DATED 29th DECEMBER **1994**

(1) **INDUSTRY-WIDE COAL STAFF SUPERANNUATION SCHEME CO-ORDINATOR LIMITED**

(2) **INDUSTRY-WIDE COAL STAFF SUPERANNUATION SCHEME TRUSTEES LIMITED**

TRUST DEED AND RULES

relating to

THE INDUSTRY-WIDE COAL STAFF SUPERANNUATION SCHEME

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[illegible] of the
Clifford Chance
[illegible]
London EC1A 4[illegible]

THIS TRUST DEED is made the 29th day of December 1994

BETWEEN

(1) **INDUSTRY-WIDE COAL STAFF SUPERANNUATION SCHEME CO-ORDINATOR LIMITED** registered in England No. 3,003,429 ("the Co-ordinator"); and

(2) **INDUSTRY-WIDE COAL STAFF SUPERANNUATION SCHEME TRUSTEES LIMITED** registered in England No. 3,004,572 ("the First Trustee").

WHEREAS

(A) The Co-ordinator wishes to establish an industry-wide retirement benefits scheme for the coal industry to be known as "The Industry-Wide Coal Staff Superannuation Scheme" ("the Scheme").

(B) The Co-ordinator wishes to appoint the First Trustee as the first trustee of the Scheme and the First Trustee has agreed to accept such appointment.

NOW THIS DEED WITNESSES as follows:-

Establishment of Scheme and Declaration of Trust

1. The Co-ordinator hereby establishes the Scheme under irrevocable trusts with effect on and from 29th December 1994 (hereinafter called "the Commencement Date") and appoints the First Trustee to be the first trustee of the Scheme and the Co-ordinator hereby covenants with the First Trustee and successive trustees from time to time of the Scheme to observe and perform the provisions of the Trust Deed and the Rules.

Trusteeship, Scheme Fund and Management and Administration

2. With effect on and from the Commencement Date:-

   (1) The moneys, investments and other property of the Scheme shall constitute the Scheme Fund, and the First Trustee, shall be the first sole trustee of the Scheme and the Scheme Fund;

THE INDUSTRY-WIDE COAL STAFF SUPERANNUATION SCHEME

CONTENTS

THE TRUST DEED

	Clause	Page
Establishment of Scheme and Declaration of Trust	1	1
Trusteeship, Scheme Fund and Management and Administration	2-3	1-3
Nature of Scheme	4	3
CONTRIBUTIONS BY EMPLOYERS		
Contributions by Employers	5	4-5
Employer's Initial Rate of Standard Contributions	6	5
Periodic Valuations	7	5-8
Admission of Other Employers and New Members	8	8-10
Costs and Expenses of the Co-ordinator	9	10
MANAGEMENT OF THE SCHEME FUND		
Receipts and Payments	10	10
Employers' Funds	11	11-15
Transfers Between Employers' Funds	12	15-17
Substitution and Amalgamation of Employers' Funds	13	17
Investment	14-16	18-21
Appointment of Nominees Agents Investment Managers Actuary Auditor and Legal Adviser	17	21-22
Costs of Administration	18	22
ACCOUNTS AND AUDIT		
Accounts to be Kept	19	23
Annual Statement	20	23
Audit of Accounts	21	23
Committee to Produce Accounts at Annual Meeting	22	23
OFFICERS AND ADMINISTRATION		
Appointment & Remuneration of Officers	23	24
Duties of the Secretary	24	24
COMMITTEE OF MANAGEMENT		
Powers of Committee	25	25
Execution of Documents	26	25
Sub-Committees	27	25
Delegation by Committee	28	25-26

GENERAL MEETINGS

	Clause	Page
Annual Meetings	29	26
Notice of Resolution	30	27
Extraordinary Meetings	31	27
Notice of Meetings	32	27
Chairman of Meetings	33	27
Quorum at Meetings	34	27
Adjournment in Absence of Quorum	35	28
Resolutions at General Meetings	36	28
Votes at General Meetings	37	28
Poll - How to be Taken	38	28
Proxies	39	28-29
Revocation of Proxy	40	29
Adjournment of General Meetings	41	29
Minutes of Meetings	42	29
Powers of Meetings	43	30

MISCELLANEOUS

Right of Employer to Terminate Employment	44	30
Perpetuity	45	30
Amendment of Trust Deed and Rules	46	30
Indemnity	47	31-32
Termination of the Scheme	48	33-40
Partial Termination of the Scheme	49	40-43

INTERPRETATION

Definitions	50	44-58
Headings	51	60

THE RULES

I. MEMBERSHIP

	Rule	Page
Eligibility and Admission to Membership	1	61
Ceasing Normal and Family Contributions	2	62
Actual Date of Entry	3	62

II. CONTRIBUTIONS

Normal and Family Contributions	4	62-63
Additional Voluntary Contributions by Members	5	63-66
Purchase of Further Years of Family Contributing Service	6-7	66-72

	Rule	Page
Purchase of Added Years by Contributors	8	72-74
Contributions on Attendance Bonus Payments	9-13	74-78
Contributions - General:-		
Deductions of Contributions from Salary	14	78
Excess Contributions	15	79
Final Contributions by Contributors	16	79-80
Waiver of Qualifying Periods	17	80
Payment of Spread Forward Contributions	18	80
Maximum Contributions	19	80
III. BENEFITS		
Equivalent Pension Benefit	20	80-82
Contracting-out	21	82-84
Normal Benefits:-		
To Contributors on Retirement from Eligible Employment At or After Normal Retiring Age	22	84
To Contributors on Retirement from Eligible Employment Before Normal Retiring Age Through Ill-health, Compulsory by the Employer or by Agreement	23	85-87
Withdrawal Before Retirement or Death - General Provisions	24	88-92
Members who Cease to be Employed in an Eligible Grade	25	92-94
Short Breaks in Employment	26	94-95
Death Before Retirement	27	95-96
Alternative Application of Death Benefits	28	96
Family Benefits:-		
Surviving Spouse's Benefits	29	97-99
Children's Benefits	30	100-105
Maximum Family Benefits	31	105
Refunds of Family Contributions	32	106
Benefits - General:-		
Provisions for Annual Increases	33	106-108
Allocation of Pension to Widow, Widower or Dependants	34	108
Fractions of Years	35	108-109
Delayed Retirement	36	109-110
Pensionable Salary	37	110-112
Contributions Equivalent Premiums Paid Under the 1993 Act	38	112

IV. SPECIAL CLASSES

	Rule	Page
Entrants from Other Employment with Transfer Value Payments	39	112-113
Entrants from IWS - MPS	40	113
Entrants from BCSSS	41	114
Periodic Transfers from BCSSS in Respect of Family Contributions	42	114
Transfer Value Payments - Supplementary Provisions	43	118
Special Provisions Relating to Part-Time Service	44	118-119
Transfers and Buy-Outs	45	119-124
Temporary Absences Without Salary or at Reduced Salary	46	124-127
Absence on Maternity Pay	47	127-128
Re-admission of Retired Contributors	48	128-133

V. MISCELLANEOUS

General Discretion of Employer and Committee	49	133
National Insurance	50	134
Liability for Taxes on Death	51	135-136
Method of Calculating Interest	52	136
Contributions Accumulated as a Loan Against Normal Benefits	53	136
Evidence of Life of Pensioner	54	137
Address of Pensioner	55	137
Payment of Superannuation Benefits	56	137
Deduction in Respect of Income Tax from Refunds of Contributions	57	138
Fraudulent Contributors' Rights to Benefits	58	138
Superannuation Benefits Not Assignable	59	139
Mental Incapacity of Pensioner	60	139
Payment to Personal Representatives or Dependants	61	139
Payments to Nominees of Contributors who Die Before Retirement	62	140
Copies of Trust Deed and Rules and Explanatory Literature	63	140-141
Notices	64	141
Forms	65	141-142
Determination of Medical Questions	66	142-143
Limitation on Benefits	67	143
Supply of Information to BCSSS	68	143

APPENDICES TO THE RULES

		Page
1.	Appendices I and II (Tables for Rule 8 Added Years)	144-168
2.	Appendix III (National Insurance Adjustments - Rule 50)	169
3.	Appendix IV (Contracting-out)	170-185
4.	Appendix V (Inland Revenue Limits)	186-201

(2) Save insofar as the Scheme Fund or any part of it is for the time being vested in any nominee or custodian trustee appointed under Clause 14(3) or in any person appointed under Clause 17(1), the Scheme Fund shall be vested in the Trustee;

(3) The management and administration of the Scheme, in accordance with the provisions thereof, shall be vested in the Trustee;

(4) (a) All powers expressed by the Scheme, in whatever terms, to be vested in, conferred on or exercisable or to be exercised by the Committee shall be vested in the Trustee;

(b) Such powers and all other powers vested in, conferred on or exercisable or to be exercised by the Trustee under or by virtue of the Scheme shall be exercised by it and on its behalf by and through the Committee in their capacity as Committee of Management of the Trustee within the meaning of the Articles of Association of the Trustee (hereinafter called "the Articles") or any other person or body of persons required, authorised or empowered to exercise such powers or any of them by or under any provision of the Scheme and by or under the Articles; and

(c) Save in relation to Clause 47 and the meanings assigned to "the Committee" by Clause 50(i), any reference in the Scheme, in whatever terms, to the Committee shall be construed as a reference to the Trustee acting by and through the Committee in the capacity specified in sub-paragraph (b) of this paragraph or any other person or body of persons required, authorised or empowered to act for it or on its behalf for that purpose by or under any provision of the Scheme and by or under the Articles.

3. (1) In the event of the First Trustee ceasing for any reason to be the Trustee of the Scheme, the Co-ordinator shall forthwith procure that a new trustee or trustees of the Scheme and the Scheme Fund are appointed comprising either:-

(i) a new corporate trustee whose Articles of Association would be in a form corresponding as closely as may be possible to those of the First Trustee and would provide for the appointment of a committee of management consisting of eight persons, of whom four would be appointed by and would be subject to removal by the Co-ordinator, and four would be appointed by and would be subject to removal in accordance with rules to be agreed between the Co-ordinator and such organisations as at that time represent substantial

proportions of the classes of the employees who are Members of the Scheme Provided that:-

(A) the four persons appointed by such organisations shall be persons who are or immediately before retirement were Contributors; and

(B) in the event that it is not possible to agree such rules or there is a dispute as to which organisations represent substantial proportions of the classes of the employees who are Members of the Scheme the matter shall be referred to a single Arbitrator to be named by the President for the time being of the Law Society. The Arbitrator so named shall have all the powers conferred on Arbitrators by the Arbitration Acts 1950 and 1979; or

(ii) eight individual trustees subject to appointment and removal as aforesaid.

(2) The Co-ordinator shall appoint the Chairman and Deputy Chairman of any such committee of management or of the trustees and the Chairman so appointed shall have, in the case of an equality of votes, a second or casting vote.

(3) The Co-ordinator shall, in connection with the aforesaid appointments, make such amendments to the Scheme and Rules as may be necessary to give effect to the provisions of paragraphs (1) and (2) of this Clause.

4. **Nature of Scheme**

The Scheme shall be a contributory scheme providing for or in respect of each of the Contributors after qualifying periods of Contributing Service:-

(i) as Normal Benefits (on payment by the Contributor of Normal Contributions) a pension for life on retirement at or after the Normal Retiring Age or earlier through ill-health or a lump sum payment on death before retirement or benefits on withdrawal; and

(ii) as Family Benefits (on payment by the Contributor of Family Contributions) pensions for the Contributor's widow or widower and Children; and

(iii) as Added Benefits (on payment by the Contributor of Added Contributions at his option) further benefits of the nature mentioned in sub-paragraphs (i) and (ii).

CONTRIBUTIONS BY EMPLOYERS

5. **Contributions by Employers**

(1) Each Employer shall pay as standard contributions to the Scheme Fund a sum equal to the recommended percentage of the Salaries paid by the Employer to Members employed by the Employer in respect of any period during which a Member is in Contributing Service. For the purpose of this Clause the "recommended percentage" in relation to any Employer means the percentage recommended in respect of the liabilities relating to employees and former employees of that Employer from time to time by the Actuary for this purpose under Clause 6 or 7(3)(i).

(2) An Employer shall make additional contributions to the Scheme as shall from time to time be determined under Rule 49(1).

(3) Every Employer shall pay as deficiency contributions after the coming into operation of any determination of deficiency contributions made by the Actuary under Clause 7, such payments as may become payable by it thereunder or as may be necessary on the advice of the Actuary.

(4) The total amount of the contributions which would otherwise be payable by an Employer shall be reduced by an amount equal to the difference between the total amount of any Contributions Equivalent Premiums paid during any period insofar as they relate to periods of service of an employee or former employee of that Employer in respect of which a pension would or might otherwise have become payable under the combined provisions of Rule 21 and the Contracting-out Rules and the total of the amounts recovered by that Employer during that period under section 61 of the 1993 Act.

(5) The provisions of regulations made under section 56A of the 1975 Act or section 113 of the 1993 Act requiring the furnishing of information regarding the failure of an employer to forward sums deducted, or due to be deducted, from a member's remuneration shall apply to the Scheme as if references in the regulations to sums deducted, or due to be deducted, from a Member's remuneration to meet the Member's liability to contribute to the Scheme included sums payable by an Employer to meet the Employer's liability to contribute to the Scheme and as if (in relation to an Employer's contribution) the reference to the date on which the sums were, or were due to be, deducted were a reference to the date on which the Employer's contribution was due to be paid to the Committee.

(6) (i) All instalments of standard contributions, additional contributions or deficiency contributions payable by each Employer to the Scheme shall be paid within one month of the date on which each contribution becomes payable. In the case of standard contributions, such contributions shall become payable at such intervals not greater than three months as the Committee shall from time to time determine. Additional contributions to the Scheme become payable at the times which shall be determined by the Committee when making any determination under Rule 49(1) and the timing of payment of deficiency contributions shall be provided for in any determination of deficiency contributions made by the Actuary under Clause 7.

(ii) In the event of any standard, additional or deficiency contributions payable hereunder not being paid in full by the date determined in accordance with (i) above the relevant Employer shall pay to the Scheme together with the outstanding contributions such additional supplement as shall be determined by the Committee on the advice of the Actuary having regard to the length of delay and relevant financial factors.

(iii) In the event that an Employer shall fail to pay any outstanding standard, additional or deficiency contribution together with any supplement determined in accordance with this paragraph on demand the Trustee shall (without prejudice to its power to deem that an Employer ceases to contribute for purposes of Clause 49(2)) deliver a demand for payment to the Employer and if such demand is not satisfied within 21 days the Committee shall in the name of the Trustee institute legal proceedings for the recovery of the same as a debt of the Employer due to the Scheme.

6. **Employer's Initial Rate of Standard Contributions**

In respect of the period from the date of an Employer's first participation in the Scheme to the periodic review (referred to in Clause 7) which next follows such date the Actuary shall recommend the rate of that Employer's standard contributions to the Scheme.

7. **Periodic Valuations**

(1) The Actuary shall make periodic reviews of the financial condition of the Scheme. The Committee shall determine the date as at which the first such periodic review

shall be made. Each period in respect of which such a subsequent periodic review is made:-

(a) shall commence on the day immediately following the end of the period in respect of which the last preceding review was made under this Clause;

(b) shall not in any event exceed three and a half years; and

(c) shall be determined by the Committee.

(2) The Actuary shall make a separate review under this Clause in respect of each Employer's Fund.

(3) On each such periodic review:-

(i) The Actuary shall make recommendations as to the rate of each Employer's standard contributions to the corresponding Employer's Fund in the Scheme. Such rates shall be expressed as a percentage of the Contribution Salaries of the members employed by such Employer or in such other form as may be agreed between the Committee and the Actuary.

(ii) The Actuary shall determine whether or not, at the review date, there is a surplus or deficiency in each Employer's Fund if contributions after the review date are paid at the rate or rates recommended in sub-paragraph (i) of this paragraph.

(iii) The Actuary shall make a report to the Committee on the financial condition of the Scheme and of each Employer's Fund specifying the determination made by him under this paragraph. A copy of each review and report so made on an Employer's Fund shall be delivered by the Committee to the Co-ordinator and to the relevant Employer, together with any recommendation they may wish to make thereon.

(4) (a) If there is a deficiency in an Employer's Fund, the Actuary shall determine the total periodic sum, either fixed in money terms or linked to average earnings or prices, (in this paragraph called "the deficiency sum") which, in his opinion, is required to be paid by way of deficiency contributions to the Employer's Fund over a period not exceeding twenty years commencing on such date not earlier than the review date and not later than the date the

report of the Actuary is delivered to the Committee and at such periodic intervals not being less frequent than every 6 months as shall be determined by the Co-ordinator.

(b) Having regard to any determination pursuant to paragraph (3) or (4) of this Clause, the Actuary shall review any previous determination of deficiency contributions then operative made by him and shall substitute for such previous determination a fresh determination of deficiency contributions.

(c) If there is a surplus in an Employer's Fund and such surplus will not be eliminated by the Employer continuing to be relieved wholly or partially from the obligation to pay any contributions in accordance with proposals approved on a previous actuarial review, the Committee shall make recommendations to the Employer for dealing with any remaining surplus. The Employer shall consider such recommendations and the Co-ordinator shall make such amendments to the Scheme and take such other actions as it considers appropriate to deal with any such remaining surplus in accordance with the principles set out in this sub-paragraph. Any such remaining surplus shall be applied in accordance with the following order of priorities:-

(i) first to provide annual cost of living increases to pensions and frozen pensions which are liabilities of the relevant Employer's Fund in respect of the period of the five preceding calendar years and the period of the calendar year in which such recommendations are put forward insofar as during that period any increase in excess of 5 per cent may not have been made pursuant to Rule 33 having regard to the proviso to sub-paragraph (2)(a) of Rule 33;

(ii) second to suspend the Employer's obligation to pay standard contributions for such period as may be related to the aggregate of (i) the total amount of any deficiency contributions paid by the Employer during the period of six years ended on the preceding 5 April and (ii) the value of any loss suffered by the Employer during such period as a result of the withdrawal or reduction on any actuarial review of any benefit by way of relief from or reduction in the obligation to pay standard contributions granted to the Employer on an earlier actuarial review;

(iii) third to provide cost of living increases in respect of every pension (including a frozen pension) which is a liability of the relevant Employer's Fund payable in relation to the calendar year next following the calendar year in which such recommendations are put forward;

(iv) fourth to calculate the amount of the remaining balance after (a) deducting the cost of the changes made pursuant to sub-paragraphs (i), (ii) and (iii) of this paragraph and after (b) retaining in the Scheme such sum (if any) as may be agreed as prudent by the Trustee and the Employer after consultation with the Actuary and, insofar as is practicable, to apply an amount equal to one half of the amount of such remaining balance for the benefit of Members (either by making improvements to benefits or by reducing the rate of contributions, if any, under Rule 4 or eliminating them altogether, for a period) and to apply the other half of such amount for the benefit of the Employer.

(d) For the purposes of sub-paragraph (c) of this paragraph, "pension" and "frozen pension" shall have the same meanings as in Rule 33(5).

(5) In respect of each Employer's Fund the Committee shall submit to the Board of Inland Revenue in any of the circumstances referred to in Schedule 22 to the Taxes Act proposals which shall have been approved by the Committee and by the relevant Employer and which comply with paragraph 3(2) to (4) of Schedule 22 to the Taxes Act and shall carry out any such proposals if they are approved by the Board of Inland Revenue PROVIDED THAT except on the discontinuance of the Scheme under Clause 48 the Committee shall neither submit to the Board of Inland Revenue nor carry out any proposal which would lead to the transfer or payment of any part of the Scheme Fund to any of the Employers.

8. **Admission of Other Employers and New Members**

(1) (a) With effect on and from each Transfer Day the Committee shall admit to participation in the Scheme any person body of persons or corporate body which on such Transfer Day becomes the employer of any one or more individuals employed in the undertaking to which the restructuring scheme (within the meaning of section 12 of the 1994 Act) relates and the transfer of which takes effect on such Transfer Day (being individuals who immediately

before such Transfer Day were Contributors under BCSSS who had not attained the Normal Retiring Age under BCSSS), subject to the provisos to paragraph (3) of this Clause.

(b) With effect on and from each Transfer Day the Committee shall admit to participation in the Scheme any corporate body (being a corporate body which immediately before such Transfer Day employed any one or more individuals who were then Contributors under BCSSS who had not then attained the Normal Retiring Age under BCSSS) which on such Transfer Day ceases to be a subsidiary of the British Coal Corporation, subject to the provisos to paragraph (3) of this Clause.

(2) (a) With effect on and from the First Transfer Day the Committee shall admit to participation in the Scheme any person body of persons or corporate body (other than a Trade Union or Thames) in relation to which such date is the Transfer Day, subject to the provisos to paragraph (3) of this Clause.

(b) With effect on and from the Transfer Day applicable to any Trade Union or Thames, the Committee shall admit such Trade Union or Thames (as may be appropriate) to participation in the Scheme, subject to the provisos to paragraph (3) of this Clause.

(3) The Committee shall admit to participation in the Scheme any person body of persons or corporate body which at any time after the Commencement Date and other than on and as a result of a Transfer Day occurring becomes the employer of an individual who is a Protected Employee in circumstances in which such individual does not thereupon cease to be a Protected Employee ("the new employer") Provided that:-

(i) the new employer shall enter into a deed by which it covenants with the Co-ordinator and the Trustee to comply with and observe the provisions of the Scheme so far as they are applicable to it as an Employer; and

(ii) the participation of the new employer will not prejudice Inland Revenue Approval of the Scheme.

(4) (a) Employees of Employers (subject to the exceptions mentioned in sub-paragraph (b) of this paragraph) who become employed by the Employer after the Employer began to participate in the Scheme shall not be eligible for membership of the Scheme.

(b) The following categories of new employees shall be excluded from the provisions of sub-paragraph (a) of this paragraph:-

(i) new employees who immediately before entering the employment of the Employer were employed by another Employer, who were Protected Employees by reference to the Scheme while in the employment of that other Employer and who have not ceased to be Protected Employees; and

(ii) new employees (not within (i) above) who at any time before entering the employment of the Employer were members of BCSSS or the Mineworkers' Scheme or IWS - MPS or members of the Scheme but only if the Employer has requested that they be eligible for membership of the Scheme and if the Committee have approved that request.

9. Costs and Expenses of the Co-ordinator

Each Employer shall pay to the Co-ordinator such amounts and at such times as the Co-ordinator shall determine and notify to the Employer, as contributions towards the costs and expenses of the Co-ordinator. The amounts so determined in respect of each Employer shall represent an appropriate proportion of the total costs and expenses of the Co-ordinator, on such basis as the Co-ordinator shall determine from time to time.

MANAGEMENT OF THE SCHEME FUND

10. **Receipts and Payments**

(1) The Committee shall receive for the credit of the Scheme Fund all contributions and other payments (which for the avoidance of doubt shall expressly include income from investments and transfer payments received under Rule 42) due to the Scheme.

(2) All payments required to be made under the Scheme shall (subject to any deductions to be made therefrom in accordance with the Rules) be made by the Committee from the Scheme Fund, except that the liability of the Committee to make any payment to or in respect of a Relevant Beneficiary (as defined in Clause 11) shall be limited to the value of the Employer's Fund at the time at which such payment is to be made.

11. **Employers' Funds**

(1) For the purposes of the Scheme there shall within the Scheme Fund be an Employer's Fund in relation to each Employer (including a former Employer in the case of an Employer's Fund which has not been dealt with in accordance with Clause 49) and the value of Units standing to the credit of an Employer's Fund together with any net credit or debit balances held by the Committee in an administration account in respect of that Employer for the purposes of paragraphs (4), (7) and (8) of this Clause at any time shall represent the value at that time of the part of the Scheme Fund (after excluding the assets of the AVC Scheme referred to in Rule 5) attributable to the participation in the Scheme of the Employer to whom that Employer's Fund relates.

(2) For the purposes of this Clause all amounts received or payable pursuant to the AVC Scheme referred to in Rule 5 shall be disregarded.

(3) Subject to the provisions of paragraph (4) of this Clause on a Subscription Day the Committee shall credit to an Employer's Fund the Units referred to in paragraph (6) of this Clause in respect of all amounts received by the Scheme from or in respect of Relevant Beneficiaries since the immediately preceding Subscription Day.

(4) The Committee may retain out of the amounts received and referred to in paragraph (3) of this Clause such sum as in their opinion is likely to be required before the immediately following Subscription Day for the payment of benefits or Transfer Value Payments in respect of Relevant Beneficiaries or for the payment of premiums under any insurance policy or contract insuring any liability in respect of Relevant Beneficiaries or for the payment of such of the expenses of the Scheme as in the opinion of the Committee should be borne by that Employer's Fund and any such retention in respect of expenses shall be credited by the Committee to the Expenses Fund referred to in paragraph (19) of this Clause. The Committee may (but are not required to) charge or credit interest in respect of any administration accounts maintained by them for the purposes of this paragraph (4) as they shall in their absolute discretion determine from time to time.

(5) Subject to the provisions of paragraphs (7) and (8) of this Clause the amounts referred to in paragraph (3) of this Clause, after the deduction of all amounts retained pursuant to paragraph (4) of this Clause, are referred to in this Clause as the "Subscription Day Credit".

(6) The number of Units to be credited to an Employer's Fund on a Subscription Day shall be calculated by dividing the Subscription Day Credit by the Unit Offer Value at that Subscription Day, the resulting figure being adjusted to the nearest second place of decimals.

(7) If during the period which ends on a Subscription Day and which began on the immediately preceding Subscription Day the payments actually made (as referred to in paragraph (4) of this Clause) exceed the amount retained for the purpose on the immediately preceding Subscription Day the Committee may either deduct the excess from the amount which would otherwise be the Subscription Day Credit on the later Subscription Day or debit the Employer's Fund on the later Subscription Day with the number of Units calculated by dividing the amount of such excess by the Unit Bid Value at that Subscription Day the resulting figure being adjusted to the nearest second place of decimals.

(8) If on a Subscription Day no amount is retained under paragraph (4) of this Clause and during the period which ends on the next following Subscription Day, payments (as referred to in paragraph (4) of this Clause) are made the Committee may either deduct the amount of the payments so made from the amount which would otherwise be the Subscription Day Credit on the later Subscription Day or debit the Employer's Fund on the later Subscription Day with the number of Units calculated by dividing the amount of such payments by the Unit Bid Value at that Subscription Day the resulting figure being adjusted to the nearest second place of decimals.

(9) The Committee shall supply a written statement at least once every twelve months to each Employer giving details of the transactions in Units which have taken place for the Employer's Fund since the effective date of the last statement and the total number of Units standing to the credit of the Employer's Fund at the date to which the statement relates.

