



Third Rules of The People's Pension Scheme

PEOPLE'S FINANCIAL SERVICES LIMITED (1)

and

THE PEOPLE'S PENSION TRUSTEE LIMITED (2)

and

B & C E FINANCIAL SERVICES LIMITED (3)

Dated **30**
May _____ **2022**

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**THIRD RULES
OF
THE PEOPLE'S PENSION SCHEME**

1 Adoption of the Third Rules in substitution for the Second Rules

- 1.1 Pursuant to Rule 72 (Power of amendment) of the Second Rules and all other enabling powers (if any) but subject to Rule 5 (Effect), the Founder, with the consent of the Trustee, hereby adopts the Rules contained in this Deed as the Third Rules of the Scheme to govern the operations of the Scheme and to replace the Second Rules in full with effect from the Effective Date (or such other date as may be specified in these Rules).
- 1.2 Any act or omission of the Trustee or Founder before the date of these Rules which would have been valid if these Rules had been in force at the time of that act or omission shall be deemed to be valid and Rule 39 (Trustee liability) applies in relation to any such act or omission.
- 1.3 No amendment made by these Rules adversely affects the subsisting rights of any Member or any survivor of a Member for the purposes of Sections 67 to 67I of the 1995 Act (Modification of schemes).
- 1.4 No amendment made by these Rules exceeds any restrictions on the amendment power (whether contained in Rule 72 (Power of amendment) of the Second Rules or otherwise) and to the extent that any amendment made by these Rules does not comply with such restrictions, that amendment will not apply to any extent required by law but the remainder of these Rules will continue in full force and effect.
- 1.5 The Founder and the Trustee agree that no amendment made by these Rules will increase the financial liabilities of any Employer and therefore, in accordance with Rule 72.4 of the Second Rules, the consent of such Employers to the amendments made by these Rules is not required.
- 1.6 No amendment made by these Rules is intended to make the basis of any aspect of the calculation of, or conditions for payment of, any benefits, whether in respect of past or future service or otherwise, in respect of any beneficiary under the Scheme *more generous* than the basis contained in the provisions governing the Scheme immediately prior to the Effective Date. Any provisions of these Rules which are inconsistent with this intention are void to the extent of such inconsistency.
- 1.7 No amendment made by these Rules will operate to invalidate any action taken or the exercise of any action taken or the exercise of any discretion or power before the Effective Date.
- 1.8 Each of the provisions of these Rules takes effect separately in relation to each person to whom it applies and is distinct and severable from any other such provision. If any provision is ineffective or void (in whole or in part), the remaining provisions (or the same provision to any other extent) will have effect in all other respects. If any alteration is declared void because of its effective date, then it will have effect from the earliest date at which the alteration would not have been voidable.

INTRODUCTION

2 Interpretation

The definitions and rules of construction in Rule 76 (Definitions) apply throughout these Rules.

3 Commencement

The Scheme commenced on the Establishment Date and these Rules have effect from the Effective Date.

3A Name of Scheme

The Scheme shall be known as The People's Pension Scheme. The Founder may change the name of the Scheme at any time by notice in writing to the Trustee.

4 Constitution of the Scheme

4.1 The Trustee holds all the assets of the Scheme and any income, cash or other assets received for the purposes of the Scheme on trust to be used in accordance with these Rules.

4.2 The Scheme shall be operated on a sectionalised basis comprising such sections as are from time to time established by the Founder with the agreement of the Trustee. The Scheme is currently divided into the following sections:

- (a) Employer's Sections for Eligible Workers of each Employer who are admitted to participation in that Employer's Section as Active Members and who remain in Contributing Membership. Where an Employer's Section comprises the Personal Accounts of all Eligible Workers who are in Contributing Membership in relation to a group of associated or connected Employers, that Employer's Section shall be notionally sub-divided into sub-sections, one sub-section for each Employer in the group within the Employer's Section. Each sub-section will comprise the Personal Accounts of all Eligible Workers who are in Contributing Membership in relation to each individual Employer within that group (as described in Rule 75.6);
- (b) a Connected Persons Section for persons who have ceased to be Active Members in an Employer's Section and who are then readmitted to Contributing Membership, together with such other persons as the Founder, with the agreement of the Trustee, designates as a Connected Person from time to time in accordance with Rule 7.1(c); and
- (c) a General Deferred Members Section for all other persons who retain Personal Accounts under the Scheme but are not Active Members.

4.3 The Personal Accounts of all the Members in a particular section or sub-section from time to time shall collectively comprise that section or sub-section. The Trustee's decision as to whether a particular person is in a particular section or sub-section shall be final.

4.4 The Scheme also comprises Reserve Accounts to which any surplus assets which arise in relation to an Employer's Section can be allocated in accordance with the Rules and also a Trustee's Reserve Account to which certain other surplus assets may be allocated in accordance with the Rules.

5 Effect

These Rules shall apply to and in respect of all Members of the Scheme on or after the Effective Date, including those who commenced receipt of benefits from the Scheme before the Effective Date (provided that the entirety of their Personal Account has not been applied prior to the Effective Date). However, these Rules shall not affect any special or different terms or provisions that have been agreed between an Employer and the Founder in accordance with Rule 56.8, as set out in a Participation Agreement or otherwise agreed under the First Rules or the Second Rules prior to the Effective Date.

6 **Applicable law**

The law of England and Wales applies to these Rules and to the Scheme and its administration. The courts of England and Wales have exclusive jurisdiction to determine any dispute or claim that arises out of or in connection with the Rules.

MEMBERSHIP

7 **Eligibility**

7.1 The following eligibility requirements shall apply:

- (a) **Automatic Enrolment Workers** – An Eligible Worker who is an Automatic Enrolment Worker shall be admitted to Contributing Membership in the Scheme in accordance with the Automatic Enrolment Requirements;
- (b) **Non Automatic Enrolment Workers** – An Eligible Worker who is not an Automatic Enrolment Worker shall be eligible to join and be admitted to Contributing Membership subject to such terms and conditions (if any), as the Employer considers appropriate and are agreed with the Founder;
- (c) **Connected Persons** – Connected Persons are eligible to be admitted or readmitted to Contributing Membership subject to meeting such eligibility criteria and other terms and conditions as the Founder, with the agreement of the Trustee, may from time to time determine.

7.2 Where a Member moves to work outside the United Kingdom but remains an Eligible Worker of an Employer,

- (a) the Member shall automatically be deemed to have left Contributing Membership on the day before he commences work outside of the United Kingdom with the relevant Employer;
- (b) the relevant Employer shall take all necessary steps to ensure that the Member leaves Contributing Membership; and
- (c) the relevant Employer shall notify the Trustee that the Member has left Contributing Membership as soon as practicable (such notification being in such manner as the Founder shall determine),

unless the Founder agrees that the Member shall continue to be in Contributing Membership in accordance with Rule 7.5.

7.3 If any Member in Contributing Membership becomes subject to the social, labour or tax laws of a country other than the United Kingdom (the “**Non-UK Laws**”) and has not left Contributing Membership under Rule 7.2:

- (a) the Member shall automatically be deemed to have left Contributing Membership on the day before becoming subject to the Non-UK Laws;
- (b) the relevant Employer shall take all necessary steps to ensure that the Member leaves Contributing Membership; and
- (c) the relevant Employer shall notify the Trustee that the Member has left Contributing Membership as soon as practicable (such notification being in such manner as the Founder shall determine),

unless the Founder agrees that the Member shall continue to be in Contributing Membership in accordance with Rule 7.5.

7.4 All contributions from or in respect of a Member shall cease to be payable on and from the date on which that Member is deemed to have left Contributing Membership under Rule 7.2(a) or Rule 7.3(a) (as applicable). Any contribution paid in error after that date shall not be a contribution to the Scheme and the Trustee shall refund it, subject to deducting any tax or charge due on that refund or any expenses relating to it. The Trustee may adjust such refund to take account of interest or investment returns in the Scheme.

- 7.5 If the Founder agrees that any Member shall continue to be in Contributing Membership under Rule 7.2 or Rule 7.3, such period of Contributing Membership will be on such terms and subject to such conditions as the relevant Employer, with the consent of the Founder, considers necessary as a result of the Member's change in work location.
- 7.6 The Founder may by notice in writing to the Trustee and the Employers direct that, with effect from the date specified in the notice (which shall not be earlier than 3 months after the date of the notice), the Scheme shall be closed to the admission of new Active Members.
- 7.7 In case of any doubt or dispute as to whether or not any person is or is not eligible for membership the decision of the Trustee shall be final and binding on all parties.

8 Joining

- 8.1 The Trustee shall admit an Eligible Worker who is an Eligible Jobholder to Contributing Membership from the Automatic Enrolment Date or Automatic Re-enrolment Date, as applicable, in accordance with the Automatic Enrolment Requirements. The Eligible Worker's Employer shall notify the Trustee of the applicable Automatic Enrolment Date or Automatic Re-enrolment Date.
- 8.2 The Trustee shall admit an Eligible Worker who is a Non Eligible Jobholder to Contributing Membership in accordance with the Automatic Enrolment Requirements on the Non Eligible Jobholder's Employer notifying the Trustee that the Non Eligible Jobholder has given his Employer an Opt In Notice.
- 8.3 The Trustee shall admit an Eligible Worker who is an Entitled Worker to Contributing Membership on the Entitled Worker's Employer notifying the Trustee that the Entitled Worker has given his Employer a Joining Notice.
- 8.4 The Trustee shall admit an Eligible Worker of an Employer who does not meet the requirements set out in Rules 8.1, 8.2 or 8.3 to Contributing Membership on the notification to the Trustee by the Employer that such Eligible Worker should be admitted to Contributing Membership. Such an Eligible Worker shall be admitted to Contributing Membership from such date as the Employer notifies the Trustee and on such terms and conditions (if any) as the Employer considers appropriate and are agreed with the Founder.
- 8.5 Any person who is not an Eligible Worker may be admitted to Contributing Membership as a Connected Person in accordance with an eligibility policy determined by the Founder with the agreement of the Trustee.
- 8.6 On the admission of an Eligible Worker who is an Eligible Jobholder or Non Eligible Jobholder, an Employer shall provide the Jobholder Information in accordance with the Automatic Enrolment Requirements and any other information required under Rule 56 (Participation of Employers) or 61 (Powers of Employers).

9 Opting out, ceasing Contributing Membership and re-joining

- 9.1 An Eligible Jobholder who has been admitted to Contributing Membership under the Automatic Enrolment Requirements may elect to opt out of Contributing Membership by giving a valid Opt Out Notice within the time limits permitted under the Automatic Enrolment Requirements. On receipt of such valid Opt Out Notice the Employer must notify the Trustee that such valid Opt Out notice has been received and the Trustee shall treat such Eligible Jobholder for all purposes as not having been in Contributing Membership. Any contributions payable by or in respect of such Eligible Jobholder which have been paid to the Trustee shall then be refunded in accordance with the Automatic Enrolment Requirements.
- 9.2 Where Rule 9.1 does not apply, an Eligible Worker and any Connected Person who, in either case, has been admitted to Contributing Membership may cease Contributing Membership on giving the Trustee such notice in such terms as the Trustee agrees. Any such person shall be treated as having ceased to be in Contributing Membership from the effective date of such notice and Rule 23 (Benefits on Leaving Contributing Membership) shall apply.
- 9.3 Subject to Rule 11 (Family Leave), an Active Member:

- (a) to whom a Contribution Earnings definition applies on the basis that contributions are paid by reference to his Qualifying Earnings in any Relevant Pay Reference Period; and
- (b) whose earnings are such that he does not have any Qualifying Earnings in any Relevant Pay Reference Period,

shall remain in Contributing Membership unless the Employer notifies the Trustee that he is to cease to be in Contributing Membership. During such a period no contributions shall be actually paid (other than on a voluntary basis), as he will have no Contribution Earnings. Contributions shall recommence in any Relevant Pay Reference Period where such an individual has Qualifying Earnings again.

9.4 An Active Member who is an Eligible Worker shall not be treated as having ceased Contributing Membership in any Relevant Pay Reference Period or other pay reference period during which he is on unpaid absence under Rule 10 (Absence) or Unpaid Family Leave under Rule 11 (Family Leave). On such an Active Member's pay recommencing following such a period of unpaid absence, if he is still an Eligible Worker, contributions shall recommence by reference to his Contribution Earnings.

9.5 An Active Member who has ceased Contributing Membership or is treated as having ceased Contributing Membership under the Rules and is no longer an Eligible Worker may, if the Trustee agrees, be admitted to Contributing Membership as a Connected Person upon the completion of such documents as the Founder and Trustee from time to time determine. The Personal Account (if any) which was previously comprised in the Employer's Section shall then be treated as forming part of the Connected Persons Section.

10 **Absence**

10.1 An Active Member who is an Eligible Worker and who is absent from work shall, unless the Employer otherwise determines, remain an Active Member:

- (a) for the period of absence where it is due to injury or illness or any period of service with the armed forces or other work of national importance for the United Kingdom; and
- (b) otherwise where there is a definite expectation of a return to work.

10.2 If the Employer determines that Contributing Membership of an Eligible Worker who is absent from work shall cease then the Employer shall notify the Trustee of the date such Contributing Membership ceases.

10.3 The Employer shall determine in relation to any period of Contributing Membership under Rule 10.1:

- (a) the contributions to be paid by the Employer;
- (b) the contributions required to be paid by or in respect of the Member; and
- (c) any other conditions,

and the Employer shall notify the Trustee of the conditions.

11 **Family Leave**

11.1 An Active Member shall be treated as remaining in Contributing Membership during any period of Paid Family Leave and, subject to Rule 11.2, his Contribution Earnings will be those Contribution Earnings he would have received had he been working normally and receiving the normal remuneration for doing so.

11.2 In respect of periods of absence under Rule 11.1, the Active Member will contribute to the Scheme at the rate applicable to him under Rule 14 (Members' ordinary contributions), but applied only to his statutory and contractual remuneration actually received (insofar as it is Contribution Earnings).

11.3 During any period of Unpaid Family Leave no Member or Employer Contributions are payable but the Member will not be treated as having left Contributing Membership. The Employer may pay contributions on a voluntary basis if it so determines.

12 **Failure to return from Family Leave**

- 12.1 Where a Member does not return to work after a period of Family Leave, his Contributing Membership will cease on the date of cessation of his last period of Family Leave, unless Rule 10 (Absence) applies.

