

ADDLESHAW SONS & LATHAM
S O L I C I T O R S

DATED *5th December* 1995

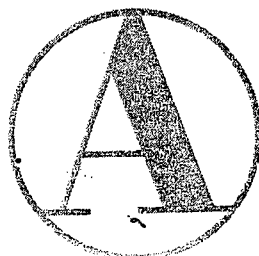
UNIVERSITY OF MANCHESTER SUPERANNUATION SCHEME

Amended 19 April 96.

TRUST DEED AND RULES

Addleshaw Sons & Latham
Manchester

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THIS DEED is made the 5th day of December 1994 By THE VICTORIA UNIVERSITY OF MANCHESTER of Oxford Road, Manchester, M13 9PL which in its capacity as sponsor of the Scheme (as hereinafter defined) is hereinafter referred to as the University and in its capacity as trustee of the Scheme is hereinafter referred to as "the Trustees"



WHEREAS:

- 1 The University established a pension scheme known as the University of Manchester Superannuation Scheme (hereinafter called "the Scheme") on the Founding Date namely 22nd July 1925 for the purposes of providing relevant benefits as defined by Section 612(1) of the Income and Corporation Taxes Act 1988 for eligible employees of the University on retirement from the service of the University. The Scheme was established and constituted by order of the Council of the University and the University thereby undertook the responsibility for the management and administration of the Scheme and became Trustees of the Scheme.
- 2 It is anticipated that the University will appoint separate individual trustees or a corporate trustee to be the Trustees of the Scheme and the responsibility for the management and administration of the Scheme shall thereupon be split with the University retaining responsibility for matters hereinafter attributed to "the University" and the trustees or trustee as aforesaid (when appointed) assuming responsibility for matters hereinafter attributed to "the Trustees". In the meantime pending such appointment the University will remain responsible for the management and administration of the Scheme as both "the University" and "the Trustees"

- 3 It has been further decided that for purposes of better accommodating the before recited changes to take account of several administrative and legislative changes applicable to the Scheme the existing Rules of the Scheme shall with effect from the Revision Date be replaced in their entirety by the provisions of this Deed and the Rules contained in the Schedule hereto.
- 4 This Deed and the Rules contained in the Schedule hereto have been approved by the Council of the University

NOW THIS DEED WITNESSETH and it is hereby agreed and declared that the University as Trustees pursuant to Rule 37 of the existing Rules of the Scheme with effect on and from the Revision Date hereby alters or amends the Scheme by the substitution of the provisions of this Deed (which shall become the Definitive Trust Deed for all purposes of the Scheme) and the Rules contained in the Schedule to this Deed (which shall become the Rules for all purposes of the Scheme) to the intent that the same shall henceforth apply to the exclusion of the existing Rules of the Scheme currently governing the Scheme

1 Definitions

- 1.1 This Deed and the Rules ("the Rules") set out in the Schedule hereto and which are deemed to be incorporated herein are hereby adopted to define the terms and conditions on which the Scheme is to be administered subject to any alterations or additions which may from time to time be made in

accordance with the provisions hereinafter contained. The definitions set out in Rule 1 shall apply to this deed.

2 The Fund

2.1 The Fund shall consist of all contributions made or to be made to it in accordance with the Trust Deed and the Rules or otherwise and shall include all income profits and accretions to the Fund whether arising from investments or not and any donations legacies or gifts.

2.2 The Trustees shall hold the Fund upon irrevocable trusts subject to the provisions hereinafter and in the Rules declared and contained concerning the same.

2.3 All investments and moneys for the time being constituting the Fund shall subject to the provisions of these Rules be held under the legal control of the Trustees and the Trustees may retain on current or deposit account at any bank or banks approved by them from time to time such moneys as they in their discretion consider necessary or desirable and may make such regulations for any such bank account and for the signing and drawing of cheques as they think proper.

3 Investment of Fund

3.1 Subject to the provisions of clause 2.3 the Trustees shall have power to place any moneys forming part of the Fund upon deposit with any company, bank or Insurance Company or to invest the same in or upon such investments as they in their absolute discretion deem fit to the extent that the Trustees shall have the same unrestricted powers of investment and of transferring investments as if they were absolutely entitled to such moneys beneficially and without limiting the generality of the foregoing the Trustees shall be entitled to invest any such money in or upon the security of stocks, shares,

debenture stocks, bearer securities, units in unit trust funds, exempt funds or mutual funds or any interest in land or in any other investments whatsoever and wheresoever situate whether or not involving liability and whether or not authorised by law for the investment of trust funds or to apply the same in or towards effecting and maintaining in the name of the Trustees or the Members or any of them with any Insurance Company any contracts or policies including contracts or policies conferring rights to participate in the profits of the issuing company or office or by participating in any scheme of deposit administration administered by any such Insurance Company or office and the Trustees shall have full power to deal with and to dispose of any or all such policies, contracts or rights whether by sale, surrender or otherwise in such manner and in all respects as they shall in their absolute discretion think fit as if they were beneficially entitled thereto and further the Trustees may invest all or any of the said moneys in any investment (whether authorised by law or not) which they make as the trustees of an exempt approved fund under the 1988 Act.

- 3.2 The Trustees may permit any investments of the Fund in foreign securities to stand in the name or names of or under the control of any person or persons whether resident in England or abroad and whether jointly with the Trustees or not and the Trustees shall not be chargeable or responsible for any act, omission, neglect or default of any such person or persons while any such part of the Fund or such investments or the income thereof shall be in his or their hands or under his or their control and the Trustees shall have power to defray out of the Fund any proper and reasonable fees or charges by any such person or persons aforesaid.
- 3.3 The Trustees may borrow any moneys for the purposes of the Scheme and also may charge all or any part of the Fund for the time being with the due repayment and payment of any interest on moneys so borrowed.

- 3.4 The Trustees shall have power to appoint or remove one or more investment managers (whether being companies or individuals) to the Scheme on such terms as to remuneration and otherwise as shall from time to time be agreed between the University and any such investment manager. Notwithstanding anything to the contrary in the Trust Deed and Rules such investment manager may have such powers and duties in relation to the investment and change of investment of the assets for the time being of the Fund in accordance with the provisions of this clause 3.4 as the Trustees think fit.
- 3.5 The Trustees shall have power in making any investment which requires any indemnity to be given by the Trustees to bind the Scheme to give effect thereto.
- 3.6 The total value of all employer-related investments (which phrase shall have the meaning set out in Section 112 of the Pensions Act) made from the Fund shall be restricted in accordance with Section 112 of the Pensions Act and regulations made thereunder.

4 Appointment of nominee

- 4.1 Investments may be made by the Trustees either in their own name or in the name as nominee for them of any corporate body approved by the University and in the latter event the corporate body may comply with any direction issued to it by the Trustees concerning the investments the capital and income thereof and any rights attaching thereto without being obliged to ascertain whether or not such directions are in accordance with the Trust Deed and Rules.

5 Borrowing powers

- 5.1 The Trustees may with the consent of the University borrow money for the purposes of the Scheme and secure repayment thereof in such manner as they think fit by mortgaging or charging all or part of the Fund.

6 Purchase of annuities

- 6.1 The Trustees acting on the advice of the Actuary may if they consider it expedient purchase an annuity from the United Kingdom office of an Insurance Company for the purpose of meeting their obligation to pay any pension which has then or will at a specified date become payable to any Member or any pension, annuity or allowance payable to a person on the death of a Member.

7 Appointment and removal of trustees

- 7.1 The power of appointing a new or additional Trustee or Trustees of the Scheme is vested in the University and any such appointment shall be made or confirmed by deed. The University may at any time remove a Trustee from office whereupon the relevant Trustee shall execute such documents and do such things as may be necessary to give proper effect to such removal.
- 7.2 The University may at its discretion appoint a body corporate to act as a Trustee or the sole Trustee whereupon the powers duties authorities and discretions of the Trustees shall be exercisable by the board of directors of such body corporate or by any officer properly appointed by it.
- 7.3 If individuals there shall be nine Trustees five of whom shall be nominated by the University and three of whom shall be elected by the Members of the Scheme and one of whom shall be elected by the Pensioners. Elections shall

be conducted in accordance with eligibility requirements and procedures laid down from time to time by the University.

7.4 Individuals appointed Trustees after election by Members of the Scheme or by the Pensioners ipso facto cease to be a Trustee:

- (a) after a period of 3 years from the date of his appointment and
- (b) upon ceasing to satisfy the eligibility requirements laid down from time to time by the University

7.5 (a) Neither the Vice Chancellor of the University nor the Treasurer of the University shall be eligible for nomination as a Trustee

(b) Any Trustee other than the Trustee appointed after election by the Pensioners shall ipso facto cease to be a Trustee upon attaining age 70.

(c) Any Trustee appointed after election by the Pensioners on attaining age 70 shall ipso facto cease to be a Trustee upon the expiry of the period of 3 years from the date of his appointment

7.6 In the event of the number of Trustees nominated by the University and/or the number of Trustees elected by the Members being reduced by one in respect of each class the remaining Trustees shall during the period of 6 months next following the reduction have full powers to act in connection with the Scheme notwithstanding there shall during such period be less than nine Trustees.

8 Trustees' powers

8.1 The decision of the Trustees shall be final in respect of any point of doubt that may arise in connection with the Scheme and the Fund or either of them and in any case not expressly provided for under the provisions of the Trust Deed or Rules the Trustees (acting under the advice of the Actuary

in all cases where actuarial calculation or investigation is necessary) may offer or agree to such terms and generally act in such a way as appears to them to be fair and just having regard to the main purpose of the Scheme and its proper and efficient administration.

8.2 No decision of or exercise of a power by the Trustees shall be invalidated or questioned on the ground that any Trustee (or in the case of a corporate Trustee any member of its board of directors) had a direct or personal interest in the result of any such decision or in the exercise of any such power.

8.3 The Trustees shall have and be entitled to exercise all powers rights authorities and discretions in connection with the Scheme requisite or proper to enable them to carry out any transaction act deed or thing arising under or in connection with the Scheme. The consent or concurrence of the University the Participators or the Members or any of them shall not be necessary in connection with the giving of any receipt or discharge or the making of any payment or the doing of any act or thing made or done in the exercise of their powers as Trustees or in connection with the Scheme except as is expressly provided in the Trust Deed or in the Rules. Persons dealing in good faith with the Trustees in relation to the scheme shall not be entitled to or be under any obligation to enquire of the Trustees about the application of moneys paid by them to the Trustees but shall be completely exonerated by the Trustees' receipt.

8.4 The Trustees shall act as Administrators of the Scheme for the purposes of the 1988 Act.

9 Trustees' indemnities

- 9.1** No Trustee shall be responsible chargeable or liable in any manner whatsoever for or in respect of any loss of or any depreciation or default upon any of the investments securities stocks or banks or other deposits or annuities or policies in or upon which the moneys and assets comprising the Fund or any part thereof may at any time be invested or deposited pursuant to the provisions hereof or for any delay which may occur from whatever cause in the investment of any moneys in the Fund or for the safety of any securities or documents of title deposited by the Trustees for safe custody.
- 9.2** No Trustee shall as trustee of the Scheme or in respect of the exercise of the rights or powers hereunder incur any personal responsibility or be liable for anything whatsoever except for breach of trust knowingly and intentionally committed by him and (save only in the case aforesaid) the Trustees shall be entitled to be indemnified out of the Fund in priority to any payment to or in respect of the Members against all liabilities and expenses incurred by them in the execution or purported execution of the powers trusts authorities and discretions vested in the Trustees by the Trust Deed and the Rules and against all proceedings costs charges expenses claims and payments in respect of any matter or thing done or omitted in any way relating to the Scheme or relating to or arising out of the Trust Deed or the Rules. The Trustees may retain and pay out of the Fund the amount of any such liabilities and expenses and of any moneys payable to them under the foregoing indemnity and the Trustees shall have a prior lien on the assets in the Fund for all moneys payable to them under this clause or otherwise howsoever.
- 9.3** The foregoing provisions of this clause shall mutatis mutandis apply to any officer of a corporation acting as trustee hereof any professional adviser appointed by the Trustees any corporate body in whose name investments have been made and any officer thereof and any person to whom any of the

powers duties authorities and discretions of the Trustees have been delegated in accordance with the Trust Deed and the Rules.

10 Meetings of trustees

10.1 The Trustees shall elect a chairman for any meeting who shall be one of the Trustees nominated by the University and who is not a member of the Council of the University and at any such meeting the chairman shall have a second or casting vote in the event of any tie in the voting.

10.2 The decision of the majority of the Trustees shall bind the minority on any matter whatever and six of the Trustees present in person shall form a quorum.