(10) For the purposes of this Clause a valuation of the Scheme Fund shall be made in accordance with the following provisions of this Clause, Provided that any amounts of uninvested cash held by the Committee at any Subscription Day (other than in the Expenses Fund) shall be included in the valuation of the Scheme Fund at face value if denominated in sterling.

(11) The following shall be left out of account in valuing the Scheme Fund on a Subscription Day:-

(i) all Subscription Day Credits on that Subscription Day; and

(ii) all amounts of excess referred to in paragraph (7) of this Clause in respect of which a debit to an Employer's Fund is to be made on that Subscription Day; and

(iii) the amount of all payments referred to in paragraph (8) of this Clause in respect of which a debit to an Employer's Fund is to be made on that Subscription Day; and

(iv) the Expenses Fund.

(12) Where an agreement exists for the unconditional sale or purchase of assets on behalf of the Scheme Fund which has not been completed, it is to be assumed that it had been completed.

(13) The Committee may deduct from the Scheme Fund their reasonable estimate of any accrued liabilities payable out of the Scheme Fund.

(14) The Committee may add to the Scheme Fund their reasonable estimate of the amount of any claims for repayment of tax and of income due but not received.

(15) In relation to assets valued in a foreign currency, the Committee shall convert that value into sterling at a rate of exchange which, unless the Committee decide in their reasonable opinion to adopt an alternative method of conversion, represents the mid point between the highest and lowest rates of exchange quoted for conversion of that currency into sterling.

(16) Unless the Committee decide in their reasonable opinion to adopt an alternative method of valuation, any assets traded on a market approved by the Committee shall be valued at an amount which:-

(a) if the valuation is on an offer basis, is the amount which would be payable to buy the assets increased by the Committee's estimate of the charges which would be payable by a buyer of the assets; and

(b) if the valuation is on a bid basis, is the amount which would be received on a sale of the assets, reduced by the Committee's estimate of the charges which would be payable by a seller of the assets.

In each case it shall be assumed that the transaction would be on the best terms available on the market in what, in the reasonable opinion of the Committee, is a transaction of a standard size except that the Committee may value assets by reference to the terms available in relation to their actual, rather than a standard, size, if in their reasonable opinion it would be more appropriate to do so. If any assets are traded on more than one market approved by the Committee, the market to be used for this purpose shall be selected by the Committee.

(17) Any other assets shall be valued at an amount decided by the Committee in their discretion, which is not greater than the amount which would be payable to buy the assets and not less than the amount which would be received on selling the assets, in each case on the best terms available and in an arm's length transaction for immediate settlement. The Committee may, however, determine in their reasonable opinion to adopt an alternative method of valuation.

(18) In valuing the Scheme Fund for the purposes of this Clause the Committee may rely on advice on any matter relevant to the valuation obtained from a person whom they reasonably believe is qualified to give the advice.

(19) For the purposes of the Scheme there shall be within the Scheme Fund an Expenses Fund for the purposes of meeting the costs and expenses of administering the Scheme (as referred to in Clause 18) to which there shall be credited any amounts retained by the Committee in respect of the expenses of the Scheme pursuant to paragraph (4) of this Clause. The Committee may in addition on any Subscription Day and from time to time debit from each Employer's Fund and credit the same to the Expenses Fund amounts calculated on such basis as the Committee shall from time to time determine. The Committee may in their absolute discretion on any Subscription Day debit from the Expenses Fund and include in an Employer's Subscription Day Credit amounts as they determine to be appropriate including (without limitation) in the circumstances of a termination of the Scheme pursuant to Clause 48 or a partial termination of the Scheme pursuant to Clause 49.

(20) In this Clause:-

"**Relevant Beneficiaries**" means in relation to an Employer the Members employed by such Employer and all persons entitled or prospectively entitled to benefits under the Scheme claiming under or through such Members. For the purpose of this definition "employed" is to be interpreted as including "formerly employed" except in the case of a Member formerly employed by an Employer who has subsequently become employed by another Employer and only if (in such a case) and to such extent (if any) as an Internal Transfer Payment has been made in respect of the Member in accordance with the provisions of Clause 12.

"**Subscription Day**" means the last business day in each month. The Committee may change the Subscription Day for a month to any other business day in that month and may select a business day to be an additional Subscription Day in a month.

"**Unit**" means a unit of the Scheme Fund. The Committee shall decide the number of Units into which the Scheme Fund is to be divided on the first Subscription Day on which a sum is received by the Committee for the credit of the Scheme Fund.

"**Unit Bid Value**" means the amount calculated by dividing the value (calculated on the bid basis) of the Scheme Fund at the close of business on a Subscription Day by the total number of Units in issue at the opening of business on that Subscription Day. The Unit Bid Value is rounded to the nearest penny.

"**Unit Offer Value**" means the amount calculated by dividing the value (calculated on the offer basis) of the Scheme Fund at the close of business on a Subscription Day by the total number of Units in issue at the opening of business on that Subscription Day. The Unit Offer Value is rounded to the nearest penny.

12. **Transfers Between Employers' Funds**

(1) Subject to Clause 13, if a Member ceases to be in Contributing Service by reference to a particular Employer ("the earlier employer") and enters the employment of another Employer or subsequently re-enters the employment of the same Employer (in either case "the later employer") in circumstances in which he remains or becomes liable while in the employment of the later employer (or would remain or become liable but for the provisions of Rule 4(3)(a)) for the payment of Normal Contributions, the Committee shall, if the Member elects (in such manner as the Committee may from time to time prescribe) to transfer his accrued entitlements from the Employer's Fund of the earlier employer to the Employer's Fund of the later employer, debit the Employer's Fund of the earlier employer with such number of

Units (as defined in Clause 11) as shall be determined by the Actuary as representing such Member's Internal Transfer Payment (as determined pursuant to paragraph (2) of this Clause) and shall credit the same number of Units to the Employer's Fund of the later employer as provided in paragraph (3) of this Clause.

(2) For the purposes of this Clause:

(i) where the date the Member makes the election referred to in paragraph (1) of this Clause is on or before 31 December 1999, the Internal Transfer Payment in respect of any Member shall be determined by the Actuary as the actuarial value of the benefits which have accrued to and in respect of the Member up to the date of the cessation of his Contributing Service with the earlier employer calculated using the same methodology and the same actuarial assumptions and with an adjustment for market conditions calculated the same way, as is applicable for transfers from BCSSS under Rule 41; and

(ii) where the date the Member makes the election referred to in paragraph (1) of this Clause is after 31 December 1999 Internal Transfer Payments in respect of any Member shall be determined by the Actuary on such basis as shall be determined by the Committee acting on the advice of the Actuary after having consulted the Co-ordinator, the earlier employer and the later employer.

Actuarial values to be determined for the purposes of this Clause will be determined using the Member's age and benefit entitlement at the date of the election pursuant to paragraph (1) of this Clause and the market conditions prevailing at the Subscription Day nearest to the date of such election.

(3) The number of Units which have the same aggregate bid value as the Internal Transfer Payment determined under paragraph (2) above shall be transferred from the Employer's Fund of the earlier employer to that of the later employer at the first Subscription Day following the determination by the Actuary of the number of Units to be so transferred.

(4) If pursuant to this Clause, Internal Transfer Payments are being made to the Employer's Fund of a later employer in respect of Members whose cessation of Contributing Service and change of employment is connected with a transfer of an undertaking or a part of an undertaking from the earlier employer to the later employer, the later employer and the earlier employer may agree that the accrued

entitlements in the Employer's Fund of the earlier employer attributable to some or all of the former employees of the earlier employer (being pensioners, deferred pensioners and others claiming benefit through such pensioners and deferred pensioners) ("the Other Beneficiaries") shall also be transferred to the Employer's Fund of the later employer. Such transfers shall only be made with the consent of the Committee and the Members affected. In such circumstances the number of Units to be transferred as determined by the Actuary as representing the Internal Transfer Payment in respect of such former employees and Other Beneficiaries in the Employer's Fund of the earlier employer, shall be credited to the Employer's Fund of the later employer and for this purpose the Internal Transfer Payment in respect of such Members and Other Beneficiaries shall be determined by the Actuary in a manner consistent with that used for the Internal Transfer Payment being made at that time in respect of Members moving to the employment of the later employer.

(5) Contributing Service of a Member shall be determined separately by reference to each Employer of the Member and upon the Member becoming employed by another Employer a new period of Contributing Service shall commence in respect of which entitlements under the Scheme shall be calculated separately UNLESS an Internal Transfer Payment under this Clause is made in respect of the Member to the Employer's Fund of the later employer. If an Internal Transfer Payment under this Clause is so made, Contributing Service of the Member completed with the earlier employer shall be treated as Contributing Service with the later employer for all purposes of the Scheme and the Rules.

13. **Substitution and Amalgamation of Employers' Funds**

If an Employer ("the original Employer") enters into liquidation for the purposes of reconstruction or amalgamation and the undertaking which is the product of that reconstruction or amalgamation ("the successor Employer"):-

(a) employs every Member who is liable (whilst so employed) to pay Normal Contributions (or who would be so liable but for the provisions of Rule 4(3)(a)) and who immediately before the reconstruction or amalgamation was employed by the original Employer; and

(b) is either already an Employer in respect of other Members or is admitted to the Scheme as an Employer in accordance with Clause 8,

then all of the assets and liabilities of the Employer's Fund of the original Employer shall be transferred to the Employers' Fund of the successor Employer with effect from the date on which the employments of the Members referred to in paragraph (a) above are transferred to the successor Employer or, if later, the date with effect from which the successor Employer is admitted to the Scheme as an Employer.

14. **Investment**

(1) So much of the moneys of the Scheme as shall not from time to time be required for application in the payment of pensions or other benefits or otherwise shall as soon as practicable be invested by the Committee in or upon the security of such investments whatsoever and wheresoever situate whether or not involving liability or whether or not producing income and whether or not otherwise authorised by law for the investment of trust funds as the Committee shall in their absolute discretion think fit to the intent that the Committee shall have the same unrestricted powers of making, varying, managing and transposing investments as if they were absolutely entitled to such moneys beneficially.

(2) Without prejudice to the generality of the foregoing powers the Committee shall have power:-

(a) to effect and maintain policies of insurance;

(b) to retain or place any such moneys on deposit or current account with any bank or on deposit with any company, local authority, building society or insurance company in any part of the world and for such periods as they shall think fit; and

(c) to carry out any improvements of any kind to land or buildings in which the Scheme has an interest including the erection demolition and reconstruction of any buildings and the development of land and other property.

(3) The Committee shall have the power to appoint one or more nominees or custodian trustees to hold investments on behalf of the Committee.

(4) The Committee shall have power to raise or borrow any sum or sums of money and secure the repayment thereof in such manner and upon such terms as they think fit and to charge the sums so raised or borrowed or any part thereof on all or any part of the Scheme Fund.

(5) The Committee shall have power to enter into any transaction which is not authorised by any of the other provisions of the Scheme or otherwise by law and which in their opinion is beneficial to the Scheme and, without prejudice to the generality of the foregoing, the Committee shall have power:-

(a) to lend any investments of the Scheme Fund to any person or corporation on such terms and for such purposes as the Committee may think fit;

(b) to underwrite, sub-underwrite or guarantee the subscription of any stocks, shares, debenture stocks or other investments; and

(c) to give any warranty or indemnity in connection with the exercise of their powers under this Clause.

(6) Moneys may be invested or laid out in or upon any investment or transaction of any nature hereby authorised notwithstanding that the same may be acquired or entered into by the Committee jointly or in common with any other person or corporation.

(7) The Committee shall have power to enter into any arrangement approved for the purposes of this sub-clause by the Board of Inland Revenue under which the whole or a part of the assets of the Scheme Fund is pooled for investment purposes with assets of any other Retirement Benefits Scheme that is an Exempt Approved Scheme on such terms as to the mode of investment, apportionment of capital and income, incidence of taxation, subsequent severance, fees and other expenses in connection with the investment and administration of such pooled fund and generally in all respects as the Committee shall think fit.

15. (1) Notwithstanding the provisions of Clause 14 no part of the Scheme Fund shall at any time be invested in employer-related investments as defined in paragraph (2) of this Clause save that the Scheme Fund may at any time be invested in not more than 3 per cent of any class of any securities issued by an Employer or any such company as is referred to in sub-paragraph (a)(i) of paragraph (2) of this Clause which are listed or permitted to be dealt in on any recognised stock exchange.

(2) For the purposes of this Clause:-

(a) "employer-related investments" means:-

(i) shares or other securities issued by an Employer or by any holding company as defined in section 736 of the Companies Act 1985 of an Employer or by any company in which an Employer or such holding company holds a majority of the voting rights;

(ii) property (other than land) which is used for the purposes of any business carried on by an Employer or any such company as is referred to in sub-paragraph (a)(i); and

(iii) loans to an Employer or any such company as is referred to in sub-paragraph (a)(i).

(b) "securities" means any asset, right or interest falling within paragraph 1, 2, 4, or 5 of Schedule 1 to the Financial Services Act 1986.

16. (1) The Committee by themselves or any nominee on their behalf shall have power to do all or any of the following:-

(a) to carry on any business or other activity in partnership whether in the United Kingdom or elsewhere;

(b) to enter into any business or other partnership with others whether in the United Kingdom or elsewhere, or to acquire by subscription or otherwise an interest whether freely transferable or not in any such partnership;

(c) from time to time to finance or provide funds whether by way of loan or further investment or otherwise for any partnership or proposed partnership of which they or their nominee may for the time being be partners or propose to become partners; and

(d) from time to time to enter into any arrangement or agreement whether by way of substitution for or modification of any then subsisting arrangement or agreement or otherwise with all or any of the other partners or proposed partners in any partnership or proposed partnership of which they or their nominee may for the time being be partners or propose to become partners.

(2) The Committee or any nominee on their behalf shall have power without being liable for any loss occasioned thereby to leave the entire management of any business or activity carried on by any partnership of which they or such nominee may for the time being be partners to any other partners or partner without any obligations on their or such nominee's part to attend thereto further than to require such other partners or partner to render an account thereof from time to time as the Committee or such nominee may think appropriate.

(3) For the avoidance of doubt the Committee shall have power:-

(i) to employ any moneys of the Scheme not required for payment of pensions or other benefits; and

(ii) to enter into transactions in connection with such partnership as though such a partnership were an investment authorised under paragraph (1) of Clause 14.

(4) For the purposes of this Clause "business" includes any trade, profession or occupation.

17. **Appointment of Nominees Agents Investment Managers Actuary Auditor and Legal Adviser**

(1) Without prejudice to the provisions of or to any powers conferred by section 23 of the Trustee Act 1925 or Clauses 14 and 16, the Committee shall have power to employ such nominees or agents as the Committee may think fit in the transaction of any business of the Scheme (including the payment of pensions and other benefits) and any valid receipt therefor given to or by such nominee or agent shall be a good and sufficient discharge to the Committee.

(2) Without prejudice to the generality of the foregoing and the provisions of Clauses 27 and 28, the Committee shall have power to appoint and remove one or more investment managers to the Scheme and to authorise any such investment manager to exercise all or any of their powers set out in Clauses 14, 16 and paragraph (1) of this Clause on such terms as to remuneration and otherwise as shall from time to time be agreed between the Committee and such investment manager or managers.

(3) The Committee shall from time to time appoint an actuary or a firm of actuaries (who shall be a Fellow or a firm of Fellows of the Institute of Actuaries or of the Faculty

of Actuaries in Scotland or a body corporate or government department or agency making available to the Committee the services and advice of such a Fellow and accepting responsibility for such advice) on such terms as to remuneration and otherwise as the Committee shall think fit. No trustee of the Scheme and none of the directors or executive officers of any corporate trustee of the Scheme shall be eligible for appointment as the actuary.

(4) The Committee shall from time to time appoint some person or firm with proper professional qualifications to be the auditor to the Scheme upon such terms as to duties and remuneration as the Committee may think proper. No member of the Committee and none of the directors or executive officers of the Co-ordinator or of any of the Employers or of any corporate trustee of the Scheme shall be eligible for appointment as the auditor to the Scheme. The terms of any appointment of an auditor under this paragraph shall comply with the Occupational Pension Schemes (Auditors) Regulations 1987.

(5) The Committee shall from time to time appoint some person or firm with proper professional qualifications to be the Scheme's legal adviser upon such terms as to duties and remuneration as the Committee may think proper and which terms shall be agreed with the legal adviser from time to time and incorporated into a letter of appointment issued by the Committee. No trustee of the Scheme and none of the directors or executive officers of the Co-ordinator or of any of the Employers or of any corporate trustee of the Scheme shall be eligible for appointment as the Scheme's legal adviser.

18. **Costs of Administration**

The costs and expenses of managing and administering the Scheme shall be payable by or with the authority of the Committee out of the Expenses Fund except that if the Committee considers that a cost or expense relates (in whole or in part) to one or more (but not all) of the Employers such cost or expense (or such part thereof) shall be borne by the Employer's Fund which relates to that Employer (or if more than one in such proportions as the Committee considers to be equitable).

ACCOUNTS AND AUDIT

19. **Accounts to be Kept**

The Committee shall cause to be kept full and true accounts of the Scheme Fund and of each Employer's Fund and of all sums of money received and expended by the Committee and by all persons employed by or under them, and shall cause to be kept full and complete records of all matters necessary or proper to be recorded. Separate accounts shall be kept in relation to additional voluntary contributions made by Contributors under Rule 5.

20. **Annual Statement**

The books of the Scheme shall be balanced as at 31st December 1995, and the 31st December in each subsequent year and a Statement of Accounts (including a Balance Sheet), which shall exhibit a true and correct view of the state of the Scheme and of each Employer's Fund, shall forthwith be made up.

21. **Audit of Accounts**

The Statement of Accounts made up to the 31st December in each year shall be delivered not later than the following 31st May to the Auditors who shall make a report thereon and the Auditors shall be furnished with all vouchers relating to the items shown in such Statement of Accounts and the Committee, the Secretary and any other person appointed under Clause 23 to perform services in connection with the Scheme shall on request give to the Auditors all explanations and information in their power.

22. **Committee to Produce Accounts at Annual Meeting**

The Committee shall cause the Statement of Accounts and the Auditors' Report thereon, together with the Committee's Report on the working of the Scheme, for the period covered by the Accounts, to be produced to the Members assembled at the Annual Meeting. Copies of these documents shall be delivered to the Co-ordinator and exhibited on notice boards or otherwise publicised as the Committee may determine, and copies shall be handed or sent to any Contributor who is entitled to apply therefor under regulations made under section 56E of the 1975 Act or section 114 of the 1993 Act.

OFFICERS AND ADMINISTRATION

23. **Appointment & Remuneration of Officers**

The Co-ordinator with the approval of the Committee (or the Committee with the approval of the Co-ordinator) shall from time to time appoint the Secretary and such other persons as may be requisite to administer the Scheme and may at any time remove any person or persons so appointed. The remuneration of the Secretary and any other persons so appointed to perform services in connection with the Scheme shall be approved by the Co-ordinator and the Committee and be paid or arranged to be paid by the Committee from the Scheme Fund.

24. **Duties of the Secretary**

The Secretary shall:-

(i) keep the records of the membership of the Scheme (including, in the case of a Contributor contributing for Family Benefits, a record of the Dependants who may become entitled to benefits on the death of the Contributor) together with books and papers relating to the Scheme and the business thereof;

(ii) report to the Committee, in such manner as the Committee may from time to time direct, on the costs of managing and administering the Scheme, applications for allowances or payments under the Scheme, and other matters to be brought under the consideration of the Committee;

(iii) give notice of all General Meetings;

(iv) record the minutes of the proceedings of all General Meetings;

(v) in so far as the Committee so agree, be a member of any sub-committee appointed under Clause 27(i); and

(vi) perform such other duties in connection with the Scheme as the Committee may from time to time direct.

COMMITTEE OF MANAGEMENT

25. **Powers of Committee**

The Committee shall decide on all claims made upon the Scheme and (subject to the provisions of Clause 28 and to the other powers and provisions referred to in paragraph (1) of that Clause) shall exercise all such other powers as are referred to in Clause 2(4)(b) and the Committee shall be entitled in determining any question to consider and act upon such evidence as they shall deem satisfactory, whether or not the same would constitute admissible evidence in legal proceedings, and every decision given by the Committee on any matter within their competence shall be final and binding on all persons affected thereby.

26. **Execution of Documents**

Any document required to be executed by the Committee in connection with the exercise of any power conferred by Clauses 14, 16 or 17 shall be duly executed if executed in such manner as the Committee may from time to time determine, subject to the requirements of the Articles.

27. **Sub-Committees**

(i) The Committee may delegate any of the powers referred to in Clause 2(4)(b) to any sub-committee or sub-committees consisting (subject to the provisions of Clause 24(v) and the Articles) of such member or members of its body, with or without other persons not being members of its body, as it shall think fit.

(ii) Any sub-committee so appointed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Committee. The meetings and proceedings of any sub-committee consisting of two or more members shall, subject to the provisions of the Articles, be governed by such of those provisions as relate to the meetings and proceedings of the Committee so far as the same may be applicable and are not superseded by any regulation made for such sub-committee under this Clause.

28. **Delegation by Committee**

(1) Without prejudice to the provisions of or to any powers conferred by section 23 of the Trustee Act 1925 or Clauses 2, 14, 16, 17 and 27, the Committee may delegate to any one or more persons or bodies of persons (each of whom or which is in this

Clause called "the delegate") in any part of the world, whether nominated directly by the Committee or nominated by any other person or body of persons authorised by them to do so (and including, for the avoidance of doubt, any nominee or custodian or other trustee appointed under Clause 14, any person or body of persons with whom or which any agreement is or has been entered into under Clause 17 or any sub-committee appointed under Clause 27) the exercise of all or any of the powers referred to in Clause 2(4)(b), for such period and on and subject to such terms, limitations and conditions, if any, as the Committee may think fit.

(2) The terms and conditions referred to in paragraph (1) of this Clause may, without prejudice to the generality of that paragraph and if and insofar as the Committee may think fit, include terms and conditions:-

(a) authorising the delegate, or any other person or body of persons (whether or not a direct sub-delegate of the delegate but in this Clause called "a sub-delegate") to whom a sub-delegation or further delegation has been made by virtue of any such authorisation, to exercise in relation to the powers delegated to him or it the same or any of the same powers as are conferred on the Committee by this Clause; and

(b) providing in such manner as the Committee may think fit for the protection and convenience of persons or bodies of persons dealing with the delegate or a sub-delegate.

(3) The Committee may at any time cancel or vary any delegation made under paragraph (1) of this Clause or any such sub-delegation or further delegation as is referred to in paragraph (2)(a), but no person or body of persons dealing with the delegate or a sub-delegate in good faith and without notice of the cancellation or variation shall be affected thereby.

GENERAL MEETINGS

29. **Annual Meetings**

An Annual General Meeting of the Members shall be held at such place not later than the 30th September in every calendar year commencing with the year 1996 as the Committee shall from time to time appoint for the purpose of receiving a Report from the Committee and the Annual Statement of Accounts and for the conduct of the general business of the Scheme.

30. **Notice of Resolution**

No Member may move a Resolution at the Annual Meeting unless prior to the 1st July next before the date of such Meeting he gives to the Secretary notice in writing signed by himself and setting forth the proposed Resolution.

31. **Extraordinary Meetings**

An Extraordinary Meeting may at any time be convened by the Committee and shall be convened within 21 days if the Secretary receives a requisition, stating the purpose for which the Meeting is desired, signed by at least twenty-five Members. The notice convening an Extraordinary Meeting shall specify the general nature of the business to be transacted and no business not so specified shall be transacted thereat. An Extraordinary Meeting shall be held at such place and time as the Committee shall appoint.

32. **Notice of Meetings**

The Secretary when convening any General Meeting shall give, in such manner as the Committee may determine, not less than seven days' notice to Members of the date, place and hour appointed for such Meeting and of the business to be transacted thereat. The non-receipt by a Member of a notice shall not invalidate the proceedings at any Meeting. The Committee shall have full discretion in determining the manner in which notice of any meeting shall be given and (without prejudice to the generality of the foregoing) may determine that the same shall be given by the delivery (by post or otherwise) of individual notices or by advertisement or by the exhibition of notices or otherwise and may determine that such notice be given in one manner to some class or group of Members and in another manner to another class or group thereof.

33. **Chairman of Meetings**

The Chairman of the Committee or, if he be not present, the Deputy Chairman, or failing him a Co-ordinator's Committee-member selected in that behalf by the Committee shall be the Chairman of every General Meeting.

34. **Quorum at Meetings**

Ten Members shall (except as provided by the next following Clause) form a quorum at a General Meeting and no business (except the adjournment of the Meeting) shall be transacted at any such Meeting unless a quorum is present when the Meeting proceeds to business.

35. **Adjournment in Absence of Quorum**

If within fifteen minutes from the time appointed for the holding of a General Meeting a quorum is not present the Meeting if convened on a requisition of Members shall be dissolved and in any other case shall stand adjourned to the same day in the next week at the same place and time, and if at such adjourned meeting a quorum is not present within fifteen minutes from the time appointed for holding the Meeting, the Members then present and entitled to vote shall form a quorum for that meeting.

36. **Resolutions at General Meetings**

Every Resolution moved at a General Meeting shall have been decided in the first instance by a show of hands of the Members present and unless a poll is demanded by not less than five Members present and voting, a Resolution declared by the Chairman of the Meeting to have been carried shall be deemed to be the Resolution of the Meeting.

37. **Votes at General Meetings**

Each Member present at a General Meeting shall have one vote. Each Co-ordinator's Committee-member shall be entitled to be present and vote and otherwise to act at a General Meeting whether a Member or not and in case of an equality of votes the Chairman of the Meeting shall have a second or casting vote. A Member who is present and is proxy for any other Member shall in the event of a poll being demanded and taken have in addition to his own vote one vote for each such Member for whom he is proxy.

38. **Poll - How to be Taken**

If a poll is demanded at any meeting it shall be taken at such time and in such manner as the Chairman of the meeting may direct and the result of the poll as declared by the Chairman shall be deemed to be a Resolution of the Meeting at which the poll was demanded.

39. **Proxies**

A Member may appoint any other Member as his proxy for voting at a General Meeting. Such appointment shall be made by an instrument of proxy which shall be in such form as shall be prescribed or approved from time to time by the Committee and shall be signed by the Member appointing the proxy and shall be addressed to the Secretary at the Registered Office of the Co-ordinator and forwarded so as to reach that office at least forty-eight hours

before the time appointed for holding the Meeting therein specified and shall be available only for such Meeting and any adjournment thereof.