CONTRIBUTIONS

13 **Employer Contributions**

- 13.1 Where an Active Member is an Eligible Worker, the Employer shall pay contributions in relation to that Member at the percentage rate or amount of Contribution Earnings applicable to the Worker Group in which such an Active Member falls, as updated from time to time via the Administration Account in relation to such Worker Group, and such contributions will be credited to the Member's Personal Account.
- 13.2 Contributions otherwise due from an Employer under this Rule may be met from the appropriate Employer's Reserve Account in such manner as is permitted or required under the definition of Reserve Account under the Rules.
- 13.3 The Trustee shall prepare, maintain and from time to time revise a payment schedule in accordance with the requirements of section 87 of the 1995 Act in respect of each Worker Group comprised in an Employer's Section of the Scheme. The contributions paid by the Employer in accordance with this Rule shall be paid by the due date specified in that payment schedule which shall not be later than the date required under the 1995 Act.
- 13.4 Subject to Rule 13.5, an Employer may give one month's written notice to the Trustee (or such shorter notice as the Trustee accepts) to suspend, reduce or vary the contributions due under this Rule 13. The Employer concerned shall then not be bound to pay such contributions, or more than the reduced or varied contribution, as applicable. Any contributions due before the effective date stated in that notice remain payable to the Scheme by the Employer.
- 13.5 An Employer may not reduce or vary the contributions payable in respect of an Active Member who is a Jobholder and who is in Contributing Membership below the minimum contribution levels necessary under Rule 56.7 to comply with the Automatic Enrolment Requirements in relation to the applicable Contribution Earnings definition and may only suspend or terminate the Employer Contributions in relation to a Jobholder in circumstances where this is permissible under the Automatic Enrolment Requirements.

14 **Members' ordinary contributions**

- 14.1 Each Active Member who is an Eligible Worker shall pay contributions to the Scheme at the percentage rate (if any) or amount of the Contribution Earnings applicable to the Worker Group as determined by the Employer. Such contributions shall be credited to the Member's Personal Account.
- 14.2 Subject to Rule 14.6, contributions under Rule 14.1 shall be deducted from an Active Member's pay by his Employer at such intervals, consistent with the payment schedule under section 87 of the 1995 Act, as the Employer decides, unless the Employer directs that they may be paid in some other manner, and shall be paid by the Employer to the Scheme on a prompt basis in accordance with statutory requirements.
- 14.3 If an Active Member participates in a Salary Sacrifice Arrangement his obligation to pay contributions under Rule 14.1 shall be satisfied by his Employer paying an amount at least equal to the contributions which would otherwise be due under Rule 14.1 if such Salary Sacrifice Arrangement had not been entered into.
- 14.4 Each Connected Person shall pay contributions to the Scheme at the rate or amount agreed with the Trustee. Such contributions will be credited to the Member's Personal Account. Contributions may be varied or terminated by the Connected Person at any time by notice to the Trustee in such manner as the Trustee may require.

- 14.5 Subject to Rule 14.6, contributions under Rule 14.4 shall be paid by the Connected Person to the Scheme at such intervals and by such method as the Trustee may from time to time determine.
- 14.6 Subject to the agreement of the Employer and the Trustee, any contribution due from a Member under Rule 14.1 or Rule 14.4 may be paid on behalf of such Member by any individual, corporate body or legal entity, provided that such contributions are relievable pension contributions for the purposes of the Finance Act.
- 15 **Additional voluntary contributions**
- 15.1 If an Active Member wishes, he may make additional voluntary contributions to the Scheme. Additional voluntary contributions can be paid as a lump sum or additional periodic contributions and may be started, varied or terminated at any time by written notice in such form and at such time as the Trustee may require.
- 15.2 The Trustee is entitled (but not obliged) to refuse to accept additional voluntary contributions where the payment:
- (a) would, when added to the ordinary contributions payable by the Member under Rule 14 (Members' ordinary contributions) exceed 100% of his relevant UK earnings (as defined in section 189 of the Finance Act); or
 - (b) is expected to result in the Member exceeding the annual allowance for the purposes of Section 227 of the Finance Act (Annual allowance charge); or
 - (c) is expected to result in the Member exceeding the Lifetime Allowance.
- 15.3 Additional voluntary contributions will be credited to the Member's Personal Account.
- 15.4 The Trustee may pay a refund of excess contributions lump sum (as defined in paragraph 6 of Schedule 29 to the Finance Act 2004 (a "**Refund of Excess Contributions Lump Sum**")) in the tax year or any one of the six tax years following a tax year in which the excess contributions condition (as defined in that paragraph) is met in respect of the Member.
- 15.5 If a Refund of Excess Contributions Lump Sum is paid, the Personal Account of the Member shall be reduced by such amount as the Trustee determines to reflect the fact that a Refund of Excess Contributions Lump Sum has been paid.
- 15.6 Subject to the agreement of the Employer and the Trustee, any individual, corporate body or legal entity may make additional voluntary contributions to the Scheme on behalf of any Member, provided that such contributions are relievable pension contributions for the purposes of the Finance Act.

RETIREMENT BENEFITS

- 16 **Commencement of benefits**
- 16.1 The Trustee shall provide benefits under Rules 17 (Benefits), 18 (Ways of providing pension), 19 (Late retirement), 20 (Early and flexible retirement), 21 (Lump sum benefit) or 21A (Flexi-access drawdown) as applicable to or in respect of an Active Member:
- (a) who has reached Normal Retirement Date and opts to bring all his benefits into payment from that date in accordance with Rule 17.4;
 - (b) who has reached Minimum Pension Age and has not yet reached Normal Retirement Date and requests payment of his benefits;
 - (c) who has not reached Minimum Pension Age but has:
 - (i) in the opinion of the Trustee or, where the Trustee is not the Administrator, the Administrator (having in either case received advice from a registered medical practitioner), become (and will continue to be) incapable of carrying out his normal occupation by reason of physical or mental infirmity; and

- (ii) has in fact ceased to carry on his normal occupation, and requests payment of his benefits;
- (d) where benefits become payable in accordance with Rule 19 (Late retirement); or
- (e) where benefits become payable in accordance with Rule 20 (Early and flexible retirement).

16.2 In respect of Members who joined the Scheme after the Effective Date only, should their Personal Account be invested in a fund option:

- (a) which has been suspended by the investment provider;
- (b) in which the underlying investments are illiquid or suspended; and/or
- (c) in which the fund holdings do not have sufficient liquidity to pay that Member's benefits, (each a "**Suspension Event**"), the Trustee may restrict that Member's access to their benefits. The Trustee shall inform the Member if it considers that such Suspension Event is likely to affect them and only restrict access so far as practicably necessary and as permitted by law.

17 **Benefits**

17.1 Subject to Rule 17.2, if the benefits of a Member are to commence payment under Rule 16 (Commencement of benefits) or Rule 24 (Commencement of deferred benefits) the Trustee shall, subject to the following provisions of this Rule use all or part of the balance of the Member's Personal Account to provide:

- (a) a pension for the Member;
- (b) a lump sum for the Member;
- (c) such pensions and/or lump sums for the Dependants of the Member (or, with the consent of the Trustee, any other person who has been nominated by the Member to receive a benefit on their death), payable on his death, as the Member may request;
- (d) benefits in the form of income withdrawal in accordance with the flexi-access drawdown option under Rule 21A; and/or
- (e) such other benefits as the Founder and the Trustee may agree (provided that they would be Authorised Member Payments).

17.2 The exercise by the Member of any one or more of the options listed in Rule 17.1 shall be subject to any restrictions in the relevant Participation Agreement or any other restrictions as may from time to time be applied (as the Trustee and the Founder may determine).

17.3 Where a Member's benefits are to commence payment under Rule 16 (Commencement of benefits) or Rule 24 (Commencement of deferred benefits), a Member may, subject to the options listed in Rule 17.1 (as may be restricted in accordance with Rule 17.2 from time to time), select by notice to the Trustee the benefit or benefits he wishes to receive from the Scheme. A Member must give notice to the Trustee in such form and within such period as the Trustee from time to time determines.

17.4 In accordance with a policy agreed from time to time between the Founder and the Trustee, a notice under Rule 17.3 may apply to part only of the Member's Personal Account. In such circumstances, the Member may make subsequent requests under this Rule 17 in respect of all or part of the balance of his Personal Account. However, a Member may only take benefits prior to normal minimum pension age (as defined in Section 279 of the Finance Act 2004) if he complies with any relevant requirements of that Act. Where part only of the Personal Account is designated under this Rule 17, the remaining funds will be treated for all purposes as a separate Arrangement within the Member's Personal Account (as permitted by legislation).

17.5 Where a Member does not select the benefits to be provided on his retirement the Trustee shall defer provision of his benefits until such time as the Member does select his benefits or, at the option of the Trustee, may provide such benefits in respect of the Member in one or more of the forms permitted under Rule 17.1 above if the Trustee in its absolute discretion so decides.

17.6 Where the funds within a Member's Personal Account are attributable to separate periods of Contributing Membership, the funds attributable to each period of Contributing Membership may be treated for all purposes as having been provided under separate Arrangements (as permitted by legislation).

18 **Ways of providing pension**

18.1 Any pension payable to a Beneficiary under Rule 17.1(a) or Rule 17.1(c) shall be provided by the purchase of an annuity contract from an Insurance Company selected by the Member. When purchasing an annuity, the Trustee need not take into account the individual circumstances of the Beneficiary or carry out a review of all available Insurance Companies, and the Trustee shall not be liable in any way for the Member's selection.

18.2 Any annuity purchased under Rule 18.1 shall be in the name of the Beneficiary. On the purchase of an annuity in the name of the Beneficiary, the Scheme and the Trustee shall be discharged from any further liability to or in respect of the Beneficiary (unless the Member has decided to take part only of their Personal Account in accordance with Rule 17.4, in which case the discharge shall apply only in respect of the liability secured by the annuity).

18.3 Any annuity provided with an Insurance Company shall be in the form of a Lifetime Annuity and comply with the pension rules (as defined in section 165(1) and set out in Schedule 28 to the Finance Act) and any applicable legislation.

18.4 Pension benefits may be secured by any alternative methods not expressly stated in these Rules as the Trustee and the Founder may determine with the consent of the Member (unless legislation permits for benefits to be secured without the Member's consent and the Trustee and the Founder consider it appropriate to do so), provided that such alternative methods result in a benefit or benefits being payable in the form of an Authorised Member Payment or Authorised Member Payments.

19 **Late retirement**

19.1 If an Active Member reaches Normal Retirement Date and does not elect to take his benefits under Rule 16.1(a) he shall remain in Contributing Membership provided that he pays contributions (if any) under Rule 14 (Members' ordinary contributions) in respect of that extra period. Contributions shall also be payable in accordance with Rule 13 (Employer Contributions). Benefits in respect of such a Member shall then be paid on his request once he ceases to be in Contributing Membership in accordance with Rule 19.2.

19.2 Where an Active Member reaches Normal Retirement Date but does not remain in Contributing Membership under Rule 19.1 (or subsequently opts out of or ceases to be in Contributing Membership), his benefits shall be paid in the form and at the time he requests and in accordance with Rules 23 (Benefits on leaving Contributing Membership) and 24 (Commencement of deferred benefits).

20 **Early and flexible retirement**

20.1 If a Connected Person has reached Minimum Pension Age, he may request that all of his Personal Account shall be applied to provide benefits under the Scheme.

20.2 If an Eligible Worker has reached Minimum Pension Age he may request that all of his Personal Account shall be applied to provide benefits under the Scheme even where he remains in Service or subsequently re-enters Service if there is a break in Service.

20.3 Any Member who requests that his Personal Account shall be applied to provide benefits under this Rule 20 who is an Eligible Jobholder must be readmitted to Contributing Membership at the next date required under the Automatic Enrolment Requirements.

21 **Lump sum benefit**

21.1 A Member who is entitled to access his benefits under Rule 16 (Commencement of benefits) or Rule 24 (Commencement of deferred benefits) may choose to use all or part of his Personal Account to provide a lump sum benefit in accordance with the following paragraphs of this Rule 21:

- (a) A lump sum in the form of a Pension Commencement Lump Sum and such lump sum must not exceed the maximum amount payable as a Pension Commencement Lump Sum.
- (b) A lump sum in the form of an uncrystallised funds pension lump sum (as defined in the Finance Act) on such terms and subject to such conditions as may be imposed in a policy agreed from time to time between the Trustee and the Founder.
- (c) The Trustee may allow a Member who meets the requirements for the payment of a Serious Ill-Health Lump Sum under the Finance Act to give up the whole of his Personal Account for a Serious Ill-Health Lump Sum.
- (d) The Trustee may pay lump sums in such other forms as the Trustee and the Founder shall decide.
- (e) Any lump sum payable under this Rule 21 must be an Authorised Member Payment.

21A **Flexi-access drawdown**

- 21A.1 Subject to the remaining provisions of this Rule 21A, when a Member is entitled to payment of his benefits under Rule 16 (Commencement of benefits) or Rule 24 (Commencement of deferred benefits), instead of putting his benefits into payment straight away, he may choose to designate all or part of his Personal Account as a flexi-access drawdown fund (as defined in the Finance Act) to provide benefits in the form of income withdrawal. Where part only of the Personal Account is designated under this Rule 21A, the flexi-access drawdown fund will be treated for all purposes as an Arrangement within the Member's Personal Account.
- 21A.2 The Member may only opt to designate a flexi-access drawdown fund on such terms and subject to such conditions as may be imposed in a policy agreed from time to time between the Trustee and the Founder.
- 21A.3 Subject to Rule 21A.2, where a Member opts to designate a flexi-access drawdown fund, he may subsequently cease taking income withdrawal and choose to apply the remainder of his flexi-access drawdown fund to purchase an annuity contract in accordance with the provisions of Rules 17 (Benefits) and 18 (Ways of providing pension).
- 21A.4 The Trustee and the Founder may agree to alter the policy in force from time to time to offer additional options in respect of flexi-access drawdown funds including any or all of the following:
- (a) to permit the transfer of all or part of a Member's flexi-account drawdown fund to one or more Other Schemes in accordance with Rule 64 (Transfers out);
 - (b) to permit the transfer into the Scheme of a flexi-access drawdown fund in accordance with Rule 67 (Transfers in);
 - (c) to permit the designation of a Dependant's, nominee's or successor's flexi-access drawdown fund as an alternative to the payment of a lump sum death benefit under Rule 22 (Death benefits). For the purposes of this paragraph, "nominee" and "successor" each have the meanings given to those terms in paragraphs 27A and 27F of Schedule 28 of the Finance Act.

Such options, if offered, will be available only on such terms and subject to such conditions as may be imposed in the policy agreed from time to time between the Trustee and the Founder.

- 21A.5 The other provisions of these Rules (other than Rule 75 (Overriding provisions)) are deemed to be modified to the extent required to give effect to the provisions of this Rule 21A and to any terms and conditions imposed under the policy agreed from time to time between the Trustee and the Founder.

BENEFITS ON DEATH

22 **Death benefits**

If a Member dies before his benefits have been secured in accordance with Rule 18 (Ways of providing pension) or, in a case where the Member has opted to designate any part of his Personal

Account as a flexi-access drawdown fund under Rule 21A (Flexi-access drawdown), he dies before that fund has been exhausted, the Trustee may:

- (a) hold on discretionary trusts in accordance with Rule 30 (Payment of lump sum death benefits) a sum equal to the whole of the Member's Personal Account;
- (b) apply all or part of the Personal Account to provide a pension or pensions for one or more of the Member's Dependants in the form of a Dependant's Annuity, such Dependant's Annuity to be issued in the name of the Dependant (such an option to be offered at the Trustee's absolute discretion); or
- (c) permit the designation of a Dependant's, nominee's or successor's flexi-access drawdown fund in accordance with the policy agreed between Trustee and the Founder under Rule 21A.4 above.

