of Actuaries or a firm consisting mainly of people with these qualifications.

Adoption Leave means Ordinary Adoption Leave or "additional adoption leave" as defined under the Paternity and Adoption Leave Regulations 2002.

Alternative Benefits means:

- (a) the additional pension under section 45 of the Social Security Contributions and Benefits Act 1992 or
- (b) an appropriate personal pension which meets the requirements of section 9(5) of the 1993 Act.

Alternative Benefits Service means a period during which a Member was employed by an Employer and was building up Alternative Benefits. Periods of Alternative Benefits Service do not count as Service or Pensionable Service.

Appendix means an appendix to these Rules.

Associated Employers means the schools, colleges and institutes of the University participating in the Scheme and any other institutions or employers which the Trustee decides may participate in the Scheme. An Associated Employer is either a University Employer or a Non-University Employer.

AVCs means the additional voluntary contributions payable under Rule 17.2 or Rule 17.3.

Basic entitlements has the meaning given to it under Rule 15.2(2).

Basic GMP means the annual amount of the guaranteed minimum as described in Rule 26.2, calculated at the time the Member's contracted-out employment ended (or, if earlier, calculated as at 5 April 1997 on the basis of the Member's contracted-out employment up to that date), before any increase under Rules 26.3, 26.4 or 26.7.

Benefits has the meaning given in Rule 13A.2.

Civil Partner means, in relation to a Member, his civil partner within the meaning of the Civil Partnership Act 2004 at the time the Member dies. A Member can have only one Civil Partner and cannot have both a Spouse and a Civil Partner at the same time. If there is any doubt over who is the Civil Partner or whether the Member has a Spouse or a Civil Partner, the Trustee's decision will be final.

Controlling Director has the meaning given to it by paragraph 5(5) of Schedule 23 to the Taxes Act.

Cross-Border Employee means a qualifying person as defined in the Occupational Pension Schemes (Cross-Border Activities) Regulations 2005;

Deferred Member means a Member who has left Service before Normal Pension Date and is entitled to deferred benefits under Rule 20.1.

A **Dependant** of a Member means anyone who is, at the time the Member dies, completely or partly:

- (a) financially dependent on the Member, including where there is financial inter-dependence between the individual and the Member; or
- (b) dependent on the Member because of disability.

The Trustee will decide whether a person is dependent on the Member and must be satisfied as to the evidence of disability if (b) above applies.

Disclosure Requirements means the requirements of the Pensions Act 2004, including the requirements of the Occupational Pension Schemes (Disclosure of Information) Regulations 2006.

Eligible Child means:

- (a) (i) a legitimate, illegitimate or adopted child of the Member who was born or (subject to paragraph (e) of Rule 21.2(7)) conceived before the Member's death
- (ii) any other child who, in the Trustee's opinion, is a Dependant of the Member

and who

- (b) at the time the Member dies, is
 - (i) under age 18; or
 - (ii) in the opinion of the medical adviser to the Scheme, has a disability which makes that child permanently unable to be self-supporting; or
 - (iii) is over age 18 but is in full-time education or is in full time-training for a trade, profession or vocation which is approved by the Trustee for the purposes of the Rule.

Unless the Trustee agrees otherwise, a child who qualifies as an Eligible Child under (iii) above will be an Eligible Child only up to the age of 23 unless he or she was already receiving a pension from the Scheme on 6 April 2006 or the Member was already receiving a pension from the Scheme on that date.

Employer Debt Regulations means the Occupational Pension Scheme (Employer Debt) Regulations 2005.

Employers means the University and the Associated Employers. In relation to an individual Member, the Employer is the Employer which employs, proposes to employ, or employed the Member at the relevant time.

the Employment Act means the Employment Rights Act 1996.

Fund means the Scheme's assets, including any securities, investments, cash and any type of property which the Trustee holds as trustee of the Scheme and any amounts owed or owing to the Trustee.

GMP means a guaranteed minimum pension as defined in the 1993 Act.

Identified Beneficiaries has the meaning given to it in Rule 13.1.

Incapacity means bodily or mental incapacity or physical infirmity which, in the opinion of the Trustee, is likely permanently to prevent a person:

- (a) in the case of a Member who is not a Deferred Member, from carrying out the duties of the Member's employment; or
- (b) in the case of a Deferred Member, from carrying out an employment equivalent to the Deferred Member's employment before leaving Service.

Insurance Company means a United Kingdom branch or agency of an insurance company to which Part II of the Insurance Companies Act 1982 applies. The insurance company must be authorised by or under that Act to carry out ordinary long-term insurance business as defined in that Act.

Investment Committee is the Committee described in Rule 7.2.

Irregular Part Time Employee means an employee in Part Time Service who is not a Regular Part Time Employee.

Maternity Leave means any period throughout which a female Member is away from work because of pregnancy or giving birth, and:

- (a) is exercising the right to Ordinary Maternity Leave or to additional maternity leave under her contract with the Employer; or
- (b) has a legal right to return to work under sections 79 to 85 of the Employment Act; or
- (c) is entitled to statutory maternity pay.

Member means a person who has joined the Scheme. A person will remain a Member for as long as benefits are or may be payable for that Member. A PCB Member may be provided with Pension Credit Benefits under Rule 31 but will not be treated as a Member for any other purpose.

Member's AVC Fund means the amount built up by and for a Member as a result of paying AVCs under Rule 17.3, which may be payable when the Member retires, leaves Service or dies. It does not include any life insurance benefits bought under Rule 17.3 or any AVCs used to buy them.

Non-Cash Benefit Scheme means a scheme notified to the Trustee by the Member's Employer, which involves a Member's contractual remuneration being reduced and the Employer providing a non-cash benefit (i.e. one which cannot be exchanged for cash) in place of that remuneration.

Non-University Employer means an institution or employer admitted to participation in the Scheme other than a University Employer.

Normal Benefit Age means, in respect of a PCB Member who is entitled to Pension Credit Benefits under the Scheme, age 65.

Normal Contributions means:

- (i) contributions paid by Members under Rule 17.1; and
- (ii) except for the purpose of Rule 20.4 (Leaving benefits – refund of contributions) where a Member has entered into a Salary Sacrifice Arrangement, the contributions paid by the Employer under Rule 18.5.

Normal Pension means a pension calculated as in Rule 19.1.

Normal Pension Date means the last day of the month immediately before the month in which the Member reaches age 65.

Notional Earnings means the amount notified to the Trustee by a Member's Employer as being the amount agreed between the Employer and Member, which:

- (i) in the case of a Non-Cash Benefit Scheme and/or Salary Sacrifice Arrangement, in the Employer's reasonable opinion, would have been the Member's Salary had he or she not taken part in a Non-Cash Benefit Scheme or Salary Sacrifice Arrangement; and/or
- (ii) in the case of a Profit-Related Pay Scheme will, in the Employer's reasonable opinion, ensure that the Member's participation in a Profit-Related Pay Scheme will have an effect on the level of that Member's benefits from the Scheme which is at least

broadly neutral compared to the level of benefits the Member would have been entitled to without taking part in the Profit-Related Pay Scheme.

If the Trustee is satisfied that a Member participating in a Profit-Related Pay Scheme has agreed something different with the Employer, Notional Earnings for that Member will be the amount agreed between the Member and the Employer.

The way in which Notional Earnings are arrived at must be notified to the Trustee and the affected Members.

Notional Earnings Arrangement means any of the following:

- (i) Non-Cash Benefit Scheme;
- (ii) Profit-Related Pay Scheme; and
- (iii) Salary Sacrifice Arrangement.

Ordinary Adoption Leave means a period of leave calculated in line with the Paternity and Adoption Leave Regulations 2002.

Ordinary Maternity Leave means a period of leave calculated in line with regulations made under section 71 of the Employment Act.

Paid Adoption Leave means a period of Adoption Leave during which the Employer pays the Member any contractual remuneration or statutory adoption pay.

Paid Family Leave means any period throughout which a Member is away from work for family reasons and for which the Employer pays that Member any contractual remuneration.

Paid Maternity Leave means a period of Maternity Leave during which the Employer pays the Member any contractual remuneration or statutory maternity pay.

Paid Paternity Leave means a period of Paternity Leave during which the Employer pays the Member any contractual remuneration or statutory paternity pay.

Paternity Leave means a period of such leave as defined under the Paternity and Adoption Leave Regulations 2002.

Part Time Service means Service during which an employee works fewer than the standard full-time hours normally worked in that employee's job (as decided by the employee's Employer).

PCB Member means a former spouse or civil partner who is entitled to Pension Credit Rights or Pension Credit Benefits under the Scheme.

Pensionable Salary means the higher of:

- (a) the highest Salary received in any 12 month period ending on a relevant date in the last three years, or
- (b) the highest yearly average of the Salary in any three year period ending on a relevant date in the last 10 years

immediately before retirement, Normal Pension Date, leaving Service or death, or otherwise ceasing to be eligible, whichever is earliest ("the final relevant date").

If a Member is in Service after Normal Pension Date and his or her Normal Contributions continue to be paid, the final relevant date is the date of actual retirement or the date when the Member's Normal Contributions stop being paid, if earlier.

- (i) The "relevant date" in any year is the same day of the year as the final relevant date.
- (ii) If an Employer has promised salary increases which have to be withheld to comply with Government policy, the Employer can decide, with the Trustee's agreement, that a notional salary, including those increases, will replace the Salary for any 12 month period for any particular Member, group of Members or Members generally as the Employer, with the Trustee's agreement, decides.
- (iii) If a Member is in Part Time Service immediately before the Member's Pensionable Salary is calculated, it will be calculated as described in Rule 25.1(1). This does not apply to the calculation of the lump sum death benefit under Rule 21.1 which is based on actual Salary.

Pensionable Service means the period of Service in years and days from the date a Member joins the Scheme until the date the Member retires, or his or her Normal Contributions stop being paid (if earlier) plus any other periods of Pensionable Service credited to the Member under the Rules. A year for this purpose means 365 days.

A Member who was a Member on 1 April 1976 can count as Pensionable Service any period, which ended immediately before that date, during which that Member was a member of the Superannuation Fund and the Pension and Life Assurance Scheme, which merged to form the Scheme on that date.

A Member's Pensionable Service cannot exceed 40 years unless and to the extent that:

- (a) the Member's Normal Contributions continue to be paid and his Employer continues to pay Employer's ordinary contributions after completion of 40 years' Pensionable Service;
- (b) the Member has paid AVCs and has been granted an additional period of Pensionable Service under Rule 17; or
- (c) the Member has been granted an additional period of Pensionable Service under Rule 18.2 or as a result of a transfer of assets into the Scheme under Rule 30.2.

The Pensionable Service of a Member in Part Time Service will be calculated as described in Rule 25.1(2).

Pension Credit means a credit under section 29(1)(b) of the Welfare Reform and Pensions Act 1999 or under corresponding Northern Ireland legislation arising by virtue of a Pension Sharing Order.

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

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

Pension Debit means a debit under section 29(1)(a) of the Welfare Reform and Pensions Act 1999 or under corresponding Northern Ireland legislation arising by virtue of a Pension Sharing Order.

Pensioner means a Member who is receiving a pension from the Scheme.

Pension Sharing Order means an order or provision as mentioned in section 28(1) of the Welfare Reform and Pensions Act 1999 or Article 25(1) of the Welfare Reform and Pensions (Northern Ireland) Order 1999, or equivalent provision.

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

Permanent Pension Debit Member means a Member whose benefits have been permanently reduced by a Pension Debit. Such a Member is either;

- (a) a Member who is a Controlling Director of a company which is the Member's employer either at the date on which the marriage was dissolved or annulled, or at any time within the period of 10 years before that date, or
- (b) a Member whose earnings at the date at which the marriage was dissolved or annulled exceeded $\frac{1}{4}$ of the permitted maximum (as defined in section 590C of the Taxes Act) for the Tax Year in which the dissolution or annulment occurred. Earnings for these purposes shall be taken to be the total emoluments
 - (i) which were paid to the Member for Pensionable Service during the Tax Year before the Tax Year in which the marriage was dissolved or annulled, and
 - (ii) from which tax was deducted in accordance with the Income Tax (Employments) Regulations 1993.

Permitted Maximum - For the Tax Year 2006/2007 this is £108,600. In future Tax Years the Permitted Maximum will increase on the first day of the Tax Year by the percentage increase in the Retail Prices Index for the 12 months ending in the previous September, the result being rounded up to the nearest amount which is a multiple of £600.

Alternatively, the Trustee may decide that the Permitted Maximum will increase by a greater amount.

Perpetuity Period means the period of 21 years from the death of the last surviving descendant of King Edward VII who was living on 1 October 1958.

Preservation Requirements has the same meaning as in section 69 of the 1993 Act.

Profit-Related Pay Scheme means a scheme which is registered and approved by HM Revenue & Customs under Chapter III of Part V and Schedule 8 to the Taxes Act.

Qualifying Benefit has the meaning given to it by section 31(3) of the Welfare Reform and Pensions Act 1999.

Qualifying Service means Pensionable Service, any additional periods of which count as Pensionable Service under the Scheme, and linked qualifying service under another scheme. "Linked qualifying service" and "two years' Qualifying Service" have the same meanings as they have under the Preservation Requirements.

Registered Pension Scheme means a registered pension scheme under Chapter 2 of Part 4 of the Finance Act 2004.

Regular Part Time Employee means an employee in Part Time Service whose employment contract states their contractual normal hours of work or who has an annual salary paid evenly throughout the year.

Relevant Benefits has the same meaning as in section 612 of the Taxes Act.

Revaluation Requirements means the requirements of Chapter II of Part IV of the 1993 Act.

Revenue Limit means the maximum amount of a benefit which the Scheme can pay, or the maximum amount of contribution that can be paid by or for a Member to whom Appendix 1 to these Rules applies.

Rules means these Rules (including the Schedules and the Appendices) as amended from time to time.

STC means SAUL Trustee Company, a company limited by guarantee, registered in England under number 2868875.

Safeguarded Rights are those rights of a PCB Member, falling within section 68A(1) of the 1993 Act, as are described in section 68A(2) of that Act.

Salary means a Member's total fixed annual salary plus any permanent allowances for London weighting, responsibility (including merit awards), contracted extra duties, additions after gaining qualifications and any pensionable benefits in kind. It does not include bonuses, commissions, overtime or other benefits unless the Employer decides otherwise, with the Trustee's agreement (either generally or in a particular case). No pay earned while in Alternative Benefits Service will count as Salary.

However, if a Member takes part in a Notional Earnings Arrangement, the Member's Salary for any period while in that Scheme will be the Member's Notional Earnings.

If a Member last joined the Scheme on or after 1 June 1989 or has elected to be treated as if he had joined on that date, then;

- if the Member has never been in Part-Time Service, the Member's Salary must not exceed the Permitted Maximum; and
- if a Member is or has been in Part-Time Service, the Member's Salary for any relevant period will not exceed the Permitted Maximum times $\frac{P}{F}$ (as defined in Rule 25.1(3)).

Salary Sacrifice Arrangement means an arrangement where a Member's contract of employment with an Employer 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 the Employer pays additional contributions in respect of the Member under Rule 18.5.

SAUL Negotiating Committee is the Committee described in Rule 7.1.

Schedule means a schedule to these Rules;

Scheme means the Superannuation Arrangements of the University of London (or "SAUL" for short).

Section 75 means section 75 of the 1995 Act.

Separate Fund has the meaning given to it in Rule 14.

Service means continuous employment with the Employers as a Member. A Member will not be treated as having left continuous employment if there is a break in employment which lasts for less than a month but the period of the break will not count as Service.

Shortfall means the difference at the applicable time between the value of the assets of the Scheme and the liabilities of the Scheme calculated by the Actuary on the basis prescribed for the purposes of Section 75, with any modifications determined by the Trustee after consulting the Actuary to allow for approximations or estimates of the cost of purchasing annuities and the value of the assets.

Spouse means the Member's husband or wife at the time a Member dies. A Member can have only one Spouse and cannot have both a Spouse and a Civil Partner at the same time. If there is any doubt over who is the Spouse or whether the Member has a Spouse or a Civil Partner, the Trustee's decision will be final.

State Pension Age means, in relation to the terms of the Scheme relating to GMPs, age 65 for a man and age 60 for a woman. In relation to any other terms, it means such other age as is specified for the individual woman in Part I of Schedule 4 to the 1995 Act.

Tax Year means a year beginning on 6 April and ending on the next 5 April.

Taxes Act means the Income and Corporation Taxes Act 1988.

Termination Date has the meaning given to it in Rule 11.

Trivial Commutation Lump Sum means a trivial commutation lump sum as defined in paragraph 7 of Schedule 29 to the Finance Act 2004.

Trivial Commutation Lump Sum Death Benefit means a trivial commutation lump sum death benefit as defined in paragraph 20 of Schedule 29 to the Finance Act 2004.

Trust Deed means the Definitive Trust Deed dated 9 May 1979, a copy of which is attached to these Rules as Appendix 2 and any other Trust Deed which replaces it.

Trustee means the Trustee appointed to act as Trustee of the Scheme in line with Rule 6.1.

Unauthorised Payment means an unauthorised payment as defined in section 160(5) of the Finance Act 2004.

Unions means the trade unions called UNITE and UNISON or any other recognised trade unions which take on the rights and obligations of those trade unions.

University means the University of London.

University Employer means the schools, colleges and institutes of the University and including the University. A statement by the University whether an Employer is a University Employer shall be final.

Unpaid Family Leave means any period throughout which a Member is away from work for family reasons and for which the Employer does not pay that Member any contractual remuneration.

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

1.3 Interpreting the Rules

In the Rules:

- (1) words in the singular include the plural meaning, and words in the plural include the singular meaning;
- (2) references to legislation include regulations made under that legislation, and changes to that legislation and those regulations but only to the extent that they apply to the Scheme;
- (3) a reference to any statute is a reference only to the relevant sections and requirements of that statute and any relevant regulations under it. The Trustee will decide what is a relevant section or requirement of, or relevant regulations under, the statute;

- (4) the heading of a paragraph or Rule does not affect its meaning; and
- (5) references to benefits payable for a Member include benefits payable to the Member and to the Member's family, dependants and other people after the Member's death.

1.4 **Law**

The Scheme is established under, and governed by, English law and the English courts. By joining the Scheme, each Member submits to the jurisdiction of the English courts.

ADMINISTRATIVE PROVISIONS

2. EMPLOYERS

2.1 Participation in the Scheme

Any Associated Employer (if it was not already participating in the Scheme on 1 April 1976) can take part in the Scheme and so become an Employer if:

- (1) it has employees who are eligible for Membership of the Scheme; and
- (2) it agrees by deed with the Trustee to comply with the terms of the Trust Deed and Rules which apply to it and its employees.

2.2 Special terms on starting to participate

When an Employer first starts to participate in the Scheme, it may:

- (1) declare that any class of its employees is not eligible for Membership; and/or
- (2) vary any provision of the Rules in relation to its employees who are eligible for Membership.

Any such declaration or variation must be made by deed and must be agreed by the Trustee.

Each Employer must comply with the terms of the Trust Deed and the Rules which apply to it.

2.3 Variation of participation terms

An Employer participating in the Scheme may vary the eligibility terms for its future employees so that:

- (1) future employees who would otherwise be eligible to join the Scheme will not have a right to join the Scheme; and/or
- (2) future employees who might not otherwise be eligible to join the Scheme will have a right to join the Scheme.

Any such variation must be agreed by the Trustee in writing before it takes effect.

2.4. Amalgamation

- (1) This Rule applies where an Employer:

- (a) is, or proposes to be, amalgamated with another body which is not an Employer; or
- (b) has acquired, or proposes to acquire, some or all of the functions of another body which is not an Employer;

and as a result, the Employer takes over some or all of that body's functions and employs some or all of its employees.

- (2) If this Rule applies to an Employer, it must give written notice of that fact to the Trustee. The employees described in (1) above may not join the Scheme, and the Employer must not promise them Membership, until:

- (a) the Trustee has agreed in writing that all, or any class, of them are eligible for Membership; and

- (b) the Trustee has given written notice of that agreement to the Employer.
- (3) The Trustee's agreement under (2) above is at its discretion and it may require the Rules to be varied in relation to the Employer and the employees described in (1) above. Any such variation may only be of the sort described in Rule 2.2 and must be made by deed.
- (4) If an amalgamation or acquisition of the sort described in (1) above has happened or is proposed, the Trustee may, at its discretion, nevertheless decide that this Rule will not apply to the Employer concerned, or that this Rule will be relaxed to whatever extent they think fit.

2.5 Instructions from the Employers

When the Trustee receives an instruction or information from someone it reasonably believes to represent an Employer, in connection with any of that Employer's discretionary powers and obligations under the Scheme, the Trustee is entitled to assume that that person has been properly authorised by the Employer to give that instruction or information. This applies unless the Trustee has actual knowledge that this is not the case.

2.6 Liability of Scheme and Employers

- (1) No-one has any claim or right to a benefit from the Scheme except if, and to the extent that, the Scheme allows, in accordance with the Rules. The Employers are not under any liability in connection with the Scheme, except as expressly stated in the Rules. Nothing in this Rule prevents the Trustee from paying an award of the Pensions Ombudsman, or an arbitration award, or making a payment under a court order under Rule 6.5(6) or prevents the Trustee from settling or compromising a claim under Rule 6.5(7).
- (2) This limitation of liability does not affect any liability of the Scheme or the Employers arising under the 1995 Act or any other duty which cannot be excluded by law.

3. ACTUARIAL VALUATIONS

- (1) The Actuary must value the Fund as at the dates the Trustee decides. Actuarial valuations and actuarial reports must take place at least as frequently as is required to comply with the requirements of Part 3 of the Pensions Act 2004
- (2) The Actuary must:
 - (a) report the results of each valuation to the Trustee;
 - (b) make recommendations on the Employers' contribution rate to be decided under Rule 18.1;
 - (c) make any other comments and recommendations that the Actuary thinks are appropriate; and
 - (d) certify the Scheme's technical provisions (as defined in section 222(2) of the Pensions Act 2004.
- (3) Any actuarial valuation and report carried out on or after 6 April 2006 will in all other respects comply with the requirements of Part 3 of the Pensions Act 2004.

4. TAX REGISTRATION

- (1) On 6 April 2006, the Scheme became a Registered Pension Scheme.
- (2) Before 6 April 2006, the Scheme was treated by the HM Revenue & Customs as an exempt approved scheme under Chapter I of Part XIV of the Taxes Act. Appendix 1 summarises the Revenue Limits which applied to the Scheme immediately before 6 April 2006, which continue

to apply to the extent set out in, and subject to the terms of the Twentieth Deed of Amendment dated 6 April 2006.

- (3) The Trustee will not be obliged to make any payment from the Scheme which it believes to be an Unauthorised Payment, even if another Rule appears to require it to do that.
- (4) This Rule overrides any other terms of the Trust Deed or of the Rules which contradict it.

5. INVESTMENTS

5.1 Powers

- (1) The Trustee has the following powers and can use them as it thinks fit:
 - (a) to carry out any financial transaction which it believes, after taking appropriate advice, will protect or improve the long-term value of the Fund;
 - (b) to invest in, buy, sell, lend, exchange or otherwise deal in any property, assets, rights, options, assurances, annuities, contracts and other interests;
 - (c) to invest or use any part of the Fund as security for, or to buy options relating to, all types of real and personal property and contractual or other rights and interests (whether or not secured);
 - (d) to hold part of the Fund in cash of any currency or in current accounts without being responsible for any gains not made; and
 - (e) all powers relating to such transactions, property, assets, rights, options, assurances, annuities, contracts and interests which are part of the Fund, as if the Fund belonged absolutely and beneficially to the Trustee.
- (2) The Trustee also has the following powers to use as it thinks fit:
 - (a) to buy property by using that property as security for a loan;
 - (b) to borrow and give guarantees and indemnities, whether or not on the security of assets of the Fund. If the Trustee has given an indemnity against the risk of the Fund losing Approval (as defined in Appendix 1) the Fund will be bound by the indemnity, even if it could only be used if the Trustee acted in breach of trust.
 - (c) to use the Fund to repair, maintain, demolish, move, store or improve any of its assets or to insure assets against loss or damage for any amount up to their full replacement value;
 - (d) to make secured or unsecured loans to any person or organisation other than a Member or other individual Scheme beneficiary.