40. **Revocation of Proxy**

Every such instrument of proxy shall be valid until it is either:-

(i) revoked by a notice in writing under the hand of the appointing Member and addressed to the Secretary at the Registered Office of the Co-ordinator and forwarded so as to reach that office before the time fixed for the Meeting for which such proxy shall have been given; or

(ii) annulled by the attendance of the appointing Member at such Meeting.

41. **Adjournment of General Meetings**

The Chairman of a General Meeting at which a quorum is present may, with the consent of the Meeting, adjourn the Meeting to any hour of the same or to a later day. Whenever a General Meeting is adjourned for ten days or more notice of the adjourned Meeting shall be given in the same manner as of an original Meeting, but save as aforesaid a Member shall not be entitled to any notice of an adjournment or of the business to be transacted at an adjourned Meeting. No business shall be transacted at an adjourned Meeting other than the business which might have been transacted at the Meeting from which the adjournment took place.

42. **Minutes of Meetings**

Minutes of the proceedings of every General Meeting shall be recorded by the Secretary in a book to be kept for that purpose and such minutes after approval by the Committee shall be signed within thirty days of such Meeting by the Chairman of such Meeting or him failing by two other members of the Committee present thereat and such minutes when so recorded and signed shall, in the absence of proof of error therein, be conclusive evidence of such proceedings.

43. **Powers of Meetings**

The Members in General Meeting shall have no powers except such as are conferred upon them expressly or by implication by the Scheme.

MISCELLANEOUS

44. **Right of Employer to Terminate Employment**

Nothing in the Scheme or the Rules shall be deemed to restrict in any way the right of an Employer to terminate the employment of any Contributor.

45. **Perpetuity**

The trusts hereof shall not in any event continue beyond the expiration of eighty years from the date of this Deed (or such longer period as may be lawful by reason of the Scheme qualifying or continuing to qualify for exemption from the operation of the rules of law relating to perpetuities) and at the end of such period the trusts of the Scheme shall determine and the Scheme shall be wound up in accordance with the provisions of the Trust Deed.

46. **Amendment of Trust Deed and Rules**

(1) Subject to the provisions of paragraph (3) of this Clause, the Co-ordinator may from time to time and after prior consultation with the Trustee and with the consent of the Committee where this is required under paragraph (2) of this Clause, amend the Trust Deed or the Rules by the alteration, deletion or addition of any provisions, but no alteration, deletion or addition shall be made which will have the effect of:-

(i) altering the main purpose of the Scheme from that of providing superannuation annuities for Contributors on retirement;

(ii) making any of the moneys of the Scheme payable to any of the Employers;

(iii) reducing the amount of any superannuation benefits to a Member or to any person who by reason of his or her relationship to a Member is or at any time may become entitled to benefits on the death of a Member;

(iv) increasing the contribution of or reducing prospective benefit to any then existing Contributors unless such increase or reduction is approved by a

Resolution passed by a majority of not less than two-thirds of such of the Contributors affected as shall vote on the matter either personally or by proxy, at an Extraordinary Meeting of which due notice shall have been given specifying the intention to propose such increase or reduction;

(v) terminating the liability of any of the Employers to contribute to the Scheme Fund in respect of persons who at any time have been Protected Employees; or

(vi) permitting the discontinuance of the Scheme (other than in the circumstances contemplated in Clause 48(3)) at any time while there are in relation to any Employer any beneficiaries of the Scheme who at any time have been Protected Employees or who are entitled to benefit by virtue of their relationship to a person who has at any time been a Protected Employee.

(2) Subject to the provisions of paragraph (3) of this Clause, no amendment shall be made to Clauses 2, 3, 5, 7(4)(c), 8, 46, 48 or 49 of the Trust Deed, or the proviso to Clause 7(5) of the Trust Deed, unless it has been approved by all members for the time being of the Committee.

(3) No amendment shall be made to Clause 48(3) or Clause 48(7) during such time as the liabilities of the Scheme include liabilities in respect of the Protected Benefits of any Protected Person.

47. **Indemnity**

(1) Save to the extent that they are covered by external insurance the persons protected by this Clause are:-

(a) the Trustee, the members of the Committee, and any sub-committee of the Committee;

(b) the Secretary;

(c) any other person to whom the Committee shall have determined under paragraph (5) of this Clause that this Clause shall apply (but subject to the terms of any determination so made).

(2) Unless and except to the extent that he is otherwise covered by external insurance, every person protected by this Clause shall together with his estate and effects be indemnified and kept at all times indemnified out of the moneys of the Scheme against all actions, proceedings, claims, demands, costs, charges, losses, damages, expenses, and liabilities of any nature whatsoever and however arising which he or his estate or effects shall or may incur or sustain by reason of any act done or omitted in relation to the affairs of the Scheme except as a result of a wilful or reckless act or omission by that person known by him to be a breach of trust or breach of duty in relation to the Scheme or done or omitted by him recklessly as to whether or not it is such a breach of trust or duty.

(3) No person protected by this Clause shall be accountable or answerable for the acts, receipts, neglects or defaults of any other person acting in relation to the Scheme or by joining in any receipt for the sake of conformity or for the acts, receipts, neglects or defaults of any bankers or other persons with whom any moneys investments or effects belonging to the Scheme shall or may be lodged or deposited for safe custody or for the insufficiency or deficiency of any security or investment upon which any moneys of the Scheme shall or may be placed out or invested or for any loss misfortune or damage which the Scheme or any beneficiary or other person claiming under the Scheme shall or may sustain except as a result of a wilful or reckless act or omission by the protected person known by him to be a breach of trust or breach of duty in relation to the Scheme or done or omitted by him recklessly as to whether or not it is such a breach of trust or duty.

(4) No person protected by this Clause shall be answerable for any failure to recover or take steps to recover any instalment or part of an instalment of an annual payment paid after or in respect of a period after the death of the person who was or would otherwise have been entitled to such annual payment.

(5) The Committee may in their discretion if they consider such action in the interests of the Scheme determine in relation to any person who is engaged to perform any functions or services for the purposes of the Scheme and is not otherwise protected by this Clause that such person shall, to such extent and on such terms as the Committee may think fit, be afforded the benefit of indemnity under paragraph (2) of this Clause.

48. **Termination of the Scheme**

(1) This Clause shall override any other provisions of the Trust Deed or the Rules which are inconsistent with it.

(2) The words and expressions used in this Clause shall have the same meanings as in the 1993 Act.

(3) The Scheme shall subject to Clause 45 continue for such period as is allowed by law. The date on which the Scheme determines by operation of law or otherwise the effective date of termination of the Scheme shall be referred to as "the Termination Date". Subject as hereinafter provided upon the termination of the Scheme, the AVC Scheme referred to in Rule 5 and each Employer's Fund shall be dealt with for the benefit of those Members and Dependants entitled to benefits therefrom by (subject to the provisions of paragraph (10) of this Clause) realisation of the Employer's Fund and the AVC Scheme at such time or times as the Trustee shall think fit in the light of prevailing investment conditions and application of the net proceeds thereof in accordance with the following paragraphs of this Clause. Notwithstanding the foregoing provisions the Trustee shall have power on giving notice to each of the Members to transfer, with the consent of the Members, the Employers' Funds and the AVC Scheme (or the appropriate part or parts thereof) in such amounts and on such terms as the Actuary may certify as equitable, having regard to the rights to and expectations of benefits of those Members for whom provision is made in this way, to one or more new or existing retirement benefits schemes approved for the purposes of this Clause by the Board of Inland Revenue PROVIDED THAT any such transfer shall, if it is to be made in circumstances in which regulation 9 of the Coal Industry (Protected Persons) Pensions Regulations 1994 applies, only be made in circumstances where the Committee are satisfied that the requirements of the said regulation are complied with.

(4) The Trustee shall be entitled to reserve out of the Scheme Fund such amount as it considers may be necessary to meet all proper costs, charges and expenses of and incidental to the realisation and/or transfer of the Scheme Fund and the winding-up of the Scheme and all taxes and duties for which the Trustee may be accountable under the Scheme.

(5) Subject to the provisions of paragraph (4) of this Clause and subject in all cases to Rule 67, each Employer's Fund and the AVC Scheme shall be applied as follows for the benefit of those Members and other persons whose rights to and expectations of

benefits have not been secured by a transfer to any other retirement benefits scheme pursuant to paragraph (3) of this Clause and relate to such Employer's Fund or (as the case may be) to the AVC Scheme and in the case of a Member who was a Contributor on the Termination Date on the basis that he ceased to be a Contributor on that date:-

(a) in securing separately in respect of each Employer's Fund and the AVC Scheme in priority to any other liabilities in respect of the said Members and other persons liabilities in respect of:-

(i) Guaranteed Minimum Pensions and accrued rights to Guaranteed Minimum Pensions;

(ii) any such benefits as are excluded by section 13(6) of the 1993 Act from earners' Guaranteed Minimum Pensions;

(iii) pensions and other benefits in respect of which entitlement to payment has already arisen other than those included in sub-paragraphs (a)(i) and (a)(ii) of this paragraph;

(iv) state scheme premiums;

(v) where an earner has attained Normal Retiring Age, pensions and other benefits, in so far as they do not fall within the foregoing provisions of this paragraph, to which the earner will be entitled on ceasing to be in employment; and

(vi) where an earner has attained Normal Retiring Age, or has retired before Normal Retiring Age with an immediate pension but at the Termination Date has not attained Normal Retiring Age, pensions and other benefits, in so far as they do not fall within the foregoing provisions of this paragraph, to which the earner's widow or widower or any Dependants of the earner will be entitled on the death of the earner;

(b) subject to sub-paragraph (a), in securing (in equal priority as between themselves) separately in respect of each Employer's Fund and the AVC Scheme liabilities in respect of:-

(i) entitlement to pensions and other benefits of those Members who had ceased to be Contributors on or before the Termination Date and who had not attained at that date Normal Retiring Age or earlier age at which benefits become payable to them under the Rules;

(ii) entitlement to a refund of contributions with compound interest pursuant to Rule 24(6) for those Members who are Contributors at the Termination Date and, on the Termination Date, had less than two years of Qualifying Service; and

(iii) entitlement to pensions and other benefits of Dependants whose benefits are expectant or contingent on the death of any such Member as is referred to in sub-paragraph (b)(i) of this paragraph,

PROVIDED THAT:-

(A) subject to proviso (B), below, if the Employer's Fund is not sufficient to meet in full the liabilities in (a) and (b) above, it shall be applied first to meet the liabilities specified in sub-paragraphs (a)(i) to (a)(iii) of this paragraph, second to meet the liabilities specified in sub-paragraphs (a)(iv) to (a)(vi) of this paragraph, and shall then be applied to meet the liabilities specified in sub-paragraphs (b)(i) to (b)(iii) of this paragraph;

(B) subject always to the requirements of the Contracting-out Rules, in circumstances where proviso (A) above is applicable the Employer's Fund shall first be applied in accordance with proviso (A) above having regard only to those liabilities in respect of Protected Benefits.

(6) Subject as provided in paragraphs (7), (9) and (10) below:-

(a) The amount allocated (after consultation with the Actuary) to or in respect of each Member and Dependant pursuant to paragraph (5) of this Clause shall be applied (in so far as is practicable) either in the payment of state scheme premiums or in the purchase of a non-assignable and (save as herein

otherwise provided) non-commutable annuity from such Approved Insurer as the Trustee in each case may determine.

(b) In the case of existing pensioners and Members who have reached Normal Retiring Age but remain in Eligible Employment such annuity shall be an immediate annuity and in the case of prospective pensioners such annuity shall be a deferred annuity commencing not earlier than the date on which a pension could have become payable to the Member had the Scheme been continued but so that for the purposes of this sub-paragraph:-

(i) the provisions of Rule 23(4) shall not apply and a Member who is a Contributor on the Termination Date shall be treated as having ceased to be a Contributor on that date; and

(ii) the Trustee (after consultation with the Actuary) shall have a discretion to vary the terms and conditions on which benefits are payable to a Member who has to retire through ill-health after the Termination Date.

(c) Any such annuity shall be commutable so as to provide a cash lump sum on such terms as may be approved by the Board of Inland Revenue.

(d) The obligation to provide annuities to secure Children's benefits pursuant to Rule 30 shall be limited to Children born prior to the Termination Date or within twelve months of such date.

(7) For the avoidance of doubt the Trustee shall not apply the assets of the Scheme Fund in the purchase of annuities (or by the transfer, assignment or substitution of policies or contracts of assurance) in respect of Protected Benefits of any Protected Person without that Protected Person first having ceased to be entitled to protection in accordance with regulation 3(2) of The Coal Industry (Protected Persons) Pensions Regulations 1994 in respect of those benefits.

(8) If after application of the AVC Scheme pursuant to paragraph (5) of this Clause there shall remain any surplus thereof the Committee shall apply such surplus in accordance with the provisions of proviso (c) to paragraph (7) of Rule 5 and if, after application of the Employer's Fund pursuant to paragraph (5) of this Clause, there shall remain any surplus thereof the Trustee shall (in so far as is practicable and subject in all cases to Rule 67) apply such surplus, so far as it has not done so, in making

increases in the benefits required to be secured as aforesaid (other than in respect of additional voluntary contributions made under Rule 5 and benefits purchased therefrom) in the following sequence of priorities:-

(a) in increasing annually after the Termination Date the amount of each of the annuities (whether payable or prospectively payable) pursuant to sub-paragraphs (a)(iii), (a)(v), (a)(vi) and sub-paragraphs (b)(i) and (b)(iii) of paragraph (5) of this Clause by indexation in line with the increase in the cost of living index, calculated by applying (to the extent possible) the provisions of Rule 33 but limited in any year to 5 per cent;

(b) subject thereto and subject as hereinafter provided, in increasing annually after the Termination Date the amount of each of the annuities specified in sub-paragraph (a) of this paragraph by indexation in line with the increase in the cost of living index as defined in paragraph (6) of Rule 33 insofar as it may, in any year, exceed 5 per cent;

(c) subject thereto, in making such other increases in all or any of the annuities secured for Members who are Contributors at the Termination Date and for whom no transfer is made pursuant to paragraph (3) of this Clause as the Trustee (after consultation with the Actuary) may consider fair to take into account the expected difference between future increases in average earnings and prices in the period until the annuity commences;

(d) subject thereto, in making such other increases (whether initially or by annual indexation as aforesaid or by both such means) in all or any of the annuities (whether payable or prospectively payable) required to be secured pursuant to paragraphs (5) and (6) of this Clause as the Trustee (after consultation with the Actuary) may consider fair as between the respective persons for whom the same are to be secured; and

(e) subject thereto and subject to the approval of the Board of Inland Revenue, in the payment to the Employer (after deduction of any tax due thereon) of the balance (if any) of the Employer's Fund which may remain and in such event the Employer may retain the whole or any part of the balance of the Fund so paid to it,

Provided that if no Approved Insurer (either alone or in conjunction with any other Approved Insurer) is willing to offer terms for annuities which increase in accordance

with the provisions of sub-paragraphs (a), (b) or (c) of this paragraph which the Trustee (after consultation with the Actuary) in its discretion is willing to accept, then the Trustee shall have a discretion to vary the provisions of sub-paragraphs (a), (b) and (c) of this paragraph upon such terms and subject to such conditions as may be agreed between the Trustee (after consultation with the Actuary) and the Approved Insurer.

(9) Instead of purchasing an annuity:-

(i) the Trustee may pay to any person whose annuity (if purchased) would be treated by the Board of Inland Revenue as trivial such sum as (when added to any tax payable by the Trustee as a consequence of such payment) would in the opinion of the Trustee otherwise have been applied in the purchase of an annuity for that person;

(ii) the Trustee may transfer to the trustees of a scheme referred to in section 95(2) of the 1993 Act or to some other properly authorised person under it such sum or assets as in the opinion of the Trustee would otherwise have been realised and applied in the purchase of the annuity or such greater sum or such assets of greater value as the Employer requests (unless the Employer has entered into liquidation) and the Trustee with the advice of the Actuary approve and the provisions of Rule 45 shall apply to such transfer as if it were effected under Rule 45 and if no such scheme is in existence but the Trustee are satisfied that such a scheme will be established they may with a view to making such a transfer enter into such temporary arrangements for the provision of benefits which ought to be provided under this Clause as they think fit Provided that any transfer under this sub-paragraph (ii) shall, if it is to be made in circumstances to which regulation 9 (or regulation 8, in the case of a partial termination under Clause 49) of The Coal Industry (Protected Persons) Pensions Regulations 1994 applies, only be made in circumstances where the Committee are satisfied that the requirements of the said regulation 8 or regulation 9 (as the case may be) are complied with; and

(iii) the Trustee shall do what is needed to carry out any valid requirement of a member in relation to his cash equivalent for the purposes of Chapter IV of Part IV of the 1993 Act.

(10) If on the discontinuance of the Scheme the assets of an Employer's Fund or the AVC Scheme referred to in Rule 5 include annuity or assurance or sinking fund contracts

or policies with any insurance company the Trustee instead of realising those contracts and policies and purchasing annuities may subject to paragraph (7) of this Clause exercise one or more of the following powers in relation to those contracts and policies:-

(i) the power to enter into any arrangements with the insurance company with which the contract or policy was effected under which the whole or part of any benefit secured on the life of any person under the contract or policy is transferred to or secured to or in trust for that person;

(ii) the power to enter into any arrangements with the insurance company with which the contract or policy was effected under which the insurance company is released from all liability to pay any benefits under the whole or any part of the contract or policy in consideration of the insurance company agreeing in respect of another scheme:-

(I) to issue a fresh annuity or assurance contract or policy; or

(II) to amend an existing annuity or assurance contract or policy issued by the insurance company

in order to secure in respect of the other scheme benefits similar to and in substitution for those benefits in respect of which the Trustee releases the insurance company from liability; and

(iii) the power (subject where required to the consent of the insurance company with which the contract or policy was effected) to assign the whole or any part of the contract or policy and the benefits and moneys assured by it to the trustees for the time being of another scheme or to some other properly authorised person under it on the understanding that the contract or policy which is assigned will be kept in force or in existence upon such terms (consistent with the existing formal approval of the other scheme by the Board of Inland Revenue) as the Trustee considers to be just and equitable having regard to the accrued rights and interests of beneficiaries and prospective beneficiaries under the Scheme which may be affected by the assignment

PROVIDED THAT:-

(I) the Trustee shall not exercise the power in sub-paragraph (i) of this paragraph unless the contract or policy satisfies the requirements of section 19 of the 1993 Act; and

(II) the Trustee shall not exercise either of the powers in sub-paragraphs (ii) and (iii) of this paragraph in relation to another scheme unless that other scheme is a scheme referred to in section 95(2) of the 1993 Act; and

(III) the Trustee shall not exercise either of the powers in sub-paragraphs (ii) and (iii) of this paragraph in relation to another scheme without the written consent or written request of the member or (if the member is dead) the widow or widower of the deceased member if that consent or request is required by regulations made under the Social Security Act 1973 or the 1975 Act or the 1993 Act relevant to the circumstances in which the arrangements are to be entered into or the assignment is to be made.

49. **Partial Termination of the Scheme**

(1) Subject to the provisions of paragraph (3) of this Clause an Employer may terminate its liability to contribute to the Scheme at any time by giving not less than three months' notice in writing to the Committee. On or as soon as practicable after receipt of such notice the Committee shall notify the Co-ordinator of the Employer which gave the notice and the date of termination of the Employer's liability to contribute to the Scheme. On such termination the Employer shall cease to be an Employer. Any such termination shall be without prejudice to any accrued liability of the Terminating Employer (as defined in paragraph (13) of this Clause) to contribute to the Scheme and to any liability which it may incur under section 144 of the 1993 Act.

(2) Subject to the provisions of paragraph (3) of this Clause if a payment of contributions by an Employer which has fallen due is unpaid or is paid in part but not in full and the Committee are of the opinion that the Employer has ceased to contribute to the Scheme the Committee shall pass a resolution to that effect and the Employer shall thereupon cease to be an Employer. Such cessation shall be without prejudice to the accrued liability of the Terminating Employer to contribute to the Scheme and to any liability which it may incur under section 144 of the 1993 Act. As soon as practicable following the passing of the resolution the Committee shall notify the

Employer to whom the resolution applies and shall notify the Co-ordinator of the Employer which is ceasing to be an Employer.

(3) No such notice as is referred to in paragraph (1) of this Clause shall be given and no such resolution as is referred to in paragraph (2) of this Clause shall be passed by or in relation to an Employer unless at the time at which the notice is given or the resolution is passed none of the liabilities of the Employer's Fund relating to such Employer are liabilities in respect of a Protected Person.

(4) If the Committee are of the opinion that the continued participation in the Scheme of an Employer would prejudice Inland Revenue Approval of the Scheme they shall pass a resolution to that effect. Subject to the provisions of paragraph (6) of this Clause the Employer shall cease to be an Employer upon the passing of the Committee's resolution. As soon as practicable following the passing of the resolution the Committee shall notify the Employer to whom the resolution applies and shall notify the Co-ordinator of the Employer which is ceasing to be an Employer.

(5) If an Employer enters into liquidation it shall subject to the provisions of paragraph (6) of this Clause cease to be an Employer immediately it enters into liquidation.

(6) If an Employer ceases to be an Employer in accordance with the provisions of paragraph (4) or (5) of this Clause it shall nevertheless be deemed to remain an Employer for such period if any (referred to in this paragraph and in paragraph (7) of this Clause as "the Agreed Period") as may be agreed between the Co-ordinator, the Employer and the Committee and approved by the Board of Inland Revenue. However the Agreed Period shall not extend beyond the anniversary of the Commencement Date next but one following the date on which the Employer would otherwise cease to be an Employer.

(7) Subject to the provisions of paragraph (12) of this Clause the part of the Scheme applicable to an Employer shall become a terminated scheme upon whichever of the following dates applies:-

(i) if there is no Agreed Period the date on which the Employer ceases to be an Employer; or

(ii) if there is an Agreed Period the date on which it expires.

Whichever date applies is referred to in this Clause as the "Partial Termination Date".

(8) When the part of the Scheme applicable to the Terminating Employer (as defined in paragraph (13) of this Clause) becomes a terminated scheme the Committee shall (subject as hereinafter provided) realise the relevant Employer's Fund and such part of the AVC Scheme referred to in Rule 5 as the Committee with the advice of the Actuary shall decide to be appropriate (such part of the AVC Scheme being referred to in this paragraph as the "Appropriate Part") Provided that:-

(i) if the Committee decide to exclude from the part of the Scheme which becomes a terminated scheme any of the benefits referred to in paragraph (9) of this Clause they shall not realise that part of the relevant Employer's Fund and of the Appropriate Part of the AVC Scheme which the Committee with the advice of the Actuary decide to retain in respect of those benefits; and

(ii) notwithstanding the foregoing provisions of this paragraph (8) the Committee shall have the powers set out in paragraphs (9) and (10) of Clause 48 which shall apply for the purposes of this Clause 49 mutatis mutandis.

(9) The Committee may in their absolute discretion decide to exclude from the part of the Scheme which becomes a terminated scheme all or any of the following benefits, namely:-

(i) benefits then payable to Pensioned Members (as defined in paragraph (13) of this Clause) (and for the purpose of this paragraph those Seceding Members who are Pensioned Members by virtue of being in the employment of the Employer on the Partial Termination Date and who have attained Normal Retiring Age shall be deemed to have ceased to be in the employment of the Employer on the day immediately preceding the Partial Termination Date);

(ii) benefits contingently payable on the death of Pensioned Members;

(iii) benefits then payable to persons claiming under or through deceased Seceding Members; and

(iv) benefits prospectively payable to or in respect of Non-Pensioned Members.

(10) The Committee shall apply the proceeds of realisation (under paragraph (8) of this Clause) of the Employer's Fund (after the payment of all costs charges and expenses incurred in giving effect to the provisions of paragraph (8), this paragraph and paragraph (11) of this Clause out of the part of the Expenses Fund attributable to that

Employer and from the proceeds of the realisation of the Employer's Fund if that part of the Expenses Fund is insufficient) and so far as the moneys available permit in the manner and order of priority set out in paragraphs (5), (6), (7), (8), (9) and (10) of Clause 48.

(11) The Committee shall apply the proceeds of realisation (under paragraph (8) of this Clause) of the Appropriate Part of the AVC Scheme referred to in Rule 5 in the payment of the costs charges and expenses referred to in paragraph (10) of this Clause only to the extent (if any) to which the appropriate part of the Expenses Fund and the proceeds of realisation of the Employer's Fund are insufficient to pay those costs charges and expenses and subject thereto and so far as the moneys available permit in the manner and order of priority set out in paragraphs (5) (other than sub-paragraphs (a) (i), (ii) and (iv) thereof), (6), (7), (8), (9) and (10) of Clause 48.

(12) Notwithstanding the provisions of paragraph (8) of this Clause the Committee may defer the realisation referred to in paragraph (8) of this Clause and instead of terminating the part of the Scheme applicable to the Terminating Employer continue it as a closed scheme with no further contributions until whichever of the following dates and events is the first to occur:-

(i) the discontinuance of the Scheme in accordance with the provisions of Clause 48;

(ii) the passing of a resolution by the Committee to the effect that the part of the Scheme applicable to the Terminating Employer is to be terminated at any time after it could have been terminated but for the decision of the Committee to continue it as a closed scheme; and

(iii) the date on which the relevant Employer's Fund and the Appropriate Part of the AVC Scheme are exhausted.

If the part of the Scheme applicable to the Terminating Employer is continued and the relevant Employer's Fund and the Appropriate Part of the AVC Scheme are not exhausted when the first of the above dates and events occurs the provisions of paragraph (8) of this Clause shall then have effect.

(13) In this Clause:-

"**Non-Pensioned Members**" means those Seceding Members who are not Pensioned Members;

"**Pensioned Members**" means those Seceding Members who are entitled to the receipt of benefits at the Partial Termination Date and those Seceding Members who are in the employment of the Employer on that date and who have attained Normal Retiring Age;

"**Seceding Members**" means:-

(i) those employees of the Terminating Employer on the Partial Termination Date who do not become employees of another Employer and do not continue as contributing members of the Scheme; and

(ii) those former employees of the Terminating Employer who have not become employees of another Employer and have not continued as contributing members of the Scheme;

"**Terminating Employer**" means an Employer which has ceased (or is to cease, as the context requires) to be an Employer in accordance with the provisions of this Clause.

INTERPRETATION

50. **Definitions**

(i) In the construction of this Trust Deed and of the Rules, unless the subject, the context or the Contracting-out Appendix otherwise requires, the following words and expressions shall have the meaning hereby respectively assigned to them, that is to say:-

"**1959 Act**" means the National Insurance Act 1959.

"**1965 Act**" means the National Insurance Act 1965.

"**1975 Act**" means the Social Security Pensions Act 1975.