The Member's Dependant shall be given the opportunity to select the provider of any Dependant's Annuity.

DEFERRED MEMBERS' BENEFITS

23 Benefits on leaving Contributing Membership

23.1 Subject to Rule 9.1, a Member on ceasing to be in Contributing Membership (otherwise than by death and without immediate benefits becoming payable to him) shall become entitled to:

- (a) deferred benefits (and he shall become a Deferred Member under the General Deferred Members Section); or
- (b) a refund of his own contributions in accordance with Rules 23.2 and 23.3; or
- (c) a transfer of his Personal Account to an Other Scheme under the relevant provisions of the 1993 Act or under Rule 64,

at the discretion of the Trustee. For this purpose, the Trustee shall make its decisions in accordance with a policy agreed from time to time with the Founder, which policy shall at all times comply with the Preservation Requirements. The Trustee and the Founder shall have regard to any potential increase in the financial liabilities of any Employer for the purpose of Rule 72.4 when determining their policy for the purposes of this Rule 23.1.

23.2 Where the Trustee determines that a Member may receive a refund of his own contributions in accordance with Rule 23.1(b), the Member shall receive a refund of his own contributions (if any), excluding any part of his Personal Account attributable to Employer Contributions, comprising:

- (a) an amount equal to his own ordinary and additional voluntary contributions, or the realisable value of the Personal Account attributable to his own contributions if less, which shall be paid in the form of a Short Service Refund Lump Sum if the conditions relating to the payment of a Short Service Refund Lump Sum are satisfied; and
- (b) the amount (if any) by which the realisable current value of the part of the Personal Account attributable to his own contributions to the Scheme (including any voluntary contributions) exceeds the amount of his own contributions such amount to be paid as a Scheme Administration Member Payment.

23.3 On the payment of the refund of a Member's own contributions under Rule 23.1(b), any entitlement to benefits under the Scheme for and in respect of him shall be extinguished. The Trustee shall deduct any tax for which the Trustee is liable as a consequence of the refund.

23.4 On the payment of a transfer to an Other Scheme under Rule 23.1(c), the Trustee and the Scheme shall be discharged from all liability to which the transfer relates.

23.5 Any part of a Member's Personal Account which is not used to provide a benefit or make a payment in accordance with Rule 23.1 shall be transferred to the appropriate Employer's Reserve Account.

23A **Deferred benefits of Transfer Members**

A Transfer Member shall be entitled to deferred benefits (and he shall be a Deferred Member under the General Deferred Member Section).

24 **Commencement of deferred benefits**

24.1 Subject to the following provisions of this Rule 24, deferred benefits shall come into payment when the Member reaches Normal Retirement Date or such later date as the Member may select.

24.2 A Member who is entitled to deferred benefits may receive early payment of his benefits provided he:

- (a) has reached Minimum Pension Age; or
- (b) has not reached Minimum Pension Age but has:
 - (i) in the opinion of the Trustee or, where the Trustee is not the Administrator, the Administrator (having in either case received advice from a registered medical practitioner), become (and will continue to be) incapable of carrying out his normal occupation by reason of physical or mental infirmity; and
 - (ii) in fact ceased to carry on his normal occupation.

24.3 Deferred benefits payable to a Member shall be provided in accordance with Rules 17 (Benefits), 18 (Ways of providing pension), 21 (Lump sum benefit) or 21A (Flexi-access drawdown) as applicable, subject always to deferred benefits being calculated and paid in a manner consistent with the requirements of Part IV of the 1993 Act.

25 **Deleted Rule**

TO BE READ AS A DELETED RULE.

BENEFIT RESTRICTIONS

26 **Charging and forfeiture of benefits**

26.1 The Trustee may terminate or suspend a Beneficiary's entitlement to any benefit to which the Beneficiary is or may become entitled under the Scheme, if the Beneficiary:

- (a) enters or purports to enter into a transaction within section 91(1) of the 1995 Act (assignment, commutation, surrender, charge, lien or set-off) in respect of any benefit which a Member is or may become entitled to under the Scheme (other than such transaction permitted under section 91(5) of the 1995 Act);
- (b) falls within the circumstances prescribed pursuant to section 92(6) of the 1995 Act (certain debts owed by the beneficiary to the Scheme, or the beneficiary's entitlement to benefits arising due to an unlawful killing he committed); or
- (c) is convicted of one or more offences as mentioned in section 92(4) of the 1995 Act (treason or certain breaches of the Official Secrets Acts).

Such benefits as would have been payable but for such termination or suspension may, at the Trustee's discretion, be paid to all or any of the persons falling within paragraphs (a) to (c) inclusive of section 92(3) of the 1995 Act.

26.2 If a Beneficiary incurs a monetary obligation to his Employer arising out of a criminal, negligent or fraudulent act or omission by him, then that part of the Beneficiary's Personal Account relating to Contributing Membership with that Employer shall be reduced or extinguished by the Trustee if the Employer so directs, to the extent that the amount by which the Beneficiary's Personal Account is reduced or, where the Personal Account is to be extinguished, the total amount of the Personal Account, does not exceed the monetary obligation, and such amount shall be paid to the Employer subject to compliance with sections 91(5)(d), 91(6) and 93 of the 1995 Act.

26.3 Subject to sections 91(5)(e), 91(5)(f) and 91(6) of the 1995 Act, if a Beneficiary incurs a monetary obligation to the Scheme due to a criminal, negligent or fraudulent act or omission by a Beneficiary

or arising out of a payment made in error to a Beneficiary in respect of his benefits under the Scheme or, in the case of a Beneficiary who is or has been a Trustee, a Beneficiary incurs a monetary obligation to the Scheme arising out of a breach of trust by him (unless his liability is excluded under these Rules), then the Beneficiary's Personal Account may be reduced or extinguished by the Trustee to the extent that the amount of reduction or, where the Personal Account is to be extinguished, the total value of the Personal Account, does not exceed the monetary obligation.

- 26.4 Where there is a dispute as to the amount of the monetary obligation under Rules 26.2 or 26.3 above, the charge, lien or set-off must not be exercised unless the obligation in question has become enforceable under an order of a competent court or in consequence of an award of an arbitrator or, in Scotland, an arbiter to be appointed (failing agreement between the parties) by the sheriff.

PAYMENT OF BENEFITS

27 Personal details

- 27.1 Before making any payment out of the Scheme, the Trustee may require the production of any evidence or information, including any certificate or evidence of the birth, age, marriage, civil partnership, continued existence or death of the Member, or other person claiming the benefit or of his Dependants. Payment of any benefit may be withheld until the required information is provided. Any investment return or interest payable in respect of any period for which payment is withheld will be at the discretion of the Trustee.

- 27.2 Subject to Rule 29 (Incorrect payments), if any Beneficiary, or other person on their behalf, provides incorrect or invalid information to the Trustee or fails to provide any information requested by them, the Trustee may make any arrangements it considers reasonable with a view to providing the correct level of benefits to or in respect of that Beneficiary, and may adjust any pension or other benefit payable out of the Scheme to or in respect of that Beneficiary.

28 Payment of benefits

- 28.1 Subject to section 66A of the 1995 Act, payments are payable to a United Kingdom bank account maintained by the Beneficiary or in such other way as the Trustee thinks fit and subject to the Beneficiary producing any documentation required by the Trustee. If the Trustee agrees to make payment by post, or to a bank account which is outside the United Kingdom or is not in the name of the Beneficiary, that payment will be at the risk and, where the Trustee considers appropriate, at the expense of the Beneficiary.
- 28.2 If the Trustee thinks that any person entitled to receive a payment from the Scheme cannot manage his affairs due to physical or mental infirmity or otherwise, the following provisions apply:
- (a) the Trustee may, on behalf of the Member, exercise any power or make any decision under these Rules;
 - (b) the Trustee may make the payment to any person for the maintenance or benefit of the person concerned, or retain the whole or part of the sum due in the Scheme;
 - (c) any amount retained in the Scheme under Rule 28.2(b) may at any later date be paid by the Trustee to the person otherwise entitled to it, to any person for the maintenance or benefit of the person concerned or to one or more of the Member's Dependants;
 - (d) any amount still retained in the Scheme on the death of the person concerned will be held by the Trustee on discretionary trust in accordance with Rule 30 (Payment of lump sum death benefits); and
 - (e) the Trustee shall not be obliged to see to the application of any benefit paid to any person who undertakes to apply it for the benefit of the person concerned and his receipt shall be a complete discharge to the Trustee.

29 Incorrect payments

Where any Member or other Beneficiary is paid a sum from the Scheme or an annuity provider to which they are not entitled or which exceeds their entitlement from the Scheme, the Trustee may

demand repayment of that sum and may, if it considers it appropriate, charge interest on the amount due at such rate as the Trustee considers appropriate. The Trustee may also deduct any such sum from future payments due to or in respect of that person, including any payments made after his death, but subject to the requirements of section 91 of the 1995 Act.

30 **Payment of lump sum death benefits**

- 30.1 Where, on the death of a Member or other Beneficiary, an amount is stated to be held on discretionary trust in accordance with this Rule 30, the Trustee shall, subject to the following provisions of this Rule 30, pay or apply all or any part of that sum to or for the benefit of one or more persons in relation to the deceased Member in any of the following categories:
- (a) Relatives;
 - (b) Dependants;
 - (c) personal representatives (or executors);
 - (d) nominated beneficiaries; and
 - (e) any person or body (including a charity) entitled to receive any sum from his estate.
- 30.2 Where more than one person is to receive a payment under this Rule 30 the Trustee shall decide what amount is to be paid to each person.
- 30.3 The Trustee may establish separate trusts (including discretionary trusts) for the benefit of any Beneficiary they select to receive any amount under Rule 30.1. The costs of establishing the trusts may be met out of the Personal Account of the deceased Member.
- 30.4 If the Trustee has not exercised these powers in relation to all or part of any sum held in accordance with this Rule 30 within the earlier of:
- 30.4.1 two years of the day of being notified of the death of the Member; or
 - 30.4.2 two years of the day on which the Trustee could reasonably have been expected to know of the death of the Member,
- (the “**Relevant Date**”) the Trustee will keep that part in a separate account outside the Scheme and pay it to or for the benefit of one or more persons listed in Rule 30.1. Failing that the Trustee shall automatically with effect from the day before the Relevant Date deem such amount to be held as a separate fund, outside the Scheme, on trust for the personal representatives (or executors) of the deceased Member or, if there are none, his statutory next of kin. If the Trustee is unable to identify or trace the Member’s statutory next of kin, it may decide prior to the creation of any separate trusts in accordance with this Rule 30 that such trusts shall not be created and the Trustee shall instead transfer such amount to the Trustee’s Reserve Account to hold for the general purposes of the Scheme.
- 30.5 The Trustee may have regard to any document signed by the Member or nomination otherwise submitted through the Member’s online account (the “**nomination**”) delivered to the Trustee by which the Member expressed his wishes for the disposal of any sum payable under this Rule 30. For this purpose the Trustee may have regard to any nomination provided to the Trustee which was made by the Member under an Other Scheme or other arrangement in respect of which a transfer payment has been received into the Fund under Rule 67 (Transfers in) or Rule 71.3 (Merger) in respect of the Member. Any person, charity or unincorporated association named in the nomination will be a “**nominated beneficiary**” for the purposes of Rule 30.1.
- 30.6 Where any sum held under discretionary trust would otherwise be payable to the Crown, the Duchy of Lancaster or the Duke of Cornwall as bona vacantia (or any equivalent under Scottish law), or would vest in a creditor of the Member, the Trustee shall hold that sum in the Trustee’s Reserve Account.
- 30.7 The Trustee shall not be obliged to take into consideration under this Rule 30 any potential Beneficiary other than one whose existence and claim to be considered has been brought to the Trustee’s attention.

31 Payments to personal representatives

Where any sum is payable to the estate of a Member or other Beneficiary the Trustee may pay that sum to any person who the Trustee considers capable of being the personal representative (or executor) of the Member or Beneficiary without seeing a grant of representation or other relevant documentation or to any other person the Trustee considers has an interest in the Member's estate and any such payment shall be a complete discharge to the Trustee.

32 Taxation deductions

32.1 The Trustee may deduct from any present or future payment under the Scheme any tax for which it or the Administrator may be liable or jointly liable whether under the Finance Act or otherwise in respect of such payment and shall otherwise be entitled to meet from the Fund any liabilities for tax, levies, fees or duty incurred by them in connection with the Scheme. Where any liability to tax or any other fiscal imposition arises in respect of any benefit under the Scheme, the Trustee may apply the benefit in whole or in part in the payment of such liability (including any interest due) and deduct the amount so paid from the benefit, or postpone payment of the benefit, until the liability has been met or provision satisfactory to the Trustee made for its discharge.

32.2 In addition and without limitation to any right to recover tax under Rule 32.1, where the Administrator becomes liable for the payment of an annual allowance charge in accordance with section 237B of the Finance Act and has paid the sum to the Revenue, it shall make an appropriate reduction to the Personal Account of the Member. Where the sum paid to the Revenue cannot be deducted from the Personal Account of the Member, the Trustee may demand repayment by the Member of an amount equal to the sum paid to the Revenue and may, if it considers it appropriate, charge interest on the amount due at such rate as the Trustee considers appropriate.

32.3 If a Member does not comply with the request of the Trustee to notify it of his available Lifetime Allowance before payment of benefits to or in respect of him under the Scheme, the Trustee shall be entitled to assume that the Member has fully utilised the Member's Lifetime Allowance and so treat such benefits as subject to the Lifetime Allowance Charge until such time as the Member provides such notification.

32.4 If, for whatever reason, a Member gives the Trustee false, misleading or incorrect information regarding his available Lifetime Allowance before any benefits are paid to or in respect of him under the Scheme, and those benefits are subsequently paid without the appropriate Lifetime Allowance Charge (if applicable) first being deducted, the Trustee may demand repayment of an amount equal to the appropriate Lifetime Allowance Charge and any interest in accordance with the power in Rule 29 (Incorrect payments).

32.5 If the amount that crystallises for the purposes of section 216 of the Finance Act in respect of benefits payable under the Scheme to or in respect of a Member would exceed the Member's Lifetime Allowance, the Trustee, acting on the request of the Member, may convert the excess into a Lifetime Allowance Excess Lump Sum, provided that such conversion precedes the crystallisation and the other conditions of paragraph 11 of Schedule 29 to that Act are met.

33 Unclaimed benefits

33.1 Subject to the requirements of any applicable legislation, benefits are only payable when claimed by the Member or Beneficiary and the Trustee is not obliged to locate the recipient of a benefit to inform him of his entitlement to a benefit from the Scheme. Such unclaimed benefits shall be held by the Trustee in the Trustee's Reserve Account.