5.2 Insurance policies

If the Trustee uses part of the Fund to take out a policy with an Insurance Company, it can deal with that policy as it thinks fit for the purposes of the Scheme. The Insurance Company has no right to know the Trustee's aims in taking out the policy or to question the Trustee's instructions relating to that policy or the actions the Trustee takes in connection with it.

5.3 Buying annuities

The Trustee can provide a pension or other allowance under the Scheme by buying an annuity. The Trustee must take actuarial advice before doing so and the Member must

consent if the annuity is in place of some or all of that Member's benefits under Rule 20. The following conditions will apply:

- (1) The annuity must meet the requirements of section 19 of the 1993 Act.
- (2) The annuity can be in the name of the individual entitled to benefit, or in the name of the Trustee for the benefit of that individual. The annuity will replace that individual's interest in those benefits under the Scheme and that individual will have no further claim to those benefits.
- (3) The Trustee may decide that the annuity contract or policy will provide benefits corresponding with those the individual would have received under the Scheme.

5.4 Holding assets

The Trustee will hold the Fund's assets either in its own name or in the name of any one or more companies as nominee of or custodian for the Trustee.

5.5 Pooling

The Trustee may arrange for some or all of the Fund to be pooled for investment purposes with the assets of other retirement benefit schemes. The terms of this arrangement will be as the Trustee thinks fit.

5.6 Investment managers

The Trustee can appoint any person to whom section 34 of the 1995 Act refers to be an investment manager of all or part of the Fund. The Trustee will decide the terms of the appointment including terms relating to the investment manager's remuneration and the terms on which the investment manager may sub-delegate and appoint custodians and sub-custodians. Any such appointment will be made in accordance with section 47 of the 1995 Act. The Trustee can also appoint a custodian for all or part of the Fund.

5.7 Statement of investment principles - 1995 Act

The Trustee must comply with the requirements of the 1995 Act for preparing, maintaining and revising a statement of the principles governing its decisions about investments. It must also comply with the 1995 Act's requirements relating to investments and the need to take proper advice about investments.

5.8 Employer-related investments

The Trustee must comply with section 40 of the 1995 Act relating to employer-related investments.

6. THE TRUSTEE

6.1 Appointment

The Trustee was appointed to act as sole corporate Trustee by the University. The statutory power to appoint new or additional Trustees, set out in section 36 of the Trustee Act 1925, now applies, except that a sole corporate Trustee may be appointed even if it is not a trust corporation.

6.2 The Trustee's business

If a company is appointed as Trustee, it will conduct its business and carry out its functions under the Rules in line with the requirements of its Memorandum and Articles of Association.

6.3 Trustee's expenses and remuneration

- (1) The Trustee, and any director or officer of a corporate Trustee, are entitled to be repaid out of the Fund for all reasonable expenses and costs that they incur in carrying out the work of the Trustee or the obligations of a director of a corporate trustee.
- (2) A director or officer of a corporate Trustee or a member of the Investment Committee (or any other committee of the STC Board) may be paid for work carried out in that role, if the person is not employed by an Employer other than STC and if the SAUL Negotiating Committee agrees. The agreement of the SAUL Negotiating Committee may be given generally or in relation to a particular case. The level of remuneration will be agreed by the SAUL Negotiating Committee.

6.4 Compensation to Employers

- (1) If STC is a Trustee, the directors of STC can resolve that the payments referred to in paragraph (2) below will be made from the Fund.
- (2) The Trustee can make payment of such annual amounts, and at such intervals as it decides, to compensate the Employer of any director of STC or any member of the Investment Committee (or any other committee of the STC Board).
- (3) In this Rule a person's "Employer" means:
 - (a) the person's Employer; or
 - (b) if the person is not employed by an Employer, that person's employer within the ordinary meaning of that word (and not as defined in Rule 1); or
 - (c) if the person is a partner, the partnership in which that person is a partner at the relevant time.
- (4) The SAUL Negotiating Committee must approve the annual amount of any payment made under this Rule before it is made. That approval may be given generally or in relation to a particular case.
- (5) If payment has already been made to a person under Rule 6.3(2) for any period, no payment can be made to that person's Employer under this Rule to the extent that the payment under Rule 6.3(2) relates to the same duties. This does not, however prevent any director of STC from being reimbursed out of the Fund for reasonable expenses and costs under Rule 6.3(1).

6.5 Protecting the Trustee

(1) Indemnity

The Trustee, the directors of a corporate Trustee and the members of the SAUL Negotiating Committee, Investment Committee and Audit Committee will each be indemnified out of the Fund against any claims, costs, losses, damages and expenses they may have to pay in their capacity as such, in connection with the Scheme.

(2) Exclusion of liability

Neither the Trustee, nor any director of a corporate Trustee or member of the SAUL Negotiating Committee, Investment Committee or Audit Committee will be legally responsible for anything committed or omitted in connection with the Scheme, except for a breach of trust or duty which is committed knowingly, intentionally and in bad faith. This applies to both collective and individual acts and whether professional advice was taken under paragraph (10) below or not.

(3) **Employees of the Trustee**

Paragraphs (1) and (2) apply equally to any employee of the Trustee who is carrying out a function delegated to that employee by the Trustee and who is acting within the scope of that employee's actual or ostensible authority.

(4) **Penalties under the 1995 Act**

Paragraphs (1) to (3) above do not apply in respect of any liability imposed under section 10 of the 1995 Act (civil penalties) or section 115 of that Act (offences by bodies corporate) or any other sort of liability that is referred to in section 31 of the 1995 Act.

(5) **The 1995 Act: Investment functions**

Paragraphs (1) to (3) above do not apply in respect of any liability for a breach of a legal obligation to take care or exercise skill in performing any investment function in the circumstances referred to in section 33 of the 1995 Act. The people referred to in paragraph (1) to (3) above do nevertheless have the benefit of the exclusion of liability for the act or default of a fund manager contained in section 34(4) or section 34(6) of the 1995 Act, where the requirements of the relevant subsection have been met.

(6) **Pensions Ombudsman awards and court orders**

The Trustee has power to pay any award made by the Pensions Ombudsman and to make any payment ordered by a court or awarded in an arbitration.

(7) **Legal action**

The Trustee may start and defend proceedings and may settle, compromise or submit to arbitration any claim or matter relating to the Scheme. No leave of a court is required to enable the Trustee to take any action under this paragraph if it has followed legal advice in relation to that action.

The Trustee may, in connection with an action under this paragraph, pay any Member, former Member, Pensioner or other person who is or may in future be entitled to a benefit from the Scheme, additional Scheme benefits beyond those to which they would otherwise be entitled under the Scheme Rules. Those benefits must not, however, result in an Unauthorised Payment.

(8) **Costs**

The Trustee may, if it considers it appropriate, treat any sums or costs paid under paragraph (6) or paragraph (7) above (including the costs of any additional Scheme benefits) as an expense of the Scheme to which Rule 8.1 applies.

(9) **Trustee's interests**

If a Member, or an employee or officer of an Employer is also:

- (a) a Trustee
- (b) a director or officer of a corporate Trustee
- (c) a member of a committee or sub-committee of the board of the Trustee, or
- (d) a member of the SAUL Negotiating Committee

any powers that person has under the Rules may be used, regardless of that person being in a dual capacity and without affecting that persons' actions.

(10) **Professional advice**

- (a) The Trustee can act on the opinion or advice of any accountant, actuary, solicitor, doctor or other professional it has employed or instructed.
- (b) The Trustee must make sure that the people it appoints as "professional advisers" (as defined for the purposes of Section 47 of the 1995 Act) are appointed in accordance with the 1995 Act. In particular, it must appoint an individual Actuary as the Scheme Actuary in line with section 47 of the 1995 Act. The Scheme Actuary will carry out the tasks required under that Act and any other tasks which the Trustee agrees with the Scheme Actuary. If the Trustee appoints a company or firm to act as Actuary, the Scheme Actuary must be a partner in, director of or employee of that firm or company.

(11) **Insurance**

The Trustee can insure:

- (a) the Scheme against any loss caused by the Trustee, any director or officer of a corporate Trustee, any member of the Investment Committee or the SAUL Negotiating Committee and any secretary, agent or delegate appointed legally by the Trustee; and
- (b) itself and anyone else against liability for anything they may do or omit to do in carrying out their functions in connection with the Scheme.

The Trustee can pay the premiums from the Scheme's assets if the law allows this.

6.6 **The Trustee's duties**

The Trustee must run the Scheme in accordance with the Trust Deed and Rules.

6.7 **Administrator**

The Trustee is the administrator of the Scheme for the purposes of section 270 of the Finance Act 2004 .

6.8 **The Trustee's powers**

The Trustee has all the powers that are necessary or helpful to enable it to carry out its duties under the Trust Deed and Rules. It does not need agreement from the University, the other Employers, the SAUL Negotiating Committee or the Members to use its powers unless the Trust Deed or Rules expressly require this.

6.9 **Using agents and delegating**

The Trustee can appoint or employ others to act for it and can pay them out of the Fund. The Trustee can also delegate to any person or committee any of its powers and duties except those under Rule 9 (the power of amendment) and Rules 11 to 15 (relating to winding up). If the Trustee decides to delegate, it will decide the terms of the delegation (including whether there is power to sub-delegate) and what (if any) remuneration the delegate will receive. The Trustee does not have to supervise anyone to whom it delegates. The Trustee can pay the costs of employing or delegating to a person under this Rule from the Fund.

6.10 **Exercise of Trustee's discretions**

If any matter is left to the Trustee's discretion, that discretion is absolute. The Trustee does not have to explain its reasons or present any documents or details of advice it has received to help it make that decision.

6.11 Trustee as Employers' agent

- (1) One or more of the Employers can ask the Trustee to act as its or their agent for the purpose of obtaining professional advice on how to treat pension costs in connection with the Scheme in the Employer's accounts. If the Trustee acts as agent of more than one Employer, it will apportion the costs it incurs in obtaining that advice between the Employers on whatever basis it thinks is fair in the circumstances.
- (2) The Trustee can treat any costs it incurs under this Rule as a cost or expense of administering the Scheme under Rule 8.1.

7. COMMITTEES

7.1 The SAUL Negotiating Committee

- (1) The SAUL Negotiating Committee is made up of twelve individuals. Six of them are nominated by a duly authorised official of the University ("the University nominees") and three of them are nominated by each of UNITE and UNISON ("the Unions nominees").
- (2) A member of the SAUL Negotiating Committee can be removed by the body which nominated that member. If a member of the SAUL Negotiating Committee is removed, or dies or retires, the body which nominated that member can nominate a replacement. Any removal or nomination must be in writing addressed to the Trustee and must:
 - (a) in the case of a University nominee, be signed by a duly authorised official of the University; and
 - (b) in the case of a Unions nominee, be signed by a duly authorised official of the relevant Union.
- (3) A member of the SAUL Negotiating Committee can resign by giving written notice to the Trustee. The resigning member must also give written notice, if a University nominee, to the University or, if a Unions nominee, to the Union which appointed him or her.
- (4) A member of the SAUL Negotiating Committee can appoint someone else to act as alternate at a meeting of the SAUL Negotiating Committee if that member will not be at that meeting. The member can also remove that person as alternate. Any appointment or removal of an alternate member must be made by written notice to the Trustee. An alternate member will receive notice of the relevant meeting and the alternate member can attend and vote on behalf of the Committee member by whom the alternate member was appointed. Anyone who is appointed as an alternate member, who is already a Committee member, will be counted as two Committee members for the purpose of making a quorum. If the alternate member is appointed by more than one Committee member, the alternate member will still be counted as only two Committee members for that purpose.
- (5)
 - (a) A Member of the Scheme can be a member of the SAUL Negotiating Committee and does not need to resign on ceasing to be a Member.
 - (b) The SAUL Negotiating Committee must meet at least once a year and at any other times that it decides a meeting is appropriate or the Trustee requests. It can regulate its meetings as it thinks fit, and may put any regulations in standing orders, which it can alter by resolution. Unless and until the SAUL Negotiating Committee decides otherwise, the quorum is six, of whom three must be Unions nominees and three must be University nominees.
 - (c) At meetings of the SAUL Negotiating Committee, the Committee members present will appoint a chairman of that meeting.

- (d) Decisions made at its meetings need the consent of both a majority of the University nominees and majority of the Unions nominees present and voting at the meeting. The chairman does not have a second or casting vote.
 - (e) A meeting of the SAUL Negotiating Committee at which a quorum is present can exercise all or any of the powers and discretions that the SAUL Negotiating Committee has under the Rules.
 - (f) The SAUL Negotiating Committee must keep minutes of the decisions it makes at its meetings. The minutes of a meeting, signed by the chairman of that or the next meeting, are prima facie evidence of the decisions taken at that meeting.
 - (g) The SAUL Negotiating Committee must prepare an annual report of its activities, which will be given to each of the Employers and made available to Members and others in accordance with Rule 8.3(3).
 - (h) A written resolution signed by at least eight of the members of the SAUL Negotiating Committee will be as valid as if it had been passed at a meeting, as long as notice of the resolution has been given to all the members of the Committee and the resolution has been signed by a majority of the Unions nominees UNITE, a majority of the Unions nominees from UNISON and a majority of the University nominees. A written resolution may consist of several documents in the same form, each signed by one or more Committee members.
 - (i) The Trustee must make available to the SAUL Negotiating Committee whatever secretarial and other services it reasonably requires. The reasonable expenses of the SAUL Negotiating Committee will be paid out of the Fund.
- (6) The SAUL Negotiating Committee has the following powers and functions:
- (a) to consider, and if it thinks fit, approve any amendment to the Rules proposed by the University or the Trustee;
 - (b) to consider and, if it thinks fit, recommend amendments to the Rules to the University and the Trustee;
 - (c) to consider, and if it thinks fit, approve any remuneration which the Trustee proposes to pay to a director or an officer of a corporate Trustee or a member of the Investment Committee or other Committee;
 - (d) to approve the appointment of a co-opted director to the board of STC.
 - (e) to advise the Trustee on exercising the discretions it has under the Rules to increase benefits.

The Trustee may, at its discretion, refer any matter to the SAUL Negotiating Committee which that Committee would not otherwise be required to consider. The Trustee may do so on such terms and conditions and with such terms of reference as it considers appropriate.

7.2 The Investment Committee

- (1) If a sole corporate Trustee is the Trustee, there will be an Investment Committee, made up of:
 - (a) the chairman of the Trustee, who will also act as chairman of the Investment Committee; and
 - (b) not more than eight others. At least three of these must be directors of the Trustee (including at least one Union nominated director and one Employer appointed director of the Trustee) and the Trustee can nominate up to five others.

- (2) The Trustee can delegate to the Investment Committee such of its investment and related powers as it thinks fit. That delegation will be on such terms as the Trustee decides and must be done in line with the Trustee's Articles of Association.
- (3) The Trustee will keep overall power over investment of the Fund. It may nevertheless delegate to the Investment Committee, on such terms as it decides, its power to determine the investment policy of the Fund. Any changes made by the Investment Committee to the investment policy will be notified to the Trustee in line with paragraph (6).
- (4) Any member of the Investment Committee (other than the chairman) can resign from office by giving written notice to the chairman. The chairman will be regarded as having resigned on ceasing to be the chairman of the Trustee.
- (5) The Trustee can remove a member of the Investment Committee (other than the chairman). It can appoint someone else to replace a Committee member who has been removed, or who has died or resigned, as long as it keeps to the limits on the maximum and minimum numbers of Committee members in total and of each type of Committee member, as set out in paragraph (3) above.
- (6) The Investment Committee will meet at least once every quarter and at any other times it thinks necessary. The Investment Committee will prepare a written report to the Trustee of its decisions, which will contain whatever information the Trustee reasonably requires from time to time.
- (7) The Trustee's Articles of Association will regulate the conduct of the Investment Committee's meetings. Unless and until the Investment Committee decides, the quorum will be four.
- (8) The Trustee can act on the recommendation of the Investment Committee in appointing and agreeing the remuneration of investment managers under Rule 5.6 and in removing any investment manager. Investment managers can be required, under the terms of their appointment, to report directly to the Investment Committee.
- (9) The Investment Committee will prepare an annual report of its activities. That report will be given to each of the Employers and made available to Members and others in accordance with Rule 8.3(3).

8. ADMINISTRATION

8.1 Expenses

The Trustee can pay any costs or expenses it considers necessary to help it perform its duties. These include:

- (1) the costs and expenses of investing the Fund and administering the Scheme;
- (2) the cost of insuring the Scheme or the Trustee against loss or personal liability; and
- (3) the Trustee's costs and the costs of other parties in legal actions and other disputes relating to the Scheme.

The Trustee can claim these costs and expenses from the Fund. But the Employers may from time to time agree to pay such costs and expenses relating to the administration of the Scheme as the Employers may decide.

8.2 Additional Expenses

- (1) If the Trustee reasonably considers that it has incurred additional costs or expenses (including professional fees) partly or wholly because of the particular requirements of an Employer, the

Trustee can require that Employer to pay an additional charge to cover those costs or expenses.

- (2) The Trustee can require an Employer which has entered into a Salary Sacrifice Arrangement to pay such amounts to the Scheme as may be determined by the Trustee to represent additional costs to the Scheme arising from implementation and administration of the Salary Sacrifice Arrangement.
- (3) The Trustee must give the Employer a breakdown of the costs and expenses referred to in Rule 8.2(1) and (2). The additional charge must not exceed the proportion of the total costs and expenses of administering the Scheme during the relevant period which the Trustee considers to be fair in the circumstances.

8.3 Accounts

- (1) The Trustee must make sure that proper accounts are kept. The Trustee must also make sure that annual accounts, made up to the Accounting Date, are prepared and audited within 7 months of the Accounting Date by an auditor appointed in accordance with section 47 of the 1995 Act. The auditor must have access to all necessary information and evidence. The auditor must report to the Trustee whether the accounts correctly summarise the transactions of the Fund during the year. The audited accounts must comply with the requirements of the 1995 Act.
- (2) When keeping accounts and records the Trustee must comply with the requirements of the 1995 Act. The Employers must give the Trustee whatever help it reasonably requires for this purpose.
- (3) As soon as practicable after the accounts have been audited, the Trustee must send to each of the Employers a copy of the accounts, together with copies of the auditor's report, the accounts of the Trustee (prepared in line with the Companies Act 1985) and the Trustee's report on the Scheme for the period up to the relevant Accounting Date. Reports on the activities of the SAUL Negotiating Committee and the Investment Committee for the same period will be attached to the Trustee's report.

8.4 The Actuary

As well as valuing the Fund and reporting to the Trustee under Rule 3, the Actuary must carry out any other actuarial duties and provide any actuarial advice in relation to the Scheme which is required by the Trust Deed or Rules which the Trustee may request from time to time.

When making a decision or providing advice for the Scheme, the Actuary can use whatever methods and assumptions the Actuary thinks are appropriate based on the circumstances of the case or the law.

8.5 Records and Disclosure

The Trustee must keep adequate records of the Members, contributions paid to the Scheme, benefits paid from the Scheme and any other matters which are necessary or helpful to enable the Scheme to be run efficiently. It must comply with the Disclosure Requirements relating to preparing and disclosing accounts, the annual report to Members, actuarial valuations and statements, and all other matters which those Requirements cover.

Each Employer must take whatever steps the Trustee reasonably requires to distribute to Members who are its employees any information which the Trustee has to give them in order to comply with this Rule or which the Trustee decides is necessary or desirable for Members to have about the Scheme.

8.6 Disputes

- (1) The Trustee has the power to decide whether a person is entitled to benefit or a payment from the Scheme. It also has the power to decide any disputes or questions about the meaning of any of the provisions of the Scheme's Trust Deed and Rules and the way those provisions are applied. The only exception to this is where the Trust Deed or Rules say that the matter must be decided by someone other than the Trustee. As far as the law allows, the Trustee's decision is final. The Trustee and Employers will not be legally responsible for anything done or not done as a result of the Trustee's decision, even if that decision proves to be wrong.
- (2) The Trustee must maintain an internal disputes resolution procedure for the Scheme in line with the 1995 Act.
- (3) If the Trustee believes that there is a mistake in the Trust Deed or Rules and the University agrees, the Trustee must amend the Trust Deed or Rules by deed to correct it. Benefits under the Scheme will then be paid in all circumstances as if the mistake had never existed.

8.7 Arbitration

- (1) This Rule applies only if there is a dispute between an Employer and the Trustee, which cannot be resolved using a provision contained in the Rules. It cannot apply if the dispute is or has been the subject matter of an investigation by the Pensions Ombudsman.
- (2) If there is a dispute between an Employer and the Trustee about the meaning of any of the terms of the Scheme or the way those terms are applied, or about any rights or liabilities under the Rules the dispute can, if the Employer and the Trustee agree, be referred to arbitration by a single arbitrator. The Employer and the Trustee can agree who will be appointed as the arbitrator but if they cannot agree the arbitrator will be appointed in accordance with the Arbitration Act 1996.

8.8 Information

Each Employer must promptly give the Trustee any information it needs to help it run the Scheme and to comply with the law. The Trustee will be entitled to treat any information it receives from an Employer as correct. If the Trustee needs evidence of any fact or piece of information but none is available, or if the available evidence is conflicting, it can make any assumptions it thinks fit.

8.9 Scheme Returns

The Trustee will ensure that scheme returns are completed and sent to the Pensions Regulator as and when required by the Pensions Regulator.

8.10 Bank and other accounts

The Trustee must keep any money it receives in a separate account at an institution authorised under the Banking Act 1987 in accordance with the 1995 Act.

9. AMENDMENT

- (1) The Trustee may at any time by deed, with the prior written consents of the University and of the SAUL Negotiating Committee, alter or repeal all or any of the provisions of any Trust Deed or Rules for the time being in force or execute any further deed or make any new Rules to the exclusion of, or in addition to, all or any of the provisions of any existing Trust Deed and Rules. Any new provision so made will be as valid as if it were in these Rules on the date on which it is expressed to take effect and will be subject to alteration in the same way.
- (2) No alteration or addition shall prejudice or affect:

- (a) any pension or annuity in course of payment under the Scheme;
- or
- (b) the rights of any Member who has stopped paying Normal Contributions under Rule 17.1(2);
- or
- (c) the benefits already accrued up to the date on which such exercise takes effect or in respect of any person who was a Member on or before 9 May 1979 or of the personal representatives of such a Member,

and so that an alteration or addition which operates only to increase the amount of any pension annuity, rights or other benefits is to be taken as one which does not affect such pension annuity, rights or other benefit.

- (3) No such alteration or addition will:
 - (a) have the effect of altering the purpose of the Scheme, which shall continue to be the provision of Relevant Benefits for employees of the Employers who are eligible for membership, either on retirement at a specified age or on death or incapacity at some earlier age; or
 - (b) result in the return to the Employer of any part of the Fund but subject to the provisions of Rule 15.2(5).
- (4) Any exercise of this amendment power and any exercise of any of the powers conferred by this Rule or any other Rules of the Scheme as regards any modification to the Scheme taking effect or purporting to take effect on or after 6 April 2006 must satisfy the requirements of Section 67 to 67 I of the 1995 Act.

10. REDUCTION OR SUSPENSION OF EMPLOYER'S CONTRIBUTIONS

By giving three months' written notice to the Trustee (or a shorter period, if agreed by the Trustee), an Employer may reduce or suspend its contributions for its employees. The Employer will then pay all contributions due up to the date the notice expires but will not be required to pay contributions (or more than the reduced contribution, as the case may be) due after that date.