"**1992 Act**" means the Social Security Administration Act 1992.

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

"**1994 Act**" means the Coal Industry Act 1994.

"**Actual Date of Entry**" in relation to a Member means the Actual Date of Entry determined in accordance with Rule 3.

"**Actuary**" means the actuary or firm of actuaries or body corporate or government department or agency, for the time being appointed by the Committee under Clause 17(3) to perform actuarial duties required by the Scheme and/or the Rules.

"**Added Benefits**" means benefits under the Scheme which are derived from Added Contributions.

"**Added Contributions**" means contributions made to the Scheme by Contributors in payment for or as a condition of the grant of Added Years for Normal Benefits, and where such Added Years are purchased on behalf of a Contributor the amount, if any, agreed at the time of purchase to be treated as Added Contributions.

"**Added Years**" means such years of Contributing Service (not being years in Eligible Employment) as under the Rules a Contributor is deemed to have served as a result of having paid Added Contributions or purchased Added Years for Normal Family Benefits together with (if the Contributor is a Transferred BCSSS Member) any such years under BCSSS as notified to the Committee by the Committee under BCSSS.

"**Annual Meeting**" means the Annual General Meeting of the Members duly convened and constituted in accordance with the Scheme and any adjourned holding thereof.

"**Approved Insurer**" means an insurance company which is authorised by the competent authority of a member State of the European Communities under either Article 6 or Article 27 of Council Directive 79/267/EEC.

"**Approved National Service**" means whole-time service during a national emergency in:-

(a) the Armed Forces of the Crown; or

(b) the merchant navy or mercantile marine; or

(c) such of the Women's Services as the Co-ordinator may determine; or

(d) such other service of national importance as the Co-ordinator may determine.

"**Articles**" has the meaning assigned thereto by Clause 2(4)(b).

"**Associated Employer**" means:-

(i) any employer of which an Employer has (or had at the relevant time) control; and

(ii) any employer of which some other person has (or had at the relevant time) control in a case in which that other person at the same time has (or had) control of any of the Employers

and for the purpose of this definition "control" in relation to a body corporate has the same meaning as in section 840 of the Taxes Act or (in the case of a close company for the purposes of Part XI of the Taxes Act) section 416 of the Taxes Act.

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

"**Attendance Bonus Payments**" means:-

(a) the attendance bonus payments payable to an Official (as classified in an Agreement dated 26th March 1971 and made between the British Coal Corporation of the one part and the National Association of Colliery Overmen, Deputies and Shotfirers of the other part as from time to time amended); or

(b) the additional attendance payments payable to a member of the British Association of Colliery Management in respect of service with an Employer; or

(c) the attendance bonus payments payable to a member of the weekly paid industrial staff in respect of service with an Employer; or

(d) overtime payments to employees employed by an Employer in a clerical grade or overtime payments to junior technicians; or

(e) continuity allowances paid to employees of Coal Products Limited or its successor or successors in business.

"**Auditors**" means the auditor or auditors appointed by the Committee under Clause 17(4).

"**Back Service Credit**" means such years of Contributing Service not being years in Eligible Employment (other than years in Eligible Employment in respect of which a Back Service Credit is granted under Rule 40) or Added Years as under the Rules a Contributor is deemed to have served without contribution (otherwise than under Rule 39) to the Scheme together with (if the Contributor is a Transferred BCSSS Member) any such years under BCSSS as notified to the Committee by the committee of BCSSS .

"**BCSSS**" means the British Coal Staff Superannuation Scheme which by a resolution of the National Coal Board dated 31st December 1946 was established on 1st January 1947.

"**Benefit**" includes, where the context so requires, the repayment from the Scheme of a Member's contributions thereto with or without interest.

"**Capped Member**" means any Member or former Member unless the circumstances in which he became a Member are such that the Board of Inland Revenue have directed the Committee that he may be treated as an Uncapped Member and includes any former Uncapped Member who has elected to be deemed to have become a Capped Member.

"**Child**" in relation to a Contributor includes his step-child, a child whom he has legally adopted and a child to whom in the opinion of the Committee he stands in loco parentis.

"**C.I.S.W.O**" means the Coal Industry Social Welfare Organisation.

"**Commencement Date**" means the date referred to in Clause 1 as the date on which the Scheme commences.

"**Committee**" subject to the provisions of Clauses 2 and 3, means the Committee of Management (within the meaning of the Articles) of the First Trustee.

"**Contracting-out Appendix**" means Appendix IV to the Rules.

"**Contracting-out Rules**" means the rules in the Contracting-out Appendix.

"**Contributing Service**" means and includes a Member's Normal Contributing Service and Family Contributing Service Provided that any reference to a period of Contributing Service shall except where otherwise expressly provided be a reference to a period of Normal Contributing Service.

"**Contribution Salary**" means Salary except that in respect of a Member who is a Capped Member there shall be disregarded the amount in any Tax Year by which his Salary exceeds the amount of the Permitted Maximum for that Tax Year.

"**Contributions Equivalent Premium**" has the meaning assigned thereto by section 55(6) of the 1993 Act.

"**Contributor**" means a Member who is for the time being making contributions from his salary to the Scheme in accordance with the Rules or who (having made such contributions for the period of 40 years referred to in Rule 4(3)(a) or having made such contributions and having attained Normal Retiring Age) has continued and for the time being remains in Eligible Employment.

"**Contributors' Committee-members**" means the members of the Committee other than the Co-ordinator's Committee-members.

"**Co-ordinator**" means Industry-Wide Coal Staff Superannuation Scheme Co-ordinator Limited, Provided that any reference in the Contracting-out Appendix to the "principal employer" shall be construed as a reference to the Co-ordinator.

"**Co-ordinator's Committee-members**" means the members of the Committee appointed by the holders of the Employer Shares (within the meaning of the Articles) in the Trustee.

"**Dependants**" means the spouse and children of a Contributor and any person who, in the opinion of the Committee, was wholly or in part dependent upon the earnings of a Contributor immediately before his ceasing to be a Contributor.

"**Eligible Employment**" means service on or after Transfer Day in the employment of an Employer in an activity which immediately before Transfer Day was carried on by an employer which was then participating in BCSSS such employment being:-

(a) Full-Time Service or service as a Permanent Part-Time Employee or pursuant to a fixed term contract of employment in a managerial, technical, administrative, clerical or supervisory industrial grade or as a rescue worker; or

(b) Full-Time Service or service as a Permanent Part-Time Employee in such other grades as the Employer may from time to time determine either generally or in relation to one or more employees

and includes employment in a grade eligible for membership of IWS - MPS if on downgrading the Member is allowed to continue as a Contributor and agrees to continue to pay contributions to the Scheme in accordance with the provisions of Rule 25(2).

"**Employer**" means an employer participating in the Scheme and in relation to any Member means that one of the Employers by which he is or was most recently employed (or if applicable of which he is or was most recently a member or a whole-time director).

"**the Employers**" means those employers admitted to participation in the Scheme under Clause 8.

"**Employer's Fund**" means, in relation to each Employer, the Employer's Fund referred to in Clause 11.

"**Equivalent Pension Benefit**" has the meaning assigned thereto by Rule 20.

"**Exempt Approved Scheme**" has the same meaning as in section 592(1) of the Taxes Act.

"**Expenses Fund**" means the fund referred to in Clause 11(19).

"**Extraordinary Meeting**" means an Extraordinary General Meeting of the Members duly convened and constituted in accordance with the Scheme and any adjourned holding thereof.

"**Family Contributing Service**" means and includes service in respect of which a Member has contributed to the Scheme for Family Benefits and any further period of time (including any Back Service Credit and Added Years) in respect of which such Member is under the Rules deemed to have so contributed or which is credited or granted to him under the Rules for Family Benefits or as Family Contributing Service (including in the case of a Transferred BCSSS Member such period of service in respect of which he contributed to BCSSS for Family Benefits and any period of extra service credit awarded under BCSSS both as notified to the Committee by the committee of BCSSS).

"**Family Contributions**" means the contributions paid to the Scheme by Contributors for securing Normal Family Benefits and such proportion of a Transfer Value Payment under Rules 39 and 40 as may, in the opinion of the Employer, be appropriate having regard to the contributions, if any, paid by the Contributor to the Scheme from which that Transfer Value Payment was received for securing benefits corresponding to Normal Family Benefits and in a case in which the Member is a Transferred BCSSS Member the amount notified by the committee of BCSSS to the Committee as being the amount of (and the amount (if any) treated as) his contributions to BCSSS (other than those which under BCSSS were (or were treated as) Normal Contributions or additional voluntary contributions), but does not include any payments for securing waiver of any qualifying period.

"**First Transfer Day**" means the first day on which the duty specified in paragraph 3(3) of Schedule 5 to the 1994 Act arises in accordance with paragraph 3(2) of that Schedule.

"**First Trustee**" means Industry-Wide Coal Staff Superannuation Scheme Trustees Limited.

"**Former BCSSS Member**" means an individual who is eligible for membership of the Scheme by virtue of paragraph (2) of Rule 1 and becomes a Member with effect on and from Transfer Day.

"**Full-Time Service**" means in relation to any employee of an Employer, service in the employment of any Employer which has been designated as a permanent full-time employment contract, and accepted as such by the Committee.

"**Further Years of Family Contributing Service**" means periods of Family Contributing Service credited to a Contributor under Rule 6.

"**General Certificate of Health**" means a certificate granted by the Scheme's Medical Adviser qualifying an individual to become a Member of the Scheme.

"**General Meeting**" means an Annual Meeting or an Extraordinary Meeting.

"**Guaranteed Minimum Pension**" has the meaning assigned thereto by the 1993 Act.

"**Inland Revenue Approval**" means approval by the Board of Inland Revenue for the purposes of Chapter I of Part XIV of the Taxes Act.

"**Inland Revenue Limits**" means the limits on the amount and form of benefits that are imposed by the Board of Inland Revenue as a condition of their approval of the Scheme for the purposes of Chapter I of Part XIV of the Taxes Act.

"**Internal Transfer Payment**" has the meaning assigned thereto by Clause 12(1).

"**IWS - MPS**" means the retirement benefits scheme established by Industry-Wide Mineworkers' Pension Scheme Co-ordinator Limited and known as The Industry-Wide Mineworkers' Pension Scheme.

"**IWS - MPS Fund**" means the fund constituted under IWS - MPS.

"**Maternity Pay**" has the meaning assigned thereto by the Employment Protection (Consolidation) Act 1978.

"**Member**" means any person whether or not in Eligible Employment and whether or not for the time being a Contributor to the Scheme who is entitled to any benefits thereunder.

"**Mineworkers' Fund**" means the Mineworkers' Pension Fund constituted under the Mineworkers' Scheme.

"**Mineworkers' Scheme**" means the Mineworkers' Pension Scheme established with effect from 1st January 1952 by a resolution of the National Coal Board dated 25th October 1951.

"**Month**" means the period beginning on the first and ending on the last day of any Calendar Month.

"**Normal Benefits**" means benefits under Rules 22 to 28 (inclusive).

"**Normal Contributing Service**" means and includes service in respect of which a Member has contributed to the Scheme for Normal Benefits and any further period of time (including any Back Service Credit and Added Years) in respect of which such Member is under the Rules deemed to have so contributed or which is credited or granted to him under the Rules for Normal Benefits or as Normal Contributing Service (including in the case of a Transferred BCSSS Member such period of service in respect of which he contributed to BCSSS for Normal Benefits and any period of Extra Service Credit awarded under BCSSS both as notified to the Committee by the committee of BCSSS).

"**Normal Contributions**" means the contributions paid to the Scheme under Rule 4(1) by Contributors for securing Normal Benefits (including such proportion of a Transfer Value Payment under Rule 39 or 40 as may in the opinion of the Committee be appropriate having regard to the contributions, if any, paid by the Contributor to the scheme from which that Transfer Value Payment was received for securing benefits corresponding to Normal Benefits and in a case in which the Member is a Transferred BCSSS Member the amount notified by the committee of BCSSS to the Committee as being the amount of (and the amount (if any) treated as) his Normal Contributions to BCSSS) but does not include any Added Contributions nor any payments for securing waiver of any qualifying period.

"**Normal Family Benefits**" and "**Family Benefits**" means benefits under Rules 29 and 30.

"**Normal Retiring Age**" means the age of 60.

"**Occupational Pensions Board**" means the Occupational Pensions Board constituted under section 2(1) of the Social Security Act 1973.

"**Partial Termination Date**" has the meaning given to the term in paragraph (7) of Clause 49.

"**Part-Time Factor**" means in relation to any week or month as the case may require of Part-Time Service, the fraction of which the numerator is the number of hours of service contracted to be worked by the Permanent Part-Time Employee for such week or month (as the case may be) and the denominator is the number of hours contracted to be worked for the same week or month (as the case may be) by an employee of the same category and grade of service in Full-Time Service.

"**Part-Time Service**" means in relation to an employee of an Employer, service with any Employer which has been designated as a permanent part-time employment contract and which requires the employee to work not less than an annual average of 12 hours per week.

"**Pensionable Salary**" has the meaning assigned to it by Rule 37.

"**Permanent Part-Time Employee**" means an employee in Part-Time Service.

"**Permitted Maximum**" has the same meaning as in section 590C(2) of the Taxes Act.

"**Personal Pension Scheme**" means a scheme approved or provisionally approved by the Board of Inland Revenue under Chapter IV of Part XIV of the Taxes Act.

"**Protected Benefits**" means the benefits under the Scheme but only to the extent to which the reduction thereof would be contrary to regulations made under paragraph 4(2) of Schedule 5 to the Act.

"**Protected Employee**" means an employee of an Employer who is a person to whom the duty specified in paragraph 3(3) of Schedule 5 to the 1994 Act is owed other than any such person who has failed to exercise, within 2 months of the duty arising in relation to him, the option referred to in paragraph 3(3) of the said Schedule 5 or who (having exercised the said option) has subsequently ceased under paragraph 4(7),

4(8) or 4(9) of the said Schedule 5 to be entitled to the protection referred to in paragraph 4(6) of the said Schedule 5 (except as respects pension rights which have accrued to him before the time referred to in paragraph 4(8) of the said Schedule 5 or before the change referred to in paragraph 4(9) of the said Schedule 5).

"**Protected Person**" shall have the meaning ascribed to the term "protected person" in regulation 2(1) of the Coal Industry (Protected Persons) Pensions Regulations 1994.

"**Qualifying Service**" means Normal Contributing Service (excluding Added Years and Added Years under BCSSS in relation to a Member who is a Transferred BCSSS Member and fractions of years credited by the operation of Rule 35(1)) except that where a Back Service Credit is granted to an entrant under Rule 39 or Rule 40 on the transfer of his accrued rights from another Superannuation Scheme his pensionable service in that scheme by reference to which the accrued rights are calculated shall be reckoned as Qualifying Service to the extent that it is greater than the Back Service Credit granted and in the case of a Former BCSSS Member who is not a Transferred BCSSS Member Qualifying Service includes such period of Qualifying Service as applied to him under BCSSS on Transfer Day and as the committee of BCSSS notify to the Committee; and, except in respect of Rule 24(2), for the purpose of calculating qualifying periods includes in addition (a), any period of employment in Eligible Employment and (b) in the case of any person becoming entitled to benefits on or after the relevant date, any period of employment in other activities employment in which may from time to time be determined by the Employer to be Qualifying Service, reduced in either case by the period of any Back Service Credit granted in respect of such employment. For this purpose "the relevant date" shall be the date specified by the Employer in making its determination. If any person having ceased to be a Contributor again becomes a Contributor, his earlier service and any further period of time as aforesaid shall not be reckoned as Qualifying Service except as provided in Rule 48.

"**Relevant Scheme**" means a Retirement Benefits Scheme (other than the Scheme) which is in receipt of or seeking Inland Revenue Approval and any Relevant Statutory Scheme.

"**Relevant Service**" means all periods of service with any of the Employers and Associated Employers.

"**Relevant Statutory Scheme**" means a relevant statutory scheme as defined in section 611A of the Taxes Act.

"**Retirement**" means the termination of all regular full-time employment in an Eligible Employment otherwise than by death.

"**Retirement Annuities**" means retirement annuity contracts or trust schemes approved under Chapter III of Part XIV of the Taxes Act (or the corresponding provisions of any preceding legislation).

"**Retirement Benefits Scheme**" means a retirement benefits scheme as defined in section 611(1) of the Taxes Act.

"**Rules**" means the rules annexed to the Trust Deed, as amended from time to time, and unless the subject or context otherwise requires references to the Rules shall include references to the Appendices to those rules.

"**Salary**" means the gross salary or wages, (including Maternity Pay) plus any war or cost-of-living bonus payable and includes the commission payable to any employee remunerated wholly or in part by commission, but except in any case where the Employer otherwise directs does not include any salary, allowance, fee or gratuity in respect of any special or overtime work or duty, or any other bonus or any travelling, subsistence or similar allowance and, if any employee receives a fluctuating salary means the fixed rate per week or per month or per annum determined by the Employer for the purposes of the Scheme as it may deem necessary.

"**Satisfactory Evidence of Health**" means such evidence of normal health having regard to the age of the Member as may be required by the Employer or the Committee (as appropriate).

"**Scheme**" means The Industry-Wide Coal Staff Superannuation Scheme, and unless the subject or the context otherwise requires references to the Scheme shall include references to the Rules.

"**Scheme Fund**" means the Scheme Fund referred to in Clause 2(1).

"**Scheme's Medical Adviser**" means any qualified medical practitioner appointed or approved by the Co-ordinator and the Committee.

"**Secretary**" means the Secretary of the Scheme for the time being appointed and shall include a temporary or Assistant Secretary and any person appointed by the Co-ordinator with the approval of the Committee (or the Committee with the approval of the Co-ordinator) to perform any of the duties of the Secretary.

"**State Pensionable Age**" means the age of 65 in the case of a man and the age of 60 in the case of a woman or in either case such other age as legislation may determine as State pensionable age.

"**State Retirement Pension**" means a pension payable under the provisions of the Social Security Contributions and Benefits Act 1993.

"**subsidiary**" shall have the meaning ascribed to that term in section 736 of the Companies Act 1985.

"**Superannuation Scheme**" means any superannuation or pension fund, scheme or arrangement (by whatever name it is called) including a policy of life or endowment insurance held by an employer in trust for his employee.

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

"**Tax Year**" means the period from the 6th day of April in any year to the 5th day of April in the next following year.

"**Termination Date**" has the meaning given to the term in paragraph (3) of Clause 48.

"**Thames**" means Thames Holdings Limited and any subsidiary of Thames Holdings Limited.

"**Transfer Day**" means:-

(a) in relation to an undertaking (or any part thereof) of the British Coal Corporation or of any of its subsidiaries which is transferred in accordance with a restructuring scheme (within the meaning of section 12 of the 1994 Act), other than a restructuring scheme which provides for the transfer of property, rights or liabilities to the "Authority" (within the meaning of the 1994 Act), the date on which such restructuring scheme comes into force;

(b) in relation to a subsidiary of the British Coal Corporation which, after the Commencement Date, ceases to be a subsidiary of the British Coal Corporation, the date of such cessation;

(c) in relation to any employer other than Thames or a Trade Union which was participating in BCSSS immediately before the First Transfer Day and which was neither the British Coal Corporation nor a subsidiary of the British Coal Corporation, the First Transfer Day; and

(d) in relation to any employer which is Thames or a Trade Union and which was participating in BCSSS immediately before the First Transfer Day, the first date with effect from which any one or more of its employees exercises a right to become a Member of the Scheme,

and means:-

(i) in relation to an employee whose employment is with an undertaking to which paragraph (a) above applies, a subsidiary to which paragraph (b) above applies or an employer to which paragraph (c) above applies, the first date which is the Transfer Day for the purposes of an undertaking in which he is employed;

(ii) in relation to an employee whose employment is with Thames or with a Trade Union to which paragraph (d) above applies, the date immediately following the date on which the employee ceases to be a Contributor under BCSSS; and

(iii) in relation to an employee to whom neither paragraph (i) nor paragraph (ii) above applies, the date on which he is first in employment with an Employer,

Provided that no employee shall have more than one Transfer Day.

"Transfer Value Payment" means:-

(a) a transfer of assets under Rule 41; or

(b) a sum which, in the case of a Contributor who within 12 months (or within such longer period as may, in any case, be determined by the Employer) before entering Eligible Employment was a member of a Superannuation

Scheme connected with his former employment, is paid to the Scheme out of that fund whether such sum represents only a return (with or without interest) of contributions paid to that fund by the Contributor or is calculated on any other basis.

"**Transferred BCSSS Member**" means a Former BCSSS Member in respect of whom a Transfer Value Payment has been made to the Scheme Fund from BCSSS pursuant to Rule 47A of BCSSS.

"**Trust Deed**" means this trust deed, as amended from time to time.

"**Trustee**" means the First Trustee and shall include any other trustee or trustees of the Scheme for the time being.

"**Uncapped Member**" means any Member who became a Member in circumstances such that the Board of Inland Revenue have directed the Committee that he may be treated as an Uncapped Member. He may however elect to be deemed to have ceased to be an Uncapped Member and to have become a Capped Member provided he makes the election before whichever is the earliest of the date on which benefit becomes payable to him under the Scheme, the date on which he attains the age of 75 years and the date on which under Rule 45 or otherwise the payment of a cash equivalent or a transfer payment is made in respect of him to another scheme or to secure benefits with an insurance company or a friendly society. The election shall be made by giving notice in writing to the Committee in the form (if any) required by the Board of Inland Revenue or (if no such form is required) in such form as the Committee shall require and a Member who has made this election shall thereafter not be an Uncapped Member.

The expression "**under the Scheme**" means under the Trust Deed or under the Rules.

"**Year**" means a period of twelve consecutive months.

(ii) In the construction of this Trust Deed and of the Rules unless the subject or context otherwise requires:-

(a) Where there is a reference to the age of a person he shall be deemed to have attained that age if he survives until midnight on the day preceding the anniversary of his birth on which he will have lived for the number of years specified.

(b) Words in the singular include the plural and words in the plural include the singular.

(c) Words importing the masculine gender include the feminine.

(d) References to any Act, Regulations, Scheme, Deed or Rules shall be construed as references to the same as amended or re-enacted from time to time or, as the case may be, to any Act, Regulations, Scheme, Deed or Rules repealing or revoking and replacing the same.

(e) Unless the subject or the context otherwise requires:-

(1) references to any power or powers shall include references to duties, authorities, discretions and other functions;

(2) references to the exercise of any power or powers shall include references to the exercise and discharge of duties, authorities, discretions and other functions;

(3) references to any power or powers exercisable or to be exercised or expressed as exercisable or to be exercised by any person or body of persons or by, under or by virtue of the Scheme, any provision of the Scheme or any other provision shall include references to duties, authorities, discretions and other functions which may be or are to be exercised and discharged by that person or body of persons or by, under or by virtue of the Scheme or that provision or are expressed as such; and

(4) references to the delegation of any power or powers or of their exercise shall include references to the delegating, conferring and imposing duties, authorities, discretions and other functions.

(f) References to a body of persons shall include references to any body of persons whatsoever, whether corporate or unincorporated.

51. **Headings**

The headings to the Clauses of this Trust Deed and to the Rules are intended for convenience of reference only and not to be deemed or to be construed as part of this Trust Deed or the Rules.

IN WITNESS whereof this Deed has been executed by the parties hereto and is intended to be and is hereby delivered on the date first above written.

THE RULES OF THE INDUSTRY-WIDE COAL STAFF SUPERANNUATION SCHEME

I. MEMBERSHIP

1. **Eligibility and Admission to Membership**

(1) No person shall be eligible for membership of the Scheme unless he satisfies the conditions set out in either paragraph (2) or paragraph (3) of this Rule.

(2) Persons who become Protected Employees with effect on and from Transfer Day, who have not subsequently ceased to be Protected Employees and who have not attained Normal Retiring Age shall be eligible for membership of the Scheme if they are in Eligible Employment.

(3) On and after the Commencement Date:-

(a) persons who before Transfer Day were members of BCSSS but did not become Protected Employees with effect on and from Transfer Day; and

(b) persons who became Protected Employees with effect on and from Transfer Day and have subsequently ceased to be Protected Employees; and

(c) persons who have previously been contributing members of IWS-MPS or of the Scheme,

and who (in any of (a), (b) or (c) above) have not attained Normal Retiring Age and have been granted a General Certificate of Health shall if the Employer so determines, be eligible to become (or again to become) members of the Scheme if they are in Eligible Employment.

(4) Every person who, satisfying the eligibility conditions set out in either paragraph (2) or paragraph (3) of this Rule, delivers to the Committee an application for membership of the Scheme in such form and within such period after satisfying the eligibility conditions as the Committee shall prescribe, shall thereupon be admitted to membership of the Scheme and such admission shall have effect from such date as the Committee shall determine.

2. **Ceasing Normal and Family Contributions**

(1) This Rule shall override any other provisions of the Scheme and Rules which are inconsistent with it.

(2) A Member who, whilst remaining in Eligible Employment, wishes to cease to pay Normal and Family Contributions in accordance with the provisions of Rule 4, shall give notice to the Secretary. The notice required to be given for the purposes of this paragraph shall be in such form as the Committee may from time to time prescribe and may, if the Contributor is a Protected Person, contain advice as to the consequences of ceasing to be in service in Eligible Employment and Contributing Service. On the expiry of such notice his service in Eligible Employment and Contributing Service shall be deemed for the purposes of the Rules as having terminated in accordance with the provisions of Rule 24.

3. **Actual Date of Entry**

(1) Subject as hereinafter provided, the Actual Date of Entry of a Member shall be the date with effect from which he is admitted as a Member of the Scheme.

(2) The Actual Date of Entry of a Contributor whose earlier service falls to be reckoned as Contributing Service pursuant to Rule 48 shall, subject to Rule 48(8)(b)(ii), be the Actual Date of Entry in respect of his first admission to the Scheme.

(3) The Actual Date of Entry of a Contributor who is a Contributor by virtue of paragraph (2) of Rule 1 shall be the date which was his Actual Date of Entry for the purposes of BCSSS.

II. CONTRIBUTIONS

4. **Normal and Family Contributions**

(1) Subject to the provisions of Rule 19 every Member by virtue of the foregoing provisions of the Rules who has not ceased to be employed in Eligible Employment shall from the date with effect from which he is admitted as a Member of the Scheme pay Normal Contributions for securing Normal Benefits at the rate of 5 per cent of Contribution Salary (or, if his Actual Date of Entry was before 1st January 1964, 4 per cent of Contribution Salary).