33.2 A Member or other Beneficiary will cease to be entitled to any sum which has become due if it has not been claimed within six years of it becoming due. The Trustee may, at its discretion, pay all or any part of the benefit to the Member or other Beneficiary even though it has not been claimed within six years, but unless the Trustee decides that it is appropriate to pay interest at such rate as it may decide, the Member or Beneficiary shall not be entitled to interest on the amount paid.

34 **Buying annuities**

- 34.1 The Trustee may buy an insurance policy or annuity contract from an Insurance Company to satisfy any benefits payable under the Rules. The policy or annuity shall be in the name of the Beneficiary. Where a policy or contract is in the name of the Beneficiary he shall cease to have any claim upon or interest in the Scheme once the policy or annuity is purchased.
- 34.2 When purchasing any such policy or annuity contract the Trustee shall not be obliged to take into account the individual circumstances of the Beneficiary or to carry out a review of all available Insurance Companies.
- 34.3 The Trustee may buy a policy or contract without the consent of the Beneficiary, provided that any relevant conditions in the Occupational Pension Schemes (Preservation of Benefit) Regulations 1991 are satisfied.
- 34.4 The Beneficiary must be given an opportunity, within such period as the Trustee may allow, to select an insurance policy or annuity contract from an Insurance Company of their choice in relation to such arrangement.

35 **Pensions on divorce**

- 35.1 Where the benefits of a Member are subject to the provisions of a Pension Sharing Order the following shall apply:
- (a) the Personal Account of the Member shall be reduced by the debit applicable in accordance with section 29(1)(a) of the WRPA;
 - (b) any Pension Credit may be discharged in any manner consistent with the WRPA, as determined by the Trustee. Any benefits consequently provided under the Scheme may be treated as provided separately from any benefits provided under the Scheme for the same individual as an Eligible Worker or Dependant of an Eligible Worker or may be allocated to an existing Member's Personal Account. The Ex-Spouse shall be regarded as a Member for the purposes of the Rules to the extent considered appropriate by the Trustee; and
 - (c) any Pension Credit Benefit may be discharged in any manner consistent with the WRPA, as determined by the Trustee. Where the Trustee discharges its liability in accordance with the PCB Regulations it shall, where applicable, ensure that the payment, allocation or value of benefits to be provided is at least equal to the amount described in Regulation 11 of the PCB Regulations.
- 35.2 If the Ex-Spouse of a Member dies before the Trustee has implemented a Pension Sharing Order in respect of them, then the Trustee shall use the cash equivalent of the Ex-Spouse's Pension Credit Rights under the Pension Sharing Order (calculated in accordance with PCB Regulations), to provide such lump sum benefits on the discretionary trusts of Rule 30 (Payment of Lump Sum Death Benefits) and pensions for the spouse, civil partner or Dependant of the Ex-Spouse as it shall decide which are in the form of Authorised Member Payments. For the purposes of this Rule 35, references to "**Member**" in Rule 30 and in the definition of "**Dependants**" shall be replaced by reference to the "**Ex-Spouse**".
- 35.3 A Member or Ex-Spouse Member entitled to give notice under section 101F(1) of the 1993 Act may not apply under section 95 of the 1993 Act for a transfer payment unless he also gives and does not withdraw notice under section 101F(1) of the 1993 Act. Withdrawal of notice may only be made in respect of both such notices.
- 35.4 This Rule 35 overrides any inconsistent provisions elsewhere in the Scheme other than Rule 75 (Overriding Provisions) and Rule 72 (Power of Amendment).
- 35.5 When giving effect to Rule 64 (Transfers out), the Trustee shall, if relevant, provide full details to the trustees or administrator of the Other Scheme of any debit to which the transfer payment is subject under the terms of a Pension Sharing Order.
- 35.6 An Ex-Spouse Member may request that the Trustee arranges a transfer of his Pension Credit Rights to an Other Scheme if the legislative requirements are satisfied in relation to the transfer. The

Trustee must confirm to the Other Scheme that the transfer value consists wholly or partly of Pension Credit Rights for the benefit of an Ex-Spouse Member.

- 35.7 The Trustee may, with the agreement of the Founder, accept a transfer payment (and any subsequent payment(s) topping-up an original transfer payment) from an Other Scheme relating in whole or in part to a Pension Credit or the Pension Credit Rights of any Member on terms that the Member shall be entitled to such benefits under the Scheme in respect of the transfer payment as the Trustee may agree.
- 35.8 The assignment of part or all of the Member's retirement benefits or rights to benefits under the Scheme to his/her Ex-Spouse may be permitted by the Trustee to the extent necessary to comply with a Pension Sharing Order.
- 35.9 The Trustee may recover from a Member and his spouse or Ex-Spouse any cost incurred in connection with the divorce proceedings or anticipated divorce proceedings of the Member and the making or implementation of a Pension Sharing Order or earmarking order in the manner and to the extent permitted by law.
- 35.10 The benefits payable to or in respect of a Member or his Ex-Spouse under this Rule 35 shall be of such form and amount, and payable at a time and in a manner, as are consistent with all other benefits payable under the Rules, as the Trustee shall determine.

35A Authorised Member Payments

Notwithstanding any provision in these Rules to the contrary, the Trustee may with the consent of the Member or, where applicable, any person entitled to receive any benefit in respect of a Member, and subject to the agreement of the Founder, pay any Authorised Member Payment instead of all or part of any benefit the Member or other beneficiary might otherwise have under the Scheme. The Trustee will make such adjustment to the value of the Member's Personal Account as the Trustee considers appropriate to reflect any such payment, including by deducting the payment from the Member's Personal Account.

CONSTITUTION OF TRUSTEES

36 Appointment and removal of trustees

- 36.1 There shall be one or more corporate bodies as the trustees of the Scheme and/or individual trustee or trustees provided that if the trustees are all individuals there shall be not less than three trustees. The Founder has determined that the first Trustee of the Scheme is The People's Pension Trustee Limited. The Founder may by deed remove any corporate body or any individual trustee and may by deed appoint another corporate body as sole or additional trustee (whether or not it is a trust corporation) or appoint additional individual trustee(s).
- 36.2 A trustee may resign from office as a trustee by giving written notice to the Founder. Notice must be at least three months unless the Founder permits a shorter notice period. The resigning trustee must execute such documents and do all such things as may be necessary to give effect to that resignation.
- 36.3 The powers under this Rule 36 must be exercised in a way which complies with the legislation relating to member nominated trustees and directors during any period that the member nominated trustee regime applies to authorised master trusts.

37 Remuneration of Trustee

The Trustee (including a professional trustee who is appointed as a director of a corporate body serving as a trustee) may be paid such remuneration (if any) as may be agreed with the Founder. Such remuneration may be paid by the Founder or as an expense of the Scheme under Rule 38 (Expenses of administration, management and investment). A professional trustee shall be entitled to retain all usual professional or other charges due to him or his company or firm, including in respect of acts which a trustee could have done personally.

38 Expenses of administration, management and investment

38.1 Subject to Rules 38.2 and 38.3, all liabilities, costs, levies and expenses incurred by the Trustee and its agents or delegates in the management, administration and investment of the assets of the Scheme (including without limitation those of the persons employed or appointed in accordance with Rule 43.1 (Staff and agents)) shall, unless the Trustee with the agreement of the Founder otherwise determines, and for so long as there is a Funder, be paid by the Funder. For the avoidance of doubt, the Founder and Trustee acknowledge that the statutory provisions in respect of Trustee expenses apply independently of this Rule and this Rule is not intended to conflict with or override such provisions.

38.1 A The Annual Management Charge shall be deducted from the Members' Personal Accounts by the Trustee. After deducting an amount which reflects:

- (a) any expenses paid directly by the Trustee; and
- (b) a sum to be retained within the trust for payment of future expenses following a Triggering Event as set out in the Business Plan and Continuity Strategy,

in each case in accordance with an agreement between the Trustee and Founder under Rule 38.1, the Trustee shall (for so long as there is a Funder) pay the aggregate amount of the Annual Management Charge remaining to the Funder in recognition of its role and the obligation set out at Rule 38.1 above. The provisions of Rules 38.1 and 38.1A shall be operated in a manner consistent with the requirements of the 2017 Act.

38.2 The Trustee may determine from time to time that any expenses that specifically relate to or in respect of a Member shall be met out of the Member's Personal Account, including without limitation:

- (a) where the Trustee undertakes any tracing exercise in order to locate a Member or Beneficiary to or in respect of whom benefits are payable, the costs of that tracing exercise;
- (b) any costs of implementing a person sharing or earmarking order on divorce; and
- (c) the costs of creating family trusts for a Member or Beneficiary.

38.3 Liabilities, costs, levies and expenses may also be met out of the Reserve Accounts of the Employers or the Trustee's Reserve Account where permissible under the Rules.

38.4 The charges year for the purposes of any legislation limiting Member charges shall begin on each 1 April or such other date as the Trustee and the Founder may agree.

38A Substitution of Funder

38A.1 Any company, firm or person may take the role of the Funder for the purposes of Rule 38 (Expenses of administration and management) only provided that:

- (a) the replacement entity is a 'scheme funder' of the Scheme for the purposes of section 39 of the 2017 Act;
- (b) the existing Funder consents to the replacement (unless the Funder has entered an Insolvency process in circumstances where there is then no reasonable prospect of the Funder's business being rescued as a going concern or the Funder's balance sheet being restored to solvency within 12 months from the point of entry); and
- (c) the replacement entity executes a deed of substitution under which it agrees with the Trustee to observe and comply with the provisions of Rule 38 of these Rules. The substitution shall take effect from the date stated in that deed.

38A.2 When a new Funder is appointed in accordance with this Rule 38A the previous Funder shall be discharged from all future obligations under Rule 38 and all powers and obligations of the Funder under Rule 38 shall become powers and obligations of the new Funder.

39 **Trustee's liability**

39.1 Subject to the following paragraphs of this Rule 39 and all applicable statutory requirements, a Trustee shall not be liable for any act, omission or breach of trust nor for any act or omission of any agent, delegate or nominee of the Trustee.

39.2 This Rule 39 does not apply to any liability arising out of a Trustee's dishonest or intentional breach of trust committed in the knowledge that it was a breach of trust or, in the case of a professional trustee, out of his own negligence.

39.3 For the purposes of Rules 39.1 to 39.2 above, the Trustee shall include any former Trustee.

40 **Trustee director liability**

40.1 In the case of a director of a corporate body acting as a Trustee, Rule 39 (Trustee's liability) applies as if that director were a Trustee, subject to the provisions of this Rule 40. This Rule 40 does not affect the protection provided to the corporate body itself under Rule 39 (Trustee's liability).

40.2 In the case of a director, this Rule and Rule 39 (Trustee's liability) are subject to any limitations contained in the Companies Act 2006. The protection provided under either Rule is not intended to and shall not exceed the limitations under that Act.

40.3 No exoneration under this Rule 40 or Rule 39 (Trustee's liability) shall apply to any liability arising out of a director's dishonest or intentional breach of trust committed in the knowledge that it was a breach of trust or, in the case of a director who is a professional trustee, out of his own negligence.

40.4 References to a director in this Rule 40 include any current or former director or officer of a corporate body which is acting or used to act as a Trustee.

41 **Liability insurance**

41.1 The Trustee may obtain insurance against:

- (a) liability for any act or omission in relation to the Scheme; and
- (b) claims by any Beneficiaries the Trustee is unaware of or whom the Trustee has been unable to contact,

except that the premium for any insurance relating to the liability of a professional Trustee or a professional director and/or a professional corporate body acting as a director of a corporate Trustee shall be paid by the professional Trustee or the professional director / corporate body unless the Trustee and Founder agree otherwise and in which case it may be payable by the Founder or from the Fund, subject to any limitations contained in the 2004 Act.

41.2 Where the Trustee is not a professional Trustee (or a professional director or a professional corporate body acting as a director of a corporate Trustee), premiums relating to any such insurance may be charged to the Founder with its agreement. Alternatively, premiums may be paid from the Fund except to the extent that such insurance covers any liability to pay any fine or penalty under section 168(4) of the 1993 Act or section 10 of the 1995 Act or any fine payable for an offence of which the Trustee, director or officer is convicted.

41.3 Such insurance may cover any current or former Trustee and any current or former director or officer of a corporate body acting as a Trustee.

TRUSTEE'S POWERS AND DUTIES AND ADMINISTRATION

42 **How the Trustee may act**

42.1 Where the Scheme has a sole corporate Trustee, that Trustee shall act in accordance with its memorandum and articles of association.

42.2 Where the Trustee is required to obtain the consent of, or to act on the instructions of the Founder, it may accept the written confirmation of any director, the company secretary or any duly authorised attorney of the Founder as sufficient evidence that the consent or instruction has been duly authorised.

43 **Staff and agents**

- 43.1 The Trustee, with the consent of the Founder, may employ or appoint any staff, agents, scheme administrator and Administrator. Such employment or appointment shall be of such persons and on such terms as the Trustee, having consulted with the Founder, considers appropriate. The Trustee may, having consulted with the Founder, terminate any such employment or appointment.
- 43.2 The first Administrator for the purposes of section 270 of the Finance Act is B & C E Financial Services Limited (registered number 2207140).
- 43.3 Any person transacting business with the Trustee may rely upon a receipt for monies paid given by the Trustee or person appointed under Rule 49 (Power to delegate).

44 **Notices**

- 44.1 Any notice to the Trustee must be sent to its registered office or to such other address as the Trustee may from time to time nominate by notice in writing to receive such notices. Any notice to the Trustee shall be deemed to be served at the time it is received.
- 44.2 Subject to Rule 44.3, notice to an Employer or to any person entitled to benefits under the Scheme must be sent to his last known address. Notices delivered by hand shall be deemed to have been served at the time of delivery. Notices sent by first class post shall be deemed to be served on the second day after posting. Notices sent by second class post shall be deemed to have been served on the fifth day after posting.
- 44.3 Notwithstanding the previous provisions of this Rule 44, the Trustee may use and may at its discretion accept the use by any person of any communication sent by any means the Trustee considers appropriate, including electronic means such as facsimile, e-mail, telephone text message or via the Trustee's nominated online services portals or secure websites. The Trustee shall decide the time at which any such communication shall be deemed to be served.
- 44.4 The Trustee may at its discretion accept any notice as being validly given even if it was not in writing or did not satisfy any notice period or other formality required under these Rules or under legislation.
- 44.5 Where any notice is required to be given under these Rules and a time period is specified, time will begin to run from the date the notice is deemed to have been served under this Rule 44. Any notice will be deemed to be effective from the date of provision of the notice period or such later date as is specified in the notice.

45 **Power to bind the Scheme**

- 45.1 Subject to Rule 43.1 (Staff and agents) and Rule 50.1 (Scheme advisers), the Trustee, with the consent of the Founder, may enter into such contracts or other agreements and give such undertakings, indemnities or guarantees on such terms as it decides are proper for the efficient administration of the Scheme. Unless otherwise stated the terms and conditions of such contracts or agreements shall bind the successors in office to the Trustee who originally entered into them.
- 45.2 The Trustee, with the consent of the Founder, shall have the power to make or revoke any regulation or other provision (not being inconsistent with the Rules) as it thinks fit relating to any matter or thing not provided for under the Rules or for the administration of the Scheme.