The Trustee will, if necessary, then revise its schedule of contributions prepared under the 1995 Act to:

- (1) take account of the changes; and
- (2) (for as long as s56 of the 1995 Act applies to the Scheme) maintain the average contributions of all Employers so that the Scheme continues to meet the minimum funding requirement of the 1995 Act

After consulting the Actuary, the Trustee may then, or at any later time, reduce the benefits paid to or in respect of Members who are or were employed by that Employer. The total reduction in the value of the benefits must not, in the Actuary's opinion, be greater than the reduction in or suspension of the Employer's contributions.

The Trustee must tell the Members affected about the suspension or reduction and about the effect on Members' benefits. Or, if a Member has died, the Trustee must tell the person entitled to the benefit. The Trustee must comply with the requirements of the 1995 Act if it reduces benefits.

11. TERMINATIONS

This Rule sets out how the University can terminate the Scheme and how an Employer can withdraw from the Scheme or be made to leave. It also specifies the date ("the Termination Date") from which the Employer's liability to pay contributions for its employees will end.

11.1 Termination of the Scheme

The University can terminate the Scheme at any time by giving at least three months' written notice to the Trustee, specifying the Termination Date. The liability of all the Employers to contribute to the Scheme will then end and they will not be required to pay contributions or expenses to the Scheme that are due in respect of any period after the Termination Date. The Trustee will tell the Members that the Scheme is to terminate as soon as practicable after the notice has been given. The Trustee will wind up the Scheme in accordance with Rules 13 to 15 unless the Trustee, with the University's consent, decides to continue it as a closed scheme as described in Rule 15.2(6)(d).

11.2 An Employer leaving the Scheme

- (1) If an Employer or the Trustee decides that it is impracticable or inexpedient for the Employer to continue to participate in the Scheme, the Employer will withdraw with effect from a date agreed between the Employer and the Trustee (or, failing such agreement, specified in a written notice from the Trustee to the Employer), which will be the Termination Date in relation to that Employer. The Employer must pay all contributions and expenses due to the Scheme up to the Termination Date before the Trustee will allow it to withdraw from the Scheme.
- (2) The Employer must leave the Scheme if the Employer goes into liquidation or is dissolved unless it is for the purpose of reconstruction or amalgamation with another Employer. The Termination Date will be the date on which the order is made or resolution passed (as the case may be) for the liquidation or dissolution or a later date agreed between the Employer and the Trustee.

12. IF AN EMPLOYER FAILS TO PAY CONTRIBUTIONS

If an Employer, in the Trustee's opinion:

- (1) persistently fails to pay contributions as set out in the Rules or the Trustee's schedule of contributions, or
- (2) is in serious, persistent or continuous breach of any of the requirements of the Pensions Act 2004 which apply to it,

the Trustee can treat that Employer as having given notice to withdraw from the Scheme under Rule 11.2(1).

If an Employer pays a contribution after the due date specified in the schedule of contributions, the Trustee may report this to other people if required to do so by the Pensions Act 2004.

13. WHEN AN EMPLOYER LEAVES THE SCHEME

13.1 Identified Beneficiaries

If an Employer leaves the Scheme, the Trustee will identify the following people as at the Termination Date (called "Identified Beneficiaries"):

- (1) If all Employers leave the Scheme - all Members living immediately after the Termination Date and anyone else entitled to receive benefits as a result of membership of Members who died on or before the Termination Date.

- (2) In any other case -
- (a) Members in Service who are employed by the Employer on the Termination Date and other people who are, or may become, entitled to a benefit from the Scheme on the death of such Members; and
 - (b) Such one or more, as the Trustee, after consulting the Employer decides, of
 - Deferred Members who are former employees of the Employer; and
 - Pensioners who are former employees of the Employer and any other people who are, or may become, entitled to a benefit from the Scheme on the death of such a Pensioner; and
 - (c) Such one or more, as the Trustee decides, of any other people who are, or may become, entitled to a benefit under the Scheme through a Deferred Member who is a former employee of the Employer; and
 - (d) Such one or more, as the Trustee, after consulting the Employer decides, of any other people who are not within paragraphs (a) to (c) above but who are receiving benefits from the Scheme as a result of the membership of the Employer's employees or former employees.

13.2 Giving notice to the Identified Beneficiaries

The Trustee must tell the Identified Beneficiaries that their Employer is leaving the Scheme as soon as practicable.

13.3 Separate Fund

If an Employer leaves the Scheme, the Trustee must set up a Separate Fund in accordance with Rules 14 and 15. Identified Beneficiaries cannot then benefit from any part of the Scheme other than the Separate Fund, except as mentioned in Rule 15.2(8).

13.4 Members' contributions

Members who are Identified Beneficiaries will not be required to pay contributions after the Termination Date.

13.5 Employer's liability

If an Employer owes contributions, debts, expenses or other costs which have arisen before the Termination Date, the Employer will still have to pay those amounts after the Termination Date.

13.6 No future powers or rights

If an Employer leaves the Scheme:

- (1) it will not be able to exercise any powers and discretions over benefits for people who are not Identified Beneficiaries. Those powers and discretions will transfer to those people's next Employer or, if there is none, to the University; and
- (2) the Employer cannot receive any payment under Rule 15.2(5) if the whole Scheme winds up later on, without the consent of the University.

Once a Termination Date has been set for an Employer, that Employer will not be able to use any powers or discretions it has over Members' benefits without the consent of the Trustee.

13.7 Section 75 debts¹

This sub-rule applies if a debt is due to the Scheme from an Employer under Section 75 (as modified by Regulation 6(1) of the Employer Debt Regulations).

- (1) If that debt is paid after the date it becomes due, the Trustee can require the Employer to pay interest from the applicable time (as defined for the purposes of Section 75) or any later date until the date of payment, at any reasonable rate the Trustee decides, having taken the Actuary's advice.
- (2) If:
 - (a) the Employer fails to pay all or any part of that debt within a reasonable time, as determined by the Trustee; and
 - (b) another Employer (the "Parent") controls that Employer at the time of the event giving rise to that debt or has controlled it at any time within the six month period preceding that event

then the Parent must pay that debt (including any interest payable under paragraph (1) above), or that part of it which has not been paid, within a reasonable time, as determined by the Trustee. "Control" for this purpose has the meaning given to it by s840 Taxes Act.

13A EFFECT OF WITHDRAWAL: SECTION 75 DEBT

13A.1 Application of Rule 13A

- (1) This Rule 13A applies for the purposes of calculating any debt payable to the Scheme under Section 75 as modified by regulation 6(1) of the Employer Debt Regulations.
- (2) In this Rule 13A, the following terms have the same meanings as they do for the purposes of Section 75 and the Employer Debt Regulations:

"employer";

"cessation employer";

"withdrawal arrangement";

"approved withdrawal arrangement";

"guarantor";

"applicable time"; and

"scheme apportionment arrangement".

13A.2 Determination of "share of the difference"

A cessation employer's "share of the difference" at the applicable time for the purposes of regulation 6(1) of the Employer Debt Regulations will be:

¹ This sub-rule heading was not formally adopted in the twenty-second deed of variation dated 28 June 2007 and shall instead be so adopted in the twenty-fifth deed of variation.

$$\frac{A}{B} \times S$$

where:

- A = the Benefits (defined below) of the cessation employer;
- B = the aggregate Benefits of all those who were at the applicable time employers; and
- S = the Shortfall.

The "Benefits" of an employer, for the purpose of this Rule, means, at an applicable time, the value at that time (as determined by the Trustee having taken the Actuary's advice), of:

- (a) the Scheme's liabilities relating to Pensionable Service completed by or credited to or in respect of a person while an employee of that employer or on retirement or death as an employee of that employer;
- (b) benefits otherwise earned by or granted to a person while an employee of that employer (including any such benefits derived from additional voluntary contributions and transfers in); and
- (c) benefits allocated to that employer under Rule 13A.3.

13A.3 Allocation of Benefits

For the purposes of calculating debts under Section 75 which arise from events occurring on or after 6 April 2008:

- (1) Benefits already allocated to Employers under this Rule 13A (as it applied before that date) as a result of events which occurred before 6 April 2008 will remain so allocated.
- (2) Benefits to be allocated as a result of events which occur on or after 6 April 2008 will be allocated according to the following principle, provided the conditions required for a scheme apportionment arrangement are satisfied, as to which the certificate of the Trustee will be final:

If an Employer ("the successor Employer") agrees with another Employer that some or all of the Benefits of that other Employer will be allocated to the successor Employer for the purposes described in paragraph 13A.1(1) (whether as part of arrangements made on a merger or acquisition or otherwise), then those Benefits will be so allocated.

- (3) **Withdrawal arrangements**

If an Employer (the "guarantor") has entered into either a withdrawal arrangement or an approved withdrawal arrangement as a guarantor for another Employer (the "original cessation employer"), then if the guarantor itself becomes a cessation employer, the Trustee may require the guarantor to make a payment on account of "Amount B" (as defined in the withdrawal arrangement or approved withdrawal arrangement) which is equal to the amount which would have been Amount B if the date on which the guarantor ceases to participate were a guarantee time (as defined in the Employer Debt Regulations).

14. SEPARATE FUND

14.1 If all Employers leave the Scheme

If all Employers leave the Scheme, the whole Scheme (except for any Separate Funds already set up) will be a Separate Fund from the Termination Date.

14.2 In other cases

In all other cases, the Trustee will set up a Separate Fund within the Fund. The value of the Separate Fund will be based on (1) or (2) below.

- (1) Unless (2) below applies, the Separate Fund will not be greater than the amount which the Trustee decides, having taken the Actuary's advice, is equal in value to the benefits described in Rule 15.2(2) for the Identified Beneficiaries at the Termination Date;
- (2) if a transfer payment is to be made in respect of the Identified Beneficiaries, the Trustee can decide, with the University's consent, that the Separate Fund will be greater than the amount described in (1) above, namely the amount required to secure the benefits of the Identified Beneficiaries on a past service reserve basis, that is, allowing for future earnings and pension increases and any other matters that the Trustee, having taken the Actuary's advice, thinks appropriate.

14.3 Timing

The Trustee can set up a Separate Fund at any time after the event causing the Employer to leave the Scheme. If the Trustee has not set up the Separate Fund by the Termination Date, it must do so as soon as reasonably practicable after that Date.

14.4 Balancing amounts

The Trustee can adjust the value of the Separate Fund as it thinks fit, to take account of amounts paid or received after they have set it up, if those amounts relate to Identified Beneficiaries.

14.5 Allocating assets

When setting up the Separate Fund, the Trustee does not need to allocate particular assets to it. Instead, the Trustee can record in the Scheme's accounts the amount of the Separate Fund and all payments, receipts and other transactions affecting that amount. If the Trustee does allocate particular assets to the Separate Fund, it must also record this in the accounts and pay all receipts and expenses relating to those assets into or out of the Separate Fund. The Trustee must increase or reduce it as it thinks fit the amount of any part of the Separate Fund which is not represented by assets allocated to it. It can do this by adding interest or by adding or taking away amounts which reflect the investment performance of all or part of the Scheme's assets.

15. WINDING UP THE SCHEME

15.1 Circumstances in which the Scheme will wind up

The whole Scheme will be wound up if:

- (1) the University has given notice under Rule 11(1) and the Trustee does not decide to run the Scheme as a closed Scheme; or
- (2) the Trustee decides that the objects for which the Scheme was established no longer exist or that its administration can no longer be conveniently carried on; or

- (3) the Perpetuity Period expires, unless the rule of law known as the rule against perpetuities does not then apply to the Scheme.

15.2 Use of the Separate Fund

To the extent it does not conflict with the requirements of the 1995 Act, the Trustee will use the Separate Fund in the following way:

(1) **Costs**

The Trustee must use the Separate Fund to pay any costs or expenses which relate to the Separate Fund or Identified Beneficiaries if those costs or expenses can legally be recovered from the Scheme. The Trustee can also use the Separate Fund to buy insurance or guarantees against claims made by Identified Beneficiaries or others after all or part of the Separate Fund has already been spent.

(2) **Basic entitlements**

After securing benefits on a money purchase basis using AVCs paid under Rule 17.3, the Trustee must use the Separate Fund to provide the following benefits for Identified Beneficiaries. These benefits are called the "Basic Entitlements".

Priority 1

- (a) Pensions and other benefits already being paid, under the same conditions and in the same amounts as the pensions being paid from the Scheme;
- (b) If, on the Termination Date, a Member is in Service after Normal Pension Date, the pension and other benefits the Member would have received if the Member had retired on the Termination Date;
- (c) Benefits payable on the death of Members referred to in (a) and (b) above;

in each case, calculated ignoring guaranteed future pension increases under Rule 24.

Priority 2

Equivalent pension benefits under the National Insurance Act 1965.

Priority 3

Benefits of Members who left Service before 6 April 1978 and benefits payable on the death of those Members, ignoring guaranteed future pension increases under Rule 24.

Priority 4

Guaranteed minimum pensions and accrued rights to guaranteed minimum pensions, including state scheme premiums, to the extent not already secured under Priority 1 or Priority 3.

Priority 5

Benefits to which any other Member will be entitled and the benefits to be paid when a Member dies, to the extent not already secured under a higher Priority, ignoring guaranteed future pension increases under Rule 24. The Trustee will calculate the amounts of these benefits, having taken the Actuary's advice, on the basis that all Members who were in Service on the Termination Date left Service on that Date and were entitled to a deferred pension under Rule 20.1. Members with less than two

years' Qualifying Service will not be entitled to a refund of contributions under Rule 20.3.

Priority 6

Guaranteed future pension increases on the benefits secured under Priority 1, Priority 3 and Priority 5.

(3) Reducing Basic Entitlements

If the Separate Fund is not enough to provide the Basic Entitlements, the Trustee may reduce all or any of them as they consider fair after consulting the Actuary. Except that if the Separate Fund is not enough to satisfy the liabilities referred to in section 73 of the 1995 Act, the Trustee will apply the Separate Fund in accordance with that section.

(4) Increasing Basic Entitlements

If the Separate Fund is more than enough to provide the Basic Entitlements, the Trustee may increase the benefits in Priority 1, Priority 3 and Priority 5. The Trustee must consider the Actuary's advice in deciding any increases.

(5) Refunds

If any funds remain in the Separate Fund after applying Rules 15.2(1) to 15.2(4), those funds will remain in the Scheme. However, if the whole Scheme is winding up, the Trustee will share the funds between the Employers as it decides, having taken the Actuary's advice.

(6) Securing benefits

The Trustee will decide how benefits are to be provided under Rules 15.2(2) and 15.2(4). It may:

- (a) make transfer payments under Rule 30.1 of the amounts needed to provide the benefits;
- (b) arrange an assurance or indemnity policy with an Insurance Company, which can be held in the Scheme for the Identified Beneficiaries;
- (c) until the Separate Fund has been wound up, pay benefits from the Separate Fund in accordance with the Rules; or
- (d) run the Separate Fund as a closed scheme in accordance with the Rules until the Trustee decides to wind it up or until the Perpetuity Period expires, if earlier.

If it decides to do this:

- (i) No new entrants will be able to join the closed scheme and existing Members will not build up any further benefits
- (ii) The Trust Deed and Rules (including the amendment power) will continue to apply until the winding up of the Scheme is completed
- (iii) If the whole Scheme is winding up, the Trustee must obtain the consent of the University in order to run the Fund as a closed scheme. The Trustee does not need the consent of the University to run a Separate Fund as a closed scheme if only part of the Scheme is winding up.

(7) **Additional voluntary contributions (AVCs)**

If assets from AVCs paid under Rule 17.3 form a separate part of the Scheme and the benefits from those AVCs are of equal value to the AVCs as invested, the Separate Fund will include any assets which relate to AVCs paid by Members who are Identified Beneficiaries (or who would have been Identified Beneficiaries if still living). Rules 15.2(1) to 15.2(6) will then apply to those assets on the basis that they will be used only to provide benefits from those Members' AVCs.

(8) **Internal transfers**

The Trustee can transfer an amount or assets from the Separate Fund to the rest of the Fund (or to any other Separate Fund, including one set up for this purpose) after consulting the Actuary. Benefits will then be provided from the rest of the Fund (or the other Separate Fund) rather than the original Separate Fund.

(9) **Transfers out**

The Employer can, in its absolute discretion, direct the Trustee to transfer the Separate Fund to another pension scheme.

- (a) The Trustee will make the transfer instead of applying Rules 15.2(2) to 15.2(7) but after applying Rule 15.2(8).
- (b) The other scheme must be one which some or all of the Identified Beneficiaries have joined.
- (c) The transfer must meet the requirements of Rule 30.1. But Rule 30.1(7)(value transferred) will not apply. The amount of the transfer will be decided by the Trustee, having taken the Actuary's advice, and having regard to the assets available on the winding-up.

The Trustee will be discharged of the liability for providing benefits for the Identified Beneficiaries which would have been provided from the Separate Fund. And it will not have to monitor how the cash or other assets transferred to the other pension scheme will be used.

The Trustee may impose such terms and conditions on the transfer as it thinks fit. These terms and conditions may include assurances or commitments from the trustee or administrator of the other scheme or other people.

(10) **Amendments to the Trust Deed and Rules during winding up**

The Trustee can continue to use the amendment power in Rule 9 after the Termination Date until the winding up of the Scheme is completed but will not need the consent of the University or the SAUL Negotiating Committee to do so.

(11) **More than one Employer leaving**

If two or more Employers are leaving the Scheme and will be participating in the same scheme after they have left, the Separate Fund will apply to all of those Employers as if they were one Employer.

(12) **Partial withdrawal**

This paragraph applies if an Employer is not leaving the Scheme but it is ending its liability to contribute for a group of its employees. The Trustee can, at its discretion and with the consent of that Employer, set up a Separate Fund relating to that group

of employees alone and applying this Rule as if they were employed by a different Employer which is leaving the Scheme.

MEMBERSHIP, CONTRIBUTION AND BENEFIT PROVISIONS

16. JOINING THE SCHEME

16.1 Who can become a Member?

- (1) Any employee who:
- (a) is working for an Employer on a contract which requires the employee to work full-time or regular part time hours and is expected to last for two months or more
 - (b) has not joined another pension scheme in which the Employer participates (unless the Employer agrees otherwise)
 - (c) is not within five years of Normal Pension Date on starting to work for the Employer
 - (d) does not have a previous period of Alternative Benefits Service unless after that period the employee has been admitted as a Member of the Scheme and;
 - (e) is not a Cross-Border Employee

will automatically become a Member on meeting the above conditions unless the employee has given the Employer written notice on or before starting work with that Employer, declining to join the Scheme.

Any employee whose period of employment was initially expected not to last two months or more but who meets the other eligibility conditions (a) to (d) above shall become immediately eligible on attaining two months' continuous employment.

Any Irregular Part Time Employee, whose contract offers membership of SAUL whose employment is expected to last for two months or more and who meets the other conditions in (b) to (d) above is eligible to join the Scheme and may elect to join the Scheme on, or within the first six months of, first becoming eligible. Benefits for such members will be subject to Schedule 2.

Different eligibility conditions apply to employees who have never joined or who opted out and who have a previous period of Alternative Benefits Service unless after that period the employee has been admitted as a Member of the Scheme (see Rule 16.3).

- (2) The Employer and the Trustee can decide that an individual employee may join the Scheme without meeting all of the eligibility conditions. The Trustee can, at its discretion and with the Employer's agreement set special terms and conditions on the membership of any such employee.
- (3) A PCB Member may be provided with Pension Credit Benefits under Rule 31 but will not be treated as a Member for any other purpose.

16.2 Opting out/leaving the Scheme

- (1) A Member can choose to leave the Scheme while still in Service, by giving at least 28 days' written notice to the Employer and the Trustee. The notice will be treated as having been given only when either the Employer or the Trustee has actually received it. When the notice expires, the Member will stop building up benefits under the Scheme and will be treated as having left Service. The following will then apply:

- (a) If the Member gives notice to opt out after being in the Scheme for three months or more:
 - (i) The Member will be entitled to either a deferred pension from Normal Pension Date under Rule 20.1 or (if the Member has less than two years' Qualifying Service) a refund of the Member's actual contributions under Rule 20.4; and
 - (ii) The Member can ask for a transfer payment under Rule 30.1.
- (b) If the Member gives notice to opt out after being in the Scheme for less than three months:
 - (i) the Member will be treated as if the Member had never joined the Scheme (or never re-joined if the Member has a previous period of Scheme membership);
 - (ii) the Member will receive a refund of Member's actual contributions, and the Employer will receive a refund of Employer's contributions, to the extent (if any) that the Trustee decides is appropriate. The refunds will be made by whatever method the Trustee thinks fit, including (in the case of the Member) by way of a payroll adjustment and (in the case of the Employer) by way of an adjustment to future contributions;
 - (iii) the Employer will be responsible for making any adjustments that are needed to the Member's tax and National Insurance position.
- (2) A Member must leave the Scheme if the Member joins another pension scheme in which the Employer participates and the Employer notifies the Trustee that the Member may not remain a Member.
- (3) If a Member in Service becomes a Cross-Border Employee employed by any of the Employers, the Member will leave the Scheme and will be entitled to benefits under Rule 20.1.

16.3 **Joining late or rejoining the Scheme**

An employee who has never joined the Scheme or who has opted out can join or rejoin the Scheme. But the following conditions will apply:

- (1) If the employee has a previous period of Alternative Benefits Service, and either:
 - (a) the employee applies to join or rejoin within six months of starting work for an Employer or opting out (as the case may be); or
 - (b) the period of Alternative Benefits Service was while the employee was working for a different Employer from the current Employer then:
 - (i) the employee must still satisfy conditions (a) to (c) in Rule 16.1; and
 - (ii) the employee must make a written declaration, in a form decided by the Trustee, that the employee is in normal health for a person of that employee's age.

An employee who satisfies these conditions will become a Member on the first day of the month after the Trustee has received the membership application or such other date as the Trustees shall in their discretion decide.

- (2) If the employee has a previous period of Alternative Benefits Service and does not come within paragraph (1) above, then:
 - (a) the employee must still satisfy conditions (a) to (c) in Rule 16.1; and

- (b) the employee must give the Trustee such declaration of health and undergo such medical examination as the Trustee requires; and
- (c) the Trustee can reject the employee's membership application if it is not satisfied that the employee is in normal health.

An employee who satisfies these conditions will become a Member only on the first day of the month after the Trustee has told the employee in writing that the membership application has been accepted or on such other date as the Trustees shall in their discretion decide.

- (3) The Trustee can, at its discretion, and having taken the Actuary's advice, suspend or relax all or any of the conditions in this Rule 16.3 which relate to a health declaration, medical examination or increased Member's contributions. The period of the suspension or relaxation and any conditions on it will be decided by the Trustee as it thinks fit. The Trustee can nevertheless require the Employer to certify that the employee's sickness record is satisfactory. If the Employer does not give that certification, the Trustee can decide that, despite the suspension or relaxation, the employee may only join or rejoin the Scheme if all or any of the requirements in this Rule 16.3 are satisfied.
- (4) The following special terms apply to the contributions and benefits of a Member who joins or rejoins the Scheme under (2) above):
 - (a) the Member will pay Normal Contributions at a higher rate than that which is referred to in Rule 17.1. The Trustee will decide the amount of the increased contributions
 - (b) The Trustee can, at its discretion, instead of asking the Member to pay increased Normal Contributions under Rule 17.1, require the Member to pay an additional lump sum contribution. The Trustee can decide that the lump sum will be paid either when the Member joins or rejoins the Scheme, or on drawing the pension, on the Member's death, or if and when the Member transfers benefits out of the Scheme under Rule 30.1 (whichever is earliest). If it is paid on death or at the time of a transfer out, interest will be added to the lump sum at a rate decided by the Trustee from time to time. If the Member dies, the Trustee can take the balance of any lump sum due to it under this paragraph (b) out of any lump sum death benefit which is payable in respect of the Member.
 - (c) If the Member is entitled to benefits under the Scheme for a period of Service completed before opting for Alternative Benefits Service, the Member cannot use the option in Rule 19.9(3) to add that previous period of Service to Service after rejoining the Scheme. The Member's benefits for the previous period of Service will be calculated separately from the benefits for Service after rejoining. The Member can, however, ask the Trustee to cancel the benefits for the previous period of Service in exchange for an amount equal to the cash equivalent and treat it as a transfer-in under Rule 30.2.
 - (d) The Member's benefits for Service after joining or rejoining the Scheme will be calculated on the basis that:
 - (i) Service began (or began again) only after the Member's Alternative Benefits Service stopped; and
 - (ii) any salary payable to the Member before the Alternative Benefits Service stopped will not count for the purposes of calculating Salary or Pensionable Salary.