10.3 A resolution in writing signed by all of the Trustees shall have the effect of a resolution to a like effect passed at a meeting of the Trustees duly called and any such resolution may be comprised by one or more copies thereof each signed by one or more of the Trustees.

10.4 Subject as otherwise provided in the Rules the Trustees may make such regulations for the calling of venue and conduct of meetings as they think fit.

11 Accounts

11.1 The Trustees shall keep such accounts entries registers and records as are necessary for the proper administration of the Scheme and shall cause the said accounts to be audited annually by an appropriately qualified accountant.

12 Actuarial investigations

- 12.1 The Trustees shall from time to time appoint the Actuary who shall be a Fellow of the Institute of Actuaries or a Fellow of the Faculty of Actuaries in Scotland or a firm of such actuaries or a corporate body who employs such an actuary.
- 12.2 Actuarial investigations into the condition of the Scheme shall be made at intervals of not more than three years and six months. In the event of the Trustees receiving advice from the Actuary that any alteration in the provisions of the Scheme is desirable then the Trustees in consultation with the University shall take such steps as they shall consider appropriate to ensure that such alterations or additions shall be made as the Trustees and the University jointly consider expedient.

13 Professional advice

- 13.1 The Trustees may in relation to the Scheme rely on the advice or opinion (whether or not obtained by them) of any lawyer broker actuary accountant medical practitioner or other professional person or any firm or company of pension consultants which the Trustees believe to be of good repute and shall not be responsible for any loss to the Fund occasioned thereby. The cost of obtaining such advice or opinion (to the extent that it is not otherwise paid) shall form part of the expenses of the Scheme.

14 Delegation by Trustees

- 14.1 The Trustees shall have and may exercise the following powers in addition to all other powers vested in them by the Trust Deed and by statute, namely:

- 14.2 Power to delegate to any person or body of persons appointed by them (whether or not that person or one of those persons is one of the Trustees) such of the powers duties authorities and discretions hereby or by the Rules conferred on the Trustees as they may deem expedient for the convenient administration of the Scheme.
- 14.3 Power from time to time in writing to authorise such persons as they think fit to draw cheques on any banking account of the Scheme or to endorse any cheque or to give receipts and discharges and so that any such receipt or discharge shall be as valid and effective as if it were given by the Trustees and so that the provision of a written authority of the Trustees shall be a sufficient protection to any person taking any such receipts or discharges or otherwise relying upon such authority. The Trustees may also appoint any one or more of the Participators or any insurance company with which any annuity or assurance contracts have been effected as their agent or agents for the purpose of paying pensions and the receipt of such Participator or insurance company shall be a sufficient discharge to the Trustees of their liability to pay such pensions.
- 14.4 Subject to the consent of the University, power to make arrangements generally for the administration of the Scheme as they think fit and in particular to employ such agents and staff including a secretary to transact any business of the Scheme including signing certificates and making and receiving payments and granting receipts and discharges but subject always to the directions and instructions of the Trustees and to such regulations as the Trustees may make from time to time for the purpose of his duties; the remuneration of such person or persons may be part of the expenses of the Scheme incurred by the Trustees for its proper administration.

15 Trustees' right to charge

- 15.1 Any Trustee for the time being who is engaged in any profession or business shall be entitled directly or indirectly to be paid all usual professional or other charges and to retain all usual commissions for work or business done or transacted by or through him or his firm in connection with the trusts of the Scheme whether in the ordinary course of his professional business or not and whether or not of a nature requiring the employment of such professional or business person.

16 Expenses of the Scheme

- 16.1 All expenses incurred by the Trustees in the management and administration of the Scheme (other than to the extent (if any) otherwise agreed by the University) shall be charged to and paid from the Fund.
- 16.2 The Trustees shall be entitled to effect Indemnity Insurance in their own favour and the premium relating thereto shall be charged to and paid from the Fund.

17 Amendments

- 17.1 The Trustees shall have power from time to time or at any time by deed to alter or add to all or any of the provisions of the Trust Deed and the Rules provided that no such alteration shall:
- (a) change the main purpose of the Scheme from that of the provision of pensions for Members on retirement from the service of the University or any Participator;
 - (b) cause part of the Fund to be transferred to the University or any Participator.

18 Participation in the Scheme

18.1 Any Participator may by entering into a supplemental deed with the University and the Trustees agreeing to observe and perform such of the provisions of the Trust Deed and the Rules as shall apply to it become a party to the Scheme upon such terms and conditions as shall from time to time be agreed with the Trustees provided that and for so long as such participation shall not prejudice Approval.

18.2 The participation of a Participator in the Scheme shall terminate if:

- (a) the Participator terminates its liability to contribute to the Fund and the Trustees decide to terminate its participation in the Scheme in accordance with clause 19.2;**
- (b) the Participator fails to observe and perform the covenants agreements and provisions relating to it under the Trust Deed and Rules;**
- (c) the Participator is dissolved or ceases to carry on business (unless its successors in business take the place of the Participator for all the purposes of the Scheme);**
- (d) the degree of association of the Participator with the Principal Company ceases to be such as enables its participation in the Scheme to be consistent with continued approval under the 1988 Act.**

18.3 In the event of the Participator so ceasing to participate in the scheme such part of the Fund as the Trustees acting on the advice of the Actuary shall determine to be applicable to those Members employed by the Participator (after payment thereof of any costs and expenses not met by the Participator) shall be dealt with in accordance with clause 20.

18.4 A Participator may on first participating in the Scheme agree with the University and the Trustees that such participation shall be on conditions which are different from those set out in the Rules. Any such conditions shall subject to clause 17 of the Trust Deed be introduced as amendments to the Rules in accordance with that clause and the Rules shall apply to the Members affected as so amended.

19 Termination of liability

19.1 A Participator may at any time with the consent of the University suspend or terminate its liability to pay contributions to the Fund in respect of its employees on giving three months' notice in writing to the Trustees of its intention to do so and without the concurrence of the relevant Members or any of them.

19.2 In the event of a Participator suspending or terminating its liability to pay contributions to the Fund, the Trustees may decide either that:

- (a) the Participator shall continue to participate in the Scheme on the basis that each Member in its employ has ceased to be eligible; or
- (b) the Participator shall cease to participate in the Scheme and the provisions of clause 18.3 shall apply.

If the Trustees decide that the Employer is to continue to participate they may decide at any time thereafter that the Participator shall cease to participate in the Scheme and the provisions of clause 18.3 shall apply.

19.3 Where an Participator ceases to contribute to the Fund or to participate in the Scheme its liability to pay contributions assessed and due before the date of cessation shall not be affected.

20 Termination of Scheme

20.1 The Scheme shall be terminated and its Fund wound up in accordance with clause 20.2:

- (a) at the expiration of the period of twenty years from the death of the survivor of all the lineal descendants of his late Majesty King Edward VII living on the 22nd day of July 1925 and such further period (if any) as may be lawful;**
- (b) at the expiration of the period of six months notice in writing given by the University of its intention to cease to pay contributions, and so to cease at the expiration of the period of notice;**
- (c) if the Trustees so decide; or**
- (d) at the expiry of one month's notice to wind up the Scheme given by the University to the Trustees -**

whichever is the earliest.

Upon such termination the Trustees shall notify in writing each Member and each person in receipt of a pension from the Fund and before applying the Fund for the benefit of the Members and other beneficiaries in accordance with clause 20.2 the Trustees shall be entitled to reserve out of the Fund such amount as they consider may be necessary to meet any expenses of the administration and winding up of the Fund and to meet any tax for which they may be accountable.

- 20.2 (a) If and whenever the Scheme is wound up the assets of the Fund shall be realised (unless the same are invested in contracts or policies of assurance with an Insurance Company when the Trustees may apply**

those policies or contracts or any part thereof as hereafter set forth without realisation thereof) and subject to the payment of all costs, charges and expenses properly payable thereout the net proceeds of such realisation and any moneys then in hand shall be applied on the advice of the Actuary (so far as the funds available permit) to the following purposes and with the respective priorities indicated -

- (i) in the provision of pensions and other benefits in respect of which entitlement to payment has already arisen;
- (ii) where a Member has already attained Normal Pension Age in the provision of pensions and other benefits to which the Member will be entitled on ceasing to be in employment;
- (iii) in the provision of any such benefits as are excluded by Section 13(6) of the Pensions Act from Members' Guaranteed Minimum Pensions;
- (iv) where a Member has already attained Normal Pension Age or is already entitled to payment of pension or other benefits under the Scheme in the provision of pensions and other benefits to which the Member's widow or widower or any Dependants of the Member will be entitled on the death of the Member;
- (v) in the provision of Guaranteed Minimum Pensions and Accrued Rights to Guaranteed Minimum Pensions;
- (vi) in the provision of State Scheme Premiums;
- (vii) in the provision of benefits attributable to additional contributions paid pursuant to Rule 8.2;

- (viii) in the provision of benefits attributable to any period of service before this Rule has taken effect;
 - (ix) in the provision in respect of each other Member entitlement to the benefits (other than any refund of contributions) which would have been payable had such Member left service immediately prior to the winding up;
 - (x) at the discretion of the Trustees acting on the advice of the Actuary to augment the benefits hereinbefore provided in accordance with Rule 26.
- (b) In lieu of the provision of benefits as hereinbefore prescribed the Trustees may with the consent of the Member, former Member or other beneficiary (unless the rights of all the Members or of a specified group of Members of which the Member is one are being transferred to a receiving scheme) apply that part of the Fund applicable to that Member, former Member or other beneficiary by transferring the same if the University consents in the manner and upon the terms prescribed in Rule 27 PROVIDED THAT the value of any benefits so transferred shall to the reasonable satisfaction of the Trustees reflect the revaluation to Normal Pension Age that such benefits would have attracted if they had been provided as deferred benefits at Normal Pension Age.
- (c) In the event of the Trustees paying a State Scheme Premium the rights in the Fund of the Member, Dormant Member, Pensioner, wife or widow in respect of whom it is made shall be extinguished or abated accordingly as the case may be.

20.3 If in any case the annuity and the annuity equivalent of benefits not in pension form to be provided under any of the foregoing of this clause 20

would not exceed £260 per annum (or such higher amount as may be prescribed from time to time by regulations made under Sections 21(1) and 77(2) of the Pensions Act and would not prejudice Approval) the Trustees acting on the advice of the Actuary may make an immediate cash payment to the person entitled thereto in lieu of such annuity and benefits.

- 20.4 When all the Employers have ceased to participate and the Trustees have disposed of the Fund in accordance with the Trust Deed and the Rules the Scheme shall be terminated and the Trustees shall be discharged from the trusts thereof without the necessity of written discharges or resignations.

21 Closed Scheme

- 21.1 The University may by notice in writing to the Trustees at any time close the Scheme to the admission of new members and as from the date of such notice no further members shall be admitted thereto.

- 21.2 Notwithstanding anything to the contrary in Clause 20.2 on the happening of any of the events specified in paragraphs (a) and (b) (but not (c) or (d)) of Clause 20.1 the Trustees may continue to operate the Scheme as a closed scheme for the benefit of the existing Members and other persons then entitled or prospectively entitled to benefits under the Scheme in which event no further contributions shall be made and the benefits of the then Members and such other persons shall be calculated as to the Members by reference to the Pensionable Salaries and Pensionable Service of such Members as at the date of such event and as to any other persons by reference to the Pensionable Salaries and Pensionable Service of the person by reason of whose membership or entitlement or prospective entitlement the benefit arises.

22 Disclosure

22.1 Every person having any rights under the Scheme shall be entitled to inspect a copy of the Trust Deed and Rules and all amendments thereto and the latest statement of accounts and balance sheet and shall also have the further rights to information concerning the Scheme contained in Section 113 of the Pensions Act or regulations made thereunder.

23 Headings

23.1 The headings to this Deed and in the Rules are for convenience of reference only and are not to be construed as part of this Rule or the Rules.

IN WITNESS whereof the University has executed this document as its deed the day and year first before written.