(2) Subject to the provisions of Rule 19 every Contributor shall also pay Family Contributions for securing Family Benefits at the rate of 1 per cent of Contribution Salary Provided that during the period terminating on 5th April 2009 every Contributor shall be relieved of the obligation to pay Family Contributions but for the purpose of calculating Family Benefits he shall be deemed to have paid Family Contributions during such period for so long as he continues to be a Contributor.

(3) Subject to the proviso to paragraph (2) of this Rule, contributions payable by a Contributor under paragraphs (1) and (2) of this Rule shall continue to be payable by him:-

(a) for a period of 40 years from the date of commencement of contributions under paragraph (1) of this Rule, reduced by the aggregate of any Back Service Credit for Normal Benefits; or

(b) subject to Rule 25(2), until he ceases to be employed in Eligible Employment in a grade eligible for membership of the Scheme; or

(c) until he ceases to be a Contributor under any other provision of the Rules

whichever is the shortest period.

5. **Additional Voluntary Contributions by Members**

(1) This Rule sets out the terms upon which a Contributor may elect to make additional voluntary contributions to the AVC Scheme in order to secure additional benefits on retirement or payable upon death.

(2) In this Rule the words and expressions defined in Clause 50 shall have the same meanings and in addition:-

(a) "AVC Scheme" means the Scheme embodied in this Rule for the provision of certain additional benefits;

(b) "the Contributor's Fund" shall mean in relation to a Member the value determined by the Committee of his interest in the AVC Scheme on his retirement, death or whichever is applicable of his ceasing to be in Eligible Employment and the date on which benefits under Rule 24 commence to be payable and for the purpose of this sub-paragraph the value of a Member's

interest in the AVC Scheme shall be determined by the Committee having regard to his contributions to the AVC Scheme and (if he is a Transferred BCSSS Member) his contributions to the AVC Scheme of BCSSS.

(3) No Contributor may elect in accordance with paragraph (4) of this Rule if he is then subject to notice to terminate his employment.

(4) (a) Subject to paragraph (3) of this Rule a Contributor may elect to pay additional voluntary contributions at any time prior to Normal Retiring Age.

(b) In no circumstances shall any additional voluntary contributions be of such an amount that they would (when aggregated with any Normal or Family Contributions) exceed the limit in Rule 19.

(c) Additional voluntary contributions will be deducted from the earnings becoming payable to a Contributor save that subject to the provisions of paragraph (4)(b) of this Rule a Contributor may at any time make a lump sum payment as an additional voluntary contribution to the AVC Scheme by way of a special payment.

(d) A Contributor may on giving reasonable notice to the Secretary reduce, increase or terminate his additional voluntary contributions Provided that subject as hereinafter mentioned a reduction in his additional voluntary contributions must not result in the payment of contributions of less than such amount as the Trustee may from time to time determine and provided further that the Trustee shall have power in its absolute discretion to allow a Contributor to terminate or reduce his additional voluntary contributions in case of financial hardship.

(5) Additional voluntary contributions shall be payable in such manner (consistent with Inland Revenue Approval) as the Contributor and the Employer shall agree and shall be applied by the Trustee to provide additional benefits in respect of the Contributor in such form as the Contributor shall with the consent of the Trustee determine Provided that no part of the additional benefit shall take the form of a cash payment payable to the Member during his lifetime except to the extent as may be permitted by the Board of Inland Revenue. Such additional benefits must be reasonable having regard to (1) the amount of the additional voluntary contributions and (2) the value of the other benefits under the Scheme.

(6) On the death of a Contributor while in Eligible Employment, the Contributor's Fund (if any) shall be applied by the Trustee pursuant to Rule 27 or Rule 28, whichever shall be applicable.

(7) On the retirement of a Contributor the Contributor's Fund shall unless otherwise agreed between the Contributor and the Trustee be applied by the Trustee in accordance with the wishes of the Contributor expressed to the Trustee in writing subject to the proviso to paragraph (5) of this Rule Provided that:-

(a) if the Contributor has not expressed any wishes in writing to the Trustee it shall be entitled to apply the Contributor's Fund in providing such benefits for the Contributor his Dependants or personal representatives as the Trustee in its absolute discretion shall think appropriate subject to the proviso to paragraph (5) of this Rule;

(b) if the wishes of the Contributor expressed pursuant to this paragraph would result in the benefit for which the Contributor has elected exceeding the Inland Revenue Limits then the surplus of the money in the Contributor's Fund shall be applied by the Trustee at its discretion in providing such other benefits for the Contributor his Dependants or personal representatives as the Trustee in its absolute discretion shall deem appropriate; and

(c) if the Trustee has provided the maximum benefits to or in respect of a Contributor which it may provide under the Inland Revenue Limits then the Trustee shall realise the balance of the Contributor's Fund and shall pay the proceeds of such realisation to the Contributor (or if the Contributor has died to the personal representatives of the Contributor) after deducting the amount of any tax to which the Scheme's administrator is charged by section 599A of the Taxes Act by virtue of making the payment.

(8) Any benefit provided pursuant to paragraph (7) of this Rule shall be secured by contracts or policies taken out with an Approved Insurer.

(9) On a Member ceasing to be a Contributor before attaining Normal Retiring Age without becoming entitled to an immediate pension under Rule 23 then:-

(a) the additional voluntary contributions payable by such Member shall cease forthwith;

(b) if the Contributor to whom this paragraph applies elects to take a refund of his contributions the Contributor's Fund shall be returned to him subject to deduction of tax pursuant to Rule 57;

(c) if a transfer is made to another retirement benefits fund, scheme or arrangement in respect of part or all of the Contributor's benefits under the Scheme a like transfer shall be made in respect of the Contributor's Fund; and

(d) subject to the preceding provisions the Contributor's Fund shall be applied in providing benefits in accordance with paragraph (7) of this Rule at Normal Retiring Age or such other date on which any benefits under Rule 24 commence to be payable to him or if he dies before any benefits under Rule 24 commence to be payable to him a payment shall be made to his estate equal to his Contributor's Fund.

6. **Purchase of Further Years of Family Contributing Service**

(1) (a) A Contributor shall have the option to purchase Further Years of Family Contributing Service in accordance with the succeeding provisions of this Rule.

(b) Subject as hereinafter provided, the option conferred by this paragraph to purchase Further Years of Family Contributing Service other than Added Years for Normal Family Benefits shall be exercisable only by a Transferred BCSSS Member within six months of marriage or of first becoming a Contributor, whichever is the later Provided that if the Contributor has married whilst downgraded and not been allowed to continue as a Contributor he may (without prejudice to the time limits available to him under this sub-paragraph) exercise that option within three months of re-entering a grade eligible for membership of the Scheme.

(c) The option conferred by this paragraph to purchase Added Years for Normal Family Benefits shall be exercisable in accordance with Rule 8(3) and (4) and, in so far as it is applicable, paragraph (2)(a) of this Rule.

(2) Subject as hereinafter provided:-

(a) A Contributor who exercises an option under paragraph (1) of this Rule shall subject to the provisions of Rule 19 pay for the period (if any) from his Actual Date of Entry to 6th April 1993 (but excluding any period between those dates which, by virtue of Rule 46(4), does not count as Contributing Service or during which the Contributor was downgraded and not allowed to continue as a Contributor (or, before the Commencement Date, as a Contributor to BCSSS) or was not in Eligible Employment (or, before the Commencement Date, in Eligible Employment for the purposes of BCSSS)) the same proportion of Contribution Salary as under Rule 4(2) and such further payments under the succeeding provisions of this Rule as may be appropriate.

(b) A Transferred BCSSS Member who has been granted a Back Service Credit for Normal Benefits under Rule 44AA of BCSSS (in the form in which that Rule in BCSSS had effect on 2nd April 1961), or a Back Service Credit for Normal Benefits under Rule 39, but no Back Service Credit for Normal Family Benefits under that Rule, shall have the option of paying three per cent of the annual rate of Salary paid to him at his Actual Date of Entry disregarding in any pay period (if the Member is a Capped Member) the excess (if any) over the amount of which the annual equivalent is the Permitted Maximum for the Tax Year in which such pay period ends for the whole or any part of the period of such Back Service Credit, and he shall receive a Back Service Credit for Normal Family Benefits corresponding to the length of time by reference to which payment is so made. This option shall be exercisable within six months of transfer or first appointment to Eligible Employment or of exercising the option under paragraph (1) of this Rule for Normal Family Benefits, whichever is the later.

(c) A Contributor who has opted under paragraph (1) hereof for Added Years for Normal Family Benefits shall pay therefor, and in addition to any other contributions payable by him, the lump sum payment per £100 of Contribution Salary at the date of exercise of the option or the annual contribution (payable by instalments) per £100 of Contribution Salary at such date necessary to purchase one Added Year for Normal Family Benefits as are set out in Appendices I and II Provided that in the case of a Former BCSSS Member who exercises the option upon joining the Scheme, the date

of exercise of the option for these purposes shall be deemed to be that which applied under BCSSS.

(d) (i) Contributions under paragraphs (2)(a) and (b) of this Rule shall (subject as therein provided) be paid as a single lump sum within 28 days of notification of the amount payable or, at the option of the Contributor, be spread forward with compound interest over the period from the date of exercise of the option under paragraph (1) of this Rule by virtue of which they become payable to a date five years before Normal Retiring Age Provided that if a Contributor lodges a request with the Secretary within 30 days of the date of his being notified of the cost of the contributions for Normal Family Benefits, the Employer may in its discretion allow all or part of the spread-forward contributions payable pursuant to this paragraph to accumulate as a loan in accordance with Rule 53.

(ii) Contributions under paragraph (2)(c) of this Rule shall be payable as a single lump sum within 28 days of notification of the amount payable or, at the option of the Contributor, be spread with compound interest over the period from the date of the exercise of the option under paragraph (1) of this Rule by virtue of which they become payable to Normal Retiring Age.

(iii) A Transferred BCSSS Member who exercised prior to 17 May 1990 under BCSSS an option to purchase Further Years of Family Contributing Service may on or before Normal Retiring Age elect either to have the number of Added Years credited reduced to such period as may, in the opinion of the Actuary, be actuarially equivalent to the contributions for Added Years already paid, or to have the outstanding contributions, which would otherwise have been payable until his attainment of the Normal Retiring Age, deducted from any lump sum or pension payable to him.

(e) Notwithstanding the provisions of Rule 18 in calculating spread-forward contributions in respect of payments under paragraph (2)(b) of this Rule, no interest shall be added in respect of the period before Actual Date of Entry.

(f) If a Contributor's spouse dies, or the marriage is dissolved or annulled, and all Children attain the age of 18 years or die, no further contributions shall be payable under any of the foregoing provisions of this Rule.

(g) If a Contributor satisfies the Committee that he is living separate and apart from his spouse pursuant to a decree for judicial separation or a deed of separation, and that he has no Children below the age of 18 years living and he requests that the provisions of this paragraph shall apply to him, then, with effect from such date as the Committee shall determine, no further contributions shall be payable under any of the foregoing provisions of this Rule Provided that if a Contributor who has ceased to pay contributions by virtue of the preceding provisions of this paragraph resumes cohabitation with his spouse he shall thereupon recommence payment of such contributions as he would pay but for the operation of this paragraph and shall also pay in such manner as the Committee may decide a sum representing the amount of the contributions which the Contributor would have paid but for the operation of this paragraph whilst living separate and apart from his spouse, together with interest thereon to the date of resumption of cohabitation.

(3) (a) Where contributions have ceased to be payable pursuant to paragraph (2)(f) of this Rule (or, in the case of a Transferred BCSSS Member, Rule 12(2)(m) of BCSSS), or where they have ceased to be payable under paragraph (2)(g) of this Rule (or, in the case of a Transferred BCSSS Member, Rule 12(2)(n) of BCSSS) and the spouse referred to in that provision has died or the Contributor's marriage to her has been dissolved or annulled, and all Children have attained the age of 18 years or died, and the Contributor subsequently remarries whilst still paying Normal Contributions under Rule 4(1), he may, at his option:-

(i) if he is a Transferred BCSSS Member and if contributions to BCSSS so ceased before 6th April 1993, pay contributions in a manner consistent with the provisions of Rule 12(3) of BCSSS for the period between the date of such cessation and 6th April 1993 (but excluding any period between those dates which, by virtue of Rule 46(4), does not count as Contributing Service or during which he was downgraded and not allowed to continue as a Contributor or was not in Eligible Employment); and

(ii) pay a sum representing the value at the date of cessation under paragraph (2)(f) of this Rule (or, in the case of a Transferred BCSSS Member, Rule 12(2)(m) of BCSSS) or as the case may be paragraph (2)(g) of this Rule (or, in the case of a Transferred BCSSS Member, Rule 12(2)(n) of BCSSS) of the future spread-forward contributions which would have become payable under paragraphs (2)(a), (b) and (c) of this Rule with interest to date of the exercise of such option; to be spread-forward with compound interest over the period from the date of recommencing payments to a date five years before Normal Retiring Age, or, if this date has passed, to be spread-forward with compound interest to Normal Retiring Age.

(b) Where a Contributor remarries in the circumstances specified in paragraph (3)(a) hereof, and that spouse dies or the marriage is dissolved or annulled, and all Children attain the age of 18 years or die, no further contributions shall be payable under any of the foregoing provisions but if he subsequently remarries whilst still paying Normal Contributions under Rule 4(1) he may, at his option, pay in the manner determined by the Committee such sum in respect of Family Benefits as the Actuary considers reasonable having regard to the contributions already paid by the Contributor under this Rule.

(4) (a) Subject as hereinafter provided a Contributor who exercises or has exercised an option under paragraph (1) of this Rule shall be credited:-

(i) with Family Contributing Service for the period if any from his Actual Date of Entry to the date of commencement of payments under Rule 4(2) (but excluding any period between those dates which, by virtue of Rule 46(4), does not count as Contributing Service or during which the Contributor was downgraded and not allowed to continue as a Contributor (or, before the Commencement Date, as a Contributor to BCSSS) or was not in Eligible Employment (or, before the Commencement Date, in Eligible Employment for the purposes of BCSSS));

(ii) if he pays or has paid contributions in accordance with paragraph (2)(b) of this Rule, with Family Contributing Service equal in length to the Back Service Credit referred to in whichever of those provisions is applicable; and

(iii) if he exercises or has exercised the option under paragraph (1) of this Rule for Added Years for Normal Family Benefits, with a period of Family Contributing Service consisting of the Added Years for which he has so opted.

(b) Subject as hereinafter provided a Transferred BCSSS Member who opts to make contributions under the provisions of this Rule shall be credited with Family Contributing Service equal to the difference between:-

(i) as the case may be, either the period of the Back Service Credit or the Added Years which would have applied under BCSSS if the contributions to purchase Further Years of Family Contributing Service under BCSSS had not ceased as a result of the arrival of Transfer Day; and

(ii) as the case may be either the period of the Back Service Credit or the Added Years notified to the Committee by the committee of BCSSS as having been purchased by contributions made before Transfer Day.

(c) If a Contributor:-

(i) ceases to pay contributions under this Rule by virtue of paragraph (2)(f) thereof and does not for whatever reason make any subsequent payment under paragraph (3) of this Rule; or

(ii) ceases to pay contributions under this Rule by virtue of paragraph (2)(g) thereof and does not for whatever reason make any subsequent payment under that provision or under paragraph (3)(a) of this Rule; or

(iii) ceases to pay contributions under this Rule by virtue of paragraph (3)(b) thereof and does not for whatever reason make any subsequent payment under that provision; or

(iv) leaves Eligible Employment and subsequently satisfies the requirements of Rule 26(1)(a) or 26(1)(b) but does not for whatever reason make any payment under Rule 26(3)(c) or 26(4); or

(v) leaves Eligible Employment in circumstances giving rise to entitlement to a payment of benefits under Rule 24(2), 24(3), or Rule 24(6) and if applicable Rule 32 and subsequently re-enters Eligible Employment, again becomes a Contributor and has part or all of his earlier service again reckoned as Contributing Service, but does not for whatever reason make any payment under Rule 48(6)(iii) or under that provision as applied by Rule 48(8)(a)(ii) or Rule 48(8)(b)(iii) or under Rule 48(7),

then without prejudice to the provisions of Rule 8(8), Rule 32 and Rule 48 the period of Family Contributing Service credited to him under sub-paragraph (a) or (b) of this paragraph shall be reduced by such period as the Actuary considers reasonable having regard to the effect (if any) of those provisions and to the amount of the contributions under this Rule remaining unpaid at the date when he so ceases to pay contributions or leaves Eligible Employment as the case may be.

(d) If the period of Family Contributing Service credited to a Contributor is reduced under sub-paragraph (c) of this paragraph, the Committee may in their discretion in the case of any reduction under sub-paragraph (c)(ii) and shall in any other case cancel such reduction on payment by the Contributor or his widow (or her widower) of such sum as the Committee acting on the advice of the Actuary may require.

7. The Committee may, at their discretion, require Satisfactory Evidence of Health of Contributor before permitting the exercise of an option under Rule 6(1).

8. **Purchase of Added Years by Contributors**

(1) Subject to the provisions of Rule 19 Contributors to have option (exercisable as hereinafter provided) of purchasing Added Years for Normal Benefits on paying a single contribution or Added Contributions spread forward with compound interest over period from date of exercise of option to Normal Retiring Age of an amount sufficient to cover actuarially computed whole cost of providing added benefits.

(2) The Committee may, at their discretion, require Satisfactory Evidence of Health of a Contributor before permitting option to be exercised.

(3) The exercise of the option conferred by paragraph (1) hereof, and of the option for Added Years for Normal Family Benefits conferred by Rule 6(1), shall be subject to the approval of the Committee.

(4) Number of Added Years for Normal Benefits or Normal Family Benefits purchased not to bring total Contributing Service (when aggregated (in the case of a Former BCSSS Member who is not a Transferred BCSSS Member) with Contributing Service under BCSSS) by Normal Retiring Age up to more than 40 years.

(5) Contributions to cease at Normal Retiring Age or on ceasing to be a Contributor or on cessation of contributions on downgrading under Rule 25 whichever is the earliest.

(6) Tables currently in use showing respectively the lump sum payment per £100 of Contribution Salary at date of exercising option and the annual contribution per £100 of such Contribution Salary necessary to purchase one Added Year for Normal Benefits are set out in Appendices I and II Provided that in the case of a Former BCSSS Member who exercises the option upon joining the Scheme, the date of exercise of the option for these purposes shall be deemed to be that which applied under BCSSS. The rates are, however, subject to such amendment from time to time as the Committee, on the advice of the Actuary, deem requisite as regards options exercised after the adoption of the amended Tables. In the case of a Former BCSSS Member who is not a Transferred BCSSS Member and who exercised the option to pay annual contributions for Added Years for Normal Benefits whilst a member of BCSSS the number of Added Years to be purchased by contributions therefor while a member of the Scheme (on the assumption that they continue to be paid until the date on which they would have ceased under BCSSS) shall be the difference between:-

(i) the Added Years that would have been purchased under BCSSS if contributions thereto had continued; and

(ii) the Added Years which the committee of BCSSS notifies to the Committee as having been purchased under BCSSS by contributions made to BCSSS before Transfer Day.

(7) Added Years whether for Normal Benefits or Normal Family Benefits not to count for qualifying periods for Normal Benefits or Normal Family Benefits (subject to Rule 23(4)).

(8) In the event that a Contributor ceases to pay contributions for Added Years under this Rule or Rule 6(1) the number of Added Years credited shall be reduced by the proportion that the value of the outstanding contributions which would otherwise have been payable until his attainment of Normal Retiring Age, as defined in the Scheme at the time he elected to purchase Added Years or (in the case of a Former BCSSS Member whose election was made while a Member of BCSSS) as defined in BCSSS at the time of such election, bears to the sum of the value of the contributions for Added Years already paid and the value of the outstanding contributions.

(9) A Transferred BCSSS Member who elected to purchase Added Years under BCSSS prior to 17th May 1990, may on or before Normal Retiring Age exercise one of the following options:-

(i) to have the number of Added Years credited reduced by the proportion that the value of the outstanding contributions which would otherwise have been payable until his attainment of Normal Retiring Age, as defined in the Scheme at the time he elected to purchase Added Years, bears to the sum of the value of the contributions for Added Years already paid and the value of the outstanding contributions; or

(ii) if either he was a Member of BCSSS on 27th July 1989 or the exercise of the option conferred by this sub-paragraph would not result in the limit on contributions imposed by Rule 19 being breached, to have the value of the outstanding contributions which would otherwise have been payable until his attainment of Normal Retiring Age as defined in the Scheme at the time he elected to purchase Added Years under this Rule deducted from any lump sum payable to him; or

(iii) to pay increased contributions as advised by the Actuary until attaining Normal Retiring Age.

9. **Contributions on Attendance Bonus Payments**

(1) This Rule applies to all Contributors who are Officials and who make an election pursuant to the provisions of this Rule.

(2) A Contributor who is a Former BCSSS Member who had made the election under BCSSS equivalent to that referred to in this paragraph may upon joining the Scheme, and any other Contributor may upon becoming an Official after Transfer Day, elect

in writing to pay contributions on his Attendance Bonus Payments and in either case if no election in writing shall have been made, the right to elect under this Rule shall cease.

(3) In the case of a Transferred BCSSS Member the period before Transfer Day during which he paid contributions on his Attendance Bonus Payments (or would have paid such contributions if he had received Attendance Bonus Payments) shall be treated as a period during which he paid such contributions under this Rule and the contributions so paid (or failed to be paid) under BCSSS shall be treated as paid (or failed to be paid) under this Rule.

(4) Subject to the provisions of Rule 19 contributions on Attendance Bonus Payments shall be payable at the same rates as Normal Contributions and Family Contributions are payable under Rule 4(1) and Rule 4(2) and shall be deducted from Attendance Bonus Payments payable to the Contributor.

(5) An Official who has elected to pay contributions on his Attendance Bonus Payments under this Rule shall be entitled to receive on retirement whether before, on or after attaining Normal Retiring Age in addition to any other entitlement pursuant to the Rules a pension for life of one-sixtieth of his Additional Pensionable Salary for each year (or in the case of an incomplete year a proportionate part thereof but without fractions of a year credited by the operation of Rule 35(1)) during which contributions have been paid or would have been paid if Attendance Bonus Payments had been received pursuant to this Rule plus the option of electing to commute within Inland Revenue Limits such part of the pension as the Official may request for a lump sum payment on the basis of £9 for each £1 of pension commuted.

(6) The widow or widower of an Official who has elected to pay contributions pursuant to this Rule and who dies after retirement shall be entitled in addition to the pension payable under Rule 29(1)(a) to a pension equal to two-thirds of the pension payable under paragraph (5) of this Rule after being reduced to take account of any commutation under that paragraph.

(7) If a Contributor who is an Official who has elected to pay contributions on his Attendance Bonus Payments under this Rule shall die before Retirement a payment shall be made to his estate in addition to the payment provided by Rule 27 of an amount equal to four times the amount of his Additional Pensionable Salary.

(8) If an Official who has elected to pay contributions on his Attendance Bonus Payments under this Rule shall cease to be a Contributor in circumstances that he shall become entitled to a refund of contributions under Rule 24(6) he shall (subject to Rule 57) be entitled to receive in addition a refund of the contributions paid by him under this Rule with compound interest.

(9) The widow or widower of an Official who shall die in service shall be entitled, in addition to the pension payable under Rule 29(1)(b), to a pension equal to two-thirds of the pension payable under paragraph (5) of this Rule.

(10) If an Official leaves service before Normal Retiring Age he shall be entitled to receive in addition to the benefits payable under Rule 24 a pension for life of one-sixtieth of his Additional Pensionable Salary for each year (or in the case of an incomplete year a proportionate part thereof but without fractions of a year credited by the operation of Rule 35(1)) during which contributions have been paid or would have been paid if Attendance Bonus Payments had been received, plus the option of electing to commute within Inland Revenue Limits such part of the pension as the Official may request for a lump sum payment on the basis of £9 for each £1 of pension commuted. If after leaving service before Normal Retiring Age the Official dies before the pension becomes payable a payment shall be made to his estate pursuant to Rule 24(2)(e).

(11) If an Official shall fail to pay contributions under this Rule due to absence for which leave has not been granted by the Employer, such period of absence shall be deducted in calculating the period during which contributions have been paid or would have been paid if Attendance Bonus Payments had been received for the purpose of determining the amount of pension under paragraphs (5) and (10) of this Rule.

(12) For the purposes of this Rule:-

(a) "Additional Pensionable Salary" means, in relation to an Official who has elected to pay contributions pursuant to this Rule the greater of:-

(i) the average annual rate of his Adjusted Attendance Bonus Payments over the last three years of his service or if his service is less than three years such lesser service; or

(ii) the average annual rate of his Adjusted Attendance Bonus Payments over the whole period during which such contributions were payable

and for the purposes of this definition "service" has the same meaning as in Rule 37 and "Adjusted Attendance Bonus Payments" for any year shall be the actual Attendance Bonus Payments of the Contributor for that year increased by the percentage ratio (calculated to the nearest one place of decimals) by which the cost of living index (as defined in Rule 33(6)) last published before the end of that year was exceeded by that index last published before the end of his service. In the case of a Capped Member the amount which would otherwise be Additional Pensionable Salary shall (if necessary) be reduced so that when aggregated with Pensionable Salary it does not exceed the Permitted Maximum for the Tax Year in which his service (as defined in Rule 37(2)(a)) ends.

(b) "Official" means an Official as classified in an Agreement dated 26 March 1971, and made between the British Coal Corporation of the one part and the National Association of Colliery Overmen, Deputies and Shotfirers of the other part as from time to time amended.

10. (1) This Rule applies to any Contributor who is either:-

(a) a member of the British Association of Colliery Management; or

(b) a member of the weekly paid industrial staff and who makes an election pursuant to the provisions of this Rule.

Any such Contributor who makes such an election shall for the purposes of this Rule be defined as an "Electing Contributor".

(2) A Contributor who is a Former BCSSS Member who had made the election under BCSSS equivalent to that referred to in this paragraph may upon joining the Scheme, and any other Contributor may upon satisfying either of the requirements specified in paragraph (1) of this Rule after Transfer Day, elect in writing to pay contributions on his Attendance Bonus Payments and in either case if no election in writing shall have been made, the right to elect under this Rule shall cease.

(3) The provisions of paragraphs (3) to (12) of Rule 9 shall apply to this Rule with the substitution of the words "Electing Contributor" for the word "Official" wherever the latter appears therein.

11. (1) This Rule applies to any Contributor who is employed by an Employer in a clerical grade or as a junior technician and who makes an election pursuant to the provisions of this Rule. Any such Contributor who makes such an election shall, for the purposes of this Rule, be defined as an "Electing Contributor".