- (5) An employee who has joined or rejoined the Scheme on two previous occasions can only rejoin again if the Trustee, in its discretion, decides that the employee may do so.
- (6) Any special terms or conditions relating to membership, contributions and/or benefits applying to the Member during a previous period of Pensionable Service will, if the Trustee so decides, apply to the Member when he rejoins the Scheme.

16.4 Reinstatement

- (1) Without affecting the operation of Rules 16.2 and 16.3, this Rule applies to an employee who:
 - (a) did not join the Scheme despite being eligible to do so; or
 - (b) opted out of the Scheme under Rule 16.2, with or without taking a transfer out under Rule 30.1.

and opted for Alternative Benefits by joining a personal pension scheme which was approved or capable of being approved under the Taxes Act.

- (2) The employee can apply for an additional Pensionable Service credit in the Scheme to make up the Pensionable Service which would have been completed if that employee had not declined to join or opted out.
- (3) If the Trustee has received such an application, it can (but need not) accept a transfer payment from the employee's personal pension scheme including an amount paid as compensation. The Trustee will, in its discretion and having taken the Actuary's advice, decide the benefits that the employee will be entitled to in return for the transfer payment. It must, however, ensure that either:
 - (a) the transfer payment is, in the Trustee's opinion, having taken the Actuary's advice, sufficient to fund the full additional Pensionable Service credit referred to in (2) above; or
 - (b) a partial Pensionable Service credit is granted, which is equal in actuarial value to the transfer payment, without imposing any material actuarial strain on the Fund.
- (4) The Trustee can make a charge for processing applications made under this Rule 16.4, whether or not it accepts the application. It can also make a charge for giving any information relevant to potential applications. The Trustee will decide what level of charge is proper in the circumstances and can require it to be paid by the Trustee or administrator of the scheme from which a transfer payment may be made or by any other third party which is relevant to that scheme.
- (5) The Trustee cannot use this Rule in any way that would breach the requirements of the Taxes Act or result in an Unauthorised Payment and it will comply with any relevant guidance issued by HM Revenue & Customs in relation to compensation payments.

17. MEMBERS' CONTRIBUTIONS

17.1 Members' Normal Contributions

- (1) Each Member will pay Normal Contributions at the rate of 5.5% of Salary until 1 August 2006, when each Member will start to pay Normal Contributions at the rate of 6% of Salary. This rate may be changed to a different rate if the Trustee so decides, (having taken the advice of the Actuary), or if the Trustee had decided that the Member must pay a higher rate under Rule 16.3(4)(a).
- (2) A Member will stop paying Normal Contributions on leaving Service, reaching Normal Pension Date or completing 40 years' Pensionable Service, whichever is earliest. Except that:

- (a) if the Member remains in Service after Normal Pension Date, and has not at Normal Pension Date completed 40 years' Pensionable Service, the Member can continue paying Normal Contributions until actual retirement or the completion of 40 years' Pensionable Service, whichever is the earlier; and
- (b) the Member may continue to pay Normal Contributions after completion of 40 years' Pensionable Service if his Employer continues to pay Employer's ordinary contributions. If his Employer does not continue to pay Employer's ordinary contributions in these circumstances, then the Member can pay AVCs under the remainder of this Rule 17.

17.2 **AVCs (added Pensionable Service)**

- (1) A Member in Service can make additional voluntary contributions ("AVCs") to the Scheme to buy added Pensionable Service on the following terms, (referred to as the Member's "AVC Contract").
 - (a) The Member can make either monthly AVCs (expressed as a percentage of Salary) or a lump sum AVC. But the Member cannot start to pay monthly AVCs or make a lump sum AVC while absent from work due to sickness or after the Member has given or been given notice of termination of employment.
 - (b) The AVCs paid under this Rule 17.2 will entitle the Member to an additional period of Pensionable Service, calculated in accordance with tables which are approved by the Trustee from time to time, having taken the Actuary's advice.
 - (c) If a Member is in Part Time Service, Rule 25 applies to the additional years of Pensionable Service credited to the Member under this Rule.
- (2) If a Member dies, or retires on ill-health grounds, and had started to pay monthly AVCs or paid any lump sum AVCs, more than two years before death or retirement, the Member will be credited with the full period of additional Pensionable Service which would have been granted if the Member had continued to pay AVCs in line with the AVC Contract. Any contributions due after the date of the Member's death or retirement will be cancelled.
- (3) If a Member dies, or retires in circumstances where (2) above does not apply, or if the Member leaves Service before Normal Pension Date, the Trustee can reduce the additional period of Pensionable Service which would have been granted if the Member had continued to pay AVCs in line with the AVC Contract. The reduction will be decided by the Trustee, having taken the Actuary's advice but the additional period of Pensionable Service granted following the reduction must not be less than the full period multiplied by $\frac{P}{PN}$ where

P	=	the period over which AVCs have been paid; and
PN	=	the period from the date the Member started paying AVCs to Normal Pension Date
- (4) The above terms must comply with the voluntary contributions requirements of section 111 of the 1993 Act.

17.3 **AVCs (other benefits)**

- (1) The Trustee may decide to offer Members in Service the option of paying AVCs to buy other benefits (instead of added Pensionable Service). The Trustee will pay the AVCs either into a separately identifiable fund within the Fund or in accordance with the terms of any insurance policy or building society deposit contract. The benefits will be secured in the Fund, policy or contract with effect from the month for which the first, or the first increased, contribution is made.

- (2) If a Member dies before Normal Pension Date, the Member's AVC Fund will be held by the Trustee on the same terms as lump sum death benefits under Rule 21.1.
- (3) When a Member retires or, having left Service, starts to draw the pension, the Trustee will use the Member's AVC Fund to buy additional benefits as agreed with the Member.
- (4) The University can give the Trustee three months' notice in writing that Members are no longer allowed to make elections to pay AVCs under this Rule 17.3. If it gives such a notice, Members who made such an election before the notice expires can nevertheless continue to pay AVCs.

17.4 **AVCs – General**

The terms of this Rule apply to AVCs paid under both Rule 17.2 and Rule 17.3:

- (1) The Member must make a written election to the Trustee in order to start or stop paying AVCs or change the amount of the AVCs. An election cannot be made after the Member has given or been given notice of termination of employment or while absent from work due to sickness.
- (2) The Member's AVCs must not exceed 10% of Salary or such other percentage as the Trustee may decide from time to time. However, a Member who has stopped paying Normal Contributions but is paying AVCs in the circumstances described in Rule 17.1(2)(b) can pay extra AVCs up to the amount the Member would have paid as Normal Contributions had he or she continued to pay Normal Contributions.
- (3) The extra benefits must comply with the Preservation Requirements and the AVCs must be reduced or stop if, in the Trustee' opinion, the resulting benefits could breach this condition.

17.5 **Payment of Contributions**

The Employer will deduct the Member's Normal Contributions (unless the Member has entered into a Salary Sacrifice Arrangement) and any AVCs from the Member's Salary each month. The Employer will pay the Member's Normal Contributions and any AVCs into the Fund within five working days of the end of the month to which they relate.

17.6 **Salary Sacrifice for pension contributions**

Notwithstanding any other part of this Rule 17, where a Member has entered into a Salary Sacrifice Arrangement under which the Employer has agreed to pay additional contributions to the Scheme under Rule 18.5, the Member shall not be required to pay any contributions to the Scheme under Rule 17.1 above.

18. **EMPLOYERS' CONTRIBUTIONS**

18.1 **Ordinary Contributions**

Employers must pay into the Scheme the greater of:

- (1) the amount which the Employer and the Trustee agree is necessary, having regard to the Employer's employees who are Members and the Scheme's assets and liabilities. The Trustee must take the Actuary's advice before agreeing the amount with the Employer; and
- (2) the amount the Trustee decides, having taken the Actuary's advice and consulted the University, to make sure that, for so long as s56 of the 1995 Act applies to the Scheme, the Scheme meets the minimum funding requirement of the 1995 Act and,

once that section ceases to apply, the amount needed to meet the statutory funding objective under the Pensions Act 2004.

Employers must pay their ordinary contributions at the same time as they pay (or would, apart from a Salary Sacrifice Arrangement, pay) Members' Normal Contributions deducted from Salary into the Fund under Rule 17.5. The Employers must in any event contribute to the Fund at the rates and on the due dates set out in the Trustee's schedule of contributions.

An Employer's liability to pay contributions may come to an end under Rule 11. Or the Employer may, under Rule 10, give the Trustee three months' written notice to reduce or suspend its contributions.

If an Employer pays a contribution (or any other payment it owes to the Scheme) after the date it is due under this Rule or Rule 17.5, the Trustee can require the Employer to pay interest from the date it falls due to the date of payment, at whatever rate the Trustee decides, having taken the Actuary's advice. This applies to Members' contributions as well as to other payments from the Employer.

18.2 Additional Special Contributions

An Employer can, in addition to its ordinary contributions, pay additional contributions by way of either a lump sum or regular contributions. The purpose of these additional contributions may be to increase the Fund, for the general purposes of the Scheme or for some other purpose, which can include providing benefits in exceptional circumstances for a current or former employee, or for a Member's or employee's Dependant, who would not otherwise be eligible for Scheme benefits, or for increasing a benefit payable under the Scheme (including granting added Pensionable Service). The Employer must specify the purpose for which the additional contribution is being paid, when it pays it, which must be in line with the Scheme's purpose of providing Relevant Benefits. The Trustee, having taken the Actuary's advice, will decide the amount of the benefit or increased benefit, which must not be of an amount or type which might create an Unauthorised Payment. If the benefit or increased benefit is for a Member, it will be granted subject to such evidence of good health as the Trustees may require from time to time. This may include the Member being required to undergo a medical examination or the Employer being required to certify the Member's sickness record in order to decide the amount of the benefit or increased benefit.

18.3 Contributions for Members temporarily away from work

- (1) If a Member goes on Maternity Leave, Adoption Leave, Paternity Leave or Paid Family Leave, for as long as the Member continues to build up Pensionable Service, the Employer will pay contributions at the rate set under Rule 18.1 but based on the Salary the Member would have received if working normally, in the same employment as before that Leave started.
- (2)
 - (a) If a Member is away from work due to ill-health and is being paid by the Employer, the Employer will continue to make contributions under Rule 18.1 for the period of absence to enable the Member to continue to build up Pensionable Service during that period. The Employer may also, at its discretion, pay the Member's Normal Contributions. See Rule 23.3.
 - (b) If a Member is away from work in any of the circumstances described in Rule 23.4, the Employer may at its discretion arrange for contributions to continue to be paid for the period of absence so that Pensionable Service continues to build up during that period. See Rule 23.4.
- (3) The Trustee can require the Employer to pay contributions in addition to those described in paragraph (1) above to meet the difference between:
 - (a) the Member's Normal Contributions during Maternity Leave, Adoption Leave, Paternity Leave or Paid Family Leave; and

- (b) the Normal Contributions which would have been paid if the Member's Salary had been the Salary payable for working normally in the same employment as before that Leave started.

18.4 Compensation Benefits

- (1) This Rule applies only if a Member's Employer decides that the Member will receive PPRC benefits from a "Plan for Premature Retirement Compensation" ("PPRC").
- (2) A PPRC is a scheme:
- (a) which is set up by an Employer to provide premature retirement compensation benefits;
- (b) the rules of which are set out in Schedule 3.
- (3) When an Employer pays compensation benefits under a PPRC to or in respect of a Member, the compensation benefits will be payable from the Fund. The compensation benefits can include cost of living increases, if the PPRC provides for them. The Employer must pay the Trustee such amount as the Trustee decides, having taken the Actuary's advice, is the capital cost of funding those benefits. The Trustee may agree with the Employer that the amount can be paid either in a lump sum or by instalments. If it is paid by instalments, the instalments will continue to be paid even after no further benefits are payable for the Member under the PPRC.

18.5 Payment of contributions under Salary Sacrifice Arrangements

An Employer who has entered into a Salary Sacrifice Arrangement with a Member must pay additional contributions to the Scheme of amounts which are equal to the Normal Contributions which the Member would have been liable to pay under Rule 17.1 had the Member not entered into the Salary Sacrifice Arrangement.

19. RETIREMENT BENEFITS

19.1 Normal Pension

The Normal Pension will be equal to:

- $\frac{1}{80\text{th}}$ of Pensionable Salary for each complete year of Pensionable Service;
- plus a proportionate amount for each additional day of Pensionable Service

19.2 Lump Sum

- (1) When a Member retires from Service and starts to draw a pension, the Member will also be paid a lump sum equal to three times the annual pension (ignoring any reduction resulting from allocation under Rule 21.4).
- (2) A Member can take a lump sum which is higher than that described in (1) above. The Member can decide the amount by which it is increased but the pension will be reduced by the actuarial equivalent of the increase, which will be decided by the Trustee, having taken the Actuary's advice.
- (3) The total lump sum paid to the Member under this Rule 19.2 must not result in an Unauthorised Payment or result in the Member's pension being less than any GMP. If it would result in the Member's pension being less than the GMP, the lump sum will be reduced by the cost of increasing the GMP to the required level. The amount of the reduction will be decided by the Trustee, having taken the Actuary's advice.

- (4) A Member can exchange the lump sum for an increased pension. The Member can choose whether the Member's pension alone will be increased or whether the Spouse's or Civil Partner's pension under Rule 21.2 will be increased as well. If the Member does this, the Trustee will decide the amount of the increase in the Member's pension and in the Spouse's or Civil Partner's pension (if relevant), having taken the Actuary's advice.

19.3 Normal retirement

A Member retiring from Service at Normal Pension Date will be entitled to the Normal Pension from the date of actual retirement and a lump sum under Rule 19.2(1).

19.4 Ill-health Retirement

- (1) If a Member retires from Service as a result, in the joint opinion of the Employer and the Trustee, of Incapacity, the Member will be entitled to an immediate pension equal to the Normal Pension but calculated using the Pensionable Service actually completed, plus the additional period of Pensionable Service that would have been completed if the Member had remained in Service until Normal Pension Date. This additional period of Pensionable Service is referred to as "the Pensionable Service Enhancement".

The Member will also be entitled to a lump sum under Rule 19.2(1).

The Member must have at least two years' Qualifying Service to be entitled to ill-health benefits under this Rule.

- (2) If the Member is in Part Time Service at the date of retirement, the Pensionable Service Enhancement will be multiplied by the fraction $\frac{P}{F}$ where:

P = number of hours the Member was contractually required to work at the date of retirement; and

F = number of hours the Member would have been contractually required to work at that time had the Member been a full time employee.

The Employer's decision is final as to the amounts of P and F.

The Trustee can, at its discretion and with the agreement of the Member's Employer, decide that this fraction will not be applied:

- (a) if the Member had, at any time before retiring, changed from being in full-time Service to being in Part Time Service (or if the Member's hours were reduced while in Part Time Service) as a direct result of the Incapacity which ultimately caused the Member to retire; and
- (b) if the Employer agrees to pay any sum which the Trustee decides is appropriate to meet any additional cost to the Fund. The Trustee must take the Actuary's advice before deciding what the appropriate sum should be.
- (3) In order to decide whether a Member is suffering from Incapacity, the Trustee will obtain the opinion of a registered medical practitioner and can require the Member to undergo a medical examination at the time of proposed retirement and from time to time afterwards.

If the Member refuses to undergo a medical examination and does not, in the Trustee's opinion, have a reasonable excuse for doing so, the Trustee will, at its discretion, be entitled to assume that the Member's health has improved to such an extent that the Member is not eligible to receive an ill-health pension under this Rule (or is no longer so eligible as the case may be). The Trustee can then decide that the Member will not be paid an ill-health pension (or that the ill-health pension will be suspended) until it is satisfied, on the basis of medical evidence, that the Member should be paid an ill-health pension (or that the ill-health pension

should continue to be paid). This does not, however, apply if the Member has already reached Normal Pension Date.

- (4) The Trustee can, at its discretion, cancel, suspend or reduce an ill-health pension if, in its opinion, based on the advice of the Scheme's medical adviser, the Member's health has improved or the Member is able to carry on paid employment.

When a Member whose ill-health pension has been cancelled, suspended or reduced reaches Normal Pension Date or retires, the Trustee can decide to adjust the pension that is payable from Normal Pension Date. The pension will then be paid at a level which the Trustee, having taken the Actuary's advice, decides is appropriate, having regard to the period of suspension or reduction, the Pensionable Service Enhancement and whether there was any period when the Member was receiving an ill-health pension but was able to do paid work (other than for rehabilitation purposes).

If a Member was already receiving an ill-health pension on 17 January 2002, and the ill-health pension is cancelled, suspended or reduced under this Rule, the pension payable from Normal Pension Date will not be less than:

- (a) the ill-health pension the Member was receiving at the time of the cancellation, suspension or reduction, increased from that time up to Normal Pension Date in line with Rule 24;

less

- (b) the lower of:

- (i) any pension payable to the Member from any pension scheme, built up during any employment since the cancellation, suspension or reduction; and
- (ii) the part of the ill-health pension that was attributable to the Pensionable Service Enhancement (including accrued pension increases under Rule 24).

plus

- (c) if the Member rejoined the Scheme after the cancellation, suspension or reduction, any pension built up since rejoining.

- (5) This paragraph applies if a Member's ill-health pension is cancelled or suspended, so that the Member becomes entitled to a deferred pension from the Scheme, and is then re-employed by an Employer and rejoins the Scheme. Such a Member can aggregate both periods of Pensionable Service in line with Rule 19.9(2) as long as the conditions set out in that Rule are met.

- (6) If there is, at any stage, a dispute as to the Member's state of health, arising from conflicting medical evidence, an independent doctor can be appointed to resolve it. An independent doctor will only be appointed if the Employer and/or the Trustee and/or the Member have failed to reach agreement between themselves. The independent doctor will be a registered medical practitioner nominated by the Trustee and agreed upon by the Employer and the Member. If they cannot agree within 28 days of nomination, the independent doctor will be a registered medical practitioner nominated by the President of the British Medical Association.

The independent doctor:

- (a) will act as an expert and not as an arbitrator;
- (b) will make a decision which will be final and binding on the Employer, the Trustee and the Member; and

- (c) may charge the expenses involved in resolving the dispute to the Trustee.

19.5 Other Early Retirement

- (1) This paragraph (1) applies to a Member who:
 - (a) joined the Scheme before 6 April 2006, has reached age 50 and has at least two years' Qualifying Service, or
 - (b) joined the Scheme on or after 6 April 2006, has reached age 55 and has at least two years' Qualifying Service, or
 - (c) has reached age 60.

However, if a Member who is within (b) above joined the Scheme as a result of a block transfer and Condition B (as described in paragraph 22 of Schedule 36 to the Finance Act 2004) is met, the words "age 55" in (b) above are replaced by the words "his or her protected pension age under the transferring scheme (as defined in sub-paragraph 22(8) of Schedule 36 to the Finance Act 2004)."

If a Member to which this paragraph (1) applies leaves Service before Normal Pension Date, he or she can choose to start receiving a pension immediately instead of receiving a deferred pension from Normal Pension Date. The amount of the pension and other relevant provisions are set out in (2) and (3) below. The Member will also be entitled to a lump sum under Rule 19.2(1).

- (2) If the Member has at least five years' Qualifying Service and is leaving Service at the Employer's request because of redundancy (as defined in the Employment Rights Act 1996) (or, if the Member was in Service on 1 December 2006, in the Employer's managerial interest) the following will apply:
 - (a) The Member will be entitled to start receiving a pension from the date of leaving Service. The pension will be the Normal Pension based on Pensionable Service up to that date and it will not be reduced to take account of early payment. However, this paragraph (2) does not apply to a Member whose Employer would have been legally entitled to dismiss the Member for good cause (other than the Member's physical or mental infirmity).
 - (b) The Trustee can require the Member's Employer to pay an additional contribution to the Scheme of an amount decided by the Trustee, having taken the Actuary's advice, to take account of the fact that no actuarial reduction has been applied. The Trustee can require the Employer to pay the additional contribution either before the Member retires or afterwards, within whatever period the Trustee decides. The Trustee can require that the Employer will not ask a Member to leave Service if it would lead to the Member having a right to an immediate pension under this paragraph (2) unless it agrees to make this additional contribution. The requirement to pay an additional contribution under this paragraph (2) does not affect any Employer's obligation to contribute under any other Rules.
- (3) If the Member does not come within (2) above and does not have the right to an ill-health pension under Rule 19.4, the pension will be the Normal Pension based on Pensionable Service up to the date of leaving Service. If the Member is under the age of 60, the pension will be adjusted by an amount that is decided by the Trustee, having taken the Actuary's advice, as being reasonable to take account of the Member's age at retirement and to ensure that the pension at State Pension Age will not be less than the GMP (even if that means postponing payment of the whole pension).

19.6 Late Retirement

If a Member remains in Service after Normal Pension Date with the agreement of the Employer, the Member will start to receive a pension on the date of actual retirement. The Member will also be entitled to a lump sum under Rule 19.2(1). The Member can decide either that Normal Contributions will stop when he or she reaches Normal Pension Date or that Normal Contributions will continue up to the date of actual retirement or until completing 40 years' Pensionable Service (whichever is earlier).

A Member may decide that Normal Contributions will continue after completing 40 years' Pensionable Service but only if his or her Employer continues to pay Employer's ordinary contributions. If the Employer does not continue to pay Employer's ordinary contributions in these circumstances, then the Member can pay AVCs under Rule 17.2

- (1) If the Member's Normal Contributions stop on reaching Normal Pension Date, the pension will be the Normal Pension at Normal Pension Date increased up to the date of actual retirement by such amount as the Trustee decides is appropriate (having taken the Actuary's advice).
- (2) If the Member's Normal Contributions continue after Normal Pension Date until the date of actual retirement, the pension will be the Normal Pension calculated as if the Member's actual retirement date was Normal Pension Date.
- (3) If the Member's Normal Contributions continue after Normal Pension Date, until a later date, the pension will be the Normal Pension calculated at that later date, increased up to the date of actual retirement by such amount as the Trustee decides is appropriate, having taken the Actuary's advice.

If a Member's pension is calculated under (2) or (3) above, the amount must not be less than it would have been if it had been calculated under (1) above. If necessary, the Trustee will increase the pension payable under (2) or (3) to the amount that would have been paid under (1).

19.7 Reduction in Salary

If a Member's Salary has been reduced at any time, the Member can choose, on retirement, to have the benefits (i.e. the pension and the lump sum) calculated in two parts. The benefits for the period before the date of the reduction would be based on Pensionable Service up to, and Pensionable Salary at, that date (revalued to the date of retirement) and the benefits for the period after that date would be based on Pensionable Service after that date and Pensionable Salary. The Member can only choose this option if it would result in the benefits overall being higher than if they were calculated in the normal way. The option is not available if the reduction in Pensionable Salary is the result of a reduction in the Part Time Service fraction set out in Rule 25.1.

19.8 Notional Earnings Arrangement

This Rule applies if a Member has taken part in a Notional Earnings Arrangement, and the limits set out in Appendix 1 would restrict contributions made by or for that Member, or the Member's benefits, to a greater extent than would be the case if the Member had not taken part in a Notional Earnings Arrangement. The Member can ask the Trustee to vary or relax those limits to put the Member as close as possible to the position the Member would have been without taking part in the Notional Earnings Arrangement. The Trustee may agree to do this in whatever way it thinks fit. The cost of variation or relaxation will be shared between the Employer and the Member, who will pay whatever additional contributions the Trustee decides, having taken the Actuary's advice.