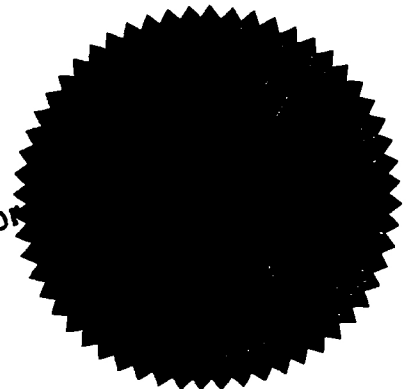
**THE COMMON SEAL OF THE
VICTORIA UNIVERSITY OF MANCHESTER**)
was hereunto affixed in the)
presence of)

[Signature redacted]

[Signature redacted]

Deputy Vice-Chancellor

Director of Finance



The Schedule

Rules of the University of Manchester Superannuation Scheme

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The Schedule
Rules of the University of
Manchester Superannuation Scheme

1 Definitions

1.1 Throughout these Rules:

- (a) words in the singular shall be construed as including the plural and vice versa,
- (b) words in the masculine gender except the word "male" shall be construed as including the feminine,
- (c) a reference to a statute or to a part, chapter or section of a statute shall be construed as a reference to that statute or that part chapter or section or to any modification or re-enactment thereof for the time being in force, and
- (d) the following words and phrases shall have the meanings respectively assigned to them:

AMP
"Accrued Rights" means for any Member the rights conferring prospective entitlement under the Scheme for him and his widow or her and her widower to a Guaranteed Minimum Pension and to such additional provisions of Sections 33 and 36 of the Pensions Act respectively and in particular to comply with the annual rate of accrual prescribed by Section 34 and the requisite minimum prescribed by Section 36 of the Pensions Act;

"Actuary" means the actuary of the Scheme for the time being;

"Child" means a person under the age of 16 or over that age if he is undergoing full-time education and includes in relation to a deceased former Member:

a step-child

a child legally adopted, and

a child to whom in the opinion of the Trustees he stood in loco parentis

but the provisions of Section 15 of the Family Law Reform Act 1969 shall be excluded when construing any reference to a child contained in these Rules or in the Deed unless the Trustees in their absolute discretion otherwise decide;

"Commissioners" means the Commissioners of Inland Revenue;

"Contracted Out Employment" means in relation to any Member any period of his membership of the Scheme or of his membership of any other scheme from which Accrued Rights have been transferred to the Fund under the provisions of Section 20 of the Pensions Act in relation to which the following conditions are satisfied namely:

- (i) the Scheme is contracted out in relation to his employment by the University or the Participator (as the case may be)
- (ii) the previous scheme of which he was a member was contracted out in relation to his employment by his former employer and his service in such employment qualified him for requisite benefits under that scheme;

"Contributions Equivalent Premium" means a contributions equivalent premium prescribed by Section 55 of the Pensions Act;

"Dependants" means in relation to any Member or deceased former Member any child or spouse of the Member or any person who in the opinion of the Trustees was at the date of any decision of the Trustees under these Rules or at which a member exercises any option thereunder or of the death of the deceased dependent on the deceased for the provision of all or any of the ordinary necessities of life;

"Dormant Member" means a person specified to be such a member by Rule 13.6;

"Final Pensionable Salary" means for any Member whichever is the greater of:

- (a) the highest annual average of his Pensionable Salary during any three consecutive years out of the last ten years that he has been in the service of the University (or such shorter period as he has been in such service), and
- (b) his Pensionable Salary during the last year that he has been in the service of the University immediately preceding the date of his retirement or the date of his withdrawal from the Scheme or his attainment of Normal Pension Age or his death whichever is the earliest or in the case of retirement or death in service from Normal Pension Age either the date of his actual retirement or the date of his death or his attainment of Normal Pension Age;

"Founding Date" means 22nd July 1925;

"Full-Time Service" means a period of Qualifying Employment not deemed to be Part-Time Service

"Fund" means the fund of the Scheme;

"Guaranteed Minimum Pension" means in respect of the Member, former Member, Dormant Member or Pensioner who has been in Contracted Out Employment a pension equal in amount to his guaranteed minimum as determined for the purposes of Section 13 of the Pensions Act under Section 14 thereof and in respect of the spouse of any former Member means a pension equal in amount to one-half of the guaranteed minimum to which that spouse is entitled under the Scheme.

"Insurance Company" means an insurance company to which Part II of the Insurance Companies Act 1982 applies and which is authorised by or under Section 3 or 4 of that Act to carry on ordinary long-term insurance business as defined in that Act;

"Interest" means the rate of 3½ per cent per annum calculated on half yearly rests and payable on each 31st March and 30th September;

"Maximum Benefits" means for any beneficiary under the Scheme benefits determined as appropriate in accordance with the Model Rule contained in Appendix I to the Rules;

"Member" means a Member of the Scheme for the time being whether an Old Member or a New Member and **"Old Member"** and **"New Member"** shall bear the meanings specified by Rule 5;

"Minimum Pension" means for any member who has been in non-participating employment under the provisions of the National

Insurance Acts the equivalent pension benefit prescribed by the National Insurance Acts during the period that he was in such non-participating employment in the service of the University or in the service of another employer whose liabilities under the National Insurance Acts have been undertaken by the University under the provisions of the National Insurance Acts

and for any other Member or his widow or her widower the above does not apply and has no meaning;

"National Insurance Acts" means the National Insurance Act 1959 and the National Insurance Act 1965;

"1988 Act" means Chapter I of Part 14 of the Income and Corporation Taxes Act 1988;

"Normal Pension Age" means age 65;

"Occupational Pensions Board" means the board of that name established under the provisions of the Social Security Act 1973;

"Participator" means any company firm or body which is closely associated with the University and which has entered into a Supplemental Deed in accordance with clause 18 of the Trust Deed and in relation to any particular employee that one by which he is employed;

"Part-Time Service" means a period of Qualifying Employ which is deemed by the University to be part-time employment;

"Part-Time Service Fraction" means that fraction of Full-Time Service which the University or any Participator in its absolute discretion

determines to be the Part-Time Service of a Member. (This will normally be calculated by comparing the Member's normal hours of work in respect of his Part-Time Service with the corresponding hours in respect of Full-Time Service in a similar appointment)

"Pension" means an annual sum paid monthly in arrears and apportionable to the date of death of the recipient PROVIDED THAT a widow's pension, widower's pension or child's pension shall commence to be paid one month after the last payment of pension to the Pensioner who was the spouse or parent of the widow, widower or child as the case may be or if no payment of that pension has been made it shall commence one month after the death of the Member or the retirement of the Pensioner who was the spouse of the widow or widower or parent of the child whichever is appropriate;

"Pensionable Salary" means for any Member in any year the total annual amount of basic wage or salary paid to him by the University or Participator in that year in any case excluding:

any form of bonus,

payment for special duties or time spent thereon,

payment for overtime or time spent thereon,

emoluments in kind, and

special allowances,

except to the extent that any such is permitted to be deemed to be part of the Member's basic wage or salary by the University PROVIDED THAT if the salary of a Member is reduced within ten

"Qualifying Employ" means for any person employed by the University as a member of the non-academic staff of the University in a clerical, secretarial, technical or manual category or in such other employ (including without limiting the generality thereof employment with a Participator) or capacity (including part-time employment) as the University from time to time in the case of any particular person or group of persons decides;

"Revision Date" means 7th March 1995;

"Rules" means these rules as from time to time lawfully amended;

"Scheme" means the University of Manchester Superannuation Scheme;

"State Scheme Premium" means some one or more of a contributions equivalent premium, an accrued rights premium, a pensioner's rights premium prescribed by Section 55 of the Pensions Act but does not include a limited revaluation premium prescribed thereby;

"Total Contributions" means for any Member, Dormant Member or Pensioner the total of his contributions to the Scheme and to any scheme from which a transfer payment is received by the Trustees under Rule 28 with compound interest up to the date on which the relevant payment is made (save that for the purpose of Rule 24 Interest shall only accrue up to the date on which the deceased Member, Dormant Member or Pensioner ceased to be a Member or Dormant Member whether by death or otherwise);

"Total Final Remuneration" means the greater of:

years of Normal Pension Age by reason of ill-health or incapacity which in the opinion of the Trustees is not due to the misconduct or fault of the Member he may elect by written notice to the Registrar given not later than one month after the date from which the reduction applies that (until his salary rises to or above the level of his salary before such reduction) his salary for all purposes of the Scheme be equal to his salary before such reduction;

"Pensionable Service" means for any Member the last unbroken period during which he has been a Member and paid contributions to the Scheme together with any period granted to him under the provisions of Rule 28 PROVIDED THAT if a Member leaves the service of the University or a Participator and returns thereto within six months thereof or a female Member ceases to be in such service due to pregnancy and being entitled to exercise a right to return to work under Section 33 of the Employment Protection (Consolidation) Act 1978 lawfully notifies the University or the Participator that she exercises the right and is permitted to return to such service in either case the period of Pensionable Service shall be treated as unbroken and any periods of Contracted Out Employment shall be treated as continuous service unless the State Scheme Premium has been paid and not refunded, and PROVIDED FURTHER THAT no benefits shall accrue to or in respect of the Member for any period during which he or she has left the service of the University or the Participator or ceased to be therein;

"Pensioner" means any former Member in receipt of a pension under the provisions of these Rules;

"Pensions Act" means the Pensions Act Schemes 1993;

"Qualifying Employ" means for any person employed by the University as a member of the non-academic staff of the University in a clerical, secretarial, technical or manual category or in such other employ (including without limiting the generality thereof employment with a Participator) or capacity (including part-time employment) as the University from time to time in the case of any particular person or group of persons decides;

"Revision Date" means 7th March 1995;

"Rules" means these rules as from time to time lawfully amended;

"Scheme" means the University of Manchester Superannuation Scheme;

"State Scheme Premium" means some one or more of a contributions equivalent premium, an accrued rights premium, a pensioner's rights premium prescribed by Section 55 of the Pensions Act but does not include a limited revaluation premium prescribed thereby;

"Total Contributions" means for any Member, Dormant Member or Pensioner the total of his contributions to the Scheme and to any scheme from which a transfer payment is received by the Trustees under Rule 28 with compound interest up to the date on which the relevant payment is made (save that for the purpose of Rule 24 Interest shall only accrue up to the date on which the deceased Member, Dormant Member or Pensioner ceased to be a Member or Dormant Member whether by death or otherwise);

"Total Final Remuneration" means the greater of:

- (a) the highest remuneration for any one of the five years preceding the date of retirement, leaving service or death as the case may be (hereinafter referred to as the Relevant Date) being the aggregate of:
 - (i) the basic pay for the year in question, and
 - (ii) the yearly average over three or more consecutive years ending with the expiry of the corresponding basic pay year of any fluctuating emoluments, and
- (b) the yearly average of the total emoluments for any three or more consecutive years ending not earlier than ten years before the Relevant Date.

PROVIDED THAT where Total Final Remuneration is computed by reference to any year other than the last complete year ending on the Relevant Date, the Member's actual remuneration for that year may be increased in proportion to any increase in the index of retail prices published by the Department of Employment or such other similar index as the Commissioners approve from the last day of that year up to the Relevant Date but this proviso shall not apply to the calculation of the maximum lump sum retirement benefit unless the Member's Maximum Benefit is similarly increased beyond the maximum amount which could have been paid but for this proviso and then only to the same proportionate extent;

"Trust Deed" means the deed to which these Rules are Scheduled and any deed supplemental thereto;

"Trustees" means the trustee or trustees of the Scheme for the time being;

"University" means the Victoria University of Manchester and any decision prescribed to be taken by the University in these Rules shall be taken by the Council thereof.

Membership

2 Eligibility

2.1 Any person who is in Qualifying Employ and:

- (a) has attained age 18, and
- (b) has not attained Normal Pension Age, and
- (c) is not contributing to a personal pension

is immediately eligible to become a Member or shall become so eligible so soon as he fulfils those qualifications.

3 Condition of Employment

3.1 An employee of the University or of a Participator who is eligible to become a Member or who subsequently becomes eligible may apply for membership but if he does not apply at his first opportunity he shall become a Member only if the Trustees and the University so decide on such terms as the Trustees shall decide PROVIDED THAT such newly appointed employees who are eligible shall be deemed on appointment in the absence of notice to the contrary to be Members.

4 Membership

- 4.1 Application for membership shall be made in such form and manner and accompanied by such information as the Trustees require. Membership shall continue for so long as benefits rights and options continue to be conferred on the Member under the Rules and any Member may voluntarily withdraw from membership while he remains eligible upon such terms and conditions as the Trustees shall decide PROVIDED THAT in the case of a newly appointed employee deemed a Member under the proviso to Rule 3 such employee shall be entitled to withdraw upon giving notice within three months of appointment whereupon he shall be deemed never to have been a Member.

5 Old and New Members

- 5.1 Any Member who first became a Member before 1st August 1962 shall be an Old Member of the Scheme (unless he has exercised an option not to be an Old Member) and any other Member shall be a New Member thereof.

6 Cessation of Membership

- 6.1 Subject to the provisions of this Rule a Member shall cease to be a Member on ceasing to be in Qualifying Employ or on voluntary withdrawal under Rule 4.
- 6.2 A Member who ceases to be in Qualifying Employ by reason of sickness, accident, National Service or any other service of national importance and in any case has not been discharged by the University or Participator shall while there is an expectation of resumption of Qualifying Employ be deemed for all the purposes of these Rules to remain in Qualifying Employ until he is so discharged.