(2) A Contributor who is a Former BCSSS Member who had made the election under BCSSS equivalent to that referred to in this paragraph may upon joining the Scheme, and any other Contributor may upon satisfying the requirement specified in paragraph (1) of this Rule after Transfer Day, elect in writing to pay contributions on his Attendance Bonus Payments and in either case if no election in writing shall have been made, the right to elect under this Rule shall cease.

(3) The provisions of paragraphs (3) to (12) of Rule 9 shall apply to this Rule with the substitution of the words "Electing Contributor" for the word "Official" wherever the latter appears therein.

12. (1) This Rule applies to any Contributor who is employed by Coal Products Limited (or its successor or successors in business) and who is paid a continuity allowance.

(2) A Contributor who satisfies the requirement specified in paragraph (1) of this Rule shall be deemed to have elected to pay contributions on his Attendance Bonus Payments and shall, for the purposes of this Rule, be defined as an "Electing Contributor".

(3) The provisions of paragraphs (3) to (12) of Rule 9 (but excluding sub-paragraph (b) of paragraph (12)) shall apply to this Rule with the substitution of the words "Electing Contributor" for the word "Official" wherever the latter occurs.

13. The Committee with the approval of the Employer may from time to time at their discretion extend to Contributors a further option or options to pay contributions on their future Attendance Bonus Payments in accordance with the provisions of Rules 9, 10 and 11.

CONTRIBUTIONS - GENERAL

14. **Deductions of Contributions from Salary**

The Employer shall be entitled to deduct from any payment of Salary made to a Contributor all or any part of the contributions due from him under the Scheme. In assessing the contributions due in respect of any year ending with the last pay day before 6th April, any

half or greater fraction of a penny shall be treated as a penny and any smaller fraction of a penny shall be ignored.

15. **Excess Contributions**

Where contributions have been paid by a Member under these Rules and by reason of an amendment thereof or by the exercise of any discretion by the Employer or the Co-ordinator or the Committee such contributions or a part of them exceed the amount required to have been paid thereunder any future contributions becoming due from such Member may be adjusted in such manner as the Committee may determine to take account of such excess.

16. **Final Contributions by Contributors**

(1) Notwithstanding Rule 4(3), if the period of service used for calculating Pensionable Salary (in this Rule called "the Selected Period") shall include any period of service subsequent to years in which Normal Contributions have been or are deemed to have been paid, the Contributor shall pay final contributions as provided in sub-paragraphs (2) and (3) of this Rule except that in the case of a Contributor who is a Former BCSSS Member final contributions paid before Transfer Day to BCSSS shall be deemed to have been paid under this Rule.

(2) There shall be determined the period of service (in this Rule called "the Datum Period") which would have been used for calculating Pensionable Salary under Rule 37 if the Contributor's service had ended at the date when Normal Contributions ceased to be payable by him.

(3) In respect of each year or part of a year beginning with the year or part of a year immediately following the Datum Period and ending not later than the end of the Selected Period the Contributor shall subject to the provisions of Rule 19 pay final contributions at the rates specified in Rule 4(1) and Rule 4(2) but subject to the proviso to that Rule on the excess (if any) of his Contribution Salary for each year or part of a year over his Contribution Salary for the corresponding period one, three, four or five years earlier according to the length of the Selected Period; provided that if the Contribution Salary for any such year or part of a year is less than the Contribution Salary for the corresponding period one, three, four or five years earlier, as the case may be, such deficiency shall go in reduction of any subsequent excess upon which, but for this proviso, final contributions would have been payable under this Rule.

(4) For the purposes of this Rule, Rule 37 shall be assumed to be in the form in which the corresponding Rule of BCSSS had effect immediately before 8th May 1978.

17. **Waiver of Qualifying Periods**

Any period required under the Rules as a qualification for participation in a specified benefit (or any remaining part of such period) may, subject to such conditions as the Employer may impose, be waived if the Contributor agrees to pay subject to the provisions of Rule 19 additional contributions, actuarially computed to be fair and reasonable, in consideration of such waiver over such period (terminating not later than the date five years prior to Normal Retiring Age) as the Committee shall decide. No further contribution shall, however, be payable after cessation of Contributing Service.

18. **Payment of Spread Forward Contributions**

Subject to the provisions of Rule 19, when it is provided that contributions shall be spread forward with compound interest over a certain period, then the future contributions shall be determined first, by ascertaining the amount of the past contributions with compound interest thereon, calculated from the dates on which they would have fallen due up to the date as from which the future contributions in lieu thereof will commence; and secondly, by ascertaining the level annual payment including principal and interest required to repay over such period the sum first ascertained with compound interest on the amount outstanding from time to time. The level annual payments so arrived at to be deemed to be additional contributions of the appropriate class and to be so treated for the purposes of the Rules.

19. **Maximum Contributions**

The total contributions payable by a member when aggregated with contributions (if any) to all Associated Schemes which are Exempt Approved Schemes in any Tax Year shall not exceed the amount allowed to be deducted by virtue of section 592(7) to (8E) of the Taxes Act as an expense in that Tax Year.

III. BENEFITS

20. **Equivalent Pension Benefit**

(1) Subject to paragraph (6) of this Rule but notwithstanding any other provision of any of the Rules there shall be excluded from the operation of any provision therein for the reduction, surrender, commutation or assignment of a pension (including any

provision for the making of an election which would cause a pension to be paid at a lower rate) such part of any pension payable under the Rules to a Member in respect of any period after the date mentioned in paragraph (5) hereof as is equal to Equivalent Pension Benefit.

(2) Equivalent Pension Benefit means a pension for life, commencing on the date mentioned in paragraph (5) hereof, of an amount which would be equal to the minimum rate of equivalent pension benefits, applicable in respect of any period of service (before attaining the age of 60), under the provisions of Part II of the 1959 Act; and for this purpose "service" means Contributing Service before 6th April 1975, (except that in respect of a Contributor under BCSSS at 6th April 1975, it may include a period of service whilst he was a Contributor under BCSSS but for which Normal Contributions were not paid to BCSSS) but to the extent only that it is service in a non-participating employment within the meaning of the 1959 Act and is not service ending before Normal Retiring Age in respect of which (i) a payment in lieu of contributions under the 1959 Act has been made or (ii) the Member is assured for the purposes of the 1959 Act of equivalent pension benefits payable from some Superannuation Scheme other than the Scheme.

(3) Where, during any period subsequent to the date mentioned in paragraph (5) hereof, a pension to which a Contributor is entitled under the succeeding Rules in respect of service within the meaning of paragraph (2) hereof is payable at a rate less than the rate of Equivalent Pension Benefit, then except in so far as the reduced rate is a consequence of a cause prescribed by regulations made under section 8(1)(c) of the 1959 Act but subject to paragraph (6) of this Rule, there shall be paid to him during that period, in addition to the first-mentioned pension, a supplementary pension at a rate equal to the difference between the rate of the first-mentioned pension and the rate of Equivalent Pension Benefit, and the provisions of paragraph (1) hereof shall apply to such supplementary pension.

(4) Where, pursuant to any of the succeeding Rules, a pension (herein referred to as "the basic pension") becomes payable to a Member before the date mentioned in paragraph (5) hereof, he shall be paid a pension (herein referred to as "the equivalency pension") at the rate of Equivalent Pension Benefit from the date mentioned in paragraph (5) hereof; the provisions of paragraph (1) hereof shall apply to the equivalency pension, and the amount of the basic pension (if any) shall be reduced by the amount of the equivalency pension with effect from the date on which the equivalency pension is payable.

(5) The date hereinbefore referred to is, in the case of the Retirement of a Member on or before Normal Retiring Age, the date on which the Member attains the age of 60, and in any other case, the date of Retirement.

(6) If on the date mentioned in paragraph (5) of this Rule a Member becomes or became entitled to a pension in respect of service within the meaning of paragraph (2) of this Rule and the amount of the pension does not exceed the amount of Equivalent Pension Benefit as increased pursuant to paragraph (7) of this Rule, then, if the Member so elects at any time by notice in writing to the Secretary, he shall be paid a lump sum equivalent, according to tables provided by the Actuary, as at the date of payment to the amount of the pension to the extent to which it has not been paid already, and the right of the Member to the pension shall be extinguished as from the date of payment.

(7) Equivalent Pension Benefit which becomes payable shall in each year be subject to such increases as provided by the provisions of Rule 33.

21. **Contracting-out**

(1) This Rule and the provisions of the Contracting-out Rules shall apply if any employment becomes contracted-out employment by reference to the Scheme.

(2) If:-

(a) an earner becomes entitled to receive a lump sum benefit under the succeeding provisions of the Rules on or after the age of 65 for a man or 60 for a woman; and

(b) at the date when he becomes entitled to receive that lump sum benefit any Guaranteed Minimum Pension payable to him by virtue of this Rule is greater than the basic pension payable to him,

the amount of that lump sum benefit shall be reduced by the actuarial value of a pension payable to the earner equal in amount to the difference between the two pensions mentioned in sub-paragraph (b) of this paragraph.

(3) If:-

(a) an earner becomes entitled to receive a lump sum benefit under the succeeding provisions of the Rules before the age of 65 for a man or 60 for a woman; and

(b) at the date when he becomes entitled to receive that lump sum benefit any Guaranteed Minimum Pension which has then accrued in relation to him by virtue of this Rule is greater than the basic pension payable to him at that date,

the basic pension payable to the earner shall on that date be increased to the pension (hereinafter called "the enhanced pension") which would in the opinion of the Actuary produce, when and if the earner attains the age of 65 for a man or 60 for a woman, a pension (after deduction of any pension or part of a pension which is or comprises Equivalent Pension Benefit) equal to any Guaranteed Minimum Pension payable to the earner at that age by virtue of this Rule, and the amount of that lump sum benefit shall be reduced by the actuarial value of a pension payable to the earner equal in amount to the difference between that basic pension and that enhanced pension.

(4) For the purposes of paragraphs (2) and (3) of this Rule:-

(a) the "basic pension" payable to an earner at any date means the pension payable to him at that date under the succeeding provisions of the Rules, after deduction of any pension or part of a pension which is or comprises Equivalent Pension Benefit;

(b) a Guaranteed Minimum Pension which has accrued to an earner at any date means that earner's prospective Guaranteed Minimum Pension at that date calculated without regard to any increases in earnings factors subsequently made or to be made in accordance with sections 21 and 16(1) of the 1993 Act;

(c) no refund of contributions or interest payable on any such refund shall be treated as a lump sum benefit; and

(d) the operation of Rule 58 on any pension or lump sum shall be disregarded.

NORMAL BENEFITS

22. **To Contributors on Retirement from Eligible Employment At or After Normal Retiring Age**

(1) This Rule shall apply where a Contributor's Retirement takes place at or after Normal Retiring Age.

(2) Subject as hereinafter provided, the benefit payable under this Rule to a Contributor having Qualifying Service of five years or more shall be an annual pension consisting of 1/60th of the Contributor's Pensionable Salary for each year of Normal Contributing Service with a maximum of 40/60ths with the option of electing to take a lump sum payment in accordance with the provisions of paragraph (3) of this Rule Provided that the minimum pension payable under this paragraph (2) shall be at the rate of £104 per annum.

(3) A Member may, subject as hereinafter mentioned, at any time prior to his pension becoming payable elect to commute within Inland Revenue Limits such part of his pension as he may request for a lump sum payment on the date on which his pension becomes payable on the basis of £9 for each £1 of pension commuted. A Member may not exchange such an amount of pension as would be likely to make the pension remaining to him less than the total of his Equivalent Pension Benefits and Guaranteed Minimum Pension.

(4) If a Contributor dies within five years of retirement, his estate to be entitled to receive the payment of a sum equal to the difference between the pension payable to him under paragraph (2) of this Rule (exclusive of any proportion allocated under Rule 34 and calculated as if the option in paragraph (9) of Rule 23 had not been exercised) and after taking account of any commutation under paragraph (3) of this Rule in respect of the period from his retirement to his death and five times such annual pension (exclusive as aforesaid).

(5) A Member whose Normal Retiring Age is lower than State Pensionable Age shall, at the Committee's discretion, be entitled to exercise the option contained in paragraph (9) of Rule 23 in respect of benefits payable under this Rule.

23. **To Contributors on Retirement from Eligible Employment Before Normal Retiring Age Through Ill-health, Compulsory by the Employer or by Agreement**

(1) This Rule shall apply where a Contributor's Retirement takes place before Normal Retiring Age, subject to the following provisions of this Rule.

(2) A Contributor who is awarded under the provisions of paragraphs (4) and (5) of this Rule the benefits under this paragraph shall be entitled to receive the same pension computed as under Rule 22 (retirement at or after Normal Retiring Age) but with a minimum of one-half of the pension which would have been payable to the Contributor at Normal Retiring Age, if he had continued in service until then and his pension had been calculated on his actual Pensionable Salary and bringing into account his actual Back Service Credit and Added Years for Normal Benefits disregarding any allocation under Rule 34 or any variation in pension resulting from the application of paragraph (d) of Rule 53 provided that the minimum pension payable under this paragraph shall be at the rate of £104 per annum.

(3) Subject to a Contributor, who has at least 5 years Qualifying Service, producing evidence satisfactory to the Scheme's Medical Adviser that through bodily or mental incapacity or physical infirmity he is unlikely to be able to carry on any duties which his Employer may reasonably assign to him, the same pension computed as under Rule 22 (retirement at or after Normal Retiring Age) but with an additional pension equal to one-half of the pension which would have been payable if the Contributor had become a Member on the date of his retirement and had continued in service until Normal Retiring Age (but so that the additional pension shall not increase the total pension beyond the maximum specified in Rule 22(2)) and his pension had been calculated on his actual Pensionable Salary and bringing into account his actual Extra Service Credit, Back Service Credit and Added Years for Normal Benefits disregarding any allocation under Rule 34 or any variation in pension resulting from the application of paragraph (d) of Rule 53 provided that in the case of a Member who was a contributor and in eligible employment for the purposes of BCSSS on 17th May 1990, the pension payable under this Rule when aggregated with the Member's pension (if any) under BCSSS shall not be less than the pension which would have been payable under the Rules of BCSSS as they had effect immediately prior to 17th May 1990 and provided also that the minimum pension payable under this paragraph shall be at the rate of £104 per annum, Provided also that a full-time rescue worker or any other Contributor who retires from Eligible Employment, who has less than 5 years' Qualifying Service, shall be entitled to benefits under this paragraph if his

incapacity or infirmity results from an accident or disease arising out of and in the course of his employment in Eligible Employment.

(4) The Committee, at the Employer's request, to grant the same benefits as under paragraph (2) of this Rule to any Contributor who wishes to retire, on attaining age 55 or over, provided he has at least twenty-five years' Qualifying Service to his credit (including Added Years for Normal Benefits and (if the Contributor is a Former BCSSS Member but is not a Transferred BCSSS Member) any Added Years for Normal Benefits under BCSSS).

(5) If a Contributor is retired compulsorily when his age is not less than 50 the Committee, when the Employer in special circumstances so requests, may award the same benefits as under paragraph (2) of this Rule.

(6) If a Contributor wishes to retire within five years of Normal Retiring Age or is retired compulsorily when his age is not less than 50 and the Employer is unwilling to request the Committee to grant the full benefits under paragraph (2) of this Rule the Committee may if the Contributor agrees grant such benefits certified as reasonable by the Actuary for such periods and subject to such conditions as the Employer may request Provided that any benefits so granted shall include or comprise a pension at least equivalent to Equivalent Pension Benefit.

(7) If a Contributor retires through ill-health the provisions of paragraph (4) of Rule 22 shall not apply but if he dies before the total benefits paid under this Rule (including any proportion allocated under Rule 34) when aggregated (if the Contributor is a Former BCSSS Member but is not a Transferred BCSSS Member) with the total benefits under BCSSS (including any proportion allocated under BCSSS) equal three years' Pensionable Salary, the difference shall be paid to his estate.

(8) If a Contributor to whom on his retirement benefits have been granted under paragraph (4), (5) or (6) of this Rule dies within five years from the date of his retirement there shall be paid to his estate a lump sum equal to the difference between the amount of pension already paid to him under this Rule and the amount which, had he lived so long, would have been paid to him under this Rule in respect of the five years from the date of his retirement, account being taken of any portion allocated under Rule 34 and of the provisions of Rule 50.

(9) At the option of a Member who is entitled to benefits under paragraph (4), (5) or (6) of this Rule the Committee may determine that the amount of such Member's benefits

under this Rule shall until State Pensionable Age be increased and thereafter be reduced by such amounts as may be determined, on the basis of rates approved from time to time by the Committee with the advice of the Actuary and based on the amount of the single person's State Retirement Pension payable at the time of the determination, Provided that:-

(i) The Member shall notify the Committee in writing of his intention to exercise the option contained in this paragraph at the time the pension becomes payable.

(ii) Any exercise of the option contained in this paragraph shall be irrevocable.

(iii) The option contained in this paragraph shall be exercisable only by a Member who has attained the age of 50.

(iv) The rates of reduction and increase determined by the Committee to be applicable to a Member who has exercised the option contained in this paragraph shall be fixed and shall remain unaltered despite any increase in the rates of pension save that the Committee shall in the case of a Member who has retired before Normal Retiring Age having exercised the said option and who subsequently re-enters Eligible Employment adjust the rates applicable to his normal benefits on his subsequent retirement and the benefits payable on attaining Normal Retiring Age will be actuarially adjusted in respect of the first retirement.

(v) The Committee may at their discretion require a Member wishing to exercise the option contained in this paragraph to provide Satisfactory Evidence of Health.

(vi) The option under this paragraph shall not be exercised if it would cause the rate of pension payable to fall below the level of any Guaranteed Minimum Pension payable under the combined provisions of Rule 21 and the Contracting-out Rules.

24. **Withdrawal Before Retirement or Death - General Provisions**

(1) Subject to Rule 45 this Rule shall apply where a Member ceases to be a Contributor before Normal Retiring Age except:-

(a) on death; or

(b) where benefit is payable to him immediately under Rule 23; or

(c) where Rule 25 applies to him and he does not continue to pay contributions.

(2) On ceasing to be a Contributor the Member shall, if he has at least two years' service in contracted-out employment (within the meaning of paragraph (5) of this Rule) or he has at least two years' Qualifying Service, receive benefits under this paragraph or in any other case he may at his option (to be exercised in writing within one month of ceasing to be a Contributor) receive benefits under this paragraph in lieu of any other benefits under the Scheme. The benefits are:-

(a) on the Member (being an Uncapped Member) reaching Normal Retiring Age or on the Member (being a Capped Member) reaching Normal Retiring Age having previously ceased to be in the service of the Employers or on the Member (being a Capped Member who reached Normal Retiring Age without ceasing to be in the service of the Employers) ceasing to be in the service of the Employers after Normal Retiring Age or attaining the age of 70 years while remaining in the service of the Employers or on the Member (having ceased to be in Eligible Employment) having to retire earlier than Normal Retiring Age through ill-health, the Normal Benefits specified in Rule 22 (retirement) or Rule 23 (ill-health) but excluding the provision in Rule 23(3) providing for an additional pension; or

(b) on retirement (otherwise than through ill-health) within five years before Normal Retiring Age, if the Member so requests and the Employer agrees, benefits actuarially equivalent at the date of retirement to those which would have been payable by virtue of sub-paragraph (a) of this paragraph, if the Member had retired at Normal Retiring Age; or

(c) subject as provided in sub-paragraph (d) of this paragraph, if the Member dies within five years after benefit becomes payable under sub-paragraph (a) or (b) of this paragraph, his estate shall be entitled to receive an amount equal to the difference between five years' payments of the pension initially paid to the Member and the aggregate of the pension payments (ignoring any increases made subsequent to the initial payment of pension) actually paid prior to the date of death and Rule 22(4) shall not apply; or

(d) if the Member retires through ill-health before reaching Normal Retiring Age and subsequently dies before the aggregate benefits paid under Rule 23 (including any proportion allocated under Rule 34 but ignoring any increases made subsequent to the initial payment of pension) equal the appropriate amount specified in sub-paragraph (e) of this paragraph (but for this purpose substituting the date of retirement through ill-health for the date of death) the difference shall be paid to his estate and sub-paragraph (c) of this paragraph, Rule 22(4) and Rule 23(7) shall not apply; or

(e) if the Member dies before benefit becomes payable under sub-paragraph (a) or (b) of this paragraph a payment to his estate of an amount equal to the greatest of:-

(I) a refund of his Normal and Added Contributions to the Scheme with compound interest to the date of death;

(II) 3/80ths of his Pensionable Salary multiplied by the number of years of his Contributing Service increased in accordance with paragraph (2) of Rule 33 in respect of the period from ceasing to be a Contributor to the date of death; or

(III) one-tenth of his Pensionable Salary multiplied by the number of years of his Contributing Service but so that such amount shall not exceed four years' Pensionable Salary

or, if he has not less than 10 years' Contributing Service in respect of which Normal Contributions have been paid or are deemed to have been paid the greatest of the following amounts:-

(i) one year's Pensionable Salary at the time of ceasing to be a Contributor and reduced by the amount of any benefit paid

or payable under the provisions of BCSSS which correspond to this sub-paragraph but increased in accordance with paragraph (2) of Rule 33 in respect of the period from ceasing to be a Contributor to the date of death;

(ii) 3/80ths of his Pensionable Salary multiplied by the number of years of his Contributing Service increased in accordance with paragraph (2) of Rule 33 in respect of the period from ceasing to be a Contributor to the date of death;

(iii) a refund of Normal and Added Contributions to the Scheme with compound interest to the date of death;

(iv) one-tenth of his Pensionable Salary multiplied by the number of years of his Contributing Service but so that such amount shall not exceed four years' Pensionable Salary; or

(v) where death occurs within five years before Normal Retiring Age a lump sum equal to the pension calculated under Rule 22(2) (exclusive of any portion allocated under Rule 34) and increased in accordance with paragraph (2) of Rule 33 that would have been payable to him had he retired on the day before his death for the number of years specified in the following scale according to his age at the date of his death:-

Scale

Within 1 year of Normal Retiring Age - 7 years' pension
Within 2 years of Normal Retiring Age - 6 years' pension
Within 3 years of Normal Retiring Age - 5 years' pension
Within 4 years of Normal Retiring Age - 4 years' pension
Within 5 years of Normal Retiring Age - 3 years' pension

For the purposes of determining the amount payable under the above scale, pension shall be determined on the basis of 1/80th of Pensionable Salary for each year of Normal Contributing Service with a maximum of 40/80ths; or

(f) on his death whenever it occurs, if the Member has paid Family Contributions, such of the benefits specified in Rules 29 and 30 as may be appropriate;

Provided that:-

(i) if the Member retires on account of ill-health he shall produce evidence satisfactory to the Scheme's Medical Adviser that he is obliged so to retire;

(ii) the benefits payable under this paragraph shall be reduced to take account of any spread-forward contributions for Added Years, Back Service Credit or waiver of qualifying periods remaining unpaid at the date on which the Member ceases to be a Contributor, such reduction not to exceed an amount which would reduce the benefits to the minimum level required by section 75 of the Social Security Act 1973;

(iii) in the application of Rule 30 by virtue of this paragraph "child" shall not include any child born more than twelve months after the date on which the Member ceased to be a Contributor;

(iv) if the Member has less than two years' service in contracted-out employment or has less than two years' Qualifying Service the benefits payable under this paragraph shall be calculated on the basis of his Contributing Service without fractions of years credited by the operation of Rule 35(1) and excluding the minimum pension provisions of Rules 22, 23 and 29;

(3) The benefits payable under paragraph (2) of this Rule at Normal Retiring Age to a Member who ceased to be a Contributor on leaving the service of his Employer because of redundancy may be paid at the discretion of the Employer with effect from such earlier date, not before the Member's 50th birthday, as the Employer may determine (whether at the time he ceases to be a Contributor or subsequently), and in relation to a Member to whom benefits are so paid the five years mentioned in sub-paragraph (c) of paragraph (2) of this Rule shall start on the date so determined.

(4) The option contained in paragraph (9) of Rule 23 shall not be exercisable by a Member ceasing to be a Contributor under this Rule save where a Member leaves Eligible Employment by reason of redundancy or a male Member shall have attained the age of 60.

(5) For the purposes of paragraph (2) of this Rule, "service in contracted-out employment" means service in contracted-out employment within the meaning of the 1993 Act by reference to the Scheme or, where a Back Service Credit has been granted in respect of the Contributor's accrued rights under another scheme, any service in contracted-out employment within the meaning of the 1993 Act by reference to that scheme.

(6) Where the Member is not entitled to or has not elected to receive benefits by virtue of paragraph (2) of this Rule then subject to Rule 57 and 58 he shall be entitled to a refund of his Normal and Added Contributions to the Scheme with compound interest.

(7) If the Member re-enters Eligible Employment after an interval not exceeding one month he shall not be regarded as having withdrawn from Eligible Employment and no benefit shall be payable under this Rule Provided that the period between leaving and re-entering Eligible Employment shall not be regarded as Contributing Service for any purpose.

25. **Members who Cease to be Employed in an Eligible Grade**

(1) This Rule applies to a Member who:-

(a) remains in Eligible Employment but ceases on downgrading to be employed in a grade eligible for membership of the Scheme; and

(b) thereupon becomes a member of IWS - MPS.

(2) The Employer on the application of the Member may in exceptional cases allow him to continue as a Contributor provided that he agrees in writing to continue to pay contributions by deductions from Salary.

(3) If the Member is not allowed to continue as a Contributor under paragraph (2) of this Rule:-

(a) the Committee shall with the consent of the Member make a transfer payment to the IWS - MPS Fund in respect of his accrued benefits under the Scheme on terms that:-

(i) the rights allowed to him in respect of that transfer payment are in the opinion of the Committee of Management of IWS - MPS at least equal in value to his accrued rights under the Scheme; and

(ii) if he is a Transferred BCSSS Member and his Actual Date of Entry is before 6th April 1978 the benefits payable to and in respect of him under IWS - MPS shall not be less than any which would have been payable to or in respect of him on the happening of the same events and calculated by reference to his Contributing Service and Pensionable Salary on his downgrading under Rules 24 and 25 of BCSSS as they had effect immediately before that date if the Rules as they then had effect had continued in operation until the date of his downgrading;

(b) the transfer payment made in accordance with sub-paragraph (a) of this paragraph shall be calculated in accordance with tables from time to time prepared by the Actuary on the basis of the Member's accrued benefits under the Scheme immediately before his downgrading but in so far as applicable subject to deduction from the amount so calculated:-

(i) if at the date of his downgrading he was or had been paying spread-forward contributions, of an amount (calculated in accordance with such tables or in so far as it is not provided for in them determined by the Actuary) of so much of those contributions as remains unpaid at that date and is not taken into account to reduce his Family Contributing Service under Rule 6(4)(c);

(ii) of the amount of any contributions which at the date of his downgrading have been allowed to accumulate as a loan in accordance with Rule 53, including any contributions which if they had not been so allowed to accumulate would have become payable after that date; and

(iii) of the amount of any arrears of contributions payable by him at the date of his downgrading

Provided that no amount of contributions shall be deducted under more than one of the provisions of this sub-paragraph; and

(c) on the making of a transfer payment in accordance with sub-paragraph (a) of this paragraph no further benefits shall be payable to or by reference to him under the Scheme.