19.9 Re-employment

(1) Re-employment of a Pensioner

If a Pensioner who is not receiving an ill-health pension under Rule 19.4 is re-employed by an Employer in full time pensionable employment, the Trustee can, at its discretion, cancel, reduce or suspend the pension. The Trustee must consult the Pensioner before doing so and the Trustee can decide the terms that will apply to the cancellation, reduction or suspension, having taken the Actuary's advice. When the Pensioner finally retires, the pension which was cancelled, reduced or suspended will start to be paid again, together with the increases due on that pension under Rule 24. The Pensioner will also receive any pension built up in the Scheme since re-employment.

If a Pensioner who retired at the Employer's request (under Rule 19.5(2)) has already received a lump sum then, in deciding the amount of any further lump sum that may be payable, the Trustee will on final retirement bring the earlier lump sum into account on such basis as the Trustee decides is appropriate having taken the Actuary's advice.

(2) Re-employment of an ill-health Pensioner

If a Pensioner who is receiving an ill-health pension under Rule 19.4 is re-employed by an Employer in pensionable employment, the Trustee may suspend the pension under Rule 19.4(4). If the Trustee does not suspend the pension, it may, in its discretion, reduce the pension to the Normal Pension excluding the Pensionable Service Enhancement.

If an ill-health Pensioner has already received a lump sum then, in deciding the amount of any further lump sum that may be payable, the Trustee will on final retirement bring the earlier lump sum into account on such basis as the Trustee decides is appropriate, having taken the Actuary's advice.

(3) Re-employment of a Deferred Member

If a Deferred Member is re-employed in Pensionable Service by an Employer before Normal Pension Date the Deferred Member can with the Trustee's consent add previous Pensionable Service to current Pensionable Service so that all the benefits are calculated on the basis of Pensionable Salary on retirement (or on leaving Service again, if earlier), instead of having the benefits for the previous period calculated separately. A Member who rejoins the Scheme after 17 January 2002 must make a request to the Trustee in writing to do this within 12 months of re-employment or within any longer period decided by the Trustee. A Member who has previously opted-out and rejoins the Scheme after a period of Alternative Benefits Service can use this option only on rejoining the Scheme within six months of opting-out – see Rule 16.3(4)(c).

20. LEAVING BENEFITS

20.1 Deferred pension

If a Member leaves Service before Normal Pension Date and does not receive an immediate pension, the Member will be entitled to a deferred pension from Normal Pension Date. This pension will be the Member's Normal Pension revalued to that date as described in Rule 24.3. The Member will also be entitled to a lump sum of three times the Normal Pension revalued to that date as described in Rule 24.3. Rules 19.2(2) to (4) apply to the lump sum.

20.2 Additional Benefits

A Deferred Member's benefits will include any additional benefits granted to that Deferred Member under the Scheme. But, if either:

- (1) the Deferred Member has not contributed to provide the additional benefit and it either relates to Service before the date it was granted or is not related to the length of Pensionable Service or the contributions paid;

or

- (2) the Deferred Member had agreed to pay contributions to secure additional benefits and has not made all or any of those contributions by the time of leaving Service;

only an appropriate proportion of the additional benefits will be included in the Deferred Member's benefits, as described in the Preservation Requirements. The Deferred Member can, however, with the Trustee's agreement, pay any outstanding contributions due under (2) above in order to receive the full amount of the additional benefits. The Trustee will decide the amount of the contributions, having taken the Actuary's advice and the Deferred Member must pay them within three months of leaving Service.

20.3 Early or late payment

The deferred benefits under Rule 20.1(1) may be drawn from a date earlier or later than Normal Pension Date in the following circumstances:

- (1) The Trustee may allow the Deferred Member to draw the deferred benefits immediately if the Deferred Member is suffering from Incapacity. In that case, paragraphs (3) to (6) of Rule 19.4 will apply. The deferred pension will be the Normal Pension revalued to the date of actual retirement. The lump sum of three times the Normal Pension will also be revalued to the date of actual retirement.
- (2) If the Deferred Member does not come within (1) above, and is under age 60, then he or she can start to draw the deferred benefits early if he or she either:
 - (a) joined before 6 April 2006, and is over age 50, or
 - (b) joined or after 6 April 2006, and is over age 55.

However, if a Member who is within (b) above joined the Scheme as a result of a block transfer and Condition B (as described in paragraph 22 of Schedule 36 to the Finance Act 2004) is met, the words "age 55" in (b) above are replaced by the words "his or her protected pension age under the transferring scheme (as defined in sub-paragraph 22(8) of Schedule 36 to the Finance Act 2004)."

The Deferred Member must apply in writing to the Trustee to draw the deferred benefits early.

The deferred pension will be the Normal Pension revalued to the date of actual retirement and the lump sum of three times the Normal Pension will also be revalued to that date but both the pension and the lump sum will be adjusted by an amount decided by the Trustee, having taken the Actuary's advice, as being reasonable to take into account the Member's age at retirement and to ensure that the pension at State Pension Age will not be less than the GMP.

- (3) If the Deferred Member does not come within (1) above and is over age 60, the Deferred Member can start to draw the deferred benefits early if the Deferred Member applies in writing to the Trustee. The deferred pension will be the Normal Pension

revalued to the date of actual retirement. The lump sum of three times the Normal Pension will also be revalued to the date of actual retirement.

- (4) The Trustee may allow the Deferred Member to postpone drawing the deferred benefits after Normal Pension Date if he or she applies in writing to the Trustee. Both the deferred pension and the lump sum will be adjusted by an amount decided by the Trustee, having taken the Actuary's advice, as being reasonable to take into account the later commencement of payment.

20.4 Refund of Contributions

If a Member leaves Service having completed less than two years' Qualifying Service and a transfer from a personal pension scheme has not been paid to the Scheme for that Member, as an alternative to deferred benefits under Rule 20.1 the Member may receive a refund of the Member's contributions. The Member must give the Trustee written notice in order to receive a refund of contributions.

References in this Rule to a Member's contributions include Normal Contributions (except for any contributions made by an Employer under Rule 18.5) and any AVCs, other additional contributions and any transferred-in contributions.

Interest will be added to the Member's contributions under this Rule 20.4 whether the Member is receiving a refund of contributions or deferred benefits. The Trustee will decide the rate of interest from time to time, at its discretion.

The Trustee can deduct from the contributions the Member's share of the cost of buying the Member back into the state scheme under Rule 26.5 and tax under Rule 27.3.

20.5 Transfer payments

A Deferred Member can ask for a transfer payment under Rule 30.1.

21. BENEFITS ON DEATH

21.1 Lump sums

- (1) If a Member dies in Service and has either:
- (a) not reached Normal Pension Date; or
 - (b) reached Normal Pension Date but is continuing to pay Normal Contributions under Rule 17.1(2); or
 - (c) reached Normal Pension Date and has stopped paying Normal Contributions, having completed 40 years' Pensionable Service.

the Trustee will pay a sum equal to:

- four years' Salary at the rate payable at the date of death; plus
- the Member's contributions plus interest at such rate and from whatever date the Trustee from time to time in its discretion decides. The Member's contributions for this purpose include Normal Contributions, AVCs, other additional contributions and any transferred-in contributions.

- (2) If a Member dies in Service after Normal Pension Date and neither of the circumstances described in (1)(b) and (c) above apply, the Trustee will pay a sum equal to:

- (a) the lump sum that would have been paid under Rule 19.2(1) if the Member had retired on the day before the date of death; plus
 - (b) a lump sum equal to five times the pension which would have been paid if the Member had retired on the day before the date of death.
- (3) If a Pensioner dies within five years of starting to receive the pension, the Trustee will pay a lump sum equal to the balance of the pension which would have been paid during the rest of the five year period if the Pensioner had not died, ignoring any pension increases under Rule 24 which take effect after the date of death. For the purposes of the Finance Act 2004, this lump sum will be treated as a defined benefits lump sum death benefit unless the Member has, before his death, elected that it should be treated as a pension protection lump sum death benefit.
- (4) If a Deferred Member dies before starting to receive the deferred pension the Trustee will pay a lump sum equal to the greater of:
- (a) the Member's contributions with interest calculated in line with Rule 20.4; and
 - (b) the lump sum which the Member would have received on starting to draw the pension early on Incapacity grounds under Rule 20.3(1) on the day before the date of death.

The Member's contributions for this purpose include Normal Contributions, AVCs, other additional contributions and any transferred in contributions.

- (5) A lump sum death benefit may only be paid under this Rule in respect of a Member who dies under age 75. The exception to this is if a lump sum is paid under (3) above in respect of a Pensioner who was receiving a pension on 6 April 2006. That lump sum will be paid whatever the Pensioner's age on the day he or she dies.

21.2 Spouses', Civil Partners' and Dependants' Pensions

(1) Death in Service before Normal Pension Date

If a Member dies in Service before Normal Pension Date, the Member's Spouse or Civil Partner will receive a pension equal to:

- 1/120th of the Member's Pensionable Salary for each year of the Pensionable Service which would have been completed had the Member remained in Service until Normal Pension Date
- plus a proportionate amount for each additional day of such Pensionable Service.

(2) Death in Service after Normal Pension Date

If a Member dies in Service after Normal Pension Date:

- (a) the Member's Spouse or Civil Partner will receive a pension equal to two thirds of the pension which would have become payable to the Member if the Member had retired on the day before the date of death;
- (b) if the Member has applied to make an allocation under Rule 21.4, the allocation will take effect as if the Member had retired on the day before the date of death.

(3) Death of a Pensioner

On the death of a Pensioner, the Pensioner's Spouse or Civil Partner will receive a pension equal to two thirds of the pension the Pensioner would have been receiving at the date of death if there had not been any :

- (a) exchange of part of it for a higher lump sum under Rule 19.2(2); or
- (b) exchange of the lump sum for an increased pension under Rule 19.2(4) unless the Pensioner had chosen to increase the Spouse's or Civil Partner's pension, in which case the Spouse's or Civil Partner's pension will be increased by the amount decided by the Trustee under Rule 19.2(4); or
- (c) allocation of any part of it under Rule 21.4.

(4) Death of a Deferred Member

If a Deferred Member dies before starting to receive the pension, the Deferred Member's Spouse or Civil Partner will receive a pension equal to two thirds of the deferred pension which would have been payable if the Deferred Member had started to draw the pension early on Incapacity grounds under Rule 20.3(1) on the day before the date of death.

(5) Dependant's Pension

If a Member was not married or in a civil partnership or was not living with the Spouse or Civil Partner at the date of death, the Trustee may, at its discretion, pay a pension up to the amount of the Spouse's or Civil Partner's pension payable under paragraphs (1) to (4) above (as the case may be) to one or more adult Dependants. If the Trustee does this, it will reduce any Spouse's or Civil Partner's pension that would otherwise have been paid. However, the Trustee cannot use this discretion in a way which would:

- (a) reduce the Spouse's or Civil Partner's pension below the Spouse's or Civil Partner's GMP (if any); or
- (b) prevent the Scheme from complying with the statutory standard under sections 12A and 12B of the 1993 Act as it relates to the Spouse's or Civil Partner's pension based on the Member's Pensionable Service from 6 April 1997.

(6) Terms which apply to all Spouses', Civil Partners' and Dependants' Pensions

If a Spouse, Civil Partner or Dependant is more than 15 years younger than the Member, the pension payable under paragraphs (1) to (5) above, can be reduced. The amount of the reduction will be decided by the Trustee, but it will not be more than 2.5% for each year of age difference in excess of 10 (with any part of a year counting pro rata). However, the Trustee cannot:

- (a) reduce the Spouse's or Civil Partner's pension below the Spouse's or Civil Partner's GMP (if any); or
- (b) prevent the Scheme from complying with the statutory standard under sections 12A and 12B of the 1993 Act as it relates to the Spouse's or Civil Partner's pension based on the Member's Pensionable Service from 6 April 1997.

(7) Child allowances

- (a) If a Member dies leaving one or more Eligible Children, then the Trustee will pay a child's allowance for so long as there is an Eligible Child. The child's allowance is calculated by reference to the Spouse's, Civil Partner's or Dependant's pension which is or would have been payable (before any reduction under paragraph (6)). If there is one Eligible Child, the allowance will be paid to that child. If there are two or more Eligible Children, the Trustee may divide the allowance between the Eligible Children in whatever shares the Trustee, in its discretion, decides is appropriate in the circumstances.
- (b) The amount of the allowance or allowances payable at any time will be:

- (i) if a Spouse's, Civil Partner's or Dependant's pension is payable:
 - equal to half the Spouse's or Civil Partner's pension if there is one Eligible Child
 - equal in total to the Spouse's or Civil Partner's pension if there are two or more Eligible Children
- (ii) if no Spouse's, Civil Partner's or Dependant's pension is payable:
 - equal to two thirds of the Spouse's or Civil Partner's pension if there is one Eligible Child
 - equal in total to one and one third times the Spouse's or Civil Partner's pension if there are two or more Eligible Children.

If a Spouse's, Civil Partner's or Dependant's pension is payable but then stops, the amount will be increased to the amount under (ii) above.

If there were two or more Eligible Children and the number falls to one, the amount payable will be reduced in line with (i) or (ii) above.

- (c) If a child is an Eligible Child because of disability, the Trustee can pay the child's allowance for any period and apply any conditions as it thinks fit.
- (d) If the child is over age 18 but qualified as an Eligible Child as a result of being in full-time education or training, and there is a break of no more than one academic year between that child leaving school or college and starting full-time education or training, the Trustee can continue to pay the child's allowance during the break unless the child decides not to go on to full-time education or training.

However, the Trustee can reduce, suspend or stop payment of the child's allowance, and can impose any terms and conditions it thinks fit, for any period during which the Eligible Child's earnings exceed the personal allowance specified under section 257 of the Taxes Act for the relevant Tax Year or any amount that the Trustee decides (either generally or in a particular case or type of case).

- (e) If a child was conceived but not born before the Member's death, the Trustee can require that child's surviving parent or guardian to prove to its reasonable satisfaction that the period between conception and birth did not exceed 9 months or whatever longer period the Trustee (if it considers necessary on medical advice) decides is appropriate in the circumstances.
- (f) If a child is an Eligible Child of more than one Member, that child will count as the Eligible Child of the Member whose death gave rise to the largest child's allowance.

21.3 Paying lump sums

- (1) The Trustee can, at its discretion, pay the lump sum under Rule 21.1 to one or more of the following people, in whatever shares the Trustee thinks fit:
 - (a) the Member's Spouse or Civil Partner;
 - (b) the Member's children, parents and grandparents;
 - (c) the descendants of the people mentioned in (a) and (b) above;
 - (d) the husbands and wives and civil partners of the people mentioned in (b) and (c) above;

- (e) the Member's Dependents;
- (f) anyone else the Member has named in a signed document and given to the Trustee for this purpose;
- (g) the Member's personal representatives; and
- (h) anyone the Trustee appoints to hold the lump sum on trust for any one or more of the people mentioned in (a) to (g) above in whatever shares the Trustee thinks fit. The Trustee will decide the terms of any trust it sets up which may include wider powers than those given by statute (including those of investment, maintenance, advancement, appropriation and insurance). (The trustees of the trust must be either at least two individuals or a trust corporation).

The relations mentioned above include half-blood relations such as half brothers and half sisters. A person's children, grandchildren and descendants include stepchildren, adopted children and illegitimate children. A person's parents and grandparents include step-parents and step-grandparents and adoptive parents and adoptive grandparents.

A lump sum death benefit must be paid within a period of 24 months beginning with the earlier of the day on which the Trustee first knew of the Member's death and the day on which the Trustee could first reasonably be expected to have known of it or within such longer period as will not result in the payment being an Unauthorised Payment (the "Payment Period"). Any part of a lump sum death benefit which, in the Trustee's view, would otherwise remain unpaid after the expiry of the Payment Period will be paid to the Member's personal representatives or, if there are none, to the Member's statutory next of kin. If the Trustee finds, after reasonable enquiry, that the Member has no personal representatives or statutory next of kin, the Trustee will keep the benefit as part of the Fund. The Trustee must also keep the benefit as part of the Fund if in its opinion, it would pass the Crown or another fiscal or public body if paid to the Member's estate.

- (2)
 - (a) The Trustee must make any enquiries it considers reasonable about the identity and whereabouts of anyone to whom they are considering paying a lump sum under this Rule. The Trustee can accept any evidence of the relationship of a person to the Member that it considers sufficient. The Trustee needs to consider only those people of whom it is aware at the time it uses its discretion under this Rule 21.3 or could have discovered on making such enquiries as it considered reasonable in the circumstances.
 - (b) If the Trustee has decided to pay a sum to a person under this Rule 21.3 but it has not yet been paid, that person can disclaim any entitlement by giving to the Trustee a disclaimer in whatever form the Trustee specifies. That disclaimer will discharge the Trustee of any liability to pay anything to that person. The Trustee can then use its discretion under this Rule 21.3 again, to pay the sum to someone else.
 - (c) If the Trustee cannot find a person to whom it has decided to pay a sum under this Rule 21.3 or if that person neither accepts nor disclaims the sum, the Trustee must take any steps it considers reasonable to find out whether that person wants to accept or disclaim the sum. If it cannot do so within a year of the date it made its decision, or any such longer period as it thinks fit (within two years of the Member's death) it can then use its discretion under this Rule 21.3 again, to pay the sum to someone else.
 - (d) If the Trustee has kept a benefit as part of the Fund but a person proves, to the Trustee's satisfaction, that that person is within the class of potential beneficiaries listed in (1) above, the Trustee may (but need not) make a payment to or for the benefit of that person. That can only happen if the person makes their claim within six years of the Trustee's original decision to keep the benefit in the Fund. The Trustee can deduct any tax (including inheritance tax) for which it may be liable out of the sum paid.

21.4 Allocation

- (1) A Member can give up part of the pension to provide an allocated pension for a Spouse, Civil Partner or Dependant (but not an Eligible Child) (called a "Beneficiary" in this Rule). However, a Member who is given an ill-health pension and a Member who has a medical examination which does not show that the Member is in good health cannot make an allocation.
- (2) A Member can only make an allocation at the time of starting to receive the pension.
- (3) If an allocation is made, a pension will be paid to the Beneficiary from the date of the Member's death until the date of the Beneficiary's death.
- (4) The Trustee will decide the amount of the Beneficiary's allocated pension or the amount of the Member's pension which is used for the allocation. In making that decision, the Trustee will take the Actuary's advice and will take account of the age and sex of the Member and of the Beneficiary, with the aim of ensuring that the Beneficiary's allocated pension is equal in value to the amount of pension given up by the Member.
- (5)
 - (a) The amount of pension allocated by the Member must not exceed one third of the Member's pension before allocation.
 - (b) the Beneficiary's pension must not be larger than the pension that would be paid to the Member before any exchange for an increased lump sum the Member may make under Rule 19.2(2).
 - (c) The Member's pension after allocation must not be less than the GMP.
- (6) A Member can make more than one allocation in favour of different people as long as the limits in paragraph (5) are met in respect of the total of all allocations and the total of all allocated pensions.
- (7) Once an allocation has been made, the Member's pension will continue at the reduced rate, even if the Beneficiary dies before the Member.
- (8) The Trustee can require the Member to obtain a written medical report on the Member's state of health at the time of applying for an allocation and it can refuse to accept the application on the basis of the report.
- (9) The Trustee may, in its discretion, make whatever administrative arrangements and whatever regulations for using this Rule 21.4 as it thinks fit.

22. LUMP SUM IN PLACE OF PENSION

22.1 Trivial benefits

- (1) If a benefit qualifies as a Trivial Commutation Lump Sum, the Trustee may, at its discretion, decide to pay a lump sum instead of a pension either on the date the pension would have started or after the pension has come into payment, provided the Member is over age 60 and under age 75 at the time and has consented, and payment is made in line with any other requirements of the Finance Act 2004. The lump sum will be paid to, or for the benefit of, the person entitled to the benefit. The Trustee will decide the amount of the lump sum, having taken the Actuary's advice. The Trustee must be satisfied that the lump sum is equal in value to the benefits being exchanged after any increases the Member or beneficiary is entitled to under Rule 24. The Trustee may also allow a Member to exchange for a lump sum the Spouse's or Civil Partner's pension which would be payable if the Member were to die and the Trustee will pay that lump sum to the Member.
- (2) The Trustee may, at its discretion, pay a Trivial Commutation Lump Sum Death Benefit to any person who is entitled to a pension from the Scheme as a result of the Member's death.

- (3) The Trustee may, at its discretion, pay a lump sum in accordance with Part 2 of the Registered Pension Schemes (Authorised Payments) Regulations 2009.

The Trustee may, subject to the other requirements of this Rule 22.1, pay a lump sum under this Rule to or in respect of a Member who became a Deferred Member or a Pensioner before 6 April 2006.

22.2 **Serious ill health**

This Rule 22.2 applies if the Trustee is satisfied, having received the evidence from a registered medical practitioner, that a Member who is entitled to receive a pension is in exceptional circumstances of serious ill-health and is expected to live for less than one year. In such a case, the Trustee may exchange of all or any part of that pension for a lump sum.

The following conditions must apply:

- (1) the Member's pension has not started to be paid
- (2) the Member has given permission for the pension to be exchanged for a lump sum or, if not, the Member is incapable, in the Trustee's opinion, of deciding whether the exchange is in the Member's interest.
- (3) immediately before a lump sum is paid under this rule, any pension required to be paid to a widow, widower or surviving Civil Partner of the Member under section 17 of the 1993 Act will become payable from a separate arrangement under the Scheme.

The Trustee will decide the rate used to exchange the pension for a lump sum but the Trustee must take the Actuary's advice and the Actuary must certify that the rate is reasonable. The lump sum must not be more than the actuarial equivalent of the pension, assuming the Member was in normal health and retired at Normal Pension Date on the day before the lump sum became payable. The Trustee must be satisfied that the lump sum is equal in value to the benefits being exchanged, after any increases the Member is entitled to under Rule 24.

23. **ABSENCES**

23.1 **Maternity, Adoption and Paternity leave**

- (1) A Member will not be treated as leaving Service under Rule 20:
 - (a) on starting Maternity, Adoption or Paternity Leave
 - (b) during the Maternity, Adoption or Paternity Leave, or
 - (c) at the end of the Maternity, Adoption or Paternity Leave, if the Member returns to work at that time
- (2) A Member who goes on Maternity, Adoption or Paternity Leave continues to build up Pensionable Service until the last day of:
 - (a) Ordinary Maternity Leave, Ordinary Adoption Leave or Paternity Leave (as the case may be); or
 - (b) any period of Paid Maternity Leave, Paid Adoption Leave or Paid Paternity Leavewhichever is later.
- (3) The Pensionable Service of a Member who is on Maternity, Adoption or Paternity Leave starts again on the day contributions start to be paid again for or by the Member. As long as the

Member does not cease to be a Member before that day, continuity of membership will not be broken by the break in Pensionable Service.

- (4) If a Member does not return to work with the Employers at the end of the Maternity , Adoption or Paternity Leave, the Member will be treated as having left Service on the following date:
- (a) if the Member gives notice to the Employer that the Member does not intend to return to work:
- (i) before the date referred to in (2) above, on the day after that date; or
 - (ii) after the date referred to in (2) above, on the day after giving that notice;
- or
- (b) if the Member does not give such notice, on the last day of the period of Maternity, Adoption or Paternity Leave or Paid Maternity Leave or Paid Adoption Leave, whichever is the longer.

On that date, Rule 20 will apply to the Member, except that the benefits under Rule 20 will be calculated as if the Member had left Service on the date referred to in (2) above. The benefits will be increased in line with any increases in deferred benefits granted after that date.