6.3 A Member who ceases to be in Qualifying Employ for any reason other than those set forth in Rule 6.2 and has not been discharged by the University or a Participator shall be deemed for all the purposes of these Rules to remain in Qualifying Employ until he is so discharged or until there ceases to be an expectation of resumption of Qualifying Employ or until the expiry of:

(a) in the case of full-time education connected with employment or,

(b) secondment to another employer

three years and in any other case one year from the date of his first absence from service whichever is the earliest.

6.4 If a Member ceases to be in Qualifying Employ but thereafter remains in the service of the University or a Participator as a member of the non-academic staff he shall remain a Member but no further contributions shall be payable either by or in respect of him and no further benefits shall accrue to or in respect of him and the pension which has already so accrued shall remain subject to the provisions of the Rules to the effect that when he ceases to be in the service of the University or the Participator he shall be paid a benefit in the form which would have been appropriate to him had he continued to remain a contributing Member until he ceased to be in the service of the University or the Participator but of an amount calculated in accordance with Rule 13 but based on remuneration and service to the date of his ceasing to be in Qualifying Employ.

6.5 If a Member leaves the service of the University or a Participator and returns thereto within six months thereof or a female Member ceases to be in such service due to pregnancy and being entitled to exercise a right to return to work under Section 33 of the Employment Protection (Consolidation) Act 1978 lawfully notifies the University or the Participator that she exercises that right and is permitted to return to service in either

case that Member shall be deemed not to have ceased to be in Qualifying Employ PROVIDED THAT no benefits shall accrue to or in respect of the Member for any period during which he or she has left the service or ceased to be therein.

7 Part-Time Membership

7.1 Where a Member has a period of Service which is Part-Time Service then the following provisions shall apply:

- (i)** If the whole of his Service as a Member is Part-Time Service and his Part-Time Service Fraction was constant throughout his period of membership of the Scheme then his Pensionable Service shall be calculated on the basis of his number of years of Part-Time Service and his Final Pensionable Salary
- (ii)** If a Member has had a period of Part-Time Service but at the time of termination of employment with the University or any Participator he is in Full-Time Service then in respect of his Part-Time Service his Pensionable Service shall be calculated by multiplying the number of years of Part-Time Service by the Part-Time Service Fraction
- (iii)** Where a Member is at termination of employment with the University or any Participator in Part-Time Service and has had a prior period of Full-Time Service or Part-Time Service to which a different Part-Time Service Fraction applies then:
 - (A)** his Pensionable Service shall be calculated in accordance with sub-paragraph (ii) above;
 - (B)** if he retires on the grounds of ill-health or infirmity under Rule 11 and he transferred from Full-Time Service to Part-Time Service either as the result of ill-health or infirmity (notified to the Trustees at the time) the additional years of Pensionable Service to be credited to him under Rule 11 shall not be multiplied by the Part-Time Service Fraction;
 - (C)** on retirement on the grounds of ill-health or infirmity where the provisions of sub-paragraph (B) do not apply the

additional years of Pensionable Service which would have been credited to the Member under Rule 11 if he had been retiring on the grounds of ill-health or infirmity while in Full-Time Service shall be multiplied by the Part-Time Service Fraction to arrive at the additional Pensionable Service to be credited to him;

(D) his Final Pensionable Salary shall in all cases be calculated by dividing his Pensionable Salary in respect of his Part-Time Service by the appropriate Part-Time Service Fraction

- (iv) If the Member has periods of Part-Time Service in respect of which different Part-Time Service Fractions have applied then his Pensionable Service shall be calculated separately in respect of each such period of Part-Time Service in accordance with sub-paragraph (ii) above provided that if he is in Part-Time Service at termination of Service sub-paragraph (iii)(D) above shall apply for the purpose of calculating his Final Pensionable Salary

Members' Contributions

8 Contributions

8.1 Subject to the provisions of these Rules every Member shall pay contributions to the Scheme by deduction from his remuneration from the University or Participator or by such other means as the Trustees in their discretion decide equal in amount to five per cent of his Pensionable Salary until he attains Normal Pension Age or until he has completed forty years' Pensionable Service whichever is the earlier PROVIDED THAT

- (a) a Member who with the University's consent retires after Normal Pension Age shall continue to pay contributions at the rate

hereinbefore provided until retirement or until he has completed forty years' Pensionable Service whichever is the earlier

- (b) if it appears to the Trustees that the amount of the contributions payable by a Member under the provisions of this Rule are greater than those appropriate to the Maximum Benefit the contributions payable by him thereafter shall be of such amount as the Trustees acting on the advice of the Actuary determine, and
- (c) the aggregate of a Member's ordinary annual contributions to this and to any other retirement benefits scheme of the University or Participator or to which it has contributed shall not exceed fifteen per cent of his remuneration.

8.2 The Trustees may in their absolute discretion agree with a Member that such Member shall pay additional contributions to the Scheme during such period as may be specified and that in consideration thereof additional benefits shall be provided for or in respect of such Member under the Scheme and to which such Member shall become entitled on retirement at Normal Pension Age or later (with entitlement to a due proportion on early retirement or on leaving Qualifying Employ) and every such agreement shall constitute an obligation of the Member to contribute accordingly PROVIDED THAT:

- (a) such additional contributions may be suspended varied or terminated upon the Member giving to the Trustees such written notice (not exceeding twelve months) as the Trustees may from time to time require
- (b) such additional contributions when aggregated with the Member's other annual contributions to this and to any other retirement

benefits scheme of the University or to which it has contributed shall not exceed fifteen per cent of his remuneration

- (c) the benefits secured by additional contributions shall be in such form as may be agreed between the Trustees and the Member at the time when the additional contributions commence or from time to time thereafter and provided that the value of such benefits shall be reasonable having regard to the amount of the additional contributions and the value of other benefits under the Scheme
- (d) the benefits secured by additional contributions shall not be taken into account for the purpose of calculating as a proportion of a Member's pension the amount of any other benefits payable to or in respect of the Member under the Scheme except to the extent that such benefits are purchased or deemed to be purchased by the additional contributions
- (e) the total benefit in respect of any Member (including additional benefits provided hereunder) shall not exceed the Maximum Benefit.

8.3 As an alternative to the provision of additional benefits under the Scheme pursuant to sub-Rule 8.2 but subject to provisos (a) and (e) of sub-Rule 8.2 the Trustees may with the agreement of the Member invest the additional contributions in a policy effected with an Insurance Company or account with a building society under which benefits are allocated to individual Members or their Dependants and Clause 20.2 of the Trust Deed shall not apply to the policy or account or the benefits intended to be secured thereunder in the event of a winding-up but instead the policy or account shall be applied exclusively for the benefit of the Members concerned and their Dependants and in satisfaction of their rights to additional benefits hereunder.

8.4 University and Participators' Contributions

The University and each Participator shall contribute to the Fund each year such further amounts as may from time to time be required by the Trustees acting on the advice of the Actuary to maintain the benefits of the Scheme for the Members employed respectively by the University and each Participator subject to the right of the University and each Participator hereby reserved to give six months notice in writing of its intention to cease to pay contributions and so to cease at the expiration of the period of notice.

9 Pensions on Retirement and Withdrawal

- 9.1 A New Member who retires at Normal Pension Age shall forthwith be paid a pension for life equal annually to one-eightieth of his Final Pensionable Salary for every year and so in proportion for each day in an incomplete year of his Pensionable Service up to a maximum of forty such years.
- 9.2 An Old Member who retires at Normal Pension Age shall forthwith be paid a pension for life equal annually to one-sixtieth of his Final Pensionable Salary for every year and so in proportion for each day in an incomplete year of his Pensionable Service up to a maximum of forty such years.
- 9.3 No pension payable under the provisions of this Rule shall exceed the Maximum Benefit or be less after the date when the Member attains Normal Pension Age than the Minimum Pension.

10 Late Retirement

- 10.1 A Member who with the University's consent retires after Normal Pension Age shall on retirement forthwith be paid a pension for life equal to the greater of the following namely:

- (a) a pension calculated as if the Member had left the service of the University at Normal Pension Age but increased by nine per cent per annum for each year of deferment after Normal Pension Age. In applying this increase allowance shall be made for completed months of deferment and if the deferment extends beyond five years the Member's consent shall be required and a special calculation shall be made, acting on the advice of the Actuary but the amount payable in respect of such deferment shall not be less than the increased amount before-mentioned in this paragraph, and
- (b) a pension calculated under whichever is appropriate of Rules 9.1 and 9.2 but based on his Pensionable Service increased by his Qualifying Employ after Normal Pension Age.

10.2 No pension payable under the provisions of this Rule shall exceed the Maximum Benefit or be less than the Minimum Pension.

11 Ill-health Retirement

11.1 A Member who has contributed to the Scheme for not less than five years who retires because in the opinion of the Trustees he is totally incapacitated by reason of physical or mental infirmity thereupon shall be paid subject to the provisions of sub-Rules 11.2 and 11.3 a pension for life calculated by whichever is appropriate of Rules 9.1 and 9.2 but on the basis of the Pensionable Service which he could have completed had he remained in Qualifying Employ until Normal Pension Age up to a maximum of forty years PROVIDED THAT no pension payable under the provisions of this Rule shall exceed the Maximum Benefit or be less after the date when the Member attains Normal Pension Age than the Minimum Pension.

11.2 A Member who retires under the provisions of sub-Rule 11.1 shall give to the Trustees from time to time such evidence as the Trustees require of his continued incapacity.

11.3 If a Member who having retired under the provisions of sub-Rule 11.1 of this Rule is unable to satisfy the Trustees of his continued incapacity he shall receive no further pension payments until he attains Normal Pension Age and his pension thereafter shall be of such amount as the Trustees acting on the advice of the Actuary decide not being greater than the Maximum Benefit or less after the Member attains Normal Pension Age than the pension calculated on the basis of Rule 13.1.

12 Early Retirement

12.1 A Member who has contributed to the Scheme for not less than five years and retires at or after attaining age 50 may at the discretion of the Trustees forthwith be paid a pension for life of an amount calculated by whichever is appropriate of Rules 9.1 and 9.2 reduced by such amount as shall be certified as reasonable by the Actuary PROVIDED THAT in the case of a member who retires before attaining age 60 the prior consent of the Council of the University to such retirement shall be required PROVIDED FURTHER THAT the pension before Normal Pension Age shall be further reduced if necessary and the pension after Normal Pension Age increased on a basis which has been certified as reasonable by the Actuary in order to ensure that the pension is not less than the Minimum Pension.

12.2 The Trustees shall notify the Member of the amount of the reduced pension to which he will be entitled under sub-Rule 12.1 hereof and the Member shall thereupon have twenty-eight days within which to accept such reduced pension. In default of acceptance the Member shall be granted a deferred pension under the provisions of Rule 13.

12.3 A male Member who has contributed to the Scheme for not less than forty years and retires at or after attaining age 58 (with in the case of retirement before attaining age 60 the consent of the University) shall forthwith be paid a pension for life of an amount calculated by Rule 9 (as appropriate) and without the reduction provided for in Rule 12.1.

12.4 The value of any pension payable under this Rule taken together with any other benefit payable under Rule 14 shall to the reasonable satisfaction of the Trustees reflect the revaluation to Normal Pension Age that the reduced benefits would have attracted if they had been provided at Normal Pension Age.

13 Contribution Refund or Deferred Pension

13.1 Subject to the provisions of this Rule a Member who has completed two years' Qualifying Employ (such period of two years to be calculated for this purpose only to include any period for which a transfer payment was received under the provisions of Rule 28) and to whom on ceasing to be a Member no pension is granted under the other provisions of these Rules on the date he ceases to be a Member shall be entitled to a deferred pension commencing at Normal Pension Age or the date on which he would have contributed to the Scheme for forty years if earlier calculated on the basis of whichever is appropriate of Rules 9.1 and 9.2 PROVIDED THAT:

(a) no pension payable under the provisions of this Rule shall exceed the Maximum Benefit or be less after the date when the Member attains Normal Pension Age than the Minimum Pension.

(b) benefits payable under the provisions of this Rule shall if necessary be increased so that their value will to the reasonable satisfaction of the Trustees exceed or compare reasonably with the amount of the contributions paid by the Member to the scheme and not refunded.

13.2 A Member who becomes entitled to a deferred pension under sub-Rule 13.1 of this Rule may elect to take a refund of any contributions paid by him to the Scheme before 6th April 1975 with Interest up to the date upon which he ceases to be a Member PROVIDED THAT in the event of the Member taking such refund of contributions the deferred pension shall be calculated by excluding Pensionable Service before 6th April 1975.