46 **Questions of fact and interpretation and dispute resolution**

- 46.1 Except where expressly stated otherwise or where Founder consent or consultation is required, the Trustee has the final decision on all questions or disputes regarding the meaning or interpretation of these Rules and shall determine all issues or questions of fact relating to the administration of the Scheme.
- 46.2 The Trustee shall secure that arrangements are made and implemented for the resolution of disagreements about matters in relation to the Scheme in accordance with sections 50, 50A and 50B of the 1995 Act (internal dispute resolution procedure), and that these arrangements are notified to the Members and other persons as required by that Act.

47 Power to commence, settle and defend proceedings

47.1 In addition to the powers conferred on the Trustee by general law, the Trustee may commence and pursue legal proceedings relating to the operation of the Scheme, its actions as Trustee or the rights of Beneficiaries under the Scheme. The Trustee may also defend any such proceedings. The Trustee has complete discretion to settle, compromise or submit to mediation or arbitration any claim or other matter relating to the Scheme. Any decision or action taken by the Trustee under this Rule 47 is subject to the prior consent of the Founder, save where the decision or action taken relates to legal proceedings, claims or actions brought against the Founder.

48 Confidentiality

48.1 Subject to the requirements of any legislation or any order of the court or direction of the Pensions Ombudsman, the Trustee shall be entitled to refuse to disclose to any Member, or other actual or potential Beneficiary or to any Employer the whole or any part of any documents, minutes, records or other data in its possession and shall not be obliged to give reasons for any decision it makes.

49 Power to delegate

49.1 Subject to Rule 49.2, the Trustee, with the consent of the Founder, may delegate any of its powers (discretionary or otherwise) and duties to a committee of the Trustee or to any one or more persons (whether or not a Trustee). The Trustee, with the consent of the Founder, will decide the terms of any such delegation (including any payment). The power to delegate includes the power to allow subdelegation.

49.2 Any discretion of the Trustee to make any decision about investments:

- (a) may be delegated by or on behalf of the Trustee in accordance with section 34 of the 1995 Act to a fund manager; but
- (b) may not otherwise be delegated except under section 25 of the Trustee Act 1925, section 34(5) of the 1995 Act or where otherwise permissible by law. The delegation of any discretion with regard to investments under section 34 of the 1995 Act and also under section 25 of the Trustee Act 1925 may be delegated without Founder consent.

50 Scheme advisers

50.1 The Trustee, having consulted with the Founder, may appoint an investment consultant, fund manager, auditor, custodian, lawyer, actuary or other adviser to the Scheme on such terms, having consulted with the Founder, as it considers appropriate. The Trustee may, having consulted with the Founder, appoint more than one such adviser as it considers appropriate. All such appointments shall, where applicable, be made in accordance with section 47 of the 1995 Act. The Trustee, having consulted with the Founder, may terminate such appointments and appoint a replacement as appropriate.

50.2 The Trustee may act on the advice or opinion of any adviser appointed under this Rule 50 and shall not be responsible for any loss caused by doing so.

51 Power of investment

51.1 The Trustee shall have the same full and unrestricted powers of investing and changing investments as if it were the beneficial owner of the Fund. The Trustee shall consult with the Founder before exercising the power of investment under this Rule 51. All money held in or for the purposes of the Scheme shall be placed in a bank account with a Deposit-Taker or invested in such other manner as the Trustee may determine, whether or not involving liability or producing income and with or without security.

51.2 All investments shall be held in the name of the Trustee or in the name of a nominee or agent appointed by the Trustee on such terms as the Trustee may decide are appropriate.

51.3 The Trustee shall not invest in employer-related investments (as defined in section 40 of the 1995 Act) except in accordance with that legislation.

- 51.4 The Trustee shall comply with the requirements of sections 35 (investment principles) and 36 (choosing investments) of the 1995 Act and of the Occupational Pension Schemes (Investment) Regulations 2005 when exercising its powers of investment under this Rule 51.
- 51.5 For the avoidance of doubt and without in any way limiting the general power of investment, investments under this Rule 51 may include derivative contracts, including swaps, foreign exchange contracts, futures, options or contracts for differences, securities lending and any other similar arrangements. As part of any such arrangement (or in relation to it), the Trustee may give undertakings, indemnities or guarantees and provide security or collateral.
- 52 Investment of assets**
- 52.1 In exercising its powers of investment under Rule 51 (Power of investment), the Trustee may from time to time notify Members of the range of investment funds or vehicles in which their Personal Accounts may be invested and the facilities, permitted frequency and charges for switching investments between such investment funds or vehicles. The range of investment funds or vehicles in which the Personal Account must be invested must include at least one default fund, in which any contributions will be invested in the absence of any choice being made by a Member. The Trustee may add to and withdraw funds or vehicles from the range available to Members as long as the range includes at least one default fund. If a fund option is withdrawn the Trustee may, in appropriate circumstances, decide to notify any Members whose investments are directly affected by that withdrawal and give them the opportunity to transfer any part of their Personal Accounts invested in that particular fund option and allocate future contributions to a different fund option.
- 52.2 The Trustee may ask each Member to select one or more investment funds or vehicles in which he wishes his Personal Account to be invested but a Member shall not be required to exercise any choice in relation to any investment fund. Where a Member has not informed the Trustee of his selection or a fund option is withdrawn and the Member has not informed the Trustee of his alternative selection, the Trustee shall allocate a Member's Personal Account to a default option or options from time to time selected by the Trustee. Should a Member's Personal Account be invested in a fund option and a Suspension Event has occurred in relation to that fund option, the Trustee shall notify any Members whose investments are directly affected by that Suspension Event and give them the opportunity to allocate future contributions to a different fund option. Until the Member has informed the Trustee of his selection, the Trustee shall have the power to allocate future contributions to a default option or options from time to time selected by the Trustee without the Member's consent.
- 52.3 Subject to the Trustee's right to change the range of funds available to Members under Rule 52.1, the provisions of Rule 52.2 and subject to any choice not resulting in the Trustee breaching any legal obligation, the Trustee must follow the Member's selection and shall not be liable in any way for the performance or suitability of the investment fund or vehicle selected by the Member.
- 52.4 The fees and expenses or amounts arising from the investment of a Member's Personal Account or otherwise deductible under the Rules shall be deducted from the Member's Personal Account in accordance with Rule 38 (Expenses of administration and management).
- 53 Power to borrow and to insure**
- 53.1 To the extent permitted by law and with the consent of the Founder, the Trustee may borrow money required for the purposes of the Scheme, including in relation to the investment of Scheme assets, to the same extent as if it were the beneficial owner of the Fund. However, such borrowing may not exceed the limits for unauthorised borrowing under section 182 (Unauthorised borrowing: money purchase arrangements) of the Finance Act or any other limitation imposed by legislation.
- 53.2 The Trustee, with the consent of the Founder, may insure the Scheme, any individual asset or investment of the Fund (including any risks which may arise in the course of holding any investment).
- 54 Accounts**
- The Trustee shall ensure that proper accounts are kept for the Scheme. An account and balance sheet of the Scheme made up to the accounting date in each year shall be prepared and shall be audited by

the auditor appointed by the Trustee. The accounting date shall be 31 March in any calendar year or such other date as the Trustee decides.

55 Conflicts of interest or duty

- 55.1 Any act or decision of the Trustee shall be valid even if a Trustee had an interest in or conflicting duty in relation to that act or decision including, for the avoidance of doubt, where a Trustee failed to disclose information to any fellow Trustee due to a conflicting duty of confidentiality.
- 55.2 In this Rule 55 references to Trustee apply equally to directors of a corporate body acting as a Trustee and, for the avoidance of doubt, a decision of a corporate body acting as a Trustee will be valid notwithstanding any actual or potential conflict of interest or duty which any of its directors may have or any breach of such duty.
- 55.3 The Trustee may adopt such methods and policies for the management of conflicts as it considers appropriate, having regard to the severity of the potential conflict.

PARTICIPATION OF EMPLOYERS

56 Participation by Employers

- 56.1 The Founder may admit any company, partnership, association or other entity to participate in the Scheme as an Employer with effect from a date specified by the Founder, provided that the Employer or its parent or other associated employer on its behalf agrees to comply with the provisions of the Rules (as amended from time to time in accordance with Rule 72 (Power of amendment)) in so far as they relate to it as an Employer. Any such agreement given by or on behalf of an Employer may be given by it by deed entered into with the Founder or by the Employer (or its parent or other associated employer, or a third party acting on its behalf, provided that it can evidence its authority to do so) signifying its agreement in writing in such manner as determined by the Founder (which may include signifying its agreement via an electronic admission process or the Employer Assistance (Online Services)). If the Employer is admitted on special terms under Rule 56.8 any special terms must, unless the Founder and the Trustee agree in any particular case, be set out in a deed. The Founder may also participate in the Scheme as an Employer.
- 56.2 Before an Employer starts participating in the Scheme, it (or a third party acting on its behalf, provided that it can evidence its authority to do so) shall first complete such registration process as is required by the Founder including (if required) providing details of authorised persons who can act on behalf of the Employer.
- 56.3 Following completion of the registration process under Rule 56.2 an Employer (or a third party acting on its behalf, provided that it can evidence its authority to do so) must provide such information as is required by the Founder or the Trustee which may include details of Eligible Workers, applicable Contribution Earnings and contribution rates.
- 56.4 An Employer may, subject to complying with all applicable laws, amend the information supplied under Rule 56.3 and notify the Trustee of such amendments. The Employer must also provide such information as the Trustee requires from time to time in order to update any payment schedule prepared in relation to an Employer or otherwise.
- 56.5 Any information that needs to be supplied by the Employer (under Rules 56.2, 56.3 or otherwise) must be supplied by updating the Administration Account or Accounts operated by the Trustee in relation to the Worker Groups of each Employer electronically via the Trustee's nominated online services portals or secure websites, or by such other method as the Founder, with the agreement of the Trustee, from time to time determines is appropriate. The Employer shall comply with the Data Protection Requirements and the provisions as set out in the Website Policy and the Privacy Policy in relation to the supply of such information and any other requirements as the Founder, with the agreement of the Trustee, may determine to be necessary or desirable in order to facilitate the efficient administration of the Scheme or the use of electronic communications and the lawful electronic processing of data (whether via the Trustee's nominated online services portals or secure websites or otherwise).

- 56.6 Each Employer admitted to participation in the Scheme on or after the effective date of the Second Rules indemnifies the Trustee and the Founder and holds them harmless against all claims, liabilities or demands (including without limitation any legal or ombudsman claims) in relation to any failure by the Employer to comply with its obligations under the overriding provisions set out in Rule 75 (Overriding Provisions). The indemnity in this Rule 56.6 shall not apply to Employers admitted to participation to the Scheme before the effective date of the Second Rules but any indemnities given by any such Employer under any Participation Agreement entered into by such an Employer or otherwise shall continue to apply after the effective date of the Second Rules.
- 56.7 In the case of any Eligible Worker who is an Automatic Enrolment Worker, the Employer:
- (a) must as a minimum make contributions necessary to comply with the Automatic Enrolment Requirements, having regard to the applicable Contribution Earnings definition; and
 - (b) subject to Rule 58 (Employer ceasing to participate), may not take any steps which result in such an Eligible Worker ceasing to be an Active Member except where this is permissible under the Automatic Enrolment Requirements.
- 56.8 Subject to Rule 75 (Overriding Provisions) and Rule 72 (Power of amendment), Employers may, with the agreement of the Founder, be admitted to participation in the Scheme on the basis that special or different terms or provisions may apply to the admission of that Employer or to all or any Members of the Scheme who are or have previously been Eligible Workers of that Employer. Any such special terms shall, unless the Founder and the Trustee agree, be set out in a Participation Agreement in the form of a deed entered into by the Founder, the Employer and the Trustee.
- 56.9 Where the Trustee is required to obtain the consent of, or to act on the instructions of, any Employer, it may accept the written confirmation of any person or persons as the Employer shall notify to the Trustee from time to time as sufficient evidence that the consent or instruction has been duly authorised.
- 57 **Substitution of Founder**
- 57.1 Subject to the following provisions of this Rule 57 and to the consent of the Founder at that time (other than where the Founder has entered an Insolvency process in circumstances where there is then no reasonable prospect of the Founder's business being rescued as a going concern or the Founder's balance sheet being restored to solvency within 12 months from the point of entry), any company, firm or person may take the role as Founder of the Scheme. The new Founder must execute a deed of substitution under which it agrees with the Trustee to observe and comply with the provisions of these Rules and the substitution shall take effect from the date stated in that deed.
- 57.2 When a new Founder is appointed in accordance with this Rule 57 the previous Founder shall be discharged from all future obligations as Founder of the Scheme and all powers and obligations of the Founder under the Scheme shall become powers and obligations of the new Founder.
- 58 **Employer ceasing to participate**
- 58.1 Subject to Rule 58.2, an Employer (other than the Founder) will cease to participate in the Scheme when any of the following events take place or when any notice given in accordance with the following provisions takes effect:
- (a) the Employer goes into Insolvency;
 - (b) the Founder gives at least three months' written notice to the Trustee and the Employer that the Employer shall cease to participate;
 - (c) the Employer gives at least one month's notice in writing to the Trustee and the Founder (or such shorter period as the Trustee and Founder may accept) that it intends to cease to participate in the Scheme; or
 - (d) the Trustee, with the consent of the Founder, gives at least one month's written notice to the Employer that it has failed to comply with any one of the requirements of these Rules and the Employer has, in the opinion of the Trustee and the Founder, failed to take satisfactory steps to correct its failure before the notice takes effect.

58.2 If any of the events set out in Rule 58.1(a), (b), (c) and (d) occur, the Founder may permit that Employer to continue to participate in the Scheme for such period and on such terms as it may decide. Any such period may not exceed 12 months without the prior consent of the Trustee.

59 **Consequences of an Employer ceasing to participate**

59.1 Subject to Rules 59.2 and 60 (Allocation of Personal Accounts to General Deferred Members Section), where an Employer ceases to participate in the Scheme in accordance with Rule 58 (Employer ceasing to participate) or Rule 57 (Substitution of Founder), any Active Member who was in Contributing Membership by reference to that Employer shall be deemed to have ceased to be in Contributing Membership on the date his Employer ceases to participate in the Scheme. The Member's benefits will be dealt with under Rules 23 (Benefits on leaving Contributing Membership) and 24 (Commencement of deferred benefits) above.

59.2 In the case of a Member whose Contributing Membership has ended due to his Employer ceasing to participate in the Scheme, he may be entitled to re-commence Contributing Membership as an Active Member:

(a) if he becomes an Eligible Worker in a new Employer's Section, in accordance with the terms of the Scheme applicable to that Employer's Section, or within the same Employer's Section if he becomes an Eligible Worker of another Employer within the same group of connected or associated Employers (as described in Rule 75.6); or

(b) in the Connected Persons Section subject to the requirements of Rule 7.1(c).