- (5) If a Member who is on Maternity, Adoption or Paternity Leave:
- (a) retires on the grounds of ill-health after the date referred to in (2) above, the pension under Rule 19.4 will be payable from the date of actual retirement but calculated as if the Member had retired on the day before Pensionable Service stopped building up, with the same Salary as if the Member had been working normally at that time, in the same employment as before the Maternity, Adoption or Paternity Leave started.
- (b) dies after the date referred to in (2) above, the pension under Rule 21.2 will be payable from the date of death but calculated as if the Member had died on the day before that date, with the same Salary as she would have if the Member had been working normally at that time, in the same employment as before the Maternity, Adoption or Paternity Leave started. A different calculation applies in respect of lump sum death benefits (see (6) below).
- (6) If a Member dies during Maternity, Adoption or Paternity Leave, the lump sum death benefit under Rule 21.1 will be calculated on the basis of:
- (a) if the Member dies during a period of Paid Maternity Leave, Paid Adoption Leave or Paid Paternity Leave, the same Salary as if the Member had been working normally at the date of death, in the same employment as before the Maternity, Adoption or Paternity Leave started; and
- (b) if the Member dies during a period which is not Paid Maternity Leave, Paid Adoption Leave, or Paid Paternity Leave, the higher of:
- the Member's Salary immediately before the Maternity Leave, Adoption or Paternity Leave started; and
 - the Member's Salary when Pensionable Service stopped building up.
- (7) During Paid Maternity Leave, Paid Adoption Leave or Paid Paternity Leave, the Member's Normal Contributions will be based on an amount which is not higher than actual pay (taking into account Notional Earnings if applicable), whether that is contractual pay or statutory maternity pay.

- (8) On returning to work after Maternity, Adoption or Paternity Leave a Member may, with the consent of the Employer, make additional contributions in order to provide all or part of the Pensionable Service which would have built up if the Member had not been on Maternity, Adoption or Paternity Leave. The Trustee (having taken the Actuary's advice and having taken into account any additional contributions payable by the Employer under Rule 18.2) will decide the amount of the additional contributions. The Trustee can decide to count as Pensionable Service all or part of the period of Maternity, Adoption or Paternity Leave which would not otherwise be so counted.
- (9) If the Member has agreed with the Employer either that the Maternity Leave, Adoption or Paternity will start before the earliest date allowed under the Employment Act or that the Member has the right to return to work after a shorter period of employment than is required under that Act, the Member's Employer will notify the Trustee of the earlier date or the shorter period (as the case may be) before the Maternity, Adoption or Paternity Leave starts.
- (10) If a Member's employment contract gives the Member a longer period of Maternity, Adoption or Paternity Leave than that specified under the Employment Act, and the Member fails to return to work with the Employer at the end of that period, her Employer will notify the Trustee as soon as practicable of the date on which that period expired. The Trustee may require the Employer to pay any additional contributions it decides (having taken the Actuary's advice) are necessary to meet the cost to the Scheme of providing benefits for such Members.

23.2 **Family Leave**

- (1) If a Member goes on Paid Family Leave:
 - (a) the Member's benefits for the period of Paid Family Leave will be the same as if the Member had worked normally during that period; and
 - (b) Normal Contributions will be paid for the period of Paid Family Leave based on the remuneration which is actually paid (taking into account Notional Earnings if applicable).
- (2) If a Member goes on Unpaid Family Leave:
 - (a) the Member's membership of the Scheme will continue for the period of Unpaid Family Leave; and
 - (b) the Member's Pensionable Service will continue to build up for as long as the Member or Employer is paying Normal Contributions under (3) below.
- (3) An Employer may, at its discretion, arrange for contributions to continue to be paid for or by the Member during the period of Unpaid Family Leave. If full contributions are paid, the Member will continue to build up Pensionable Service during that period.

23.3 **Absence due to ill-health**

- (1) This Rule applies if a Member is away from work for any period because of illness or other incapacity.
- (2) Whilst the Member is being paid by the Employer, Normal Contributions will be paid (unless (3) below applies) and any AVCs based on the Salary which would have been payable if the Member was working normally even if the Member is not, in fact, receiving the full Salary for that period. The Employer will also continue to pay contributions for the Member during that period under Rule 18.
- (3) In addition to the Employer's Contributions, an Employer may, at its discretion, pay part or all of the Member's Normal Contributions during the Member's absence on the same basis as in (2) above.

- (4) The Member's Pensionable Service will continue to build up for as long as the Member or Employer is paying Normal Contributions under (2) or (3) above. If the Member or the Employer stops paying the Normal Contributions, the Member's Pensionable Service will stop building up until Normal Contributions start again. The Member will, however, remain entitled to death benefits calculated in line with Rule 23.5 as long as the Member has not left Service.

23.4 Other Temporary absence

- (1) This Rule applies if a Member agrees with the Employer that the Member will be temporarily away from work for the reasons and periods set out below:
- (a) secondment on work of national importance, for any period;
 - (b) attending a study or training course with the Employer's approval, for up to three years (the Member must ask for the Employer's approval within three months of starting the course);
 - (c) secondment to another employer, for up to three years;
 - (d) or any other reason which, in the opinion of the Employer, does not harm the Employer's interests, for up to one year.

If any period of secondment overseas lasts for more than five years, a Member may only be treated as not having left Service if the Trustee agrees.

The above periods may be extended if the Employer and the Trustee agree.

- (2) A Member will not be treated as leaving Service under Rule 20 either as a result of a period of temporary absence described in (1) above or as a result of being away from work in furtherance of a "trade dispute" as defined in the Trade Union and Labour Relations (Consolidation) Act 1992 and the Employer does not dismiss the Member on returning to work. In either case, the Member's membership of the Scheme will continue, during that period but Pensionable Service will not continue to build up (unless contributions are paid under (3) below). However, if the Member does not return to work after the period of absence, the Member will be treated as having left Service on the date the period of absence began.
- (3) An Employer may, at its discretion, arrange for contributions to continue to be paid for or by the Member during the period of absence. If full contributions are paid, the Member will continue to build up Pensionable Service during that period.

23.5 Calculation of death benefits

If a Member dies while the Member is away from work for:

- (1) Unpaid Family Leave reasons under Rule 23.2(2) and no contributions are being paid under Rule 23.2(3) at that time, or
- (2) ill-health reasons under Rule 23.3, or
- (3) another reason, under Rule 23.4 and no contributions are being paid under Rule 23.4(3) at that time,

during a period in which the Member is not building up Pensionable Service, then death benefits will be payable in respect of the Member but they will be calculated as if the Member had died on the day before Pensionable Service stopped building up and on the basis of Salary immediately before the period of absence started if that Salary is higher than the Salary at the date of death.

24. PENSION INCREASES

24.1 Pensions in payment

Pensions in payment (excluding the GMP) will be increased at the same time and at the same rate as official pensions are increased under Part I of the Pensions (Increase) Act 1971. Any lump sum to which a person has become entitled but has not yet been paid will be increased in the same way. The Trustee will review any pensions in payment and unpaid lump sums each year, and may increase them further, by such amount as it decides, having taken the Actuary's advice and with the prior written consent of the SAUL Negotiating Committee.

24.2 GMPs

The GMP is not increased in the way described in Rule 24.1. The part of the GMP which is attributable to earnings in the Tax Years from and including 1988/89 will be increased as described in Rule 26.7.

24.3 Revaluation of Deferred Benefits

Deferred Members' benefits will be revalued as follows:

- (1) The deferred pension is split into two parts:
 - (a) the Basic GMP; and
 - (b) the excess over the Basic GMP
- (2) The two parts will be increased as follows:
 - (a) the basic GMP will be increased under Rule 26.4 between the date of leaving Service and State Pension Age
 - (b) the excess over the Basic GMP will be increased in line with the Revaluation Requirements.
- (3) The lump sum will be revalued by calculating the lump sum at the date the Member leaves Service and increasing it in line with the Revaluation Requirements.

The Trustee will review any deferred benefits not yet in payment each year and may increase them further, by such amount as it decides, having taken the Actuary's advice.

24.4 Qualifications

- (1) The qualifying conditions set out in section 3 of the Pensions (Increase) Act 1971 apply to pensions payable under the Rules with the exception of the condition that a pension will not be increased unless the pensioner has reached age 55. This means that the pension in payment of a pensioner who is under age 55 will be increased in the same way as that of a pensioner who has reached age 55.
- (2) Section 59 of the Social Security Pensions Act 1975 amends Part I of the Pensions (Increase) Act 1971 and applies to this Rule.

24.5 Anti-franking

The Trustee may increase a pension or deferred pension by a higher amount than is described in the rest of this Rule if it is necessary to meet the anti-franking requirements of Chapter III of Part IV of the 1993 Act.

25. PART TIME EMPLOYEES

25.1 Calculation of Benefits

If a Member is in Part Time Service, the following shall apply when calculating benefits (other than the lump sum death benefit under Rule 21.1) but will not apply when calculating contributions or determining eligibility for benefits.

- (1) The Member's Pensionable Salary will be calculated by the Trustee using, instead of the Member's actual Salary for each relevant period, the Member's Salary for each relevant period multiplied by the fraction F/P .
- (2) Each relevant period of the Member's Pensionable Service will be multiplied by the fraction P/F .
- (3) for the purposes of this Rule:

P = the number of hours the Member was contractually required to work during that relevant period and

F = the number of hours the Member would have been contractually required to work during the relevant period had the Member been a full-time employee.

The Employer's decision is final as to the amounts of P and F above.

- (4) A relevant period for the purposes of this Rule begins on the date on which a person becomes a Member and on each subsequent date when the fraction changes. A relevant period ends on the day before the next relevant period or the last day of Pensionable Service.

25.2 Pensionable Service Credits: Equal Treatment

- (1) This Rule applies if an Employer has agreed that a current or former part time employee had a legal right to join the Scheme in respect of a period of part time employment but was excluded.
- (2) The Employer and the current or former employee can ask the Trustee to grant a period of Pensionable Service (for a current employee) or deferred benefits (for a former employee) under the Scheme.

The Trustee will agree to that request as long as the Employer pays such sum, and the current or former employee pays such arrears of contributions, as the Trustee decides, having taken the Actuary's advice. The period of Pensionable Service or amount of the deferred benefits (as the case may be) will be decided by the Trustee, having taken the Actuary's advice.

- (3) The Trustee can charge interest on the arrears of employee contributions and will decide the rate of interest, having taken the Actuary's' advice.
- (4) The Trustee may decide that all or part of the cost of complying with this Rule, which would otherwise be payable by an individual employee, will be paid by the Employer. The Trustee can only do this if the Employer requests and if the individual employee agrees. The Trustee will decide what part of the cost would otherwise be payable by an individual employee for this purpose.

26. CONTRACTING-OUT

26.1 General

This Rule applies if any Member's employment becomes contracted-out by reference to the Scheme. Before 6 April 1997 the Scheme was contracted-out on a salary related basis and Members who were in contracted-out employment built up GMPs. From 6 April 1997 the Scheme became contracted-out on a salary related basis under Section 12A of the 1993 Act which requires a statutory standard of benefits to be provided. That part of a Member's benefits which meets the statutory standard is referred to as the Member's Section 9(2B) Rights.

The Scheme will provide Members' GMPs in line with Rules 26.2 to 26.8 below and with the requirements of the 1993 Act and the Occupational Pension Schemes (Contracting-out) Regulations 1996.

Those requirements will override the provisions of the Trust Deed and the Rules where necessary.

In relation to benefits for Pensionable Service after 5 April 1997, the Trustee will ensure that:

- (1) the benefits provided under the Scheme overall satisfy the statutory standard under the 1993 Act; and
- (2) the Rules meet the requirements of the Occupational Pension Schemes (Contracting-out) Regulations 1996 which apply to contracted-out salary related schemes.

If these Rules fail to provide benefits which overall meet that standard, or if the Rules fail to meet those requirements, the Rules will, unless the Trustee directs otherwise, be regarded as amended to the extent which the Trustee, having considered the advice of the Actuary, decides is reasonable to ensure that they do.

The Trustee has power to act on behalf of all the Employers in relation to their obligations and powers under this Rule.

26.2 GMPs

If a Member has a guaranteed minimum in relation to any pension from the Scheme under section 14 of the 1993 Act:

- (1) the Member will be entitled to a pension under the Scheme, for Pensionable Service before 6 April 1997, which shall be paid from State Pension Age at a rate equivalent to a weekly rate of not less than the guaranteed minimum; and
- (2) if the Member is a man and dies leaving a widow, the widow will be entitled to a pension under the Scheme, for the Member's Pensionable Service before 6 April 1997. That pension shall, during any period mentioned in section 17(5) of the 1993 Act, be paid at a rate equivalent to a weekly rate of not less than half that Member's guaranteed minimum; and
- (3) if the Member is a woman and dies leaving a widower (or if any Member dies leaving a Civil Partner), the widower (or Civil Partner) will be entitled to a pension under the Scheme, for the Member's Pensionable Service before 6 April 1997, in the circumstances and for the period set out in regulations made under section 17(6) of the 1993 Act. That the pension will be payable at a rate equivalent to a weekly rate of not less than half of that part of the Member's guaranteed minimum which is attributable to earnings for the Tax Year 1988/89 and subsequent Tax Years.

A pension payable to a Member or the Member's widow, widower, or Civil Partner under other Rules includes any GMP and will be increased to the extent (if any) necessary for the total pension to be equal to the GMP.

26.3 Late Retirement

If the payment of a Member's GMP is postponed because the Member stays in Service after State Pension Age, the GMP will be increased to the extent, if any, specified in section 15 of the 1993 Act, as amended from time to time. Payment of the GMP can be postponed for more than five years after State Pension Age only if the Member agrees and it cannot, in any case, be postponed beyond the Member's 75th birthday.

26.4 Increases in deferment

If a Member leaves contracted-out employment by reference to the Scheme before State Pension Age, the GMP at State Pension Age will be calculated on the basis that the GMP built up by the date of leaving contracted-out employment will be increased:

- (1) by the percentage by which earnings factors for the Tax Year in which the Member leaves contracted-out employment are increased by the last order under section 148 of the Social Security Administration Act 1992 (previously section 21 of the Social Security Pensions Act 1975) to come into force before the Tax Year in which the Member reaches State Pension Age (or dies, if earlier) ("Section 148 Orders"), or
- (2) by any rate that is specified in regulations made under the 1993 Act, at the time the Member leaves contracted-out employment for each complete Tax Year between that time and State Pension Age or earlier death ("fixed rate revaluation").

Except where the 1993 Act allows, only one of the above methods can be in force during any period and only that method will apply to a Member who leaves contracted-out employment during that period. The Trustee can change the method in force if it gives written notice to the Inland Revenue National Insurance Office. Fixed rate revaluation applies until such a change.

26.5 Contributions equivalent premiums

If a Member has rights to a GMP and receives a refund of contributions under Rule 20.4, the Trustee may pay a contributions equivalent premium in line with the 1993 Act (unless it would be less than £17 or any other limit specified by regulations under the 1993 Act). Whether or not the premium is paid, the amount of the refund will be reduced by the amount certified under section 61 of the 1993 Act.

26.6 Transfers

If a transfer payment is made or received under Rules 30.1(out) and 30.2(in) which involves rights to GMPs or Section 9(2B) Rights, it must be on terms which meet the relevant requirements of the 1993 Act. So, a GMP transferred to the Scheme can be increased during the Member's contracted-out employment by a method other than Section 148 Orders. If it is, that GMP will continue to be increased separately if the Member leaves contracted-out employment before Normal Pension Date.

26.7 Increases in payment

The part of any GMP which is attributable to earnings in the Tax Years from and including 1988/9, will be increased in line with sections 109 and 110 of the 1993 Act and any orders made under those sections.

26.8 **Anti-franking**

Except as provided in Chapter III of Part IV of the 1993 Act, no part of a Member's, widow's or widower's or Civil Partner's pension under the Scheme may be used to frank an increase in the Member's, widow's or widower's or Civil Partner's GMP under Rules 26.3, 26.4 or 26.7.

26.9 **Equivalent Pension Benefits**

This Rule relates to contracting out for the State graduated pension scheme under the National Insurance Act 1965 ("the 1965 Act"). It applies if the Scheme is liable to pay equivalent pension benefits (as defined in the 1965 Act) to a Member who has been in non-participating employment (as defined in the 1965 Act).

Such a Member will be entitled to a pension from the State Pension Age equal to the Member's equivalent pension benefits. This pension may be exchanged for a lump sum under Rule 19.2(2) (increased lump sum) and Rule 22.1 (trivial pensions) but cannot otherwise be terminated, reduced, surrendered or assigned except as permitted by the 1965 Act.

Pensions payable under other Rules will be inclusive of any equivalent pension benefits and will be increased to any extent that is necessary for the total pension to be equal to the equivalent pension benefit.

27. **CALCULATING BENEFITS**

27.1 **Benefits for life**

A pension is payable for life unless the Rules say otherwise. The pension amount described in the Rules is the yearly amount.

27.2 **Deciding values**

Unless the Rules say that an Employer or the Actuary is to decide, the Trustee will decide, having, where appropriate, taken the Actuary's advice:

- (1) the value of any pension, allowance or other benefit;
- (2) the amount by which a pension, allowance or other benefit must be increased or reduced as required by the Rules; and
- (3) whether an amount, a pension, allowance or other benefit is equal in value to any other pension, allowance or other benefit.

In making these decisions, the Trustee, Employers and Actuary can make any assumptions and take account of any matters that they think are appropriate.

27.3 **Tax**

If the Trustee has to pay tax or the lifetime allowance charge under s215 of the Finance Act 2004 in relation to any benefit, it can use part of the benefit to pay the tax (including any interest) or charge. Or it can delay paying the benefit until the tax or charge has been paid or provided for. However, the Trustee can decide not to use part of the benefit to pay the tax or charge if it considers that there are exceptional circumstances. If the Trustee does use part of the benefit to pay tax or charge, that will not give the person who is receiving the benefit any grounds for claiming a repayment of the tax or charge.

28. PAYING BENEFITS

28.1 Instalments

The Trustee will pay pensions in instalments, at such intervals as it decides from time to time. A pension can be paid in advance if the Trustee decides it is appropriate. If a person dies while receiving a pension from the Scheme, the pension will be paid up to the end of the calendar month in which the person died. If a Pensioner dies within five years of starting to receive a pension, the calculation of the lump sum under Rule 21.1(3) will run from the next pension payment date, not from the date of death.

28.2 Method of payment

Pension payments will be made by direct credit to the recipient's bank account or by any other method the Trustee considers suitable. If the Trustee agrees to send a payment through the post, it will not be responsible if it does not reach the person entitled to it.

28.3 Children and others who need special arrangements

This Rule 28.3 applies to the payment of children's benefits or to benefit payments to adult beneficiaries who are, in the Trustee's opinion, incapable of managing their own affairs due to a mental or physical disability.

In either case, the Trustee may:

- (1) pay the benefit to any person who, or institution which, undertakes to use the benefit for the maintenance or benefit of the person entitled to it. If it obtains such an undertaking, the Trustee will not be responsible for checking how the money is used; or
- (2) pay the benefit to the person entitled to it or use it for that person's benefit in whatever way it thinks fit. This includes setting up a separate trust for that person's benefit. The Trustee will decide the terms and limitations of the trust, and can appoint separate trustees of the trust, who must be either at least two individuals or a trust corporation.

28.4 Payments due before death

If someone dies and benefit was due to that person, but no grant of representation to that person's estate has been shown to the Trustee, the Trustee may pay that benefit to any one or more of the people referred to in Rule 21.3(1).

28.5 Forfeiture of benefits

A person who is entitled to a pension payment or lump sum will lose it if the person does not claim it within six years of the date it first became payable. But the Trustee may, at its discretion, decide to pay that person all or part of the payment or lump sum in spite of this Rule. However, if an individual pension payment is unclaimed, the person will not lose the right to subsequent payments or to the pension itself.

28.6 Benefits are non-transferable

Benefits under the Scheme are not absolute and the Trustee may forfeit benefits in the circumstances set out in this and other Rules.

No-one entitled to a pension or other benefit can assign or transfer that pension or benefit, allow a charge over it or otherwise arrange for it or part of it to be paid to someone else except to the extent allowed under section 91 of the 1995 Act. The Trustee will forfeit the benefit if it

finds that the person entitled to it has tried to do this or if an event has occurred (e.g. bankruptcy) which was intended to have the same effect.

The Trustee will also forfeit a person's benefit in the circumstances described in regulation 6(1)(a) of the Occupational Pension Schemes (Assignment, Forfeiture, Bankruptcy etc) Regulations 1997 (S.I. 1997 No. 785). These are circumstances where the person is convicted of the murder or manslaughter of the Member through whose membership the person is entitled to the benefit or of any other offence where the unlawful killing of that Member is an element.

However, the Trustee may pay all or part of that benefit to or for the benefit of the people mentioned in section 92(3) of the 1995 Act. This includes the person whose benefit has been forfeited, that person's husband, wife, widow, widower or civil partner or any Dependant of that person and any other person to whom the benefit could have been paid under the Rules.

A court order made under section 25B of the Matrimonial Causes Act 1973 or paragraphs 25 or 26 of Schedule 5 to the Civil Partnership Act 2004 in relation to a Member's rights or benefits under the Scheme will not be treated as an assignment, transfer, charge or other arrangement to pay the Member's pension or benefit to someone else.

A Member's benefits may be reduced by the extent necessary to comply with a Pension Sharing Order and that reduction will not be treated as an assignment, transfer, charge or other arrangement to pay the Member's pension or benefit to someone else.

28.7 Evidence

- (1) Before paying benefits, the Trustee must be satisfied with any information or evidence it has asked for. In particular, it can require a person to produce:
 - (a) full birth certificate;
 - (b) marriage or civil partnership certificate;
 - (c) proof of survival;
 - (d) name, date of birth, full birth certificate and address of the person's Spouse, civil partner and of any children who may become entitled to benefits under the Scheme;
 - (e) a death certificate of a Member or the Member's Spouse, or civil partner or Dependant;
 - (f) details of a Member's current address or that of anyone else receiving a pension; and/or
 - (g) any other evidence of a material fact, in particular, any evidence the Trustee may request in order to enable the Trustee to comply with the Finance Act 2004 and to ensure that no Unauthorised Payment is made.
- (2) If a person provides incorrect information, the Trustee may adjust the benefit payable to that person in whatever way it believes is fair, having taken the Actuary's advice.

28.8 Interest on late payments

- (1) If an amount payable under the Rules is not paid within three months (or any shorter period decided by the Trustee), the Trustee will pay interest (compounded annually) on it from the due date to the date it is paid. Interest will be paid whether or not the delay in payment was the Trustee's fault.

- (2) The Trustee will decide the rate of interest that will apply under this Rule from time to time. The rate will be based on whatever short term rates, and with whatever adjustments, the Trustee decides, having taken the Actuary's advice.
- (3) If, in the Trustee's opinion, the delay has been caused solely by the person to whom the payment is due, or that person's adviser, the Trustee has a discretion to set a lower interest rate. That lower rate must not be less than half of the rate which the Trustee has set under (2) above.

29. GENERAL

29.1 Ending employment

Nothing in these Rules will prevent an Employer from ending a Member's employment. If a Member is, or claims to be, entitled to benefits under these Rules, that will not increase the Employer's liability to pay damages if the Member brings an action against the Employer in relation to the ending of the Member's employment.

29.2 Giving notice

- (1) If the Trustee or an Employer needs to send a notice to a person entitled to benefit under the Scheme, they will send that notice through the post to that person's last known address.
- (2) Any notice to the Trustee must be in writing. It can be sent through the post to the Trustee's registered office.
- (3) Any notice sent in the way described in (1) or (2) above will be considered as given two days after being posted.
- (4) To exercise an option, make a choice or give an instruction, Members must give the Trustee reasonable notice in writing. This applies unless the Trustee has asked for notice in some other form or within a particular time or the Rules state that a specific notice period is needed.

29.3 Employer's and Trustee's right to recover a debt owed by a Member

If, because a Member has committed an act of fraud or negligence or a crime, that Member owes money to either the Employer or the Trustee, the Employer or the Trustee (as the case may be) can reclaim from the Fund the lesser of:

- (1) the amount the Member owes; or
- (2) the value of any benefits payable to the Member other than GMPs and benefits transferred in under Rule 30.2.

The Trustee will then reduce the value of the benefits to be paid to the Member by the amount reclaimed by the Employer (or the Trustee). If the Member disputes the amount owed, this Rule will not apply until the Employer (or the Trustee) has a court order or an arbitrator's award. The Trustee will write and tell the Member the amount reclaimed and the reduced benefits.