13.3 A Member who does not become entitled to a deferred pension under sub-Rule 13.1 may elect in writing either:

- (a) to receive a deferred pension equal to the Minimum Pension payable at Normal Pension Age together with a sum equal to any balance remaining of his Total Contributions less such amount as the Trustees acting on the advice of the Actuary decide to be equitable having regard to his deferred pension and also less an amount equal to that for which the Trustees are liable to the Commissioners upon making such payment, or**
- (b) to be granted a deferred pension commencing at Normal Pension Age of such amount as is certified by the Actuary to be equivalent in value to his Total Contributions.**

PROVIDED THAT no pension payable under the provisions of this Rule shall exceed the Maximum Benefit or be less after the date when the Member attains Normal Pension Age than the Minimum Pension.

13.4 If a Member fails to make an election under the provisions of sub-Rule 13.3 he shall be deemed to have exercised option (a).

13.5 If a Member elects to receive a deferred pension under sub-Rule 13.3(b) the Trustees may with the approval of the University and acting on the advice of the Actuary apply a further sum in respect of the Member's interest in the

Scheme to increase the amount of the deferred pension prescribed by that paragraph.

- 13.6 A Member who is granted a deferred pension under the provisions of this Rule shall thereupon become a Dormant Member until the deferred pension becomes payable and thereafter shall become a Pensioner and the value of any pension payable under this Rule taken together with that of any other benefit payable under Rule 14 shall to the reasonable satisfaction of the Trustees reflect the revaluation to Normal Pension Age that the deferred benefits would have attracted had they been provided at Normal Pension Age.
- 13.7 A Dormant Member who whilst in the service of the University or any Participator contributed to the Scheme for not less than five years and who retires at or after attaining age 50 may at the discretion of the Trustees forthwith be paid a pension for life calculated as appropriate in accordance with the provisions of this Rule reduced by such amount as shall be certified as reasonable by the Actuary PROVIDED THAT the pension before Normal Pension Age shall be further reduced if necessary and the pension after Normal Pension Age increased on a basis which has been certified as reasonable by the Actuary in order to ensure that the pension is not less than the Minimum Pension.
- 13.8 In respect of any Member who leaves Qualifying Employ the amount of the deferred pension provided under this Rule in excess of any Guaranteed Minimum Pension together with that of the lump sum provided under Rule 13 shall be apportioned in the ratio that Pensionable Service completed after 31st December 1984 bears to total Pensionable Service and the resultant proportion attributable to Pensionable Service completed after 31st December 1984 shall be increased during the period from the date upon which the Member left Qualifying Employ until Normal Pension Age by the lesser of 5% compound per annum and the rise in the Department of

Employment index of retail prices PROVIDED THAT the accrued increases on the aforesaid part of the deferred pension and lump sum will be adjusted if necessary at the date that payment commences to any appropriate level determined for this purpose by order regulation or statute.

14 Lump Sums on Retirement or Withdrawal

- 14.1 A New Member who retires at or after Normal Pension Age or who is granted a pension under the provisions of Rule 12.3 shall be granted a lump sum benefit equal to three-eightieths of his Final Pensionable Salary for every year and so in proportion for each day in an incomplete year of his Pensionable Service up to a maximum of forty such years.
- 14.2 A New Member who becomes a Dormant Member and is entitled to a deferred pension under the provisions of Rule 13.1 shall be granted a lump sum payable at Normal Pension Age calculated as set forth in sub-Rule 14.1 hereof and any other former New Member who has become a Dormant member shall be entitled to a lump sum on attaining Normal Pension Age of such amount as the Trustees acting on the advice of the Actuary decide to be equitable.
- 14.3 A New Member who is granted a pension under the provisions of Rule 11 shall upon his retirement be granted a lump sum calculated by the method prescribed by sub-Rule 14.1 above but on the basis of the Pensionable Service which he would have completed had he remained a Member until his Normal Pension Age up to a maximum of forty such years.
- 14.4 A New Member who is granted a pension under the provisions of Rule 12.1 shall upon retirement be granted a lump sum calculated by the method prescribed by sub-Rule 14.1 hereof and reduced by such amount as the Trustees acting on the advice of the Actuary decide to be equitable having

regard to the period between his Normal Pension Age and the date of his retirement.

- 14.5 A Dormant Member who was a New Member and who is granted an immediate pension under the provisions of Rule 13.7 shall upon retirement be granted a lump sum calculated by the method prescribed by sub-Rule 14.4 hereof but subject to such further reduction as the Trustees acting on the advice of the Actuary consider equitable.
- 14.6 No lump sum payable under this Rule shall exceed the Maximum Benefit.
- 14.7 Any lump sum payable under this Rule shall be reduced if necessary and the pension after Normal Pension Age increased on a basis which has been certified as reasonable by the Actuary in order to ensure that the pension is not less than the Minimum Pension.
- 14.8 (a) If the aggregate benefits (including those not in pension form) available for a Member or Dormant Member from the Scheme and from all other retirement benefit schemes of the University or to which the University has contributed shall not exceed the value of a pension of £260 per annum (or such higher amount which may be prescribed from time to time by regulations made under Sections 21(1) and 77(2) of the Pensions Act and is consistent with approval of the Scheme under the 1988 Act) the whole of the benefits under the Scheme may at the discretion of the Trustees be commuted for a lump sum which has been certified as reasonable by the Actuary PROVIDED THAT if it is proposed to commute any such benefits prior to Normal Pension Age those benefits must be revalued up to Normal Pension Age in accordance with the Pensions Act and the regulations made thereunder in order to determine whether or not the benefits payable exceed or will exceed £260 per annum or such higher amount as aforesaid.

- (b) In exceptional circumstances of serious ill-health the whole of the Member's or Dormant Member's pension under the Scheme (other than the Member's or Dormant Member's Guaranteed Minimum Pension revalued up to Normal Pension Age in accordance with the provisions of the Pensions Act and the regulations made thereunder) may at the discretion of the Trustees be commuted for a lump sum which has been certified as reasonable by the Actuary.

15 Conversion

- 15.1 A married Old Member who retires or ceases to be a Member under the provisions of any of Rules 9, 10, 11, 12, 13 may with the consent of the Trustees by giving notice in writing to the Trustees within two months before Normal Pension Age elect to receive in lieu of the pension otherwise payable to him a pension of less amount in order that a pension shall be provided for his widow of such amount being not greater than the pension which would otherwise have been payable to him.
- 15.2 An election made by the Member under sub-Rule 15.1 shall be null and void as though it had never been made if the Member's wife dies before he retires and otherwise shall be irrevocable.
- 15.3 Each application to elect referred to in sub-Rule 15.1 hereof shall be accompanied by such evidence of the age of the Member's wife and of their marriage as is satisfactory to the Trustees. The Member and his wife (if she consents) shall then be medically examined by a doctor appointed for the purpose by the Trustees. The application shall thereafter be referred to the Actuary who shall report to the Trustees on the appropriate pension for the Member and for the widow. If on receipt of the Actuary's report the Trustees consider that a suitable offer can be made they shall send to the Member a written statement of the terms offered and the Member shall be

allowed fourteen days from the date of the statement to inform the Trustees in writing which if any he selects.

- 15.4 If at the retirement of a member there is subsisting a valid election under sub-Rule 15.1 he shall be paid the pension he has selected and on his death his wife if she survives shall be paid the pension so selected referred to in sub-Rules 15.1 and 15.3 hereof.

16 Old Members' Option

- 16.1 An Old Member who so elected in writing to the Bursar of the University on or before certain specified dates shall in lieu of the benefits prescribed by Rule 9.2 be granted upon the happening of the events therein prescribed the benefits prescribed by Rules 9.1, 14 and 21 and if he has exercised such an option the same shall be irrevocable.
- 16.2 The benefits payable under Rule 14 to an Old Member who has exercised an option referred to in sub-Rule 16.1 shall be increased by one-half of one per cent for each year of his Pensionable Service and so in proportion for each day in each incomplete year of such service prior to 1st August 1962.

17 State Scheme Premium

- 17.1 Where any State Scheme Premium is paid in respect of any Member, Dormant Member, Pensioner or other beneficiary the benefits payable to and (where appropriate) in respect of that person under the Scheme shall be reduced or extinguished as the Trustees decide is appropriate.

Death Benefits

18 Death of Member

18.1 On the death of a Member before retirement there shall be paid:

- (a) under the provisions of Rule 20 a sum equal to three times his Final Pensionable Salary if he has been a Member of the Scheme for at least a year at the date of his death or, if he has not, three times his annual rate of Pensionable Salary, and
- (b) to his personal representatives a sum equal to the Member's Total Contributions to the Scheme unless any benefit is payable under Rule 21.

19 Death of a Dormant Member

19.1 On the death of a Dormant Member there shall be paid to his personal representatives a sum equal to his Total Contributions to the Scheme.

20 Payment of Death Benefit

20.1 Moneys payable under Rule 18.1(a) in accordance with the provisions of this Rule shall be held by the Trustees with power to be exercised (if at all) within two years after the notification to them or discovery by them of the death of the deceased to pay them or any part of them to or for the benefit of all or any one or more exclusively of the others or other upon such terms and conditions (including without limiting the generality of the foregoing by way of settlement) and in such proportions as the Trustees decide of those persons being the relatives and the Dependants of the deceased.

20.2 In exercising this power the Trustees may at their discretion if they see fit so to do give effect to any nomination which the deceased has with their consent lodged with them in writing.

20.3 Those moneys or any part of them which the Trustees in their discretion do not dispose of under the power to which sub-Rule 20.1 refers shall be held by the Trustees on trust to pay them to all or any one or more exclusively of the others or other and in such proportions as the Trustees decide of those persons who at the date of the death of the deceased were the spouse or next of kin of the deceased or are the personal representatives of the deceased.

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20 Widows' and Widowers' Pensions

21.1 On the death before Normal Pension Age of a married New Member who has completed five years' Pensionable Service there shall be paid to his widow during her life a pension equal annually in amount to two-thirds of the pension which would have been payable to the Member under the Scheme had that Member remained a Member until Normal Pension Age with the same Final Pensionable Salary as that applicable to the Member at the date of death and then retired.

21.2 On the death after Normal Pension Age of a married New Member there shall be paid to his widow during her life a pension equal annually in amount to two-thirds of the pension which would have been paid to the Member had the Member retired on the day before the Member died.

21.3 On the death of a married Pensioner who was a New Member there shall be paid to his widow during her life a pension equal annually in amount to two-thirds of the pension payable to the Pensioner.

- 21.4 In the event of the New Member or Pensioner referred to in Sub Rules 21.1 21.2 and 21.3 not being married at the date of death the Trustees shall have power if in their absolute discretion they think fit to pay the pension that would have been payable under Sub Rules 21.1 21.2 and 21.3 had the said New Member or Pensioner been married to such of the Dependants of the said New Member or Pensioner as they shall decide
- 21.5 For the purpose of the above sub-Rules of this Rule the word "widow" shall include a widower and in such cases the word "wife" shall include "husband".
- 21.6 Notwithstanding any of the provisions of this Rule on the death of a married male New Member, Dormant Member or Pensioner there shall be payable a widow's pension equal to 1/160th of the Member's Final Pensionable Salary for each year of Contracted Out Employment up to the date of his death PROVIDED THAT if such Member dies within six months of his marriage and at the date of his death and at the date of his marriage he is not in Contracted Out Employment no benefit in pursuance of this sub-Rule shall be payable in respect of him.
- 21.7 No pension payable under this Rule shall exceed the Maximum Benefit or be less than the minimum specified in Rule 23.

22 Children's Pensions

- 22.1 In the event of a pension becoming payable under Rule 21 following the death of a Member or Pensioner who leaves a child or children there shall be paid a pension for the benefit of each child subject to a maximum of two at any one time each equal annually in amount to one-half of the pension payable under Rule 21.
- 22.2 In the event of no pension becoming payable under Rule 21 following the death of a Member or Pensioner who leaves a child for the reason that the

Member is not survived by a widow or widower or in the event of a widow or widower ceasing to benefit under that Rule other than by reason of remarriage there shall be paid a pension for the benefit of each child subject to a maximum of two at any one time each equal annually in amount to two-thirds of the pension calculated under Rule 21.

- 22.3 Any amount payable under this Rule may be paid at the discretion of the Trustees to any person or persons approved of by them who undertake to apply the pension or pensions for the maintenance or benefit of any one or both of the children of the Member and the Trustees shall not be under any obligation to see to the application of any such pension or pensions payable in respect of such child or children and paid to such persons as aforesaid.