26. **Short Breaks in Employment**

(1) Without prejudice to Rule 24(7), Rule 46 or Rule 47 but notwithstanding any other provision of the Rules, where a Contributor leaves Eligible Employment but:-

(a) within 6 months (or such longer period as the Secretary of State allows in a particular case under regulation 36(3)(a) of the Occupational Pension Scheme (Contracting-Out) Regulations 1984) and before Normal Retiring Age re-enters Eligible Employment in a grade eligible for membership of the Scheme, and either no Contributions Equivalent Premium has been paid in relation to him in connection with his so leaving or any Contributions Equivalent Premium so paid is refunded; or

(b) re-enters Eligible Employment in a grade eligible for membership of the Scheme pursuant to a right to return to work under section 45(1) of the Employment Protection (Consolidation) Act 1978;

he shall subject to paragraphs (2) and (3) of this Rule be treated as not having ceased to be a Contributor and no benefit shall be payable under the Scheme to or by reference to him.

(2) Any period between leaving and re-entering Eligible Employment which would not otherwise have been treated as Contributing Service in relation to a Contributor referred to in paragraph (1) of this Rule shall not be treated as Contributing Service by virtue of that paragraph.

(3) On re-entering Eligible Employment in the circumstances specified in paragraph (1) of this Rule the Contributor shall (in addition to resuming payment of Normal Contributions and if applicable paying Family Contributions under Rule 4(2):-

(a) (i) resume payment of contributions for any Added Years for Normal Benefits he was purchasing before he left Eligible Employment; and

(ii) pay as a lump sum or, at his option if he is more than five years under Normal Retiring Age, spread-forward to a date five years

before attaining Normal Retiring Age, the Added Contributions for Normal Benefits for the period between his leaving and re-entering Eligible Employment, accumulated at compound interest to the date of resumption of payments;

(b) resume payment of any contributions which he was making under Rule 4 before leaving Eligible Employment in respect of arrears of contributions for Normal Benefits; such contributions for the period between his leaving and re-entering Eligible Employment being dealt with as under sub-paragraph (a)(ii) of this paragraph; and

(c) resume payment of contributions for Further Years of Family Contributing Service if he was making any such contributions immediately before he left Eligible Employment and is still married or has any Children under the age of 18 years. Any spread-forward contributions for Further Years of Family Contributing Service he was paying before he left Eligible Employment shall be dealt with in the same way as spread-forward contributions which fall to be dealt with under Rule 6(3)(a).

(4) If before he left Eligible Employment the Contributor was paying contributions for Further Years of Family Contributing Service, and at the date of re-entering Eligible Employment he is no longer married and has no Children under the age of 18 years, but subsequently re-marries, he may exercise any option which would have been open to him on such re-marriage had he ceased to pay contributions under or by reference to Rule 6(2)(f) or if applicable Rule 6(3)(b).

27. **Death Before Retirement**

When a Contributor dies before Retirement, a payment shall be made to his estate equal to the greater of the following:-

(a) four years' Pensionable Salary; and

(b) the amount of the refund of Normal and Added Contributions with compound interest,

such greater amount (together with any lump sum death benefits payable under Rule 9, 10, 11 or 12) being reduced by the amount of any lump sum death benefits paid in respect of the death of the Contributor from BCSSS.

28. **Alternative Application of Death Benefits**

(1) Where a Member has elected that this Rule shall apply in relation to him the Committee shall have power within six months of the death of the Member to pay or apply to or for all or any of the Dependants or Relatives of the Member the whole or any part of any sum which would by virtue of any provision of the Scheme be payable otherwise to the Member's estate and the benefit payable to the Member's estate shall be reduced by the total of any sums so paid or applied.

(2) Before the expiry of the period within which the powers of the Committee under paragraph (1) of this Rule are exercisable in relation to any sum, the Committee may at their discretion pay the whole or any part of such sum to the Member's estate.

(3) In connection with the application of any sum for any one or more of the Dependants or Relatives of a Member the Committee shall have power to declare trusts and to constitute trustees thereof and to delegate powers and discretions to such trustees.

(4) In considering whether and in what manner they shall exercise the power conferred on them by this Rule the Committee shall be entitled but in no way bound to have regard to any declaration deposited by the Member with the Secretary as to the person or persons he would wish to benefit and as to the extent to which and the manner in which such person or persons should benefit.

(5) Any election or declaration under this Rule shall be made in writing addressed to the Secretary in such form as the Committee may require and any such declaration may be revoked at any time by notice so given in writing or varied at any time by the deposit with the Secretary of some other declaration but any election that this Rule shall apply in relation to a Member shall be irrevocable.

(6) In this Rule "Relatives" in respect of a Member means any person other than a Dependant who is the Member's widow or widower or a lineal descendant of a grandparent of the Member or his spouse.

FAMILY BENEFITS

29. **Surviving Spouse's Benefits**

(1) Subject as hereinafter provided:-

(a) The widow of a Contributor who dies after retirement shall be entitled to a pension for life equal to two-thirds of the Contributor's pension (after taking account of any commutation under Rule 22(3)) at the time of his retirement payable in respect of Normal Benefits.

(b) The widow of a Contributor who dies while in service shall be entitled to a pension for life equal to two-thirds of the pension to which the Contributor would have been entitled under Rule 22 (Retirement at or after Normal Retiring Age) or Rule 23 (ill-health) as the case may be, if on the day before his death the Contributor, having attained or passed Normal Retiring Age had retired or not having attained that age, had retired through ill-health.

(c) If a Contributor dies whether after retirement or while in service, without leaving a widow, the Committee may in their discretion award the pension that would have been payable to his widow if any under whichever would have been applicable of sub-paragraph (a) or sub-paragraph (b) of this paragraph to a person who in their opinion was financially dependent on the Contributor at the date of his death and who does not become entitled to benefit under Rule 30 by reference to the Contributor, and a person to whom such an award is made shall be treated as the Contributor's widow for the purposes of the following provisions of this Rule and Rule 30 Provided that:-

(i) the limitation in sub-paragraph (e)(i) of this paragraph shall not apply to any pension awarded under this sub-paragraph (c); and

(ii) any such pension shall be subject to review by the Committee from time to time and following such review the Committee may in their discretion vary or extinguish any such pension.

(d) The widow of a former Contributor who has paid Family Contributions and who is entitled to a deferred benefit under Rule 24(2) and who dies shall

be entitled to a pension for life equal to two-thirds of the pension which the deceased former Contributor would have received if on the day before his death his deferred pension had become payable Provided that in the case of a female former Contributor who is a Transferred BCSSS Member and who did not opt to contribute for Family Benefits under BCSSS in accordance with the provisions of Rule 14 of BCSSS and who dies her widower shall be entitled to a pension limited to two-thirds of the pension which is attributable to her Family Contributing Service after 5th April 1993.

(e) (i) Notwithstanding anything in sub-paragraphs (a) and (b) of this paragraph, the pension payable under this Rule to the widow of a Member shall not be less than 1/160th of his Pensionable Salary for each year of his service in contracted-out employment.

(ii) For the purposes of sub-paragraph (e)(i) of this paragraph "service in contracted-out employment" means service in contracted-out employment within the meaning of the 1993 Act by reference to the Scheme or, where a Back Service Credit has been granted in respect of the Member's accrued rights under another scheme, any service in contracted-out employment within the meaning of the 1993 Act by reference to that scheme.

(iii) Notwithstanding the provisions of sub-paragraph (b) of this paragraph, in the case of a widow of a Member who for the purposes of BCSSS was a Contributor and in Eligible Employment on 19th June 1987, and who subsequently dies while in service, her pension when aggregated (if the Member was a Former BCSSS Member) with any pension payable to her under BCSSS shall not be less than that which would have been payable under the Rules of BCSSS as they had effect immediately prior to 19th June 1987.

(2) If, apart from this paragraph, any woman would be entitled to more than one pension under this Rule by virtue of being the widow of more than one Contributor she shall be entitled to such one of those pensions as is the larger or largest, taking into account any increase under Rule 33 or such greater pension as the Committee may in their discretion determine.

(3) If a Contributor has been granted immediate benefits actuarially equivalent to the Normal Benefits payable under Rule 47(1)(a) of BCSSS as it had effect on 31st December 1963 any pension payable to his widow under this Rule shall be calculated, if he dies after Normal Retiring Age, by reference to the pension that would have been payable to him under Rule 47(1)(a) of BCSSS as it had effect on 31st December 1963 on attaining Normal Retiring Age, or, if he dies before attaining Normal Retiring Age, by reference to the pension which would have been payable to him under that Rule if he had retired through ill-health the day before death.

(4) If by virtue of Rule 24(2)(b) a Member has been granted benefits actuarially adjusted to become payable at the date of actual retirement instead of Normal Retiring Age, any pension payable to his widow shall nevertheless be calculated by reference to the pension that would have been payable to him had he retired at Normal Retiring Age and not by reference to the actuarial equivalent payable on earlier retirement.

(5) The minimum rate of the widow's benefit payable under this Rule shall be £78 per annum.

(6) For the purpose of calculating a widow's pension under this Rule, in the calculation of the pension which was payable or would have been payable to a Contributor:-

(i) any variation in pension resulting from the effect, either directly or upon the exercise of an option, of any of the following: Rule 23(9), Rule 34, Rule 50 and paragraph (d) of Rule 53 shall be disregarded; and

(ii) his period of Normal Contributing Service shall be treated as if it was of the same length as his period of Family Contributing Service.

(7) For the purposes of the interpretation of this Rule in the case of a female Contributor the words "widow", "woman" and "husband" shall be replaced in all places where they occur respectively by the words "widower", "man" and "wife". In this Rule, references to "Contributor" shall, unless the context otherwise requires, be construed as including references to a Member who was formerly a Contributor.

30. **Children's Benefits**

(1) Subject as hereinafter provided, Children's benefits shall be:-

(a) (i) £915.12 per annum in respect of each eligible Child for the time being of a deceased Contributor or if the Contributor has left no widow or widower or no benefit is in course of payment under Rule 21 or Rule 29, £1,372.56 per annum in respect of each eligible Child.

(ii) The rates of benefit provided for by sub-paragraph (a)(i) whenever becoming payable in relation to any Child shall be increased on 1st January 1995 and on 1st January in each subsequent year by the same percentage as any percentage increase taking effect on the same date under Rule 33 and the amount of benefit payable in relation to any Child shall be calculated accordingly,

Provided that:-

(I) the amount applicable in respect of any Child under this sub-paragraph shall be reduced by an amount (if any) equal to that applicable in respect of that Child for the purposes of sub-paragraph (a) of Rule 30(1) of BCSSS when the benefit falls to be calculated;

(II) the amount payable in respect of any Child under this sub-paragraph shall be reduced by the amount of any pension payable from the Mineworkers' Scheme or IWS - MPS (or either or both of them) in respect of such Child in respect of the same period but the amount of such reduction shall not result in the rate of benefit payable being less than £100 per annum in respect of the first or only eligible Child of the deceased Contributor and £95 per annum in respect of each younger eligible Child together with an additional £40 per Child per annum if the Contributor has left no widow or widower or no benefit is in course of payment under Rule 29; and

(III) if subsequently a payment is made under Rule 29 for a period in respect of which an increase at the rate of £400.00 per annum (increased or reduced in accordance with either or both sub-paragraph (a)(ii) or proviso (II) above) has been paid in respect

of any Child, the amount so paid may be deducted from any arrears of benefit under Rule 29; or

(b) the following benefits, if greater than those provided by the last preceding sub-paragraph and in lieu thereof:-

(i) where the Contributor died leaving no widow or widower, or where his widow or her widower has died or where no benefit is in course of payment under Rule 21 or Rule 29, a pension in respect of the Contributor's eligible Children of an amount equal, while there is one eligible Child, to forty per cent, and while there are two or more eligible Children, to eighty per cent of the pension which the Contributor either:-

(I) having retired, was receiving at the time of his death; or

(II) having ceased to be a Contributor and being entitled to benefits under Rule 24, would have received if on the day before his death his deferred pension had become payable under whichever is applicable of paragraph (a) or (b) of Rule 24(2); or

(III) not having retired and not having attained Normal Retiring Age, would have been entitled to if on the day before his death he had retired through ill-health under Rule 23(3); or

(IV) not having retired but having attained Normal Retiring Age, would have been entitled to if on the day before his death he had retired under Rule 22.

(ii) where the Contributor dies leaving a widow or widower, a pension during her lifetime or, during such period as a pension is in course of payment under Rule 21 or Rule 29, in respect of the Contributor's eligible Children of an amount equal, while there is one eligible Child, to twenty per cent, and while there are two or more eligible Children to forty per cent of the pension which the Contributor either:-

(I) having retired, was receiving at the time of his death; or

(II) having ceased to be a Contributor and being entitled to benefits under Rule 24, would have received if on the day before his death his deferred pension had become payable under whichever is applicable of paragraph (a) or (b) of Rule 24(2); or

(III) not having retired and not having attained Normal Retiring Age, would have been entitled to if on the day before his death he had retired through ill-health under Rule 23(3); or

(IV) not having retired but having attained Normal Retiring Age, would have been entitled to if on the day before his death he had retired under Rule 22.

(iii) the benefits payable under sub-paragraph (b)(i) or (ii) shall be increased on 1st January 1995, and on 1st January in each subsequent year by the same percentage as any percentage increase taking effect on the same date under Rule 33 except that where benefits have not been payable for the complete year immediately preceding 1st January in any year the increase taking effect on that 1st January shall be one-twelfth of the said percentage increase for each Month (any part of a Month being regarded as a complete Month) in respect of which the benefits were payable in that year. In the event of a Child becoming entitled to benefit or of his entitlement re-commencing on a date subsequent to the day after the date of the Contributor's death or if earlier the day after he left Eligible Employment the rate of such benefit shall include such increases as would have taken effect if the benefit had become payable on that date and had continued to be payable at all times thereafter;

(iv) in the case of a Member who for the purposes of BCSSS was a Contributor and in Eligible Employment on 19th June 1987 and who subsequently dies, the benefits payable under sub-paragraph (b)(i) or (ii) when aggregated (if the Member was a Former BCSSS Member) with any Children's benefits under BCSSS shall not be less than those which would have been payable under the Rules of BCSSS as they had effect immediately prior to 19th June 1987,

Provided that in the case of a Former BCSSS Member who is not a Transferred BCSSS Member, the amount payable under this sub-paragraph (b) shall be adjusted (to the extent necessary) so that it is equal to an amount found by calculating the amount which would be payable in respect of the Contributor if he were a Transferred BCSSS Member in accordance with this sub-paragraph (b) but reduced by an amount equal to that which is payable in respect of the Contributor under the corresponding provisions of BCSSS.

(2) If by virtue of Rule 24(2)(b) a Member has been granted benefits actuarially adjusted to become payable at the date of actual retirement instead of Normal Retiring Age, any pension payable in respect of his Children under sub-paragraph (1)(b) of this Rule shall nevertheless be calculated by reference to the pension that would have been payable to him had he retired at Normal Retiring Age and not by reference to the actuarial equivalent payable on earlier retirement.

(3) For the purpose of calculating a pension under sub-paragraph (1)(b) of this Rule in the calculation of the pension which was payable or would have been payable to a Contributor:-

(i) any variation in pension resulting from the effect, either directly or upon the exercise of an option, of any of the following: Rule 23(9), Rule 34, Rule 50 and paragraph (d) of Rule 53 shall be disregarded; and

(ii) if the Contributor's Actual Date of Entry is before 6th April 1978 there shall be taken into account Added Years for Normal Benefits to the extent that the Contributor has opted for Added Years for Normal Family Benefits under Rule 6, but no part of the Contributor's pension attributable to any years of Contributing Service included in a Back Service Credit and not granted to him for Normal Family Benefits; and

(iii) his period of Normal Contributing Service shall be treated as if it was of the same length as his period of Family Contributing Service.

(4) In this Rule "eligible Child" means:-

(a) a Child under the age of 18 years;

(b) a Child who has not, in the opinion of the Committee, completed his education and, as to whom, if he has attained the age of 21, there are good reasons why his education should be further prolonged; and

(c) a Disabled Child

Provided that a Child shall not be an eligible Child during any period of service with the Armed Forces under the National Service Act 1948 or any similar enactment.

(5) In this Rule:-

(a) "education" means:-

(i) full-time instruction at any university, school or other educational establishment; or

(ii) if the Child is the Child of a Contributor whose Actual Date of Entry is before 5th June 1980 training by any person for any trade, profession or vocation in such circumstances that the Child is required to devote the whole of his time to the training for a period of not less than two years; or

(iii) a course of the kind commonly known as a college-based sandwich course comprising alternative periods of instruction and practical training.

(b) "Disabled Child" means:-

(i) a Child for whose maintenance the deceased Contributor was financially responsible at the date of his death and who was certified by the Scheme's Medical Adviser at that date, or, if later, the date of the Child's ceasing to be an eligible Child by virtue of paragraph (4)(a) or (b) of this Rule, to be, and who is for the time being as so certified from time to time, totally (or, in any case in which the Committee in their discretion so decide, partially) and permanently incapable of self-support; and

(ii) at the discretion of the Committee a Child who would have been a Disabled Child by virtue of sub-paragraph (i) above had the deceased

Contributor been financially responsible for his maintenance at the date of his death if the Committee are satisfied that the Contributor had previously been, but had, at the date of his death, ceased only temporarily, to be responsible for the maintenance of the Child.

(c) References to "Contributor" shall, unless the context otherwise requires, be construed as including references to a Member who was formerly a Contributor.

(6) Benefits payable under sub-paragraph (1)(a) of this Rule and, where there is only one eligible Child, under sub-paragraph (1)(b) of this Rule may be paid at the discretion of the Committee to the Child in respect of whom they are payable or to any other person for the benefit of such Child. Benefits payable under sub-paragraph (1)(b) of this Rule shall be paid where there is more than one eligible Child to such person as the Committee may from time to time direct, being a person from whom the Committee have received an undertaking in writing to apply the sums paid to him, without distinction, for the benefit of all the persons in respect of whom the benefits are for the time being payable. The receipt of any person to whom benefits are paid as aforesaid shall be sufficient discharge for the payment of such benefits.

31. **Maximum Family Benefits**

(1) The total sums paid in any year under Rules 29 and 30 (excluding any increases in benefits by virtue of Rule 30(1)(a)(ii) and 30(1)(b)(iii)) by reference to a Contributor shall not exceed:-

(a) subject to the provisions of Rule 37(2)(d) the annual rate of the Contributor's Salary at the date of his death or retirement, if his Actual Date of Entry was before 17th September 1971; or

(b) in any other case the Inland Revenue Limits.

(2) Any abatement of benefits made necessary by this Rule shall be apportioned between the widow or widower and children concerned so that the widow's or widower's pension satisfies the requirements of section 17 of the 1993 Act but otherwise in such manner as the Committee in their discretion shall decide.

32. **Refunds of Family Contributions**

If a Member ceases to be employed in Eligible Employment otherwise than on death and he does not become entitled to a pension under the Scheme either immediately or prospectively other than Equivalent Pension Benefit then Family Contributions paid by him shall be refunded to him with compound interest and no benefits shall be payable by reference to him under Rule 29 or Rule 30.

BENEFITS - GENERAL

33. **Provisions for Annual Increases**

(1) The rate of every pension payable under the Scheme shall be increased annually by such percentage (if any) of the rate at which it is payable immediately before the increase takes effect as is ascertained in accordance with the following paragraphs of this Rule.

(2) (a) The percentage by which increases are made in any calendar year shall be the percentage ratio (calculated to the nearest one place of decimals) by which the cost of living index for the month of November in the previous calendar year exceeds the cost of living index for that month in the year before that Provided that if in any year such percentage exceeds 5 per cent, the excess increase over 5 per cent shall not, without the consent of the Employer, exceed such amount as the Actuary shall have declared to be the maximum sustainable in respect of such year by the funds of the Scheme without any additional deficiency contribution or other additional payment being made by the Employer.

(b) The Actuary shall, in making his declaration under this paragraph, also declare the maximum sustainable in respect of such year by the Scheme Funds without any additional payment being made by the Employer.

(3) Every pension (including a frozen pension) payable under the Scheme shall be increased on 1st January in each year.

(4) Paragraph (1) of this Rule shall apply to frozen pensions and to widow's or widower's prospective pensions as well as to pensions which are actually being paid, and, for the purpose of calculating the increase of any such pension for any year, the rate before the increase takes effect shall be taken to be the rate at which the pension

would have been payable had it become payable immediately before the increase date in that year.

(5) In this Rule:-

"the cost of living index" means the General Index of Retail Prices for all items shown in the monthly Digest of Statistics published by the Central Statistical Office or, in the event of that index ceasing to be published, such other national index as the Committee shall determine to be most suitable;

"frozen pension" means a pension which will become payable to a former Contributor by virtue of Rule 24 or 25;

"pension" does not include a lump sum, children's benefit under Rule 30, Equivalent Pension Benefit as defined in Rule 20 any Guaranteed Minimum Pension under Rule 21 where no other pension is payable under the Scheme or any additional amount of pension payable under Rule 21 of the Rules of BCSSS as they had effect immediately prior to 21st June 1990 as a result of the exercise of an option under paragraph (b) of that Rule or paragraph (9) of Rule 23; and

"widow's or widower's prospective pension" means a pension which will become payable under Rule 29 to a widow on the death of her husband or to a widower on the death of his wife.

(6) Without prejudice to paragraph (5) of this Rule, if and in so far as the Employer may from time to time determine:-

(a) the rate of:-

(i) a pension payable to a Contributor or former Contributor at the date on which he attains the age of 65 (60 for women) or, if later, on which that pension first becomes payable; and

(ii) a pension payable to the widow or widower of a Contributor or former Contributor (including a widow's or widower's prospective pension) at the date on which his Contributing Service ceases or, if later, the date on which he attains the age of 65 (60 for women) or dies under that age

shall not for the purposes of paragraph (1) of this Rule include the amount of any Guaranteed Minimum Pension payable or prospectively payable to the Contributor or former Contributor or his widow or her widower, as the case may be, by virtue of the combined provisions of Rule 21 and the Contracting-out Rules; and

(b) the rate at which such pension is payable at any subsequent date shall for the purposes of paragraph (1) of this Rule be calculated accordingly.

34. **Allocation of Pension to Widow, Widower or Dependants**

Subject to the requirements of the Contracting-out Rules, a Contributor on retirement or withdrawal or after attaining Normal Retiring Age at any time up to retirement, shall have the option of surrendering a portion of pension payable under Rule 22 (retirement), Rule 23 (early retirement) or Rule 24(2), (3) or (6) (withdrawal before retirement or death) to provide a reversionary annuity or reversionary annuities after his death for his widow or (in the case of a female Contributor) her widower or any Dependants nominated in writing for their respective life or lives or until they attain any specified age provided that total of annuities so allocated does not exceed the reduced pension payable to the Contributor after such surrender of any pension to which the Contributor is entitled. Annuities payable under this Rule to be calculated in accordance with such Table as the Committee may approve from time to time and in force at the date when the Contributor exercises the option, subject to any appropriate adjustment, as a result of examination of the Contributor by the Scheme's Medical Adviser, which the Committee, in their discretion, may require.

35. **Fractions of years**

(1) For the purpose of calculating all benefits, except as specified in Rule 9(5), proviso (iv) to Rule 24(2) and Rule 36, a final fraction of a year's Contributing Service shall rank as a complete year but a sum equal to the Member's Normal and (when applicable) Family Contributions for the balance of the year shall be deducted from the benefits payable except where the application of this Rule would not result in an increase of benefits actuarially greater in value than the amount which would be payable hereunder Provided that this Rule shall not apply if by reason of such application the benefits would exceed the Inland Revenue Limits.

(2) Where paragraph (1) of this Rule does not apply, the final fraction of a year's Contributing Service except as specified in Rule 36 shall be included in the

calculation of benefits notwithstanding references in these Rules to years of Contributing Service.

36. **Delayed Retirement**

(1) This Rule shall apply where exceptionally a Contributor is retained in Eligible Employment after attaining Normal Retiring Age for more than six months.

(2) For each complete year and/or fraction of a year exceeding six months of service after the Contributor reaches Normal Retiring Age or completes forty years' Contributing Service, whichever is the later, the Contributor shall, unless the Contributor is a Class A Member (as defined in Appendix V), be credited with an additional year's Contributing Service, with a maximum of five years, and such additional years shall count for the calculation of benefits.

(3) For each complete year and/or fraction of a year exceeding six months of service after the Contributor reaches Normal Retiring Age an increase of one, with a maximum of five, shall be made subject to paragraphs (4) and (5) of this Rule in the number of years and the number of times his annual pension mentioned in Rule 22(4).

(4) Where the Contributor's Actual Date of Entry is on or after 17th September 1971, and he dies before Retirement the amount payable by virtue of paragraph (3) of this Rule shall not exceed the aggregate of:-

(i) four times the rate of the Contributor's Pensionable Salary (or, if greater, subject to the provisions of Rule 37(2)(d) four times the annual rate of his salary at the date of his death); and

(ii) his Normal and Added Contributions with interest

but, at the option of the Contributor's widow or widower (if the Contributor left a widow or widower entitled to benefit under Rule 29, or otherwise of his personal representatives) the amounts that would have been paid to him had he retired on the day before his death by way of pension shall be paid to his estate for a period of eight years instead of a lump sum.

(5) Where the Contributor's Actual Date of Entry is on or after 17th September 1971, and he dies after Retirement a lump sum shall not be paid under paragraph (4) of

Rule 22 but, where that paragraph would otherwise apply, amounts equal to the amounts that, but for his death, would have been paid to him by way of pension shall be paid at the discretion of the Committee to the Contributor's widow or widower or to his estate for the remainder of the period mentioned in that paragraph as increased in accordance with paragraph (3) of this Rule.

(6) For the purposes of paragraphs (4) and (5) of this Rule the amount that would have been paid by way of pension shall be the amount after the deduction of any portion allocated under Rule 34 or after any deduction under Rule 50.

(7) Where on the death of the Contributor paragraph (4) of this Rule applies and the option conferred by it has been exercised, or paragraph (5) of this Rule applies, no benefit shall be paid under Rule 29 or 30 by reference to him until the end of the period in respect of which payments are made in accordance with the paragraph concerned.