This Rule does not prevent a Member who is a Trustee, a director or officer of a corporate Trustee or a member of the SAUL Negotiating Committee or Investment Committee from being indemnified or exonerated from liability under Rule 6.5(1) or (2).

This Rule applies subject to section 91(6) of the 1995 Act.

29.4 **Power to extend time limits**

If these Rules give a period within which anything must be done by in relation to a Member or an employee who is eligible for membership, the Trustee may extend that period as it thinks fit.

30. **TRANSFERS AND BUY-OUTS**

30.1 **Transfers out**

Transfer payments of cash or other assets from the Scheme may be made to another occupational or personal pension scheme or an Insurance Company for a Member or other person entitled to benefits from the Scheme.

(1) **Transfer to another pension scheme**

The Trustee will make a transfer payment to another pension scheme (including a personal pension scheme) only if:

- (a) the receiving scheme is a Registered Pension Scheme or a qualifying recognised overseas pension scheme (as defined in s169 of the Finance Act 2004);
- (b) the transfer payment meets the relevant requirements of the 1993 Act; and
- (c) when the transfer is to an occupational pension scheme, only that part of the transfer payment which is attributable to the Member's own contributions to the Scheme can be treated as the Member's contributions to the other pension scheme; and

If the transfer is to a personal pension scheme, the Trustee will give any certificates required by law.

The transfer payment will include any contributions made by a former employer and any interest, which were transferred to the Scheme under Rule 30.2.

If the Trustee has entered into reciprocal transfer arrangements, the Trustee will act in line with those arrangements in the relevant cases. Those arrangements will override any terms of this Rule which conflict with them.

(2) **Insurance Company**

The Trustee may, at its discretion, make a transfer payment to an Insurance Company but only if:

- (a) the Member applies in writing to the Trustee, in whatever form the Trustee may from time to time require (which may include a form of discharge);
- (b) the Insurance Company will provide a policy or annuity contract which meets the requirements of section 19 of the 1993 Act and the Preservation Requirements;
- (c) if the Member or other person for whom the payment is made is required by law to consent to the transfer, that Member or other person has chosen the Insurance Company;
- (d) the policy or contract will be purchased in the name of the person to whom the benefits represented by the transfer payment will be paid; and

- (e) the policy or contract will allow a lump sum to be paid only in the circumstances allowed by the Rules and will provide for any tax due on it to be deducted.

(3) A Member's right to a transfer payment under the 1993 Act

A Member who leaves Service or opts out at least a year before Normal Pension Date, has a right to ask the Trustee to use the cash equivalent (as defined in the 1993 Act) to secure benefits for the Member under another scheme (option (1) above) or purchase a buy-out policy (option (2) above). The Member can use this right by applying in writing to the Trustee at any time up to a year before Normal Pension Date (or, if later, 6 months after leaving Service or opting out). The Member and the Trustee will comply with Chapter IV of Part IV of the 1993 Act in relation to this right.

If the Member is taking a transfer to another pension scheme and has paid AVCs under Rule 17.3 to provide benefits other than added Pensionable Service, the Member can ask the Trustee to pay the Member's AVC Fund to any AVC arrangement used by the receiving scheme. If the Member does not ask the Trustee to do that, the cash equivalent will be increased to take account of the AVCs that have been paid.

(4) Short-service transfers

Instead of providing benefits under the Scheme for a Member, the Trustee may buy a policy or annuity contract from an Insurance Company, which meets the requirements of (2) above, without the consent of any person if:

- (a)
 - (i) the Member left Service at least 12 months before, with less than five years' Qualifying Service; and
 - (ii) the Trustee gives the Member at least 30 days' written notice of its intention to buy out the benefits; and
 - (iii) the Member has not asked for a transfer payment under (3) above;

or

- (b)
 - (i) the Member is dead and had less than five years' Qualifying Service; and
 - (ii) the Member is survived by a Spouse or Civil Partner who is entitled to a GMP; and
 - (iii) the Trustee gives the Spouse or Civil Partner at least 30 days' written notice of its intention to buy out the Spouse's or Civil Partner's benefits.

Regulation 9 of the Occupational Pension Schemes (Preservation of Benefit) Regulations 1991 (S.I. 1999 No. 167) will apply as if those Regulations applied to all Members, not just those with more than two years' Qualifying Service.

(5) Consent

The Trustee cannot make a transfer payment if the person it is to be made for is a Member or is receiving a pension unless:

- (a) that person asks for the transfer payment in writing or gives written consent to it; or

- (b) it is being made in circumstances where consent is not needed under the Preservation Requirements. But, for this purpose, regulation 12(3)(a) of the Occupational Pension Schemes (Preservation of Benefit) Regulations 1991 will be read as if the words "broadly, no less favourable" were replaced by the words "at least equal in value to".

The Trustee does not need to have the consent of any person who would be entitled to a benefit on the Member's death to the cancellation of any contingent rights that person may have under the Scheme.

(6) The discharged benefits

- (a) A transfer payment must relate to all or an identified part of the benefits payable for the person in respect of whom the transfer payment is made ("the discharged benefits").
- (b) One or more transfer payments for a person must relate to all of the benefits payable for that person unless:
 - (i) the Member's GMP and section 9(2B) Rights are retained by the Scheme because a transfer payment is to be made to a scheme which is not contracted-out and cannot accept contracted-out liabilities; or
 - (ii) the Trustee agrees to a limited transfer payment.

Once it has made a transfer payment, the Trustee will be discharged from any duty to pay the discharged benefits and neither the Member nor any other person who may have been entitled to a benefit on the Member's death will have any claim on the Fund. The Trustee does not have to monitor how the cash or assets transferred are used.

(7) The value transferred

The Trustee will decide, having taken the Actuary's advice, the value of the cash or assets included in a transfer payment. The amount available to purchase a buy-out policy must be the same as the amount that would have been available for a transfer to another pension scheme if the Member had asked for such a transfer. The Trustee must be reasonably satisfied that this value is at least equal to:

- (a) in the case of a transfer payment made at the request of a person who has a right to a cash equivalent under the 1993 Act, the amount of that cash equivalent; or
- (b) in any other case, the value of the discharged benefits.

When calculating a transfer payment under this Rule 30.1, the part of the transfer payment attributable to a Member's contributions shall include any contributions made on behalf of the Member under Rule 18.5.

- (8) If the discharged benefits include GMPs or section 9(2B) Rights, the transfer payment must comply with the relevant requirements of the 1993 Act. If a transfer payment is made, but the GMP liabilities and/or section 9(2B) Rights are retained by the Scheme, the Trustee can make a payment to an Insurance Company under (b) above to discharge those liabilities and Rights.

(9) **Statements of entitlement**

If a Member applies to the Trustee, the Trustee will provide a statement of entitlement of the amount of the Member's cash equivalent (if any) on the guarantee date in accordance with the requirements of the 1993 Act.

30.2 **Transfers in**

- (1) The Trustee may agree to accept a transfer of assets into the Scheme from any other Registered Pension Scheme or from a qualifying recognised overseas pension scheme. This includes assets from a period of Alternative Benefits Service. A transfer can only be accepted at the request, or with the written consent of, the person for whom it is being made unless it is being made in circumstances where consent is not needed under the Preservation Requirements. The Trustee will decide the terms on which it will accept the transfer (and may require a declaration of health and/or a medical examination or other information) after consulting the Actuary. If it agrees to a transfer:
- (a) The person for whom the transfer is made may become a Member on any special terms the Trustee thinks fit;
 - (b) The Trustee will treat only that part of the transfer which is certified by the Trustee or administrator of the transferring scheme as attributable to that person's own past contributions (plus interest) as the Member's contributions to the Scheme;
 - (c) If the Trustee has entered into reciprocal transfer arrangements, the Trustee will act in line with those arrangements in the relevant cases. Those arrangements will override any terms of this Rule which conflict with them;
 - (d) The terms of the transfer, any special terms of membership and any benefits awarded must meet the Preservation Requirements. The Trustee will decide whether the benefits granted under the Scheme, derived from the transfer, will take the form of a period of Pensionable Service or some other form of transfer credit. The length of any period of Pensionable Service or the form of any transfer credit will be decided by the Trustee, having taken the Actuary's advice;
 - (e) If the Trustee accepts a transfer for a person receiving a pension, it will grant a pension on substantially the same terms as the pension that was being paid under the transferring scheme; and
- (2) The Trustee can enter into an agreement with the trustees of the transferring scheme or any relevant employer as to the use of its powers under (1) above.
- (3) The Trustee can decide that it will only accept a transfer of liabilities relating to active Members if the trustee or administrator of the transferring scheme give either or both of the following:
- (a) A confirmation or warranty, in a form decided by the Trustee, that all of the, or certain specified, requirements of Article 141 of the Treaty of Amsterdam or sections 62 to 66 of the 1995 Act have been complied with in relation to the benefits represented by the transfer; and
 - (b) An indemnity, in a form and on terms decided by the Trustee requiring the trustee or administrator of the transferring scheme to make any additional transfer to the Scheme which the Trustee decides, having taken the Actuary's advice, is needed to ensure that the requirements referred to in (a) above are complied with.

The Trustee is entitled to assume that the trustee or administrator of the transferring scheme has the power to give such a confirmation, warranty or indemnity. Unless the Trustee receives actual notice that this is not the case, it is not obliged to make any enquiry on the point.

31. PENSION SHARING

31.1 The Pension Debit

- (1) If a Member's or PCB Member's benefits under the Scheme are subject to a Pension Debit, the benefits will be reduced by the Pension Debit. The amount of the Pension Debit will be deducted from each of the Member's or PCB Member's Qualifying Benefits within the implementation period (as defined in section 34 of the Welfare Reform Act).
- (2) The Trustee may require the Member or PCB Member to provide evidence (at the Member's own expense) of his or her state of health in relation to a cash equivalent transfer value quotation issued for the purposes of pension sharing.

31.2 Method of Securing Pension Credit

- (1) If a Member's or PCB Member's benefits under the Scheme are subject to a Pension Debit, the Trustee will discharge its liability for the corresponding Pension Credit by paying the amount of the Pension Credit to a qualifying arrangement in line with paragraph 1(3) of Schedule 5 to the Welfare Reform Act unless, in the Trustee's opinion, this is either not possible or not practicable.
- (2) If the Trustee is satisfied that a payment as described in (a) above is either not possible or not practicable, then the Trustee may discharge its liability for the Pension Credit by providing pension and/or (if appropriate) lump benefits under the Scheme for the person entitled to the Pension Credit in line with paragraph 1(2) of Schedule 5 to the Welfare Reform Act. These benefits will be treated as being provided separately from any other benefits provided under the Scheme for the same person. The Trustee must comply with the requirements of the Welfare Reform Act in relation to Safeguarded Rights and the Pension Credit Rights and Benefits generally.

31.3 Pension Credit Secured within the Scheme

If the Trustee provides benefits from the Scheme for a PCB Member under Rule 31.2(2) above, the following will apply:

(1) *Drawing benefits at Normal Benefit Age or when Order is implemented*

The PCB Member will be entitled to draw the Pension Credit Benefits payable from Normal Benefit Age or, if the PCB Member is already over the Normal Benefit Age, the date the Pension Sharing Order is implemented. The benefits will be in the form of a pension and (unless a lump sum has already been paid to the Member or PCB Member whose benefits are subject to the relevant Pension Sharing Order) a lump sum of 3 times the initial annual amount of the pension. For this purpose, the initial annual pension shall be calculated as follows:

- (a) if the pension payable for the year changes, the initial pension payable should be taken;
- (b) it should be assumed that the PCB Member will survive for a year; and
- (c) the effect of any exchange of pension for a lump sum should be ignored.

The PCB Member can increase the pension and reduce the lump sum in accordance with the terms of Rule 19.2(4) if the Trustee agrees, as if the PCB Member was the Member referred to in that Rule.

(2) *Drawing benefits early*

If the PCB Member is:

- (a) over age 50; or
- (b) suffering from Incapacity and is also retiring from Service as a Member and drawing an Incapacity pension under Rule 19.4,

the PCB Member may apply to the Trustee for the Pension Credit Benefits, excluding the Safeguarded Rights, to be paid immediately. If the Trustee agrees to the immediate payment, the benefits will be adjusted for early payment by an amount decided by the Trustee, having taken the advice of the Actuary, as being reasonable to take account of the extent (if any) to which the PCB Member's age is less than 60.

Paragraphs (3) to (6) of Rule 19.4 will apply if a PCB Member draws the Pension Credit Benefits early because of Incapacity.

(3) *Drawing benefits late*

A PCB Member may apply to the Trustee for the Pension Credit Benefits to start to be paid later than Normal Benefit Age (or the date of implementation of the Pension Sharing Order if later). If the Trustee agrees to the later start of payment, the benefits will be adjusted for late payment by an amount decided by the Trustee, having taken the advice of the Actuary, as being reasonable to take into account the later commencement of payment. Nothing in this Rule 31.3(3) shall allow a PCB Member to delay the start of the payment of Pension Credit Benefits beyond the PCB Member's 75th birthday.

(4) *Lump sums on triviality or serious ill-health*

The Trustee can, at its discretion, decide to pay the PCB Member the whole of the Pension Credit Rights in the form of a lump sum, instead of a pension, in the circumstances set out in Rule 22 and on the same terms and conditions as are set out in that Rule (but on the basis that references to the Member are treated as references to the PCB Member).

If the PCB Member also has a right to benefits under the Scheme as a Member:

- (a) in order to establish the value of the total benefits payable under Rule 22.1, benefits from Pension Credit Rights must be included; and
- (b) the whole of the Pension Credit Rights can be exchanged on the grounds of triviality only if the PCB Member's benefits arising from Service as a Member are commuted at the same time.

(5) *Revaluation*

The Pension Credit Rights will be revalued from the date of the Pension Sharing Order to Normal Benefit Age in line with the Revaluation Requirements. The Trustee will review Pension Credit Rights each year and may increase them further, by such amount as it decides, having taken the Actuary's advice.

(6) *Pension Increases*

Increases will be applied to the PCB Member's pension in payment each year at the same time and at the same rate as official pensions are increased under Part 1 of the Pensions (Increase) Act 1971.

(7) *Lump sum on death*

- (a) If the PCB Member dies before starting to receive benefits, the Trustee will pay a lump sum death benefit equal to the lump sum which would have been payable if the PCB Member had retired on Incapacity grounds on the day before the date of death.
- (b) If the PCB Member dies within five years after starting to receive the pension, the Trustee will pay a lump sum equal to the balance of the pension which would have been paid during the rest of the five-year period if the PCB Member had not died, ignoring any pension increases after the date of death.
- (c) A lump sum may be paid in whatever shares the Trustee, in its discretion, thinks fit to any one or more of the people mentioned in Rule 21.3 on the basis that references to the Member are treated as references to the PCB Member.

(8) *Survivors' pensions on death*

- (a) If the PCB Member dies before starting to receive benefits, the Trustee will pay benefits in accordance with Rule 21.2(4), (5), (6) and (7) on the basis that references to the Member are treated as references to the PCB Member.
- (b) If the PCB Member dies after starting to receive benefits, the Trustee will pay benefits in accordance with Rule 21.2(3), (5), (6) and (7) on the basis that references to the Member are treated as references to the PCB Member.
- (c) Where more than one pension is to be paid, the total of all the pensions cannot exceed the amount of the pension which was being paid to the PCB Member.
- (d) The Trustee may, in its discretion, pay a lump sum instead of a pension for the spouse, civil partner, Dependants or Eligible Children of the PCB Member if the pension is Trivial when it is due to start.

(9) *Transfers out*

The PCB Member may ask the Trustee to arrange a transfer of his or her Pension Credit Rights to another pension scheme or arrangement approved under Chapter I, Part XIV of the Taxes Act if the PCB Member is already a member of that Scheme or a PCB member in that Scheme or to a scheme approved under Chapter IV, Part XIV of the Taxes Act. The PCB Member may request that the Trustee arranges a transfer of his/her Pension Credit Rights to any other Registered Pension Scheme or to a qualifying recognised overseas pension scheme.. The Trustee will allow such a transfer only if the relevant requirements of the Welfare Reform Act are satisfied in relation to the transfer. The Trustee must confirm to the receiving scheme or arrangement that the transfer value consists wholly or partly of Pension Credit Rights for the benefit of a PCB Member.

(10) *No assignment of PCB*

The rights to Pension Credit Benefits under the Scheme are not absolute, but will be forfeited in the circumstances described in Rule 28.6 or upon the bankruptcy of the PCB Member. The Trustee may then pay those benefits to the PCB Member or to one or more of the people mentioned as potential recipients of a forfeited benefit in Rule 28.6, as it may, in its absolute discretion, decide.

(11) *Annuity purchase*

The Trustee may provide the benefits under this Rule by arranging for the purchase of an annuity from an Insurance Company on such terms as it may from time to time require (which may include a form of discharge). The Trustee may only purchase an annuity if the relevant requirements of the Welfare Reform Act are satisfied.

(12) *Allocation*

The PCB Member can, on starting to receive the pension, give up part of it to provide an allocated pension for a spouse, civil partner or Dependant (but not an Eligible Child). If the PCB Member does this, the provisions of Rule 21.4 will apply (with the exception of Rule 21.4(5)(c)) as if the references to a Member were references to a PCB Member.

(13) *Payment of pension*

Any pension provided under Rules 31.3(1), (2) and (3) cannot be exchanged for a lump sum or surrendered or assigned except in accordance with the Rules. Such a pension shall be payable for life unless it is exchanged for a lump sum under rule 31.1(4) and may be guaranteed.

31.4 Transfers in

This Rule applies if the Trustee accepts a transfer payment for an individual who is already a Member of the Scheme or is a PCB Member and the Trustee is informed by the transferor that the transfer payment consists wholly or partly of Pension Credit Rights in the former scheme or arrangement. The Trustee must separately identify the transfer payment or the part of the transfer payment relating to the Pension Credit Rights from other funds held for the benefit of that individual. The Trustee must ensure that transferred-in Pension Credit Rights are treated as provided separately from any other benefits provided under the Scheme, to the intent that the Pension Credit Rights will not count towards any limit on benefits for that individual. No lump sum may be paid to the Member or PCB Member arising from the transferred-in Pension Credit Rights if they were transferred in with a lump sum nil certificate.

31.5 Death before liability for Pension Credit is discharged

This Rule applies if the PCB Member dies after a Pension Sharing Order is made, but before the liability for the Pension Credit has been discharged by the Trustee, whether it is to be secured outside or within the Scheme. In that case, the Trustee can pay benefits in the form of either pension or lump sum and a pension, as it may, in its discretion, decide. If possible, these benefits will, in total, be equal in value to the Pension Credit. Any lump sum death benefit will be payable to any one or more people nominated by the PCB Member for this purpose or, if no nomination has been made, to the PCB Member's personal representatives. Pensions can be paid to any one or more of the Spouse, civil partner Dependents or Eligible Children of the PCB Member.

31.6 Member transferring-out after Pension Debit

If the Trustee makes a transfer payment to a receiving scheme or arrangement for a Member or a PCB Member whose benefits have been reduced by a Pension Debit, the transfer payment will be the reduced amount after the Pension Debit has been deducted under Rule 31.1. If the Member is a Permanent Pension Debit Member, and the transfer is made to a scheme approved under Chapter I or Chapter IV of Part XIV of the Taxes Act, the Trustee must give full details of the Pension Debit and a lump sum certificate specifying the maximum permissible lump sum to the receiving scheme or arrangement.

31.7 **Charges**

The Trustee may make reasonable charges for the administration involved in providing information for the purposes of a Pension Sharing Order and in implementing such an Order. Any charge made may be deducted from the benefits payable to either the Member or the PCB Member, subject to any relevant terms of the Order. The Trustee may require either party to pay all or part of any such charge before providing the information or before the Pension Sharing Order is implemented where allowed by the Welfare Reform Act.

31.8 **Variations**

The Trustee may decide from time to time to alter the structure of the Pension Credit Rights or Pension Credit Benefits to be granted to PCB Members in the future, in general or in individual cases, and may amend the terms of benefits already provided, provided that either the Actuary advises that no material extra costs will be imposed on the Scheme or the University consents, and subject to the requirements of Section 67 of the Pensions Act 1995 in the case of Pension Credit Rights or Benefits which have been granted to a PCB Member already.

SCHEDULE 1

Pre-1 April 1988 Members

1. This Schedule applies only to those Members who retired, left Service or died after 31 March 1976 and before 1 April 1988. These Members are called in this Schedule "Pre-1 April 1988 Members". The changes made by the Rules to which this is the Schedule do not affect Pre-1 April 1988 Members and this Schedule is intended simply to record the provisions which relate to those Members, rather than to change them. The previous editions of the Rules will determine the benefits of Pre-1 April 1988 Members.
2. The Normal Pension Date of a Pre-1 April 1988 Member is the last day of the month immediately before the month in which the Member reaches age 65 (if a man) or age 60 (if a woman).
3. If a male Pre-1 April 1988 Member who is currently a Deferred Member draws the deferred benefits before Normal Pension Date, those benefits will be reduced for early payment by an amount decided by the Trustee, having taken the Actuary's advice. This applies even if the Member is over age 60.
4. A Pre-1 April 1988 Member is entitled to a deferred pension calculated in the same way as the Normal Pension (i.e. based on 1/80ths of Pensionable Salary) only if that Member had completed five or more years' Qualifying Service at the date of retirement or leaving Service. A Pre-1 April 1988 Member who had completed a shorter period of Qualifying Service is entitled to a refund of the Member's contributions or, as an alternative, deferred benefits based on the Member's contributions plus interest payable under the Rules.
5. Limited rate revaluation applies to the GMPs of Pre-1 April 1988 Members, instead of fixed rate revaluation.

SCHEDULE 2

Members who are Irregular Part Time Employees

1. Subject to paragraphs (3) to (5) below, where a Member is an Irregular Part Time Employee, benefits are to be calculated using the fraction P/F where:

P = the actual number of hours worked by the Member each year to 31 March, and

F = the number of hours which a comparable full-time employee would have been contractually required to work in the same period.

Where a Member who is an Irregular Part Time Employee leaves Service part way through a year benefits for that year are to be calculated on the actual number of hours worked by the Member from the last 1 April to the date of leaving Service.

2. Subject to (1) above, where a Member is an Irregular Part Time Employee, Pensionable Salary and Pensionable Service are calculated in accordance with Rule 25.1(1) and (2).
3. For the purposes of calculating lump sum death in Service benefits in respect of a Member who is an Irregular Part Time Employee, Salary will be based on the hourly rate payable to Irregular Part Time Employees during the relevant period multiplied by the actual number of hours worked by the Member in the year immediately preceding the date the Member last worked or, if later, was last available for work, prior to the date of the Member's death.
4. For the purposes of calculating a Spouse's or Civil Partner's pension on death in Service of a Member under Rule 21.2(1) where the Member is an Irregular Part Time Employee, the Pensionable Service which would have been completed had the Member remained in Service until Normal Pension Date will be multiplied by the fraction P/F where:

P = the number of hours worked by the Member in the year immediately preceding the date the Member last worked or, if later, was last available for work, prior to the date of the Member's death, and

F = the number of hours the Member would have been contractually required to work at that time had the Member been a full-time employee.

The Employer's decision is final as to the amounts of P and F.

5. For the purposes of calculating a pension to be granted on the ill-health early retirement of a Member under Rule 19.4 where the Member was an Irregular Part Time Employee at the date of retirement, the Pensionable Service Enhancement referred to in Rule 19.4(1) will be multiplied by the fraction P/F as set out in (4) above except that P shall be the number of hours worked by the Member in the year immediately preceding the date the Member last worked or, if later, was last available for work, prior to the date of the Member's retirement.

SCHEDULE 3

Plan for Premature Retirement Compensation ("PPRC")

This Schedule sets out the benefits which may be granted to a Member under a PPRC. These benefits are payable, on the terms set out in Rule 18.4, in addition to the benefits which are otherwise payable under the Scheme Rules.