23 Guaranteed Widow's and Widower's Pension

- 23.1 Subject to the provisions of this Rule on the death of a male Member, Dormant Member or Pensioner who was married at the date of his death and who at any time has been in Contracted Out Employment his widow shall be paid a pension for life (taking into account any benefit under Rule 21) equal in amount to the Guaranteed Minimum Pension.
- 23.2 Where the widow is more than ten years younger than her deceased husband the Trustees may reduce the pension prescribed by the Rules upon the advice of the Actuary but so that no such reduction shall exceed 2½ per cent for each year in excess of ten or shall reduce the pension below the Guaranteed Minimum Pension.
- 23.3 If a male Member who left the service of the University before attaining age 65 after completing less than two years' Pensionable Service or Contracted Out Employment and was not at the date of leaving entitled to the short service benefits prescribed by Rule 13.1 dies the Trustees may direct that the benefits payable shall be restricted to the Guaranteed Minimum Pension.

23.4 On the death on or after 6th April 1989 of a female Member, Dormant Member or Pensioner who was married at the date of her death there shall be payable a widower's pension in the circumstances and for the period required by Section 9 of the Social Security Act 1986 and any regulations thereunder for the time being in force of an amount not less than that determined in accordance with Rule 38.

23.5 If a Contributions Equivalent Premium has been paid in respect of the Member, Dormant Member or Pensioner no benefit shall be payable under this Rule.

24 Guarantee

24.1 On the cessation of the last to cease of the payment of a pension to a Pensioner (if any) to his spouse (if any) and to his children (if any) there shall be paid to his personal representatives a sum equal to the excess (if any) of his Total Contributions over the total of the pension payments made to the Pensioner, to his spouse (if any) and to his children (if any) and of any lump sum paid under the provisions of Rule 14.

Supplementary Benefit Provisions

25 Payment of Pensions

25.1 Unless the Trustees otherwise decide pensions and other benefits shall be payable by credit transfer to the beneficiary's bank account or by cheque or money order sent at the risk of the beneficiary or otherwise as may be agreed with him.

26 Augmentation

26.1 Pensions or other benefits prospectively payable to or in respect of a Member or a Dormant Member under the Scheme in excess of Guaranteed Minimum Pensions shall be increased on an annual basis with effect from such date as the Trustees shall from time to time determine by the lesser of 5% per annum and an amount representing the same proportion as the rise in the Department of Employment index of retail prices over the 12 months immediately preceding the effective date for such increase.

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26.2 With the consent of the University the Trustees may augment any pension or other benefit prospectively payable to or in respect of a Member or a Dormant Member under the Scheme on such terms and conditions as the Actuary certifies to be appropriate and the University or if appropriate the Participator shall if necessary thereupon pay such increased contributions as the Actuary prescribes PROVIDED THAT no pension or other benefit shall be increased under the provisions of this Rule by such amount as would prejudice the approval of the Scheme by the Commissioners under the 1988 Act.

26.3 If on any occasion when a payment of pension is made the Department of Employment index of retail prices is higher than it was on the day the pension commenced the Trustees may at their discretion provided that the University consents pay from the Fund an instalment of pension increased to not more than the amount of the Maximum Benefit and thereafter by a ratio not exceeding that of the said increase in the index and the University or if appropriate the Participator shall if necessary thereafter pay such additional contributions for the purpose of funding such increase as the Trustees decide.

27 Transfer Out

27.1 If a Member ceases to be a Member without becoming a Pensioner or becomes a Dormant Member and in any such case thereafter enters another employment in respect of which he is entitled to become a member of another retirement benefits scheme approved by the Commissioners under the 1988 Act or which is approved by the Commissioners for the purpose of that transfer a transfer value payment equal to his Total Contributions or (if the Trustees acting on the advice of the Actuary and with the approval of the University so decide) of such amount as the Actuary certifies to be proper having regard to the value of his deferred benefits under the Scheme and those prospectively payable in respect of him thereunder and if appropriate to the value of any benefits to be retained under the Scheme may be made from the Fund if the University, the Member and the Trustees approve in lieu of any other benefit to which the Member would be entitled under the provisions of these Rules and a certificate shall be provided to the trustees of the Scheme to which the Member is transferred showing how much of the transfer payment (if any) represents the contributions paid by the Member to the Scheme and the Member and his widow and children shall thereafter have no further interest in the Fund or rights under the Scheme if the transfer payment comprises or includes (if he has been in Contracted Out Employment) his Accrued Rights or if not the Member's and his widow's rights shall be restricted to the Guaranteed Minimum Pension PROVIDED THAT:

- (a)** if a Member has ever been in Contracted Out Employment no transfer may be made or sum paid under the provisions of this clause comprising or including any Accrued Rights:
 - (i)** to any scheme administered wholly or partly outside the United Kingdom unless the Occupational Pensions Board approves the same, or

- (ii) unless the receiving scheme is contracted out under Part III of the Pensions Act and the Member is in contracted-out employment by reference thereto or the transfer has the approval of the Occupational Pensions Board
- (b) The approval of the Member shall not be necessary if the rights of all the Members or of a specified group of Members of which the Member is one are being transferred to a receiving scheme and the transfer value is calculated as the deferred benefits of such Members and provided that the rights allowed to the Member in the receiving scheme are in the opinion of the Trustees at least equal in value to the rights transferred.
- (c) Where a Member has acquired a right to a cash equivalent under Section 94 of the Pensions Act the Trustees shall either transfer a transfer value payment in respect of that Member at his request to the trustees of any other retirement benefits scheme approved as aforesaid of which he becomes a member and which satisfies the prescribed requirements in accordance with Section 97 of the Pensions Act or in respect of a Member leaving Qualifying Employ on or after 1st January 1986 purchase on account of such Member pursuant to the provisions of Section 95 of the Pensions Act one or more annuities.

28 Transfer In

- 28.1 If any person on entering the employ of the University or a Participator has been a member of any other retirement benefits scheme before entering that employ the Trustees with the consent of the University may receive the transfer payment (if any) available in respect of him under the provisions of that scheme and thereupon he shall become a Member with such additional rights by way of additional Pensionable Service or otherwise as the Actuary

certifies to be appropriate not being such as to prejudice the approval of the Scheme by the Commissioners under the 1988 Act.

Miscellaneous

29 Evidence of Age, etc

29.1 Subject to the provisions of sub-Rule 29.2 every beneficiary in receipt of a pension or other periodical payment under the provisions of the Scheme and every person claiming under a beneficiary shall notify the Trustees of every change of address and provide them from time to time with such evidence of age, identity, status and survival and with such other information as the Trustees require.

29.2 If any information required by the Trustees in respect of or in any way connected with any beneficiary is not supplied or is incorrect the Trustees may make such adjustments to any benefit payable to that beneficiary or to any person claiming under that beneficiary as they in their discretion think fit to ensure that the correct benefits are paid under these Rules.

30 Pension not assignable

30.1 A pension or other benefit payable or to be paid under the provisions of these Rules is not assignable and shall cease (subject to the proviso hereinafter provided) to be paid or payable if the beneficiary attempts to alienate, charge or anticipate it or any part of it or does or suffers any act or thing whereby whether by operation of law or otherwise if belonging to the beneficiary absolutely it would be or become wholly or in part payable to another person PROVIDED THAT nothing hereinbefore contained shall prevent the payment to the Member of his Guaranteed Minimum Pension.

31 Discretion

- 31.1 If a pension or other payment ceases to be paid or payable under the provisions of the last preceding Rule the Trustees may in case of hardship apply it or part of it for the support and maintenance of the beneficiary or his spouse or children or Dependants or any of them provided that in no case shall any payment be made to a purported assignee.
- 31.2 If any person entitled to any benefit under the Scheme is a minor or in the opinion of the Trustees is under any other disability or suffering from any physical or mental incapacity so that he cannot act in his own best interests the Trustees shall have power to pay such benefit or part thereof to such person or persons, body corporate or institution as the Trustees think fit for the benefit of such person entitled to the benefit and the receipt of such person or persons, body corporate or institution shall be a complete discharge to the Trustees and exonerate them from all further concern or responsibility in relation thereto.

32 Dismissal

- 32.1 If a Member is dismissed by the University or a Participator for fraud or dishonesty or by reason of damage done wilfully by him to any of the University's or Participator's property or voluntarily leaves the employ of the University or the Participator to escape being so dismissed and in any such case at the termination of his employment by the University or the Participator (whether by reason of death or otherwise) there is some monetary obligation due to the University or Participator (whether by way of money due or damages) and arising out of criminal, negligent or fraudulent act or omission by the Member or former Member the Trustees may withhold from any benefit (other than a benefit arising under a payment made to the Scheme under Rule 28) to which he is entitled a sum not exceeding the amount of his defalcations or the damage suffered and credit

that sum against future contributions payable to the University or Participator PROVIDED THAT the Trustees shall not withhold any benefit payable to a Member or Pensioner under the provisions of this Rule in such manner that the amount of the pension (if the Member was entitled to a pension) payable to a male Member at age 65 or to a female Member at age 60 is less than the Minimum Pension.

- 32.2 (a) No sum withheld by the Trustees shall exceed the value of the actual or prospective benefits of the Member or former Member under the Scheme at the time when the sum is withheld.
- (b) Where a sum is so withheld the Member shall be entitled to a certificate showing the amount so withheld and its effect on his benefits or prospective benefits.
- (c) In the event of any dispute as to the amount to be retained or recovered no sum shall be paid to the University except after the amount of the monetary obligation referred to in sub-Rule 32.1 has become enforceable under the order of a competent court or the award of any arbitrator or in Scotland an arbiter to be appointed (failing agreement between the parties) by the Sheriff.

33 Inheritance Tax

- 33.1 Where any liability to inheritance tax or any other duty or tax arises or may arise in respect of any benefit the Trustees may apply the benefit or part of it in payment of such duty (including any interest due thereon) and deduct the amount so paid from the benefit or may postpone the payment of the benefit until the liability has been provided for to their satisfaction or has been shown not to exist.

34 Determination of Employment

- 34.1 Nothing in these Rules shall in any way restrict the right of the University a Participator or of its or their duly authorised servant to determine the office or employment of any Member and no damages shall be recoverable nor any amount claimed to be set off in respect of any benefit under the Scheme which a Member or former Member alleges against the Trustees the University or the Participator he has lost by reason of the determination of his employment whether such determination was lawful or not.

35 Failure to claim Benefit

- 35.1 No person for the time being entitled to the receipt of a pension or other payment under the provisions of these Rules shall be entitled to it or if it is a pension to any instalment of it more than six years after it has fallen due if the reason for the non-payment within the period of six years was:

- (a) the failure of that person to claim it, or
- (b) the lack of knowledge of the Trustees of the existence of whereabouts of that person or of any fact or facts giving that person the right thereto

but the Trustees with the approval of the University may pay any such moneys or part thereof PROVIDED THAT THIS RULE shall not apply to a Member who leaves the service of the University or a Participator in circumstances in which but for this Rule a payment under the Redundancy Payments Act 1965 would be offset by his pension from the Scheme.

36 Inland Revenue Limits

- 36.1 The Trustees shall comply with the Inland Revenue limits on benefits and otherwise to the extent that the same apply to the Scheme in accordance with the Model Rules comprised in Appendix I to the Rules**
- 36.2 A Class B Member or a Class C Member may at any time before benefits commence are bought out or otherwise transferred outside the Scheme or any Associated Scheme or attainment of age 75 give irrevocable notice in writing to the administrator of the Scheme in such terms as may be prescribed that the Class B or Class C Member (as the case may be) shall be treated as a Class A Member and thereupon the Class B Member or Class C Member shall be deemed for all purposes of the Rules to be a Class A Member**

For purposes of this Rule the expressions Class A Member Class B Member and Class C Member shall have the meaning respectively assigned to them in the Definitions contained in the Appendix

37 Contracted Out Employment

- 37.1 Rules 37 to 39 inclusive shall apply if any employment becomes Contracted Out Employment by reference to this Scheme and they shall then override any other provisions of the Rules which are inconsistent with them save in the circumstances permitted by the Pensions Act or any regulations made thereunder for the time being in force.**
- 37.2 The words and expressions in Rules 37 to 39 inclusive shall have the same meanings as in the Pensions Act.**

38.1 If a Member or former Member has a guaranteed minimum in relation to a pension payable to him under the Scheme in accordance with Section 14 of the Pensions Act:

- (a) the weekly rate of pension from age 65 for a man and age 60 for a woman shall not be less than the guaranteed minimum, and**
- (b) if he dies at any time and leaves a widow the weekly rate of pension payable to her shall not be less than half the guaranteed minimum referred to in (a) hereof but reduced in the circumstances prescribed and in the manner prescribed by the Pensions Act or any regulations made thereunder for the time being in force and payable for the period prescribed thereunder, and**
- (c) if the Member is female and dies on or after 6th April 1989 and leaves a widower the weekly rate of pension payable to him shall not be less than half the Member's guaranteed minimum which is attributable to earnings for the tax year 1988/89 and subsequent tax years.**

38.2 The guaranteed minimum pensions referred to in Rule 38.1 above shall, insofar as they are attributable to earnings in the tax years from (and including) 1988/89, be increased in accordance with the requirements of Sections 109 and 110 of the Pensions Act and to the extent of any orders made thereunder.