The Personal Account of such an Eligible Worker shall then be treated as forming part of and being comprised in the new Employer's Section or the Connected Persons Section, as applicable.

59.3 An Employer's obligation to contribute to the Scheme under Rule 13 (Employer Contributions) ends when its participation in the Scheme ceases but any contributions or other amounts due from the Employer in relation to any period prior to cessation of participation shall remain payable.

59.4 On the cessation of participation of an Employer in the Scheme under this Rule 59, any surplus that would otherwise be payable under Rule 69.4 and has not been applied before the date of cessation of participation shall be transferred to the Trustee's Reserve Account and shall be applied by the Trustee for the general purposes of the Scheme.

59.5 Subject to the provisions of this Rule 59 and Rule 58.2, if any of the events set out in Rule 58.1(a) – (d) occur in relation to an Employer, the Founder may, as an alternative to dealing with Members' benefits in accordance with Rules 23 to 24 (Deferred Members' Benefits) and 60 (Allocation of Personal Accounts to General Deferred Members Section), either:

(a) at the request of the Employer, agree that the provisions of Rules 64.3 and 64.4 shall apply in respect of the persons who immediately before the occurrence of one of the events in Rules 58.1(a) to (d) were Active Members in that Employer's Section or sub-section of the Scheme, together with any other Deferred Members whose benefits were immediately comprised in the Employer's Section or sub-section to whom Rule 64.3(c) applies; or

(b) terminate the Employer's Section as a whole or, where an Employer's Section comprises the Personal Accounts of all the Eligible Workers who are in Contributing Membership in relation to a group of associated or connected Employers as described in Rule 75.6, the sub-section of the Employer's Section which relates to that Employer. In this case, the provisions of Rule 68 (Termination of the Scheme), Rule 69 (Application of the Fund on winding up) and Rule 70 (Securing benefits on winding up) shall apply as appropriate to the Employer's Section or subsection to be terminated, and shall be read accordingly.

60 **Allocation of Personal Accounts to General Deferred Members Section**

60.1 Where an Employer ceases to participate in the Scheme in accordance with Rule 58 (Employer ceasing to participate) but subject to Rule 60.2, the Personal Accounts comprised in the Employer's Section or Employer's sub-section (as described in Rule 75.6) shall in future be treated as forming part of the General Deferred Members Section of the Scheme unless and until any of the

corresponding Members become Eligible Workers in another Employer's Section and are admitted to participation in that Employer's Section, become Eligible Workers of another Employer within the same group of connected or associated Employers and are admitted into participation in that Employer's sub-section (as described in Rule 75.6), or are admitted to Contributing Membership of the Connected Persons Section.

- 60.2 Where a Eligible Worker or Connected Person ceases to be an Active Member in circumstances other than under Rule 59 (Consequences of an Employer ceasing to participate), the Personal Account applicable to that Member shall in future be treated as forming part of the General Deferred Members Section of the Scheme unless and until he becomes an Eligible Worker in another Employer's Section and is admitted to participation in that Employer's Section, becomes an Eligible Worker of another Employer within the same group of connected or associated Employers and is admitted into participation in that Employer's sub-section (as described in Rule 75.6), or is admitted to Contributing Membership of the Connected Persons Section again in accordance with the Rules.

POWERS AND OBLIGATIONS OF THE EMPLOYERS

61 Powers of Employers

- 61.1 If in respect of any Member a power or consent is expressed to be exercisable by the Employer of that Member but that Employer no longer participates in the Scheme, the power or consent shall be exercisable by the Trustee.
- 61.2 Each Employer shall supply to the Founder and the Trustee any information (relevant to the Scheme) either of them may request in respect of itself or its Workers who are Members or prospective Members. In the case of any Eligible Jobholder or Non Eligible Jobholder this information shall include the Jobholder Information which the Employer shall update from time to time in accordance with the Automatic Enrolment Requirements. The Trustee and the Founder shall each be entitled to rely upon any such information provided.
- 61.3 The Founder and the Employers shall provide to the Trustee:
- (a) any information which it may reasonably require for the proper administration of the Scheme as soon as is practicable after receipt of a written request from the Trustee; and
 - (b) within one month of the occurrence, information regarding any event relating to the Employer which there is reasonable cause to believe will be of material significance to the Trustee or its professional advisers in the administration of the Scheme.
- 61.4 Subject to compliance with all applicable laws, the Trustee and its staff and agents employed or appointed respectively pursuant to Rule 43 (Staff and agents) or delegates appointed pursuant to Rule 49 (Power to delegate) shall each be required to co-operate fully with the Founder and provide such information as is relevant to the Scheme which the Founder may request from time to time.

62 Consultation with Employers

Each of the Employers (other than the Founder) has, by agreeing to participate in the Scheme, appointed the Founder as its agent for the purposes of any legislation under which the Trustee is required to consult with the Employers or to reach agreement with the Employers about any matter. Unless the Founder otherwise agrees, either generally or in respect of a particular Employer (and in which case the Founder shall notify the Trustee accordingly), the Trustee shall only be required to consult or reach agreement with the Founder in relation to such matters and no Employer (other than the Founder) may challenge the validity of any decision on the grounds that there was no consultation or agreement with it. For the avoidance of doubt the legislative requirements referred to in this Rule 62 include requirements relating to investment.

63 Termination of employment

- 63.1 Nothing in these Rules restricts the rights of an Employer to terminate the employment of a Member. The benefits to which a Member might claim to be entitled from the Scheme in respect of a period after his contract of service could lawfully be terminated cannot be used as a ground for increasing damages in any action brought by such Member against the Employer.

TRANSFERS AND BUY-OUTS

64 Transfers out

- 64.1 A Member with deferred benefits may exercise any right he has under Chapter IV of Part IV of the 1993 Act and require the Trustee to transfer the value of his Personal Account to one or more Other Schemes which he selects.
- 64.2 A Member may, with the consent of the Trustee, request a transfer of all or part of his benefits other than in accordance with Chapter IV of Part IV of the 1993 Act to such one or more Other Schemes which he selects. The Trustee shall exercise this power in accordance with the policy agreed from time to time between the Trustee and the Founder.
- 64.3 An Employer may, with the agreement of the Founder and in accordance with the Founder's policy in relation to bulk transfers, request that the Trustee makes a transfer payment in respect of:
- (a) all Active Members of the Employer whose Personal Accounts are comprised within an Employer's Section or sub-section at the time of the transfer;
 - (b) all persons who became Deferred Members of an Employer ceasing to participate in the Scheme in the circumstances described in Rule 59.5(a) and whose Personal Accounts were comprised in an Employer's Section or sub-section immediately before the Employer ceased to participate in the Scheme; and
 - (c) all other Deferred Members who have previously been Active Members of an Employer's Section or sub-section, other than any Deferred Members to whom the Founder from time to time determines this Rule 64.3 should not apply, to one or more Other Scheme(s) of the Employer.

The amount of any transfer payment made under this Rule 64.3 shall be the aggregate value of the Personal Accounts of the Members whose Personal Accounts are being transferred. The Trustee may charge the Employer a fee in respect of any costs relating to the making of any such transfer.

- 64.4 The transfer may only be made to any Other Scheme which is willing and able to accept that transfer and then only if such a transfer constitutes a Recognised Transfer payment.

65 Buy-outs

- 65.1 Instead of requesting a transfer payment under Rule 64 (Transfers out), a Member to whom that Rule applies may request the Trustee uses the value of his Personal Account to purchase a policy or annuity contract from an Insurance Company of the Member's choice in accordance with Rule 34 (Buying annuities). The benefits provided by the policy or annuity contract may differ from the Member's rights under the Scheme, so long as they are authorised under section 164 of the Finance Act (Authorised member payments).
- 65.2 The Trustee may purchase in the name of or assign to any Beneficiary any policy or annuity contract from an Insurance Company for the provision of any benefit payable to that Beneficiary.

66 General provisions relating to transfers out and buy-outs

- 66.1 The following provisions of this Rule shall apply to the exercise of rights under Rule 64 (Transfers out) or Rule 65 (Buy-outs). Any reference in this Rule 66 to a transfer shall be deemed to include a buy-out.
- 66.2 A transfer application may be withdrawn at any time before the Trustee makes or becomes bound to make a transfer payment or purchase or becomes bound to purchase an annuity.
- 66.3 Following a transfer in accordance with Rule 64 (Transfers out) or Rule 65 (Buy-outs), the Trustee and the Scheme shall be discharged from all liability to which the transfer relates.
- 66.4 Consent of the relevant Member or Members to whom a transfer payment relates will be obtained if required by any legislation, otherwise the Trustee may make a transfer payment without the consent of the relevant Member or Members (provided that the Preservation Requirements are met).

67 Transfers in

- 67.1 If any Member or any other person either was previously a member of a Registered Pension Scheme or a Qualifying Recognised Overseas Pension Scheme or has had his rights under any such scheme bought out with an Insurance Company, then the Trustee may at its absolute discretion accept a transfer payment from such scheme or arrangement, or an assignment of or the surrender value of the policy concerned. The Trustee shall exercise this power in accordance with the policy agreed from time to time between the Trustee and the Founder.
- 67.2 On receipt of a transfer or assignment under this Rule 67 the amount received shall be credited to the Personal Account of the Member.
- 67.3 The Trustee may, with the consent of the Founder, accept a transfer payment to the Fund from an Other Scheme (or from any other arrangement where the Revenue confirm their approval to acceptance of the transfer payment to the Fund) in respect of any Member(s) and/or a group of individuals who are to be admitted to membership of the Scheme *provided that*, at any time when an Employer participates in the Scheme, the Trustee shall at the direction of Founder accept a transfer payment from an Other Scheme in which any employee or previous employee of that Employer has previously been a member (unless the Trustee determines, acting reasonably, that to accept such a transfer would not be consistent with its fiduciary duties or would otherwise prejudice the existing Beneficiaries). The transfer payment may comprise the transfer of all or part of the assets of the Other Scheme or other arrangement. The transfer payment shall be allocated within the Fund in such manner as determined by the Trustee with the consent of the Founder, which may include allocation to the Personal Accounts of Members in an Employer's Section or Sections, the General Deferred Members Section, the Connected Persons Section, or to an Employer's Reserve Account or Reserve Accounts. The consents of the individuals concerned shall not be required to the making of such a transfer where either:
- (a) such a transfer without consent is permissible under the Preservation Requirements; or
 - (b) such a transfer is not prohibited by legislation applicable to the Other Scheme or other arrangement from which the transfer is to be made.

TERMINATION AND WINDING UP

67A 2017 Act requirements

Termination of the Scheme in accordance with Rules 68 to 70 below, including through the power of the Founder to terminate the Scheme under Rule 68.1 and the securing of benefits under Rule 70.1, is subject to the requirements of the 2017 Act whilst the Scheme remains an authorised master trust.

68 Termination of the Scheme

- 68.1 The Founder may terminate the Scheme by giving at least three months' notice in writing to the Trustee and the Employers.
- 68.2 The Scheme shall be terminated;
- (a) on the expiry of notice given under Rule 68.1;
 - (b) on the decision by the Trustee to terminate the Scheme at any time during the Insolvency of the Founder; or
 - (c) in accordance with any requirement of legislation or any order of the Pensions Regulator.
- 68.3 On the termination of the Scheme, Members then in Contributing Membership shall be treated as if their Contributing Membership had terminated and, except where Rule 68.4 applies, the Scheme shall be wound up.
- 68.4 On the termination of the Scheme the Trustee may, with the consent of the Founder, decide to defer the winding up unless winding up is required by legislation. The Trustee, with the consent of the Founder, may at any time end the deferral and proceed to wind up the Scheme. The consent of the Founder under this Rule 68.4 shall not be required where the Founder has entered an Insolvency process in circumstances where there is then no reasonable prospect of the Founder's business being

rescued as a going concern or the Founder's balance sheet being restored to solvency within 12 months from the point of entry.

- 68.5 On the termination of the Scheme the Employers shall not be liable for any further payments to the Scheme, except for payments due in respect of any period of participation of the Employers before the date of termination.
- 68.6 If the Scheme is being wound up or the winding up is deferred in accordance with this Rule 68, all the provisions of the Scheme and powers exercisable under it shall remain in force and in particular the power of amendment conferred by Rule 72 (Power of amendment) shall continue in relation to the provisions of these Rules but, provided no additional liability is imposed on any of the Employers, that power shall be exercisable by the Trustee alone without reference to the Founder.

69 **Application of the Fund on a winding up**

- 69.1 This Rule 69 applies on the winding up of the Scheme under Rule 68 (Termination of the Scheme).
- 69.2 Any expenses relating to the operation and winding up of the Scheme (the "**Winding up Expenses**") shall be met in the following manner:
- (a) by the Trustee setting aside such part of the Reserve Accounts and such part of any other assets available to the Trustee (whether under any capital requirements imposed on master trusts from time to time and applicable to the Scheme or otherwise) as they decide are required to meet the Winding up Expenses;
 - (b) if and to the extent that the Winding up Expenses cannot be met in full by the application of the assets specified in Rule 69.2(a), the balance of the Winding up Expenses will be payable by the Founder or another party;
 - (c) if and to the extent that the Winding up Expenses cannot be met in full by the application of the assets specified in Rule 69.2(a) and the balance cannot be met by the Founder in accordance with Rule 69.2(b), (whether because of the Insolvency of the Founder or for any other reason acceptable to the Trustee), the balance of the Winding up Expenses may be met by the Trustee setting aside such part of each Member's Personal Account as the Trustee decides is required to meet the balance.
- 69.3 The balance of each Member's Personal Account will be applied to secure benefits in respect of that Member in accordance with Rule 70 (Securing benefits on winding up). The benefits to be secured shall be determined in accordance with the provisions of Rule 17 (Benefits).
- 69.4 Subject to all applicable statutory requirements, following the date on which the Winding up Expenses have been met under Rule 69.2 and the benefits have been secured in accordance with Rule 69.3, and after accounting for any tax for which the Trustee is liable (the "**Final Date**"), the Founder and the Trustee may pay the balance of the Fund (if any) remaining (the "**Surplus**") to the Employers in such just and equitable manner as they determine (the "**Allocation**") using reasonable endeavours to negotiate in good faith with a view to agreeing the Allocation, taking into consideration the origin of the Surplus. If the Founder and the Trustee are unable to agree the Allocation within three months of the Final Date, the Surplus shall be paid to the Founder.

70 **Securing benefits on winding up**

- 70.1 On the winding up of the Scheme benefits payable under the Scheme to or in respect of any Member or other Beneficiary shall be secured by one or more of the following methods:
- (a) transferring the cash equivalent of the benefits to any Registered Pension Scheme (or, with the consent of the Founder, to more than one such scheme) or to any Qualifying Recognised Overseas Pension Scheme that is able and willing to accept that transfer;
 - (b) buying one or more annuities which satisfy requirements prescribed by legislation from one or more Insurance Companies in the name of the Member;
 - (c) assigning the benefit of any contracts to provide an annuity, but subject to any requirements prescribed by legislation;

- (d) commuting the benefit into a lump sum payment which satisfies the requirements of Paragraph 10 (Winding-up lump sum) or Paragraph 21 (Winding-up lump sum death benefit) of Schedule 29 to the Finance Act; or
- (e) any other method which is permissible or required by law.