1. Definitions

The following additional defined terms are used in this Schedule:

Employee means a Member who is employed by an Employer and has not opted out of the Scheme.

Plan Years means the number of years which an Employer may, at its discretion, credit to an Employee in compensation for Premature Retirement. The maximum number of Plan Years an Employer can credit to an Employee is the lowest of:

- (a) ten years;
- (b) the number of years between the date of the Employee's Premature Retirement and Normal Pension Date, or such other date at which the Employee is contractually required to retire;
- (c) the number of years by which the Employee's Pensionable Service falls short of 40 years; and
- (d) the number of years of the Employee's Pensionable Service.

PPRC Pension means the compensatory pension payable to the Employee from the Scheme under the terms of a PPRC.

Premature Retirement means retirement before Normal Pension Date by agreement between the Employee and the Employer, which the Employer certifies is in its managerial interest, as a result of which the Employee becomes entitled to a pension under Rule 19.5 (2) of SAUL. "Retires Prematurely" and "Retired Prematurely" will be interpreted in line with this definition.

Scheme Pension means the pension payable under the Rules, ignoring any PPRC Pension.

2. Eligibility

An Employee can only Retire Prematurely under a PPRC if he or she is aged 50 or more and has at least five years' Pensionable Service.

3. Compensation

An Employee who Retires Prematurely under a PPRC will receive, in addition to the benefits which are otherwise payable under the Scheme Rules:

- (a) a pension of $\frac{1}{80}^{\text{th}}$ of Pensionable Salary for each Plan Year and
- (b) a lump sum payment of $\frac{3}{80}^{\text{ths}}$ of Pensionable Salary for each Plan Year subject to paragraph 7 below.

An Employee may exchange all or part of his or her PPRC Pension for an additional lump sum in line with Rule 19.2(2).

4. **Death after Premature Retirement**

If an Employee dies after Premature Retirement under a PPRC, a Spouse's, Civil Partner's or Dependant's pension, and a pension to any Eligible Child, will be payable based on the Employee's PPRC Pension, in line with Rule 21.2.

5. **Pension Increases**

A PPRC Pension payable to an Employee, or his or her Spouse, Civil Partner, Dependant or Eligible Child, will be increased in line with Rule 24.1.

6. **Abatement Following Re-Employment**

If an Employee, having Retired Prematurely under a PPRC, is re-employed by an Employer, and the Scheme Pension is cancelled, reduced or suspended in line with Rule 19.9(1), then the PPRC Pension will also be cancelled, reduced or suspended on the same terms and conditions as the Scheme Pension.

7. **Abatement Of Lump Sum**

If an Employee is credited with more than $6^{2/3}$ Plan Years and receives a statutory redundancy payment, the lump sum under paragraph 3(b) and the redundancy payment will be added together and the total will be reduced at the rate of 30% of the redundancy payment for each Plan Year in excess of $6^{2/3}$ Plan Years. However,

- (a) The maximum reduction, where ten Plan Years have been awarded, is the amount of the redundancy payment; and
- (b) The aggregate lump sum payable after reduction must not be less than the minimum amount payable under the redundancy legislation.

APPENDIX 1

Revenue Limits

1. Aggregate benefits

This Appendix is a summary of Revenue Limits. It applies to the extent described in Rule 4. These limits apply to the aggregate of like benefits under all Relevant Schemes.

2. Member's pension

The Revenue Limits for a Member's pension (including the pension equivalent of a lump sum retirement benefit, such equivalence being on a basis acceptable for the purposes of Approval) are:

- (1) on retirement at or before NRD, 1/60th of Final Remuneration for each year of service with the Employers (not exceeding 40) or such greater amount as will not prejudice Approval; or
- (2) on retirement after NRD, the greatest of:
 - (a) the amount in (1) above calculated as if the date of retirement was NRD,
 - (b) the amount which could have been provided at NRD under (1) above increased either actuarially in respect of the period of postponement or in line with RPI over that period, and
 - (c) 1/60th of Final Remuneration for each year of service with the Employers up to NRD (not exceeding 40) and also for each year of service after NRD, but with no more than 45 years counting overall,

but (b) and (c) shall only apply to a Member who does not make an election under paragraph 8(2).

Except for the purpose of satisfying the requirements of the Pension Schemes Act 1993 or where Approval would not be affected, a Member will not be entitled to take any pension until actually leaving the employment of the Employers but shall not take pension any later than age 75; or

- (3) on leaving pensionable service before NRD, an amount calculated as in (1) above increased at 5% p.a. compound or in line with RPI (whichever is greater) from the end of pensionable service to commencement of pension (plus such further increases as may be required for the GMP).

3. Member's lump sum

The Revenue Limits for a Member's lump sum on retirement are:

- (1) on retirement at or before NRD, 3/80ths of Final Remuneration for each year of service with the Employers (not exceeding 40) or such greater amount as will not prejudice Approval; or
- (2) on retirement after NRD, the greatest of:
 - (a) the amount in (1) above calculated as if the date of retirement was NRD,
 - (b) the amount which could have been provided at NRD under (1) above plus an amount representing interest thereon, and

- (c) 3/80ths of Final Remuneration for each year of service with the Employers up to NRD (not exceeding 40) and also for each year of service after NRD, but with no more than 45 years counting overall,

but (b) and (c) shall only apply to a Pre 1987 Member or a Pre 1989 Member who does not make an election under paragraph 8(2).

Except where Approval would not be affected, a Member will not be entitled to take any lump sum until actually leaving the employment of the Employers but shall not take a lump sum any later than age 75; or

- (3) on leaving pensionable service before NRD, an amount calculated as in (1) above including increases in line with RPI.

4. **Lump sum death benefit**

The Revenue Limit for the lump sum payable on a Member's death in service before NRD (or after NRD if Approval would not be affected) or after leaving pensionable service with a deferred pension before the Member's pension comes into payment is:-

- (1) four times the greater at Exit Date of Final Remuneration and the annual amount of remuneration (including fluctuating emoluments calculated as in (1)(b) of the definition of Final Remuneration) excluding except for any Pre 1987 Member or any Pre 1989 Member, any excess over the permitted maximum as defined in Section 590C(2) of the Taxes Act, plus
- (2) an amount equal to the Member's own contributions (if any) with interest; less
- (3) the aggregate (if it exceeds £2,500) of any lump sums (other than refunds of contributions) payable on the death of the Member under all schemes of previous employers or as a life assurance benefit under a retirement annuity contract or trust scheme approved under section 621 Taxes Act or a personal pension scheme approved under section 631 of that Act;

or such greater amount as will not prejudice Approval.

5. **Dependants' pensions**

- (1) The Revenue Limit for the aggregate pensions paid to more than one of a Member's dependants (other than from surrender of the Member's own pension) is equal to:
 - (a) if the Member died in service before NRD, the Member's pension which could have been provided had the Member remained in service until NRD but on the basis of Final Remuneration or annual remuneration (calculated as provided in paragraph 4(1)) at Exit Date; or
 - (b) if the Member died in service after NRD, the Member's pension which could have been provided had the Member retired immediately before death; or
 - (c) in other cases, the Member's pension before any commutation and including any increases in deferment and in payment;

or such greater amount as will not prejudice Approval.

- (2) The Revenue Limit for one dependant is 2/3rds that in (1) above.

6. Pension increases

The maximum pension (including, unless Approval would be affected, any pension commuted if the commutation rates took no account of prospective increases, but excluding any pension surrendered to provide additional dependants' pensions) may be increased whilst in payment at 3% pa. compound or (if greater) in line with RPI. Where a pension of less than the maximum is payable, it may be increased by a greater annual amount, provided the total pension remains within this limit.

7. Late retirement

If a Member who has not made an election under paragraph 8(2) receives a benefit in advance of actual retirement, the Revenue Limits in paragraphs 2 and 3 above shall apply as if the Member had retired when the benefit was paid, except that:

- (1) uncommuted pension not commencing immediately may be increased actuarially for the period of postponement or in line with RPI over that period and
- (2) any postponed lump sum may be increased by an amount reflecting reasonable interest on such amount during the period of postponement.

8. Election for different Revenue Limits

- (1) A Pre 1989 Member may elect to be treated for the purposes of Part II of Schedule 6 of the Finance Act 1989 as having become a Member on 1 June 1989.
- (2) In addition to the election in (1) above, any Member may (if the Employers consent) elect that the Revenue Limits applicable to the Member under this Appendix shall be those that would have applied had the Scheme been established on or after 27 July 1989 and the Member was not a Pre 1987 or Pre 1989 Member. This election must be made before the Member attains age 75 and before payment of benefits from the Scheme commences.

9. Members making Voluntary Contributions

The administrator of the Scheme shall comply with the requirements of Regulation 5 of the Retirement Benefits Schemes (Restriction on Discretion to Approve) (Additional Voluntary Contributions) Regulations 1993 (SI 1993/3016) and, where the Scheme is the "leading scheme" in relation to a member, with the requirements of Regulation 6 of those Regulations so far as they concern "main schemes", ("leading scheme" and "main scheme" having the meaning given under those Regulations).

Where a Member's benefits are augmented under the Scheme after ceasing to participate in the Scheme and the Member is also a member of a free-standing additional voluntary contributions scheme, this Appendix shall apply as if the limits on benefits it contains were reduced by the amount of any like benefit provided for or in respect of the Member by that scheme.

10. Restricted Members

The provisions of this Appendix shall be modified in respect of a Member who is a Restricted Member as follows:

- (1) the maximum pension in paragraph 2 and the maximum lump sum in paragraph 3 shall be reduced, where necessary for Approval, to take account of any benefits payable under a retirement annuity contract or trust scheme approved under section 620 Taxes Act, or a personal pension scheme approved under section 631 of that Act

- (2) where a Restricted Member retires after NRD but before age 70, paragraphs 2(2)(b) and (c) and paragraphs 3(2)(b) and (c) shall not apply. If the Member retires after age 70 then the above paragraphs shall apply as if age 70 were the Member's NRD
- (3) where paragraph 7 applies to a Restricted Member the rate of the actuarial increase over any period of deferment to age 70 shall not exceed the percentage increase in line with RPI
- (4) total commutation of pension on grounds of exceptional circumstances of serious ill-health will only be allowed with the prior approval of the Board of Inland Revenue.

11. Pension Sharing

(1) *Permanent Pension Debit Members*

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

- (a) The pension must not exceed the total of the Member's pensions under the Scheme and any Relevant Scheme less the Negative Deferred Pension(s) in the Scheme and in any Relevant Scheme and, in the case of a Member other than a Pre-1989 Member, or a Pre-1987 Member, the Negative Deferred Pension in any Connected Scheme.
- (b) The lump sum from this and any Relevant Scheme must not exceed:
 - (i) for Permanent Pension Debit Members who are not Pre-1987 Members, 3 times the initial annual pension payable
 - (ii) for Permanent Pension Debit Members who are Pre-1987 Members, the greater of:
 - 3 times the initial annual pension payable; or
 - an amount determined in accordance with the Rules as if there had been no Pension Debit, less 3 times the Negative Deferred Pension.

For the purposes of this paragraph, the initial annual pension will be calculated on the following bases:

- (i) if the pension payable for the year changes, the initial pension payable should be taken;
 - (ii) it should be assumed that the Permanent Pension Debit Member will survive for a year;
 - (iii) the effect of commutation should be ignored.
- (c) On the death of the Permanent Pension Debit Member, any pension for a Dependant shall not exceed two thirds of an amount determined in accordance with paragraph (a) as if there had been no Pension Debit, less the Negative Deferred Pension(s) in the Scheme and in any Relevant Scheme and, in the case of a Member who is not a Pre 1987 Member or a Pre 1989 Member, the Negative Deferred Pension in any Connected Scheme. Where more than one pension is to be paid, the total of all the pensions cannot exceed 100% of an amount determined in accordance with paragraph (a) above as if there had been no Pension Debit, less the Negative Deferred Pension(s) in the Scheme and in any Relevant Scheme and, in the

case of a Member who is not a Pre 1987 Member or a Pre 1989 Member, the Negative Deferred Pension in any Connected Scheme.

(2) *Transfer in of Members subject to Pension Debit*

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

(3) *Death of former spouse or civil partner before Pension Sharing Order is implemented*

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

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

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

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

(4) *Death of PCB Member before Pension Credit Benefits come into payment*

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

The amount of pension payable to a spouse or civil partner or dependant of the PCB Member under this paragraph (4) is limited to a maximum of two thirds of the amount of the pension that could have been paid to the PCB Member at the date of death if the whole of what would have been the cash equivalent of the Pension Credit Rights had been used to purchase an annuity at an available market rate. For the purpose of determining the pension which could have been paid to the PCB Member, it should be assumed that the PCB Member was aged 50 at the date of death, if the PCB Member died at an earlier age.

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

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

(5) *Death of a PCB Member after pension has started*

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

12. Interpretation

In this Appendix:

"Approval" means treatment of the Scheme as an exempt approved scheme under Chapter I of Part XIV of the Taxes Act.

"Associated" means in relation to employers that one of such employers is controlled by the other, or both of them are controlled by a third party. Control has the meaning in Section 840 of the Taxes Act or, in the case of a close company, Section 416 of the Taxes Act.

"Connected Scheme" has the same meaning as in section 590A of the Taxes Act.

"Exit Date" means the date the Member leaves or retires from service with the Employers or the date of the Member's death (if earlier).

"Final Remuneration" of a Member means the greater of:

- (1) the highest remuneration for any one of the 5 years preceding Exit Date, being the aggregate of:
 - (a) basic pay for the chosen year, and
 - (b) the yearly average over 3 or more consecutive years ending with the chosen year of any fluctuating emoluments (or if fluctuating emoluments have not been payable over a period of at least three years, the yearly average over the period during which they have been payable), and
- (2) the yearly average of the total emoluments for any 3 or more consecutive years ending not earlier than 10 years before Exit Date.

For these purposes:

- (A) If remuneration is reduced due to incapacity, Final Remuneration may be calculated as if the date of first reduction was the Exit Date.
- (B) Remuneration and emoluments for any year except the last before the Exit Date shall be increased in line with RPI from the last day of that year up to the Exit Date (except that unless Approval would not be affected such increases may be made when calculating the maximum lump sum on retirement to such extent only as the Member's pension is more than the maximum which would have applied without such increases).

- (C) Emoluments shall be deemed to include the value assessed for income tax of benefits in kind.
- (D) Directors' fees may rank either as basic salary or as fluctuating emoluments according to the basis on which they are voted.
- (E) Except for the purposes of paragraphs 4 and 5(1)(a), amounts arising from the acquisition or disposal of shares or interests in shares or from a right to acquire shares shall be excluded from emoluments unless the acquisition of the shares, interest or right was made before 17 March 1987. Amounts charged to tax under section 148 Taxes Act are not emoluments.
- (F) To the extent that Approval would not be affected, and provided they were earned prior to Exit Date, fluctuating emoluments received after Exit Date may be taken into account having regard to the year to which they relate.
- (G) Profit related pay may be treated as a fluctuating emolument whether or not it is assessable to income tax.
- (H) Overtime, commissions and bonuses may be included as fluctuating emoluments so long as they are assessable to income tax.
- (I) A fluctuating emolument payable only in a single year can be included as part of Final Remuneration with the agreement of the Board of Inland Revenue.
- (J) Except for the purposes of paragraphs 4 and 5(1)(a), for a Restricted Member or any other Member whose remuneration in any year beginning after 5 April 1987 is used in calculating benefits and exceeds the Fixed Amount, Final Remuneration shall be calculated as in (2) above and (1) shall not apply, except that for a Member who is not a Restricted Member:
 - (i) Final Remuneration may be calculated in accordance with (1) subject to a maximum of the Fixed Amount; and
 - (ii) if Exit Date is before 6 April 1991, Final Remuneration may be remuneration assessable to Schedule E Income Tax for the Tax Year 1986/87.
- (K) For the purpose of calculating the maximum lump sum on retirement of a Member except for a Pre 1987 Member, Final Remuneration shall not exceed the Fixed Amount unless legislation or the Board of Inland Revenue allow otherwise.
- (L) For a Member, except for a Pre 1987 Member or a Pre 1989 Member, Final Remuneration shall not when aggregated with remuneration pensionable under all other Relevant Schemes exceed the permitted maximum as defined in section 590C(2) of the Taxes Act.

"Fixed Amount" means £100,000 or such other amount as may have been fixed for the purpose in an Order of HM Treasury.

"in line with RPI" over a period means in proportion to increases between figures for the months in which that period begins and ends in the General Index of Retail Prices published by the Department of Employment (or a replacement of that Index not prejudicing Approval), with appropriate restatement of the later figure if the Index has been replaced or rebased during the period.

"Negative Deferred Pension" means the amount by which the Member's pension or deferred pension under the Scheme which arose or arises from Service with the Employers is required to be reduced at the Exit Date by Section 31 of the Welfare Reform Act or under corresponding Northern Ireland legislation following a Pension Sharing Order in order not to

prejudice Approval. For this purpose, Service with the Employers includes all periods of service with other employers which have been treated as if they were Service with the Employers because of a transfer payment to the Scheme in respect of that other service.

"NRD" means the normal retirement date specified for the Member under the Scheme.

"pensionable service" has the same meaning as in the preservation requirements of the Pension Schemes Act 1993.

"Pre 1987 Member" means a Member who became a Member of a Relevant Scheme before the 17 March 1987 and continued in membership of that Scheme or any other Relevant Scheme until joining the Scheme.

"Pre 1989 Member" means a Member (other than a Pre 1987 Member) who became a Member of a Relevant Scheme before 1 June 1989 and continued in membership of that Scheme or any other Relevant Scheme until joining the Scheme.

"Restricted Member" means a Member who at any time in the ten years up to the Exit Date has been a "controlling director", within the definition in paragraph 5(5) of Schedule 23 to the Taxes Act, in relation to the Employers.

"Relevant Scheme" means a retirement benefits scheme of the Employers or any other employer which is Associated with the Employers and which has Approval or is seeking Approval.

"Taxes Act" means the Income and Corporation Taxes Act 1988 and/or any modification or re-enactment of it.

APPENDIX 2
Definitive Trust Deed

APPENDIX 3

Index

Subject	Rule	Page
A		
Absences	23	52
Accounts	8.3	21
Actuarial Valuations	3	12
Actuary	1.2, 3, 6.5(10), 8.4	1,12,15,21
Additional Special Contributions (Employers)	18.2	38
Additional Voluntary Contributions (Members)	17.2 – 17.4	36-37
Administration	8	20
Administrator	6.7	17
Adoption Leave	1.2, 23.1	1,52
Allocation	21.4	50
Alternative Benefits Service	1.2, 16.3	2,33
Amalgamation (of Employers)	2.4	11
Amendment	9	22
Anti-Frinking	24.5	56
Arbitration	8.7	22
Associated Employers	1.2, 2	2,11
Auditor	8.3	21
B		
Bank accounts	8.10	22
Benefits	- generally	19-25
	- calculation	27
	- non transferability	28.6
	- Part Time Employees	25
	- payment	28

C

Children's benefits	21.2(7), 28.3	48,60
Civil Partner	1.2, 21.2	2,47
Committee - SAUL Negotiating Committee	7.1	18
- Investment Committee	7.2	19
Contracting-out	26	57
Contributions Employers	18	37
- Members	17	35
- refund	20.4	45
Contributions Equivalent Premiums	26.5	59

D

Death Benefits	21	46
Deferred Members	1.2, 20	2,44
Delegating	6.9	17
Dependants	1.2, 21.2	2,47
Disclosure	1.2, 8.5	2,21
Disputes	8.6, 8.7	22

E

Early Retirement	19.5	42
Eligible Child	1.2, 21.2(7)	3,48
Employers – generally	1.2, 2	3,11
- participation	2.1	11
- contributions	10, 12, 18	23,24,37
- amalgamation	2.4	11
- liability	2.6, 13.5	12,25
- compensation	6.4	15
- leaving the scheme	11.2, 13	24
Equivalent pension benefits	26.9	59

Evidence	28.7	62
Expenses	8.1, 8.2	20
F		
Forfeiture	28.5, 28.6	61
Fund	1.2	3
G		
GMP	1.2, 26	3,57
GMP increases	24.2, 24.3, 26.4, 26.7	55,58,59
H		
Holding assets	5.4	14
I		
Incapacity	1.2, 19.4, 20.3(1)	3,40,45
Insurance	6.5(11)	18
Insurance Company	1.2, 5.2, 30.1(2)	3,13,64
Interest - on employer's contributions	18.1	37
- on benefit payments	28.8	62
Investment	5, 6.5(5)	13,16
Investment Committee	1.2, 7.2	3,19
Investment Managers	5.6	14
Irregular Part Time Employees	1.2, Schedule 2	4,73
J		
Joining the Scheme	16	32
L		
Late Retirement	19.6	42
Leaving Service	20	44

Legal Action	6.5(7)	16
Liability – employees	2.6, 13.5	12,25
- Trustee	6.5	15
Lump Sum – on retirement	19.2	39
- on death	21.1	46
- triviality	22.1	51
- serious ill-health	22.2	51
M		
Maternity Leave	1.2, 23.1	4,52
Member	1.2	4
- becoming a Member	16.1	32
- contributions	17	35
N		
Non-Cash Benefit Scheme	1.2, 19.8	4,43
Normal Contributions	1.2, 17.1	4,35
Normal Pension	1.2, 19.1	4,39
Normal Pension Date	1.2	4
Notices	29.2	62
O		
Opting out	16.2	32
- rejoining after opting out	16.3	33
- reinstatement after opting out	16.4	35
P		
Paid Family Leave	1.2, 18.3, 23.2	5,38,54
Part Time Service	1.2, 25	5,56
Part Time Employees	25	56
Participation (Employers)	2.1-2.3	11

Paternity Leave	1.2, 23.1	5,52
Pension Increases	24	55
Pension Sharing	31	67
Pensions Ombudsman	6.5(6)	16
Pensions Regulator	1.2	7
Pensionable Salary	1.2	5
Pensionable Service - generally	1.2	6
- during absence	23	52
- Part Time Employees	25	56
Plan for Premature Retirement Compensation	18.4, Schedule 3	38,74
Professional Advice	6.5(10)	17
Profit Related Pay	1.2, 19.8	7,43
Protecting the Trustee	6.5	15
Q		
Qualifying Benefit	1.2, 31	7,67
Qualifying Service	1.2, 19.5(2)	7,42
R		
Records	8.5	21
Refund of contributions	20.4	45
Reinstatement	16.4	35
Rejoining the Scheme	16.3	33
Relevant Benefits	1.2	7
Revaluation of deferred benefits	24.3, 26.4	55,58
Revenue Limits	1.2, 4, Appendix 1	8,12,76

S

Salary	1.2	8
SAUL Negotiating Committee	1.2, 7.1	8,18
Section 75 debt	13.7	26
- interest	13.7	26
- parent company guarantee	13.7	26
- withdrawal arrangements	13A	26
Separate Fund	13.3, 14, 15.2	25,28,29
Spouse	1.2	9
- benefits	21.2	47
- GMPs	26.2	58
- pension sharing	31	67

T

Tax	27.3	60
Temporary Absence	23	52
- contributions	18.3	38
Termination		
- employer's participation	11.2	24
- scheme	11.1	24
Time limits (power to extend)	29.4	63
Transfers		
-out	30.1	63
- in	30.2	66
- on winding up	15.2(9)	31
Trivial Commutation Lump Sum	1.2, 22.1	9,51
Trustee	1.2, 6	9,14

U

Unauthorised Payment	1.2, 4	9,12
Unions	1.2	9
– nominees on SAUL Negotiating Committee	7.1	18

University	1.2	9
– nominees on SAUL Negotiating Committee	7.1	18
Unpaid Family Leave	1.2, 23.2	9,54
V		
Varying employer's participation terms	2.3	11
Voluntary contributions	17.2, 17.3	36
- on winding up	15.2(7)	31
W		
Winding up	15	28
Withdrawal arrangements	13A	26