38.3 If the commencement of any Member's or former Member's Guaranteed Minimum Pension is postponed for any period after pensionable age his guaranteed minimum shall be increased to the extent (if any) specified in Section 15 of the Pensions Act.

38.4 In the event of any employee leaving Contracted Out Employment before pensionable age then (unless the Trustees lawfully pay a Contributions Equivalent Premium in respect of him or there is a transfer of Accrued Rights under Section 20 of the Pensions Act) the employee shall be entitled to a pension at pensionable age calculated on the basis that the Guaranteed Minimum Pension which has accrued up to the termination of Contracted Out Employment will be increased either:

- (a) (i) by five per cent compound (with annual rests) for each tax year after that in which service terminated up to and including the last complete tax year before pensionable age or previous death, or**
- (ii) by the percentage by which earnings factors for the tax year in which Contracted Out Employment ceases are increased by the last order under Section 21 of the Social Security Pensions Act 1975 or Section 148 of the Social Security Administration Act 1992 to come into force before the tax year in which he reaches pensionable age or dies (if earlier)**

whichever makes the lesser increase,

- (b) for each tax year after that in which service terminated up to and including the last complete year before pensionable age by such rate as regulations made under Section 55 of the Pensions Act specify as being relevant to the date of termination, or**
- (c) in accordance with orders made under Section 21 of the Social Security Pensions Act 1975 or Section 148 of the Social Security Administration Act 1992 and coming into force in the same period**

as the Trustees may from time to time by resolution decide and notify to the Occupational Pensions Board

PROVIDED THAT the amount of any pension payable to the Member on or after pensionable age under any other of the provisions of these Rules shall be reduced by the amount of any pension payable hereunder.

- 39.1** If a Member leaves service before pensionable age and has then completed less than two years in Contracted Out Employment and is not at the date of leaving entitled to the short service benefits prescribed by the Social Security Act 1973 and regulations made thereunder the Trustees may direct that the benefits shall be restricted to the Guaranteed Minimum Pension **PROVIDED THAT** the appropriate premium may be paid in respect of the Member under the Pensions Act whereupon the Member and any surviving spouse shall cease to be entitled to receive a Guaranteed Minimum Pension from the Scheme.
- 39.2** Any refund of contributions relating to Contracted Out Employment which would otherwise be payable from the Scheme to a Member referred to in Rule 39.1 shall be reduced by such amount as the Actuary prescribes having regard to the payment of such a premium to the State.
- 39.3** Upon cessation of the contracting out of the Scheme under the Pensions Act prior to the same being wound up liability for Guaranteed Minimum Pensions shall be provided for either by the payment of such State Scheme Premiums or by such other means as the Occupational Pensions Board approves and if any benefit is purchased or provided outside the Scheme any benefit payable under the provisions of this Scheme to a Member, Dormant Member, Deferred Pensioner, Pensioner, widow or widower shall be abated by such amount as the Actuary prescribes having regard to the benefits purchased or provided outside the Scheme.

- 39.4 If a Member dies before pensionable age having completed less than two years in Contracted Out Employment and who was not at the date of death entitled to the short service benefits referred to in Rule 39.1 the Trustees may direct that the widow's or widower's pension shall be restricted to the Guaranteed Minimum Pension PROVIDED THAT the appropriate premium may be paid under the Pensions Act whereupon the widow or widower shall cease to be entitled to any pension under the Scheme.
- 39.5 The amount of any pensions payable to the Member or to any widow or widower under the Rules of the Scheme other than Rules 37 to 39 inclusive (other than any pension payable to a widow under Rule 15) shall be abated by the amount of any pension payable under the provisions of Rules 37 to 39 inclusive.

APPENDIX I

MODEL RULES referred to in Rule 1 Definition "Maximum Benefits"

DEFINITIONS

In these rules the following expressions shall have the meanings ascribed to them:

- 1 "Act" shall mean the Income and Corporation Taxes Act 1988 and any statutory amendment modification or re-enactment thereof.
- 2 "Aggregate Retirement Benefit" shall mean the aggregate of:
 - (a) the Member's pension under this Scheme and any Associated Scheme and
 - (b) the pension equivalent of the Member's Lump Sum Retirement Benefit.
- 3 "Approval" shall mean approval of the Scheme by the Board of Inland Revenue under Chapter 1 Part XIV of the Act.
- 4 "Associated Employer". An employer is associated with another employer if one is controlled by the other, or both are controlled by a third party. Control has the meaning in section 840 of the Act, or in the case of a close company, section 416 of the Act.
- 5 "Associated Scheme" shall mean any Relevant Scheme providing benefits in respect of Service.
- 6 "Class A Member" shall be any Member who is not a Class B or Class C Member.

7 **"Class B Member"** shall mean any Member:

- (a) who, on or after 17th March 1987 and before 1st June 1989, joined the Scheme being a scheme which commenced before 14th March 1989; or
- (b) who the Board of Inland Revenue have agreed in writing to be a Class B Member by virtue of previous membership of a Relevant Scheme

and, in either case, has not opted to become a Class A Member.

8 **"Class C Member"** shall mean any Member who joined the Scheme before 17th March 1987 or who joined subsequently and who the Board of Inland Revenue have agreed in writing to be a Class C Member by virtue of previous membership of a Relevant Scheme and, in either case, has not opted to become a Class A Member.

9 **"Connected Scheme"** shall mean any Relevant Scheme which is connected with the Scheme in relation to the Member ie if:

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

10 **"Controlling Director"** shall mean a Member who, at any time on or after 17th March 1987 and in the last 10 years before the Relevant Date has, in relation

to the Employer, been both within the definition of a director in section 612(1) of the Act and within paragraph (b) of section 417(5) of that Act.

11 "Employer" shall mean the University or a Participator and in relation to any particular Member that one by which such Member is employed

12 "Final Remuneration" shall mean the greater of:

(a) the highest remuneration upon which tax liability has been determined for any one of the 5 years preceding the Relevant Date being the aggregate of:

(i) the basic pay for the year in question, and

(ii) the yearly average over 3 or more consecutive years ending with the expiry of the corresponding basic pay year, of any Fluctuating Emoluments provided that Fluctuating Emoluments of a year other than the basic pay year may be increased in proportion to the increase in the Index from the last day of that year up to the last day of the basic pay year. Remuneration that is received after the Relevant Date and upon which tax liability has been determined will be treated as a Fluctuating Emolument (providing it was earned or qualified for prior to the Relevant Date). In these circumstances it may be included provided the yearly average of 3 or more consecutive years begins no later than the commencement of the basic pay year; or

(b) the yearly average of the total emoluments from the employer which are assessable to income tax under Case I or II of Schedule E and upon which tax liability has been determined for any 3 or more consecutive years ending not earlier than 10 years before the

Relevant Date. Where such emoluments are received after the Relevant Date but are earned or qualified for prior to that date, they may be included provided that in these circumstances the yearly average of 3 or more consecutive years begins no later than the commencement of the year ending with the Relevant Date.

Provided that:

- (i)** remuneration and total emoluments do not include any amounts which arise from the acquisition or disposal of shares or any interest in shares or from a right to acquire shares (except where the shares or rights etc which give rise to such an amount liable to tax under Schedule E had been acquired before 17th March 1987) or anything in respect of which tax is chargeable by virtue of section 148;
- (ii)** in relation to a Controlling Director, final remuneration shall be the amount ascertained in accordance with (b) and (a) above shall not apply;
- (iii)** in relation to any other employee whose remuneration in any year subsequent to 5th April 1987 used for the purpose of calculating benefits has exceeded £100,000 (or such other figure as may be prescribed by the Treasury), final remuneration shall not exceed the amount ascertained in accordance with (b) above and (a) shall not apply, unless the individual chooses to adopt £100,000 (or such other figure as may be prescribed by the Treasury);
- (iv)** where final remuneration is computed by reference to any year other than the last complete year ending on the Relevant Date, the member's remuneration or total emoluments of any

year may be increased in proportion to any increase in the Index from the last day of that year up to the Relevant Date. For a Class C Member this proviso shall not apply to the calculation of the maximum lump sum retirement benefit unless the member's aggregate total benefits are similarly increased beyond the maximum amount which could be paid but for this proviso and/or the first sentence of (a)(ii) above and then only to the same proportionate extent;

- (v) for Class A Members final remuneration shall not exceed the Permitted Maximum;
- (vi) for the purpose of calculating the maximum lump sum retirement benefit of a Class B Member final remuneration shall not in any event exceed £100,000 (or such other figure as may be prescribed by the Treasury);
- (vii) an employee who remains, or is treated as remaining, in service but by reason of incapacity is in receipt of a much reduced remuneration ie under a sick pay or permanent health insurance scheme, for more than 10 years up to the Relevant Date, may calculate final remuneration under (a) or (b) above with the final remuneration calculated at the cessation of normal pay and increased in accordance with the Index;
- (viii) the total amount of any profit related pay (whether relieved from income tax or not) may be classed as pensionable remuneration and treated as a Fluctuating Emolument;
- (ix) an early retirement pension in payment from the Employer may not be included in final remuneration;

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

14 **"Incapacity"** means incapacitation for purposes of Rule 11.1

15 **"Index"** shall mean the Government's Index of Retail Prices.

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

17 **"Pensionable Service"** shall have the meaning ascribed to it by paragraph 3 Schedule 16 Social Security Act 1973.

18 **"Permitted Maximum"** is to be construed as defined in section 590C(2) of the Act.

19 **"Relevant Date"** shall mean the date of retirement, leaving Pensionable Service or death as the case may be.

20 **"Relevant Scheme"** shall mean any other scheme approved or seeking approval under Chapter I Part XIV of the Act and in respect of a Class A Member who is a Controlling Director also any retirement annuity contract or trust scheme approved under Chapter III Part XIV or any personal pension scheme as approved under Chapter IV Part XIV of the Act insofar as it provides benefits secured by contributions in respect of Service.

21 **"Remuneration"** in relation to any year shall mean the aggregate of the total emoluments for the year in question from the Employer and which are assessable to Income Tax under Schedule E but excluding any amounts which arise from the acquisition or disposal of shares or any interest in shares or a right to acquire shares or anything in respect of which tax is chargeable by virtue of section 148 of the Act. Provided that for a Class A Member there shall be disregarded any emoluments in excess of the Permitted Maximum.

22 **"Retained Death Benefits"** shall mean any lump sum benefits payable on the Member's death from:

- (a) retirement benefits schemes approved or seeking approval under Chapter 1 Part XIV of the Act or relevant statutory schemes as defined in section 611A thereof;
- (b) funds to which section 608 of the Act applies;
- (c) retirement benefits schemes which have been accepted by the Inland Revenue as "corresponding" in respect of a claim made on behalf of the Member for the purposes of section 596(2)(b) of the Act;
- (d) retirement annuity contracts approved under Chapter III Part XIV of the Act; or
- (e) personal pension schemes approved under Chapter IV Part XIV of the Act;
- (f) transfer payments from overseas schemes held in a type of arrangement defined in (a) (d) or (e) above,

in respect of previous employments or periods of self-employment (whether alone or in partnership). If the Retained Death Benefits do not exceed £2,500 in total they may be ignored.

23 "Service" shall mean service with the Employer or an Associated Employer or, except in relation to a Class A Member who is a Controlling Director of either employer, an employer who is associated with the Employer only by virtue of a permanent community of interest.