70.2 The Members shall not be required to consent to their benefits being secured in accordance with this Rule 70 provided that, in relation to Members with deferred benefits, the Trustee complies with any relevant conditions set out in legislation (including the Preservation Requirements).

70.3 Once the benefits of any Member or other Beneficiary are secured in accordance with this Rule 70 the Scheme and the Trustee shall be discharged from any further liability to or in respect of that Member or other Beneficiary.

71 **Merger**

71.1 The Trustee and the Founder may agree that the Scheme shall be merged with one or more Other Schemes established for the benefit of Workers of any of the Employers or of any other company on such terms as the Founder and the Trustee shall agree. On any such merger becoming effective the Trustee shall transfer the Fund to the trustees of such Other Scheme or Schemes. The Scheme shall then be wound up and the Trustee shall be discharged from all liability to or in respect of the Scheme and its Beneficiaries.

71.2 The Trustee and the Founder may agree that a merger under Rule 71.1 may also take place in relation to only part of the Scheme in which case the Trustee shall decide the appropriate part of the Fund to transfer to the Other Scheme.

71.3 The Trustee and the Founder may agree may determine that all or part of any Other Scheme for the benefit of Workers of any of the Employers may be merged with the Scheme on such terms as the Trustee and the Founder think fit.

AMENDMENT AND AUGMENTATION

72 **Power of amendment**

72.1 Subject to any statutory requirements and Rule 72.3, the Founder may by deed, with the written consent of the Trustee, amend all or any part of these Rules (including all or any part of any schedules and appendices to them), whether retrospectively or otherwise. Subject to Rule 72.2, any provisions so made shall be as valid as if they had been originally made and may be amended in the same way.

72.2 No amendment shall change the main purpose of the Scheme, which shall continue to be the provision of pension, lump sum and other benefits to or in respect of Members, either on retirement or death.

72.3 No alteration or addition shall be made in contravention of sections 67 to 67I of the 1995 Act (Modification of schemes).

72.4 For Employers admitted to participate in the Scheme prior to the Effective Date, no alteration or addition shall be made that increases the financial liabilities of any Employer beyond those already contained in these Rules without the prior written consent of the Employer concerned. Such consent may be given in the deed specified in Rule 72.1 or in any separate instrument in writing.

72.5 For Employers admitted to participate in the Scheme on and from the Effective Date, where the Trustee considers that any amendment will increase the financial liabilities of any Employer beyond those already contained in these Rules, the Trustee shall give notice, which where practicable shall be at least one month, of that amendment to the relevant Employer.

72.6 References in Rule 72 to an amendment include any alteration, addition to, repeal or replacement of any provision of these Rules. The Rules and amendments made to them from time to time shall be available on request to Members and other interested persons, including via online publication so as to be available electronically where necessary.

73 **Declarations**

For the purpose of enabling the Scheme to become and to continue to be a Registered Pension Scheme, the Trustee (or the Administrator where the Trustee is not the Administrator) may give such declarations as may be required by the Revenue under section 153 of the Finance Act (Registration of pension schemes). Any such declaration shall be deemed to be incorporated in the Rules, and to the extent that it is inconsistent with any of the provisions of the Scheme (including any provision which is stated to be overriding), it shall override that provision.

74 **Augmentation of benefits**

74.1 The Trustee may, with the consent of the Founder:

- (a) provide new or additional benefits; or
- (b) increase any benefit,

for or in respect of any Member or a Dependant of any such person, provided that the Trustee may not exercise the power under this Rule 74.1 in a way which would increase the liability of an Employer to the Scheme without the consent of that Employer.

74.2 The provision of any benefit under Rule 74.1 may be subject to payment of such additional contributions (if any) by the Employer or the Member or both of them as the Trustee decides. Payment of any additional contributions may be by way of lump sum or increased regular contributions or transfer from the appropriate Reserve Account.

74.3 The Trustee is entitled (but not obliged) to refuse to accept additional contributions where the payment is expected to result in the Member exceeding the annual allowance for the purposes of section 227 of the Finance Act (Annual allowance charge). Any benefits provided under this Rule 74 must be in the form of Authorised Member Payments.

OVERRIDING PROVISIONS

75 **Overriding Provisions**

75.1 Each of the Founder, the Employers and the Trustee in making any decision or in giving or withholding its agreement or consent or in exercising or not exercising any power in relation to the Scheme shall comply with:

- (a) any requirements of the Revenue to obtain and not prejudice the status of the Scheme as a Registered Pension Scheme;
- (b) the Preservation Requirements;
- (c) the Disclosure Requirements;
- (d) any applicable requirements of the Equality Act 2010;
- (e) any applicable requirements not to discriminate against part-time or fixed term workers;
- (f) any applicable statutory requirements relating to Family Leave;
- (g) the Administration Regulations;
- (h) any court orders made under sections 25B to 25E of the Matrimonial Causes Act 1973;
- (i) the Automatic Enrolment Requirements to the extent applicable;
- (j) any applicable requirements of the 2017 Act; and
- (k) any other applicable overriding statutory requirements.

75.2 No benefit shall be payable if it would cause the status of the Scheme as a Registered Pension Scheme to be withdrawn. No payment shall be made from the Scheme if it would be an Unauthorised Payment, unless the Founder and the Trustee consent to the making of such an Unauthorised Payment. Such consent may be given retrospectively.

75.3 The Scheme may only provide benefits which are Money Purchase Benefits.

- 75.4 If the perpetuity rules apply to the Scheme, the perpetuity period applicable to the Scheme shall be 125 years from the date of commencement of the Scheme or such longer period as may be permitted by law.
- 75.5 Nothing in these Rules shall in any way be construed as imposing upon an Employer a contractual obligation as between the Employer and a Worker to contribute or to continue to contribute to the Scheme.
- 75.6 In respect of an Employer's Section, where such a section comprises the Personal Accounts of all Eligible Workers who are in Contributing Membership in relation to a group of associated or connected Employers, that section shall be notionally sub-divided into sub-sections, one sub-section for each Employer in the group within that Employer's Section. Each sub-section will comprise the Personal Accounts of all Eligible Workers who are in Contributing Membership in relation to each individual Employer within that group.
- 75.7 This Rule 75 shall, subject to Rule 72 (Power of amendment), override all other provisions of the Rules which shall be operated in a manner which is consistent with this Rule 75 to the extent of any conflict with the other provisions of the Rules.

DEFINITIONS

76 Definitions

- 76.1 In these Rules, unless the context otherwise requires, the following rules of interpretation apply:
- (a) the table of contents, the headings to the provisions of these Rules and words in parenthesis describing the import of a provision of legislation are for reference purposes only and shall not affect the meaning or construction of these Rules;
 - (b) words importing the singular include the plural and vice versa. The plural form of words and expressions defined in Rule 76 (Definitions) shall be construed according to the meaning given to the singular form and vice versa;
 - (c) words importing one gender (except the words "**male**" and "**female**") or the neuter include the other gender and the neuter as the case may be;
 - (d) references to these Rules include any appendices;
 - (e) a reference to particular legislation is a reference to that legislation as amended, modified, consolidated, re-enacted or replaced from time to time and to all subordinate legislation made under it from time to time;
 - (f) a reference to any legislation applicable to only part of the United Kingdom includes a reference to the corresponding legislation (if any) applicable to any other part of the United Kingdom;
 - (g) the Trustee (or the Administrator if the Trustee is not the Administrator) may at any time decide whether a Member's or Beneficiary's benefits are contained in a single Arrangement or a number of separate Arrangements;
 - (h) a reference to HMRC or any other public body includes a reference to any public body or organisation to which all or any of the duties and responsibilities of the original public body may be transferred or have been transferred from;
 - (i) a benefit expressed to be "**in respect of a Member**", includes a benefit payable to the Member and to any other Beneficiary whose entitlement derives from the Member; and
 - (j) the following words and expressions have the meaning set out below:

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

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

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

"**2008 Act**" means the Pensions Act 2008.

“2011 Act” means the Pensions Act 2011.

“2017 Act” has the meaning given to it in recital (C) of these Rules.

“Active Member” means a person who is in Contributing Membership and **“Active Membership”** shall be construed accordingly.

“Administration Account” means the administration account maintained by the Trustee in relation to a Worker Group or Groups.

“Administration Regulations” means the Occupational Pension Schemes (Scheme Administration) Regulations 1996.

“Administrator” means the person appointed as administrator of the Scheme from time to time for the purposes of section 270 of the Finance Act.

“Annual Management Charge” means an amount or percentage deducted from Members’ Personal Accounts. The amount or rate of the Annual Management Charge is agreed by the Founder and the Trustee. The calculation of the Annual Management charge shall reflect any management charge rebate in existence from time to time. Any change to the Annual Management Charge is made by agreement by the Founder and the Trustee. The Annual Management Charge is also set out in the Business Plan and Continuity Strategy, as revised from time to time.

“Arrangement” has the meaning given to it in section 152 of the Finance Act 2004.

“Authorised Member Payment” means an amount permitted pursuant to section 164 of the Finance Act and any regulations made under that section, including the Registered Pension Schemes (Authorised Payments) Regulations 2009.

“Automatic Enrolment Date” has the meaning given to it in section 3 of the 2008 Act.

“Automatic Enrolment Regulations” means the Occupational and Personal Pension Schemes (Automatic Enrolment) Regulations 2010 (2010/772) including any secondary legislation made thereunder.

“Automatic Enrolment Requirements” means the statutory requirements for the enrolment of Jobholders under Chapter 1 of Part 1 of the 2008 Act as amended.

“Automatic Enrolment Scheme” has the meaning given to it in section 17 of the 2008 Act.

“Automatic Enrolment Worker” means an Eligible Worker, in relation to whom his Employer is from time to time using the Scheme as an Automatic Enrolment Scheme to comply with the Automatic Enrolment Requirements.

“Automatic Re-enrolment Date” has the meaning given to it in under section 5 of the 2008 Act.

“Beneficiary” means any person absolutely or contingently entitled to a benefit from the Scheme.

“Business Plan” means the business plan for the purposes of section 9 of the 2017 Act.

“Civil Partner” means a person who is in a civil partnership with the Member under the Civil Partnership Act 2004 and Civil Partnership shall have the meaning stated in that Act.

“Connected Person” means a Member of the General Deferred Members Section who is re-admitted to Contributing Membership and who is not an Eligible Worker of an Employer, or such other person as the Founder, with the agreement of the Trustee, from time to time designates as a Connected Person in accordance with Rule 7.1(c).

“Connected Persons Section” is the section of the Scheme that contains all Connected Persons in Contributing Membership. If such Member:

- (a) becomes an Eligible Worker of an Employer, he may continue in Contributing Membership in his new Employer’s Section in accordance with the terms of the Scheme applicable to his new Employer and his total benefits accrued under the Scheme shall then be held in his new Employer’s Section; or

- (b) ceases to be in Contributing Membership, he shall be moved to the General Deferred Members Section in accordance with Rule 60 and his total benefits accrued in the Scheme shall then be held in the General Deferred Members Section.

“Continuity Strategy” means the continuity strategy for the purposes of section 12 of the 2017 Act.

“Contributing Membership” means, subject to Rules 7 (Eligibility), Rule 8 (Joining), Rule 9 (Opting out, Ceasing Contributing Membership and Re-joining), Rule 10 (Absence), Rule 11 (Family Leave); Rule 12 (Failure to return from Family Leave), Rule 13 (Employer Contributions), Rule 14 (Members’ ordinary contributions), Rule 20 (Early and flexible Retirement), Rule 58 (Employer ceasing to participate); Rule 59 (Consequences of an Employer ceasing to participate) and Rule 68 (Termination), the period during which an Eligible Jobholder, Non Eligible Jobholder, Eligible Worker or Connected Person pays such contributions (if any) required under the Rules.

“Contribution Earnings” means, in relation to a Worker Group, the earnings by reference to which the contributions payable to or in respect of a Member are to be calculated from time to time under the Rules as specified by the Employer under Rule 56 (Participation by Employers).

“Data Protection Requirements” means any law relating to the processing, privacy, and/or use of Personal Data, as applicable to the Employers, and/or the sharing of Personal Data as envisaged by these Rules including:

- (a) Regulation (EU) 2016/679, of the European Parliament and of the Council on the protection of natural persons with regard to the processing of personal data and on the free movement of such data as it forms part of the law of England and Wales, Scotland and Northern Ireland by virtue of section 3 of the European Union (Withdrawal) Act 2018 (the **“GDPR”**), the Privacy and Electronic Communications (EC Directive) Regulations 2003 and any laws or regulations implementing Council Directive 2002/58/EC (ePrivacy Directive) and/or any supplementary, corresponding or equivalent UK laws or regulations including the Data Protection Act 2018;
- (b) any laws which implement any such laws;
- (c) any laws that replace, extend, re-enact, consolidate or amend any the foregoing; and
- (d) any legally binding guidance, guidelines, codes of practice and codes of conduct issued by any relevant Supervisory Authority or other regulatory authority relating to the Data Protection Requirements.

“Deferred Member” means any Member:

- (a) with a Personal Account which has not yet been applied in full to provide benefits for or in respect of such a Member; and
- (b) who is not in Contributing Membership.

“Dependants” means:

- (a) the Spouse of the Member at the time of his death;
- (b) the Spouse of a Member at the time his pension came into payment;
- (c) any individuals (other than a child of the Member) who in the opinion of the Trustee were, at the time of the death of the Member, financially dependent on the Member or dependent because of disability, or had a financial relationship of mutual dependence with the Member;
- (d) any children of the Member (including any legally adopted children and, at the discretion of the Trustee, any child conceived but not yet born) who have not reached the age of 23 at the time of any assessment (carried out by the Trustee or otherwise) as to whether that child could be entitled to any benefit under these Rules (a **“Benefits Assessment Date”**); and

- (e) any children of the Member (including any legally adopted children) who were dependent on the Member because of disability at the time of his death and are age 23 or over on the relevant Benefits Assessment Date.

“Dependant’s Annuity” has the meaning given to it in paragraph 17 of Schedule 28 to the Finance Act.

“Deposit-Taker” has the meaning given in sections 49(8A) and 49(8B) of the 1995 Act.

“Disclosure Requirements” means the requirements for the provision and disclosure of information in relation to the Scheme under the 1993 Act, the 1995 Act and any other applicable legislation.

“Effective Date” has the meaning given to it in recital (G) of these Rules.

“Eligible Jobholder” means a Jobholder to whom section 3 of the 2008 Act applies from time to time.

“Eligible Worker” means a Worker of an Employer who the Employer notifies the Trustee is eligible for Contributing Membership of the Scheme.

“Employer” means the Founder or any other employer which is participating in the Scheme in accordance with Rule 56 (Participation by Employers). Subject to Rule 61 (Powers of Employers) and Rule 10 (Absence), where the context so requires Employer means the Employer which, in relation to a Member who is not a Connected Person, is his employer or was his employer on the date he left Contributing Membership.

“Employer Assistance (Online Services)” means that part of the Trustee’s nominated online services portal or website for the Scheme which the Employer may use to provide data to the Trustee.

“Employer Contributions” means the contributions payable by an Employer to the Scheme under Rule 13 (Employer Contributions).

“Employer’s Section” means a section of the Scheme comprising the Active Members of an Employer who have been admitted to participation in the Scheme and who remain in Contributing Membership.

“Enrolment Date” has the meaning given to it in regulation 18 of the Automatic Enrolment Regulations.

“Entitled Worker” means an Eligible Worker who is entitled to join the Scheme pursuant to section 9 of the 2008 Act.

“ERA” means the Employment Rights Act 1996.

“Establishment Date” means 28 June 2012.

“Ex-Spouse” means an individual to whom Pension Credit Rights have been or are to be allocated following a Pension Sharing Order, agreement or equivalent provision.

“Ex-Spouse Member” is an Ex-Spouse who participates in the Scheme. For this purpose the Ex-Spouse Member must participate in the Scheme, either:

- (a) solely for the provision of a Pension Credit Benefit; or
- (b) for the wholly separate provision of a Pension Credit Benefit, when benefits accrue or have accrued to that individual under the Scheme for any other reason.

“Family Leave” means any period of maternity leave, adoption leave, paternity leave, shared parental leave or statutory parental bereavement leave as provided for under the ERA or by contract with an Employer during which the Active Member remains an Eligible Worker with a right to return to work.

“Finance Act” means the Finance Act 2004.

“Founder” means People’s Financial Services Limited (registered number 10267951) and includes any other company, firm or person which becomes the Founder under the Scheme in accordance with Rule 57 (Substitution of Founder).

“Fund” means the Personal Accounts and the Reserve Accounts and the Trustee’s Reserve Accounts.

“Funder” means B & C E Financial Services Limited (registered number 02207140) or any other company, firm or person which becomes the Funder for the purposes of Rule 38 (Expenses of administration and management) in accordance with Rule 38A (Substitution of Funder).

“General Deferred Members Section” is the section of the Scheme that contains Members who retain Personal Accounts under the Scheme but who are not in Contributing Membership including those who have moved to this section in accordance with Rule 60 (Allocation of Personal Accounts to General Deferred Members Section). The benefits of any such Member shall continue to be held in this section until the Member commences or re-commences Contributing Membership either by joining:

- (a) his new Employer’s Section subject to the terms of the Scheme applicable to his new Employer; or
- (b) the Connected Persons Section subject to the requirements of Rules 7.2 and 7.3.

When a Member moves from the General Deferred Members Section, his total benefits accrued under the Scheme shall then be held in his new Employer’s Section or the Connected Persons Section, whichever is appropriate.

“Insolvency” means, in relation to an Employer or the Founder, its liquidation, provisional liquidation, administration, receivership, administrative receivership or its entering into a voluntary arrangement.

“Insurance Company” has the meaning given by section 275 of the Finance Act.

“Jobholder” has the meaning given to it in section 1 of the 2008 Act.

“Jobholder Information” has the meaning given to it in Regulation 3 of the Automatic Enrolment Regulations.

“Joining Notice” has the meaning given to it in Regulation 1 of the Automatic Enrolment Regulations.

“Lifetime Allowance” in respect of an individual has the meaning in section 218 of the Finance Act.

“Lifetime Allowance Charge” has the meaning given in section 214(1) of the Finance Act.

“Lifetime Allowance Excess Lump Sum” has the meaning given in paragraph 11 of Schedule 29 to the Finance Act.

“Lifetime Annuity” has the meaning given in paragraph 3 of Schedule 28 to the Finance Act.

“Member” means all or any of the following:

- (a) an Eligible Worker who has joined the Scheme and who is in Contributing Membership;
- (b) a Connected Person;
- (c) a Deferred Member;
- (d) a Member who has designated all or part of his Personal Account as a flexi-access drawdown fund under Rule 21A (Flexi-access drawdown), for as long as that fund has not been exhausted.

“Minimum Pension Age” means:

- (a) in the case of any Member who retains a right to start receiving his benefits under the Scheme in accordance with paragraph 22 of Schedule 36 to the Finance Act following a block transfer into the Scheme, his protected pension age under that Act; or
- (b) in the case of any other Member, age 55.

“Money Purchase Benefit” has the meaning given to it in section 181 and 181B of the 1995 Act as such section is to be substituted by section 29 of the 2011 Act.

“Non Eligible Jobholder” means an Eligible Worker who is entitled to join the Scheme pursuant to section 7 of the 2008 Act.

“Normal Retirement Date” means either:

- (a) the date chosen by the Member and notified to the Trustee from time to time; or
- (b) if a Member has not notified the Trustee of a date, the date determined by the Trustee and notified to the Member from time to time.

A Member may choose to alter his Normal Retirement Date from time to time by notifying the Trustee accordingly. Any date chosen as Normal Retirement Date by the Member or determined as the Member’s Normal Retirement Date by the Trustee must not prejudice the status of the Scheme as a Registered Pension Scheme.

“Opt In Notice” is a notice given under section 7 of the 2008 Act.

“Opt Out Notice” is a notice given under section 8 of the 2008 Act.

“Other Scheme” means a Registered Pension Scheme, a Qualifying Recognised Overseas Pension Scheme, an annuity contract, policy or other arrangement which is a **“recognised transfer”** for the purposes of section 169 of the Finance Act, and where the context requires shall include the trustees or administrators of such Scheme, contract, policy or arrangement.

“Paid Family Leave” means any period of Family Leave during which the Active Member receives any statutory or contractual pay and also includes any period of ordinary maternity leave as provided for under section 71 of the ERA (even if the Active Member does not receive any pay during all or any part of that period).

“Participation Agreement” means an agreement under which an Employer agrees to participate in the Scheme under Rule 56 (Participation by Employers) or under the rules by which the Scheme was originally governed.

“PCB Regulations” means the Pension Sharing (Pension Credit Benefit) Regulations 2000.

“Pension Commencement Lump Sum” shall have the meaning given to it in paragraph 1 of Schedule 29 to the Finance Act.

“Pension Credit” means a credit under section 29(1)(b) of the WRPA.

“Pension Credit Benefit” means the benefits payable under the Scheme to or in respect of a person by virtue of rights under a scheme attributable (directly or indirectly) to a Pension Credit.

“Pension Credit Rights” means rights to future benefits under a scheme which are attributable (directly or indirectly) to a pension credit under the WRPA.

“Pension Sharing Order” means any order, provision or agreement as referred to in section 28(1) of the WRPA.

“Personal Account” means an account maintained by the Trustee in relation to a Member which at any time shall consist of an amount equal to the aggregate of the following:

- (a) the contributions paid by or in respect of that Member in accordance with Rules 13 to 15 (Contributions) or otherwise;
- (b) any transfer payment received in respect of the Member in accordance with Rule 67 (Transfers in) or otherwise;
- (c) any other amount as may be credited to a Member’s Personal Account in accordance with the Rules; and
- (d) any investment profit or loss in respect of paragraphs (a), (b) and (c) of this definition, reduced by the amount of any payments made by the Trustee under the Rules to secure pensions and other benefits for and/or in respect of the Member (including any payments made to provide the Member with benefits in the form of income withdrawal where the Member’s Personal Account comprises or contains a flexi-access drawdown fund

designated under Rule 21A) and any administration or management expenses or tax charges or other amounts attributable to that Personal Account under the Rules and any charges arising from investments attributable to that Personal Account.

If a Member has more than one Personal Account in the Scheme, the Trustee may consolidate one or more Personal Accounts at its discretion or upon the request of the Founder.

“Personal Data” shall have the meaning given to it under the Data Protection Requirements.

“Preservation Requirements” means the provisions of Chapter I of Part IV of the 1993 Act relating to the rights of a Member on termination of his Contributing Membership.

“Privacy Policy” means the privacy policy operated by the Trustee in relation to the protection of information supplied by Employers in relation to the Scheme (including any supplied via the Trustee’s nominated secure websites or online services portals or otherwise).

“Qualifying Earnings” in relation to any Jobholder of an Employer has the meaning given to it by section 13 of the 2008 Act.

“Qualifying Recognised Overseas Pension Scheme” shall have the meaning given to it in the Finance Act.

“Qualifying Scheme” has the meaning given to it by section 16 of the 2008 Act;

“Qualifying Service” means the total of:

- (a) actual Service whilst in Contributing Membership and any additional periods which count as Contributing Membership and which do not fall within paragraphs (b) and (c) below;
- (b) any previous period of Qualifying Service whilst a Member of the Scheme for which a Member remains entitled to deferred benefits;
- (c) actual periods of service in any previous employment during which the Member was a member of an Other Scheme from which the Trustee has received a transfer payment; and
- (d) such other period as the Trustee, with the consent of the Employer, may allow.

Qualifying Service shall not be interrupted if there is a break in Service in exercise of a right under Part VIII of the ERA and the Member returns to Contributing Membership within one month of returning to work or the break corresponds to the Member’s absence from Service in furtherance of a trade dispute (as defined in section 35 of the Jobseekers Act 1995) or the break does not exceed one month.

“Recognised Transfer” has the meaning given to it in section 169 of the Finance Act.

“Registered Pension Scheme” means a scheme or arrangement which is registered with the Revenue under Chapter 2 of Part 4 of the Finance Act (Registration of Pension Schemes).

“Relatives” means in relation to any Member:

- (a) his Spouse and former Spouses;
- (b) his and his Spouse’s lawful or adoptive parents and grandparents;
- (c) such parents’ and grandparents’ widows, widowers, children and descendants and the Spouses of any such individual.

For the purposes of this definition, children and descendants in relation to an individual includes legally adopted and stepchildren and any other person to whom the Trustee believes that individual stood in loco parentis.

“Relevant Pay Reference Period” has the meaning given to it under Regulation 4 of the Automatic Enrolment Regulations.

“Reserve Account” means the account maintained by the Trustee in relation to each Employer’s section of the Scheme which is credited with surplus funds which may arise within the Employer’s

section in accordance with the Rules. The Reserve Account shall be held by the Trustee at the direction of the Employer in question:

- (a) to be applied towards expenses and liabilities otherwise payable under Rule 38 (Expenses of administration);
- (b) to be set against (and so reduce) any contributions of the Employers otherwise payable under Rules 13 (Employer Contributions) and 74 (Augmentation); or
- (c) to be retained by the Trustee as a reserve in order to use in the future for the purposes mentioned in (a) and (b) above.

In the absence of any direction from the Employer and subject to the consent of the Trustee, which may be given generally or in an individual case, any monies from time to time allocated to the Reserve Account shall be allocated towards reducing future contributions under paragraph (b) of this definition.

“Revenue” means Her Majesty’s Revenue & Customs.

“Rules” means the current rules of the Scheme being the Third Rules of the Scheme (as subsequently amended).

“Salary Sacrifice Arrangement” means a salary sacrifice arrangement operated by an Employer under which an Active Member opts for a reduction in his salary equal to the amount of some or all of the contributions which the Active Member is liable to pay under Rule 14 (Members’ ordinary contributions) and/or any contributions he elects to pay under Rule 15 (Additional voluntary contributions), on the basis that the liability to pay contributions to the Scheme under Rule 14 and/or Rule 15 is extinguished or reduced accordingly and the Employer agrees to pay an amount at least equal to the amount of the contributions or the extra contributions which the Active Member would have made if the Salary Sacrifice Arrangement had not been in operation.

“Scheme” means the Scheme governed by these Rules and known as The People’s Pension Scheme.

“Scheme Administration Member Payment” has the meaning given to it under by section 171 of the Finance Act.

“Serious Ill-Health Lump Sum” has the meaning given to it by paragraph 4 of Schedule 29 to the Finance Act.

“Service” means the period of employment with any of the Employers and Service may be deemed continuous even if performed with more than one of the Employers, so long as any break in employment does not exceed one month.

“Short Service Refund Lump Sum” has the meaning given to it in paragraph 5 of Schedule 29 to the Finance Act.

“Spouse” means in relation to any individual, his wife or husband under a legally binding marriage (including a person who is in a same sex marriage with an individual under the Marriage (Same Sex Couples) Act 2013) or, if applicable, his widow or widower. Spouse shall, for the purposes of these Rules, include the Civil Partner of an individual (except where otherwise stated) and any reference to marriage or equivalent shall include a civil partnership.

“Supervisory Authority” means any local, national or multinational agency, department, official, parliament, public or statutory person or any government or professional body, regulatory or supervisory authority, board or other body responsible for administering the Data Protection Requirements, including the Information Commissioner’s Office and the Pensions Regulator.

“Suspension Event” has the meaning set out in Rule 16.2 of these Rules.

“Transfer Member” means any Deferred Member who has never been in Contributing Membership and in respect of whom a transfer payment has been received by the Scheme in accordance with Rule 67 (Transfers in).

“Triggering Event” has the meaning given by section 21 of the 2017 Act.

“Trustee” means the trustee or trustees for the time being of the Scheme.

“Trustee’s Reserve Account” means the account maintained by the Trustee which is credited with surplus funds resulting from the inability to identify any Beneficiaries to whom lump sum death benefits can be paid under Rule 30 (Payment of lump sum death benefits), unclaimed benefits under Rule 33 (Unclaimed benefits) and any other amounts that are allocated to the Trustee’s Reserve Account in accordance with the Rules. The Trustee may hold such funds in the Trustee’s Reserve Account until such time as it determines that no statutory next of kin of the Member can be identified under Rule 30 (Payment of lump sum death benefits), that a Member has ceased to be entitled to a benefit under Rule 33.2, or until such other time as the Trustee considers appropriate.

In relation to any surplus funds mentioned in this definition that are derived from Personal Accounts comprised in an Employer’s Section, the Trustee shall have discretion to transfer such surplus funds to the Reserve Account relating to the Employer concerned to be used accordingly.

In relation to any other section, the Trustee may use such surplus funds in any way it determines including payment of expenses and liabilities otherwise payable under Rule 38 (Expenses of administration and management).

“Unauthorised Payment” has the meaning given by section 160 of the Finance Act.

“Unpaid Family Leave” means any period of Family Leave which is not Paid Family Leave.

“Website Policy” means the website use policy for the online services portals or secure websites operated by or on behalf of the Trustee including in relation to the use of the Employer Assistance (Online Services) under which information is uploaded to the Administration Accounts operated by the Employer.

“Worker” has the meaning given to it in section 88 of the 2008 Act.

“Worker Group” means a category of Eligible Workers of an Employer.

“WRPA” means the Welfare Reform and Pensions Act 1999.



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The People's Pension Trustee Limited is the corporate Trustee
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