PART 1

INLAND REVENUE LIMITS RULE

CLASS A MEMBERS

Notwithstanding anything to the contrary in the Scheme provisions

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

1 The Member's Aggregate Retirement Benefit shall not exceed:-

- (a) on retirement at any time between attaining age 50 and attaining age 75, except before Normal Retirement Date on grounds of Incapacity, a pension of 1/60th of Final Remuneration for each year of Service (not exceeding 40 years) or such greater amount as will not prejudice Approval;
- (b) on retirement at any time before Normal Retirement Date on grounds of Incapacity a pension of the amount which could have been provided at Normal Retirement Date in accordance with paragraph 1(a) above, Final Remuneration being computed as at the actual date of retirement;

- (c) on leaving Pensionable Service before attaining age 75, a pension of $\frac{1}{60}$ th of Final Remuneration for each year of Service prior to leaving Pensionable Service (not exceeding 40 years) or such greater amount as will not prejudice Approval. The amount computed may be increased by 5% for each complete year or if greater, in proportion to any increase in the Index which has occurred between the date of termination of Pensionable Service and the date on which the pension begins to be payable. Any further increase necessary to comply with Social Security legislation is also allowable;
- (d) Benefits for a Class A Member are further restricted to ensure that his total retirement benefit from this Scheme and from any Associated Scheme or Connected Scheme does not exceed a pension of $\frac{1}{30}$ th of the Permitted Maximum for each year of service subject to a maximum of $\frac{20}{30}$ ths. For the purpose of this limit, service is the aggregate of Service and any period of service which gives rise to benefits under a Connected Scheme provided that no period is to be counted more than once.
- (e) For the purpose of calculating the Aggregate Retirement Benefit or the total retirement benefit in (a) to (d) above, the pension equivalent of any Lump Sum Retirement Benefit is one-twelfth of its total cash value.

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

- (a) on retirement at any time between attaining age 50 and attaining age 75, except before Normal Retirement Date on grounds of Incapacity, $\frac{3}{80}$ ths of Final Remuneration for each year of Service (not exceeding 40 years) or such greater amount as will not prejudice Approval;

- (b) on retirement at any time before Normal Retirement Date on grounds of Incapacity the amount which could have been provided at Normal Retirement Date in accordance with paragraph 2 (a) above, Final Remuneration being computed as at the actual date of retirement;
- (c) on leaving Pensionable Service before attaining age 75, a lump sum of $\frac{3}{80}$ ths of Final Remuneration for each year of Service (prior to leaving Pensionable Service not exceeding 40 years) or such greater amount as will not prejudice Approval. The amount computed may be increased in proportion to any increase in the Index which has occurred between the date of termination of Pensionable Service and the date on which the benefit is first paid.

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

- (a) £5,000; and
- (b) 4 times Final Remuneration disregarding proviso (i) of that Definition less Retained Death Benefits.

4 Any pension for a Dependant, when aggregated with the pensions, other than those provided by surrender of the Member's own pension, payable to that Dependant under all Associated Schemes, shall not exceed an amount equal to $\frac{2}{3}$ ths of the maximum Aggregate Retirement Benefit payable in accordance with paragraph 1 above had the Member retired on the grounds of Incapacity on the date of death entitled to no retained benefits from previous employments.

If pensions are payable to more than one Dependant of a Member, the aggregate of all Dependant's pensions payable in respect of him under this and all Associated Schemes shall not exceed the full amount of the maximum Aggregate Retirement Benefit payable in accordance with paragraph 1 above had the member retired on grounds of Incapacity on the date of death entitled to no retained benefits from previous employments.

CLASS B OR C MEMBERS

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

- 1 The Member's Aggregate Retirement Benefit shall not exceed:-
 - (a) on retirement at or before Normal Retirement Date, a pension of 1/60th of Final Remuneration for each year of Service (not exceeding 40 years) or such greater amount as will not prejudice Approval;
 - (b) on retirement on grounds of Incapacity the amount calculated in accordance with paragraph 1(a) above as if the Member had remained in Service until the Normal Retirement Date, Final Remuneration being computed as at the actual date of retirement;
 - (c) on retirement after Normal Retirement Date, a pension of the greatest of:-
 - (i) the amount calculated in accordance with paragraph 1(a) above on the basis that the actual date of retirement was the Member's Normal Retirement Date;

- (ii) the amount which could have been provided at Normal Retirement Date in accordance with paragraph 1(a) above increased either actuarially in respect of the period of deferment or in proportion to any increase in the Index during that period; and
- (iii) where the Member's total Service has exceeded 40 years, the aggregate of 1/60th of Final Remuneration for each year of Service before Normal Retirement Date (not exceeding 40 such years) and of a further 1/60th of Final Remuneration for each year of Service after Normal Retirement Date, with an overall maximum of 45 reckonable years.

Final Remuneration being computed in respect of (i) and (iii) above as at the actual date of retirement, but subject always to paragraph 5 below;

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

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

- (a) on retirement at or before Normal Retirement Date, 3/80ths of Final Remuneration for each year of Service (not exceeding 40 years) or such greater amount as will not prejudice Approval;

- (b) on retirement on grounds of Incapacity the amount calculated in accordance with paragraph 2(a) above as if the Member had remained in Service until the Normal Retirement Date, Final Remuneration being computed as at the actual date of retirement;
- (c) on retirement after Normal Retirement Date, the greatest of:-
 - (i) the amount calculated in accordance with paragraph 2(a) above on the basis that the actual date of retirement was the Member's Normal Retirement Date;
 - (ii) the amount which could have been provided at Normal Retirement Date in accordance with paragraph 2 (a) above together with an amount representing interest thereon; and
 - (iii) where the Member's total Service has exceeded 40 years, the aggregate of 3/80ths of Final Remuneration for each year of Service before Normal Retirement Date (not exceeding 40 such years) and of a further 3/80ths of Final Remuneration for each year of Service after Normal Retirement Date, with an overall maximum of 45 reckonable years.

Final Remuneration being computed in respect of (i) and (iii) above as at the actual date of retirement, but subject always to paragraph 5 below;

- (d) on leaving Pensionable Service before Normal Retirement Date, a lump sum of 3/80ths of Final Remuneration for each year of service prior to leaving Pensionable Service (not exceeding 40 years) or such greater amount as will not prejudice Approval. The amount computed as aforesaid may be increased in proportion to any increase in the Index which has occurred between the date of termination of Pensionable Service and the date on which the benefit is first paid.

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

(a) £5,000; and

(b) 4 times Final Remuneration disregarding proviso (i) of that Definition less Retained Death Benefits.

4 Any pension for a Dependant, when aggregated with the pensions, other than those provided by surrender of the Member's own pension, payable to that Dependant under all Associated Schemes shall not exceed an amount equal to 2/3rds of the maximum Aggregate Retirement Benefit payable in accordance with paragraph 1 above had the Member retired on grounds of incapacity for purposes of Rule 10 on the date of death entitled to no retained benefits from previous employments.

If pensions are payable to more than one Dependant of a Member, the aggregate of all Dependents' pensions payable in respect of him under this and all Associated Schemes shall not exceed the full amount of the maximum Aggregate Retirement Benefit payable in accordance with paragraph 1 above had the Member retired on grounds of Incapacity on the date of death entitled to no retained benefits from previous employments.

5 If a Member takes any part of his benefits under this Scheme in advance of actual retirement, the limits set out in paragraphs 1 and 2 above shall apply as if he had retired at the date of the election as aforesaid, no account being taken of subsequent Service, save that the maximum amount of any uncommuted pension not commencing immediately may be increased either actuarially in respect of the

period of deferment or in proportion to any increase in the Index during that period.

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

- (a) the amount of the maximum Aggregate Retirement Benefit in paragraph 1 and of the maximum Lump Sum Retirement Benefit in paragraph 2 shall be reduced, where necessary for Approval, to take account of any corresponding benefits under retirement annuity contracts or trust schemes approved under Chapter III Part XIV of the Act or under personal pension schemes approved under Chapter IV Part XIV of the Act;
- (b) where retirement takes place after Normal Retirement Date but not later than the Member's 70th birthday, paragraph 1(c)(ii) and (iii) and paragraph 2(c)(ii) and (iii) shall not apply, and if retirement is later than the attainment of that age, the said paragraphs shall apply as if the Member's 70th birthday had been specified in the Rules as his Normal Retirement Date, so as not to treat as Service after Normal Retirement Date any Service before the Member reaches the age of 70;
- (c) where paragraph 5 applies to him, the rate of the actuarial increase referred to therein in relation to any period of deferment prior to his attaining the age of 70, shall not exceed the percentage increase in the Index during that period.

PART 2

OTHER CONDITIONS RELATING TO CLASS A MEMBERS

A MEMBER'S CONTRIBUTIONS (Contributory Scheme)

- (a) Each Member is required to contribute 5 per cent of his Pensionable Salary
- (b) In addition the Member may make voluntary contributions to the Scheme to secure additional benefits for himself and/or his Dependants. Any retirement benefits so secured must be in the form of non-commutable pension except to the extent to which the provisions of the Scheme allow commutation of trivial pensions or on the grounds of serious ill health.
- (c) The contributions paid to the Scheme by a Member in a year of assessment shall not exceed either:
 - (i) when aggregated with the Member's contributions to any other exempt approved schemes, 15 per cent of the Member's Remuneration, or
 - (ii) when aggregated with the Member's contributions to any schemes which are Associated or Connected Schemes, 15 per cent of the Permitted Maximum.

B CONTINUED LIFE COVER

Any provision in the rules to provide a lump sum benefit on the death of a Member occurring after retirement on pension (other than a payment under a guarantee of pension provision) shall be restricted in respect of a Member who joined the Scheme on or after 1st October 1991 to exclude any provision other than on death occurring before the Normal Retirement Date and after retirement on grounds of Incapacity. The amount of the benefit shall not exceed the amount payable had the

Member died immediately before retirement increased in proportion to any increase in the Index between the date of the Member's retirement and the date of death.

C PAYMENT OF RETIREMENT BENEFITS

1 The payment of a Member's retirement benefits shall not commence earlier than the Member attaining age 50, except on retirement on grounds of Incapacity, nor later than attaining age 75.

2 No part of the Member's retirement benefits is to be paid in advance of actual retirement except as necessary to comply with paragraph C1 above or to the extent necessary to comply with the requirements of the Social Security Pensions Act 1975.

PART 3

OTHER CONDITIONS RELATING TO CLASS B OR C MEMBERS

A MEMBER'S CONTRIBUTIONS (Contributory Scheme)

- (a) Each Member is required to contribute 5 per cent of his Pensionable Salary
- (b) In addition the Member may make voluntary contributions to the Scheme to secure additional benefits for himself and/or his Dependants. Where such contributions commence on or after 8th April 1987 any retirement benefits so secured must be in the form of non-commutable pension except to the extent to which the provisions of the Scheme allow commutation of trivial pensions or on the grounds of serious ill health.
- (c) The total contributions paid to by the Member in a year of assessment to this and any Associated Scheme shall not exceed 15% of his Remuneration for that year.

B TRANSFERS

1 Any retirement benefits arising by virtue of the receipt by the Scheme of a transfer value (other than from another scheme providing benefits in respect of Service) shall not be capable of commutation unless and then only to the extent that a certificate has been obtained from the administrator of the transferring scheme showing the maximum lump sum payable from the transfer value. The amount so certified may be increased in proportion to any increase in the Index since the date the transfer payment was received.

2 When, on or after a transfer having been made to another occupational pension scheme, the administrator of that scheme requests such a certificate as is referred to in paragraph B.1 above, the Administrator shall calculate as at the date of the transfer the maximum lump sum payable on retirement from the transfer value and certify that amount to the receiving scheme.

PART 4

OTHER CONDITIONS RELATING TO ALL MEMBERS

1 INCREASES OF PENSIONS IN PAYMENT

The maximum amount of a pension ascertained in accordance with Part 1 or Part 2 of this Rule less any pension which has been commuted for a lump sum or the pension equivalent to any benefits in lump sum form and any pension surrendered to provide a Dependant's pension may be increased by 3% (or such other sum as may from time to time be prescribed) for each complete year or if greater, in proportion to any increase in the Index since the pension commenced.

2 SURPLUS AVCs

Where the application of the limits in this Rule requires the quantum of the Aggregate Retirement Benefit to be restricted and the Member has paid additional

voluntary contributions to supplement scheme benefits, that restriction shall first be effected on those supplementary benefits so as to permit the repayment of the surplus additional voluntary contributions subject to section 599A of the Act.

3 TRANSFERS

- (a) The benefits arising on retirement from a transfer value shall not be capable of commutation nor shall they be paid in lump sum form if the transfer is accompanied by a certificate from the administrator of the transferring scheme to the effect that the transfer value is not to be used to provide benefits in lump sum form.
- (b) When making a transfer to an approved personal pension scheme the Administrator shall provide a certificate of the maximum lump sum payable on retirement from the transfer value if the transferring member:
 - (a) was aged 45 or more at the time the transfer payment was made
 - or
 - (b) has at any time within the 10 years preceding the date on which the right to the cash equivalent being transferred arose, been, in respect of any employment to which the transfer payment or any part of it relates, either
 - (i) a Controlling Director, or
 - (ii) in receipt of annual remuneration in excess of £75,000 or, if greater, the allowable maximum (ie the equivalent for pension schemes of the Permitted Maximum) for the year of assessment in which the date of transfer falls, or

- (c) is entitled to benefits included in the transfer payment which arise from an occupational pension scheme under which the normal retirement age is 45 or less.