(8) If the Contributor has made an election under Rule 28 then, in relation to any sum that would be payable otherwise to his estate by virtue of this Rule, the power of the Committee under that Rule shall be exercisable within six months of the date on which such sum is payable.

37. **Pensionable Salary**

(1) The Pensionable Salary of a person shall be the greatest of the following:-

(a) his Salary in respect of the last year of his service;

(b) the average annual rate of his Salary over the highest paid four consecutive years ending on the last pay day before 6th April in any year within the last ten years of his service or, if his Actual Date of Entry was before 17th September 1971, the last twenty years of his service;

(c) his Adjusted Salary in respect of any year in the last five years of his service other than the last of those years; or

(d) the average annual rate of his Adjusted Salary over any three consecutive years of his service ending not more than ten years before the end of his service.

(2) For the purposes of this Rule:-

(a) "service" in relation to any person means Contributing Service and service which would be Contributing Service but for Rule 4(3)(a) and in relation to a Member who is a Former BCSSS Member but who is not a Transferred BCSSS Member includes service before Transfer Day which was (or but for the provisions of Rule 11(c)(i) of BCSSS would have been) Contributing Service for the purposes of BCSSS Provided that no period in respect of which a deduction is made under Rule 35(1) and, except for the purposes of Rule 24(6), no period in respect of which a refund of contributions has been made but not repaid, shall be treated as a period of service;

(b) the "Adjusted Salary" of a Contributor for any year shall be the actual Salary of the Contributor for that year increased by the percentage ratio (calculated to the nearest one place of decimals) by which the cost of living index (as defined in Rule 33(5) last published before the end of that year was exceeded by that index last published before the end of his service;

(c) except in paragraph (1)(b) "year" in relation to any person means a year ending on the same calendar date as the date that person's service ends;

(d) if the person is a Capped Member, Pensionable Salary (and for the purposes of Rules 31(1)(a) and 36(4), Salary) shall not exceed the Permitted Maximum for the Tax Year in which his service ends; and

(e) for the purposes of this Rule the definition of "Salary" in Clause 50 of the Scheme is to be interpreted as if:-

(i) it included all amounts which before Transfer Day were within the definition of "Salary" in Clause 48 of BCSSS; and

(ii) references therein to a direction or determination of the Employer included a direction or determination before Transfer Day of the Principal Employer under BCSSS.

(3) The service of a Contributor who is retained in Eligible Employment after Normal Retiring Age shall be treated for the purposes of paragraph (1)(a) of this Rule as

having ended on his attaining that age if his Pensionable Salary as so ascertained is greater than it would be otherwise.

38. **Contributions Equivalent Premiums Paid Under the 1993 Act**

Where a Contributions Equivalent Premium fell to be paid on the coming to an end of a Transferred BCSSS Member's period of service in contracted-out employment (within the meaning of the 1993 Act) by reference to BCSSS, and Benefit is payable to the Member by way of refund of any payments made under the Scheme by or in respect of him, the amount of such Benefit will pursuant to section 61(7) of the 1993 Act be reduced by the amount which the Member's Employer was entitled to recover from the Committee of BCSSS under section 61 of the 1993 Act.

IV. SPECIAL CLASSES

39. **Entrants from Other Employment with Transfer Value Payments**

(1) An entrant from previous employment who was a member of a Superannuation Scheme other than BCSSS and IWS - MPS and who on transfer to Eligible Employment received and brought with him a Transfer Value Payment or other sum paid out or a fully or partly paid policy of life or endowment or deferred annuity insurance from such scheme which, if such previous employment was contracted-out employment (within the meaning of the 1993 Act) by reference to that scheme, includes or covers an amount in respect of the Guaranteed Minimum Pensions which will or may become payable under that scheme to the entrant and the widow or widower (as the case may be) of the entrant calculated in accordance with section 14 and sub-section (1) of section 16 and if applicable sub-sections (2) to (4) of section 17 of the 1993 Act, without regard to sub-section (2) of section 16 of that Act or regulation 22 of the Occupational Pension Schemes (Contracting-out) Regulations 1984, shall have the option of paying such sum or surrendering such policy to the Scheme and of being granted the actuarially computed equivalent transfer credits in the Scheme.

(2) In this Rule the expression "entrant" shall include a Member who, having been granted benefits under the Scheme on leaving Eligible Employment, re-enters Eligible Employment and again becomes a Contributor.

(3) Paragraph (1) of this Rule shall not apply to an entrant who is a Former BCSSS Member, who becomes a Member as soon as practicable after Transfer Day and who

under BCSSS has the option (contained in BCSSS by virtue of regulations made under paragraph 2 of Schedule 5 to the 1994 Act) of requesting that a Transfer Value Payment be made in respect of him from BCSSS to the Scheme Fund.

40. **Entrants from IWS - MPS**

(1) Where a Member who was a contributor to or entitled to benefits under IWS - MPS, having entered Eligible Employment in a grade eligible for membership of the Scheme, is admitted to membership of the Scheme and the Committee of Management of IWS - MPS make to the Scheme a transfer payment in respect of his accrued benefits under IWS - MPS, he shall be granted a Back Service Credit for Normal and Family Benefits actuarially equivalent in value to such transfer payment and calculated in accordance with tables from time to time prepared by the Actuary.

(2) Where a Contributor whose Actual Date of Entry is before 6th April 1978:-

(a) ceases to be employed in a grade eligible for membership of the Scheme and is not allowed to continue as a Contributor under Rule 25(2) (or before Transfer Day but after 5th April 1978 ceased to be employed in a grade eligible for membership of BCSSS and was not allowed to continue as a Contributor for the purposes of BCSSS under Rule 24(2) of BCSSS); and

(b) became a Transferred MPS Member under IWS - MPS in a case in which the cessation under (a) above was before Transfer Day; and

(c) subsequently re-enters an eligible grade without having left the service of the Employer

any Back Service Credit granted to him under paragraph (1) of this Rule shall not be less than his periods of Normal and if applicable Family Contributing Service at the date when he was downgraded.

(3) If on or after the date when a Member who is also entitled to benefits under IWS - MPS retires or withdraws from Eligible Employment the Committee of Management of IWS - MPS make to the Scheme a transfer payment in respect of his accrued benefits under IWS - MPS, the Committee shall pay under the Scheme the benefits which would, if that transfer payment had not been made, have been payable to or by reference to him under IWS - MPS, and the provisions of Rules 54 to 61 of the Scheme shall apply to any benefits so payable.

41. **Entrants from BCSSS**

A former BCSSS Member who within six months after first becoming a Member requests pursuant to Rule 47A of BCSSS that a Transfer Value Payment be made in respect of him from the fund of BCSSS to the Scheme Fund shall on such Transfer Value Payment being made become a Transferred BCSSS Member. Subject to the provisions of the Rules the contributions made to BCSSS by a Transferred BCSSS Member shall be treated as if they had been made to the Scheme, any such contributions which were refunded under BCSSS shall be treated as if they had been refunded from the Scheme and any Added Years and any back service credit acquired or granted under BCSSS by or to a Transferred BCSSS Member shall be treated as if they or it had been acquired or granted under the Scheme.

42. **Periodic Transfers from BCSSS in Respect of Family Contributions**

(1) The Actuary shall at intervals of three months certify to the committee of BCSSS the Periodic Transferable Sum (as defined in Rule 47B of BCSSS) and the Committee shall thereupon request the committee of BCSSS to pay the Periodic Transferable Sum to the Scheme and upon receipt shall credit a proportion of the same to each Employer's Fund which then has liabilities in respect of Contributors who are Former BCSSS Members, the proportion of the Periodic Transferable Sum paid in respect of each Employer's Fund having been determined by the Committee on the advice of the Actuary.

(2) The Committee shall from time to time, on request from the trustee or trustees of BCSSS, supply such information to the said trustee or trustees regarding the identity, numbers, salary details and other information relating to Former BCSSS Members.

43. **Transfer Value Payments - Supplementary Provisions**

(1) This Rule supplements the provisions of Rules 39, 40 and 41. In this Rule the expression "Transferred Assets" means the Transfer Value Payment or other sum paid to the Scheme, the expression "Transferor Scheme" means the scheme from which the Transferred Assets are received, the expression "Index" shall have the meaning given to it in Appendix V and the expressions "Pre-1987 Member" and "1987 Member" shall respectively have the meanings given to the expressions "Class C Member" and "Class B Member" in Appendix V.

(2) The Committee may arrange for such part (if any) of the Transferred Assets as derives from voluntary contributions paid by the Member to be included in whole or

in part in the AVC Scheme referred to in Rule 5 but otherwise they shall arrange for Transferred Assets to be included in the relevant Employer's Fund.

(3) Except in a case in which either the Transferor Scheme is a scheme in which the Employer participates or the Board of Inland Revenue has authorised the treatment of service to which the Transferor Scheme relates as if it were service to which the Scheme relates, in respect of a Member who is (or following the receipt of Transferred Assets will be or be entitled to be) a Pre-1987 Member or a 1987 Member the Committee shall endeavour to obtain from the administrator of the Transferor Scheme (or from the insurance company with which the policy or contract was effected in the case an assignment) a certificate of the maximum lump sum retirement benefit that the Committee are permitted to provide under Rule 22(3) other than in special circumstances (meaning exceptional circumstances of serious ill-health of the Member or where the pension would be regarded by the Board of Inland Revenue as trivial) in consideration of receipt of the Transferred Assets.

(4) In a case in which the Committee (after making suitable enquiries) are reasonably satisfied that:-

(i) the Transferor Scheme is a fund to which section 608 of the Taxes Act applies; or

(ii) the Transferor Scheme is a Retirement Benefits Scheme which is in receipt of Inland Revenue Approval and provides retirement benefits wholly in the form of non-commutable pension (other than in exceptional circumstances of serious ill-health of members thereof or on account of triviality),

no Transferred Assets shall be accepted unless the Committee receive from the administrator of the Transferor Scheme a certificate stating that other than in special circumstances (as defined in paragraph (3) of this Rule) the Scheme is not permitted to provide a lump sum retirement benefit in consideration of receipt of the Transferred Assets.

(5) In a case in which the Committee (after making suitable enquiries) are reasonably satisfied that the benefits that would have been provided by the Transferred Assets but for their transfer to the Scheme derive:-

(i) in whole or in part from voluntary contributions to a Retirement Benefits Scheme which is in receipt of Inland Revenue Approval and which were

paid by the Member under a commitment entered into after 7th April 1987; or

(ii) in whole or in part from an earlier transfer of assets accepted by the Transferor Scheme from a fund or scheme referred to in (i) or (ii) of paragraph (4) of this Rule,

no Transferred Assets shall be accepted unless the Committee receive from the administrator of the Transferor Scheme (or from the insurance company with which the policy or contract was effected in the case of an assignment) a certificate specifying how much of the Transferred Assets derive from those voluntary contributions or from that earlier transfer of assets and stating that other than in special circumstances (as defined in paragraph (3) of this Rule) the Scheme is not permitted to provide a lump sum retirement benefit in consideration of receipt of the Transferred Assets so specified.

(6) In connection with the acceptance of Transferred Assets the Committee shall endeavour to obtain from the administrator of the Transferor Scheme (or from the insurance company with which the policy or contract was effected):-

(i) a written statement in respect of the Transferred Assets of the total amount (if any) representing contributions made by the Member and any interest thereon;

(ii) a written statement whether the whole or any part of the Transferred Assets derives from contributions to a Personal Pension Scheme or from an earlier transfer or assignment from a Personal Pension Scheme; and

(iii) a written statement of the period of the Member's service in employment to which the Transferor Scheme (or any scheme from which the Transferor Scheme or insurance company accepted an earlier transfer or assignment) related and which is linked qualifying service for the purposes of section 179 of the 1993 Act in relation to service in employment to which the Scheme relates.

If no statement as referred to in (i) above is forthcoming the Committee shall be entitled to assume that no part of the Transferred Assets represents contributions made by the Member. If no statement as referred to in (iii) above is forthcoming the

Committee shall be entitled to assume that the period of linked qualifying service for the purposes of section 179 of the 1993 Act is at least two years.

(7) Unless either: (i) the Member is granted a Back Service Credit under Rule 39 or 40; or (ii) the Transferor Scheme is BCSSS and the Member is or becomes a Transferred BCSSS Member; or (iii) the Transferor Scheme is IWS-MPS, in consideration of receipt of Transferred Assets which are included in the Employer's Fund the Committee shall (subject to the provisions of paragraph (11) of this Rule) provide from the Employer's Fund in relation to the Member by such means as the Committee shall determine benefits which shall be payable in addition to the benefits which would otherwise be payable from the Employer's Fund in respect of the Member. However the Committee shall not treat a period before the Member's admission to membership of the Scheme as if it were Contributing Service unless the Employer consents. Subject to Inland Revenue Limits and subject to the provisions of paragraphs (8) and (10) of this Rule and the combined provisions of Rule 21 and the Contracting-out Appendix the benefits shall be in such form and of such amount and subject to such terms and conditions as will not prejudice Inland Revenue Approval of the Scheme and (if the Member's Qualifying Service exceeds two years) as will conform with the preservation requirements (within the meaning of section 69(2) of the Social Security Act 1973) and (subject thereto) as the Committee with the advice of the Actuary shall decide .

(8) In a case in which the Member is a Pre-1987 Member or a 1987 Member (except in a case in which either the Transferor Scheme is a Retirement Benefits Scheme in receipt of Inland Revenue Approval in which the Employer participates or the Board of Inland Revenue has authorised the treatment of service to which the Transferor Scheme relates as service to which the Scheme relates) the benefits provided from the Employer's Fund under paragraph (7) of this Rule shall not be in the form of a lump sum retirement benefit or commutable pension (other than in exceptional circumstances of serious ill-health of the Member or in circumstances in which the pension of the Member or other person would be regarded by the Board of Inland Revenue as trivial) unless the Committee have received the certificate referred to in paragraph (3) of this Rule and except to the extent (if any) specified in that certificate except that the amount certified shall be increased in proportion to the increase in the Retail Prices Index between the date of the transfer and the date of payment of the lump sum retirement benefit or (as the case may be) of commutation of the pension.

(9) If in connection with Transferred Assets the Committee receive from the administrator of the Transferor Scheme (or from the insurance company with which

the policy or contract was effected in the case of an assignment) the certificate referred to in paragraph (4) of this Rule the benefits provided from the Employer's Fund under paragraph (7) of this Rule shall not be in the form of a lump sum retirement benefit or commutable pension (other than in exceptional circumstances of serious ill-health of the Member or in circumstances in which the pension of the Member or other person would be regarded by the Board of Inland Revenue as trivial).

(10) If in connection with Transferred Assets the Committee receive from the administrator of the Transferor Scheme (or from the insurance company with which the policy or contract was effected in the case of an assignment) the certificate referred to in paragraph (5) of this Rule the benefits provided from the Employer's Fund under paragraph (7) of this Rule shall not be in the form of a lump sum retirement benefit or commutable pension (other than in exceptional circumstances of serious ill-health of the Member or in circumstances in which the pension of the Member or other person would be regarded by the Board of Inland Revenue as trivial) to the extent to which the benefits are provided in consideration of receipt of the Transferred Assets specified for the purpose of paragraph (4) of this Rule.

(11) Subject to the combined provisions of Rule 21 and the Contracting-out Appendix no benefits shall be provided from the Employer's Fund under this Rule in relation to a Member if:-

(i) in connection with any Transferred Assets there is a written statement (as referred to in (i) of paragraph (6) of this Rule) of an amount representing contributions made by the Member and any interest thereon; and

(ii) the Member becomes entitled to benefit under paragraph (6) of Rule 24.

44. **Special Provisions Relating to Part-Time Service**

(1) Subject to the combined provisions of Rule 21 and the Contracting-out Appendix and to Inland Revenue Limits but otherwise notwithstanding any other provision of the Rules, the following special provisions shall apply in respect of any Member who has been in Part-Time Service for any period or periods during his last or only period of service in Eligible Employment for the purposes of calculating the pension benefits appropriate to and in respect of him under the Scheme and for such purposes only:-

(i) in relation to any week or month as the case may require of Part-Time Service his Salary shall be converted into the Salary which he would have received if he had been in Full-Time Service by multiplying the Salary by the number of hours which he would have worked in Full-Time Service during such period and dividing by the number of hours which he worked in Part-Time Service during such period; and

(ii) any period of his Contributing Service which is Part-Time Service shall be ascertained by multiplying such period by the Part-Time Factor appropriate to such period.

(2) For the purposes of section 71 of the 1993 Act Part-Time Service shall count as qualifying service at its full length.

45. **Transfers and Buy-Outs**

(1) In this Rule a Cash Equivalent Member means a Member to whom Chapter IV of Part IV of the 1993 Act applies and who acquires under it a right to a cash equivalent. If a Cash Equivalent Member who has not lost his right to a cash equivalent:-

(i) exercises on or before the last option date (within the meaning of section 95(8) of the 1993 Act) the option conferred by section 95 of the 1993 Act (namely to have the cash equivalent used to acquire transfer credits under another scheme or to purchase one or more annuities or partly in one way and partly in the other way) by making an application in the manner specified in sections 95(1) and (9) of the 1993 Act; and

(ii) has not made in accordance with section 100 of the 1993 Act a valid withdrawal of his application or (if he has made a valid withdrawal of his application) has made a valid further application which he has not withdrawn,

the Committee shall (subject to the provisions of section 99 of the 1993 Act) do what is needed to carry out what the Member requires within the time specified in section 99 of the 1993 Act.

(2) Without prejudice to the rights of a Cash Equivalent Member referred to in paragraph (1) of this Rule and subject to the restrictions contained in paragraph (3) of this Rule

the Committee may with the consent of the Employer make a transfer of assets or a payment of a cash sum from the Employer's Fund and (if applicable) the AVC Scheme referred to in Rule 5 in respect of the benefits which would otherwise be payable from them in respect of a Member or in respect of an individual claiming under or through a deceased Member (referred to in this Rule as an "Other Person"):-

(i) to another scheme provided it is a scheme which satisfies the requirements prescribed for the purpose of section 95(2) of the 1993 Act; or

(ii) to purchase from one or more insurance companies (as mentioned in section 19(4) of the 1993 Act), one or more annuities which satisfy the requirements prescribed for the purpose of section 95(2)(c) of the 1993 Act.

(3) The restrictions on the power conferred upon the Committee by paragraph (2) of this Rule are as follows:-

(i) without the prior consent of the Board of Inland Revenue no transfer or payment shall be made to a Retirement Benefits Scheme which does not have Inland Revenue Approval and which is neither a Relevant Statutory Scheme nor a Personal Pension Scheme;

(ii) unless the transfer or payment is made at the Member's request no transfer or payment shall be made to another scheme without the consent of the Member in any case in which such consent is required by section 73(2) of the 1993 Act or by regulations made under section 38(1) of the 1993 Act and in a case in which such consent is not required if prescribed conditions are fulfilled no such transfer or payment shall be made unless those conditions are fulfilled;

(iii) unless the transfer or payment is made with the written consent (in the form prescribed by the relevant regulations made under section 19 of the 1993 Act) or at the written request of the Member or Other Person no transfer or payment to an insurance company shall be made unless either the conditions specified in paragraph (4) of regulation 9 of the Occupational Pension Schemes (Preservation of Benefit) Regulations 1991 (as amended) are satisfied or (notwithstanding that the said conditions are not satisfied) the consent of the Member or Other Person is not required

by regulations made under the Social Security Act 1973 or the 1975 Act or the 1993 Act;

(iv) the transfer or payment shall be in respect of the whole of the benefits which would otherwise be payable from the Employer's Fund and the AVC Scheme in Rule 5 in respect of the Member or Other Person unless the transfer or payment is to another scheme and the other scheme is not a scheme which fulfils the conditions set out in Contracting-out Rule 9.1 in which case the transfer or payment shall be in respect of the whole of the benefits but excluding all benefits (if any) in respect of which an entitlement is conferred by Contracting-out Rule 4;

(v) in a case in which the transfer or payment is made to purchase one or more annuities the annuity or annuities so purchased shall be of the same kind and amount and contain the same options (or as nearly as may be) as the pension and other benefits which but for the payment or transfer would have been provided under the Scheme except that with the consent of the Member or Other Person and subject to the provisions of the Contracting-out Appendix the annuity or annuities so purchased may be of such a kind and amount and contain such options as may be arranged between the Member or Other Person the Committee and the insurance company from which the annuity is purchased; and

(vi) the amount transferred or paid shall be decided by the Committee and shall not exceed the amount of the cash equivalent to which a Member or Other Person has a right under Chapter IV of Part IV of the 1993 Act (or if the Member or Other Person does not have such a right the amount which in the opinion of the Committee would have been the amount of the cash equivalent if he had such a right ("the notional cash equivalent")) except that the Committee may if so requested by the Employer transfer or pay an amount greater than the cash equivalent (or notional cash equivalent) if the Committee with the advice of the Actuary approve the transfer or payment of the amount requested.

(4) When using a cash equivalent under paragraph (1) of this Rule or when making a transfer of assets or a payment of a cash sum under paragraph (2) of this Rule:-

(i) in respect of the cash equivalent or assets or cash sum the Committee shall provide the trustees or managers of the other scheme or (as the case may be) the insurance company with a statement of the amount representing:-

(I) contributions (if any) paid by the Member in accordance with the provisions of the Scheme; and

(II) any amount contained in a statement obtained by the Committee in accordance with the provisions of paragraph (6) of Rule 43 representing contributions made by the Member and any interest thereon;

(ii) if the Member has at least two years' Qualifying Service the Committee shall notify the trustees or managers of the other scheme (or as the case may be the insurance company) of this;

(iii) upon request the Committee shall certify to the trustees or managers of the other scheme (or as the case may be the insurance company) the maximum lump sum retirement benefit that may be provided (other than in exceptional circumstances of serious ill-health of the Member or in circumstances of triviality) by the other scheme or under the policy or contract issued by the insurance company in consideration of receipt of the cash equivalent or assets or cash sum; and

(iv) in a case in which the cash equivalent or assets or cash sum is paid or transferred to a Personal Pension Scheme and:-

(I) if the Member is aged 45 or over at the time at which the cash equivalent or assets or cash sum is paid or transferred; or

(II) if at any time within the period of ten years immediately preceding:-

(a) in the case of a Cash Equivalent Member the date on which the Member acquired the right to a cash equivalent under Chapter IV of Part IV of the 1993 Act; or

(b) in the case of a Member who is not a Cash Equivalent Member the date on which the Committee exercise the power conferred upon them by Rule 45(2),

in respect of an employment to which the cash equivalent or assets or cash sum relates the Member has been either a Controlling Director (as defined in Appendix V) or in receipt of annual remuneration in excess of £60,000 or (if greater) the allowable maximum within the meaning of section 640A(2) of the Taxes Act for the Tax Year in which the cash equivalent or assets or cash sum is transferred or paid; or

(III) if the cash equivalent or cash sum or assets derive in whole or in part from a scheme described in (ii) of paragraph (4) of Rule 43,

the Committee shall provide the administrator of the Personal Pension Scheme with a certificate of the maximum lump sum retirement benefit that may be provided by the Personal Pension Scheme (other than in exceptional circumstances of serious ill-health of the Member or in circumstances of triviality) in consideration of receipt of the cash equivalent or assets or cash sum

PROVIDED that the provisions of this paragraph of this Rule shall not apply in a case in which a transfer of assets or a payment of a cash sum is made after the death of the Member.

(5) Notwithstanding anything to the contrary in the preceding provisions of this Rule in a case in which in respect of a Member the Scheme provides the alternative to short service benefit described in regulation 9 of the Occupational Pension Schemes (Preservation of Benefit) Regulations 1991 (namely benefits which are different from short service benefit and which are appropriately secured by a transaction to which section 19(2) of the 1993 Act applies) and the exception in regulation 9(3) of those Regulations does not apply the amount of the payment or the value of the assets transferred by the Committee to the insurance company shall be increased where necessary so that the Committee are reasonably satisfied that the amount of the payment made or the value of the assets transferred is not less than the amount specified in regulation 11 of those Regulations.

(6) The Committee shall be discharged from any and every obligation to provide benefits from the Scheme to or in respect of the Member or Other Person immediately the Committee use his cash equivalent in accordance with the provisions of paragraph (1) of this Rule or immediately a transfer of assets or a payment of a cash sum is made in accordance with the provisions of paragraph (2) of this Rule and (in a case in which the Member or Other Person is a Member) the Member shall cease to be a Member except that:-

(i) in the case of a Member:-

(I) who acquired a right to a cash equivalent under Chapter IV of Part IV of the 1993 Act which did not relate to the whole of the benefits in respect of the Member;

(II) who exercised the option conferred by section 95 of the 1993 Act; and

(III) in respect of whom the Committee did what was needed to carry out what the Member required

the Member shall not cease to be a Member but the benefits in respect of the Member shall be reduced by excluding the part of the benefits to which the cash equivalent related as prescribed by regulations made under section 98(1); and

(ii) in a case in which a transfer or payment to another scheme is made in respect of benefits which exclude benefits in respect of which an entitlement is conferred by Contracting-out Rule 4 the Member shall remain a Member for the purposes of the Contracting-out Appendix but shall cease to be a Member for all other purposes.

46. **Temporary Absences Without Salary or at Reduced Salary**

(1) References to "contributions" in paragraphs (2) and (3) of this Rule are references to contributions payable pursuant to Rule 4(1) or 4(2).

(2) Subject as hereinafter provided, a Contributor who is temporarily laid off or granted leave of absence for a period not exceeding one week in the case of a Contributor paid weekly or one month in the case of a Contributor paid monthly, and who

receives no Salary or less than full Salary in respect of such period of absence, shall pay the amount by which the contributions which would have been payable by him if he had received full Salary in respect of such period of absence exceed the contributions (if any) paid by him in respect of that period. The amount so payable shall (if not otherwise paid) be deducted from the first payment of Salary made to the Contributor following his return to duty, and on payment being made the period of absence shall count as Contributing Service.

(3) A Contributor who is temporarily laid off or granted leave of absence for a period exceeding one week in the case of a Contributor paid weekly or one month in the case of a Contributor paid monthly, and who receives no Salary or less than full Salary in respect of the whole or any part of such period of absence, may opt to pay the amount by which the contributions which would have been payable by him if he had received full Salary in respect of the whole of the period hereinafter mentioned exceed the contributions (if any) paid by him in respect of that period, together with interest on the excess; and subject to payment being made in accordance with the Rules the whole of such period shall count as Contributing Service. The period in respect of which payment may be made as aforesaid shall be the whole of such period of absence in respect of which the Contributor receives no Salary or less than full Salary, or such part thereof as does not exceed twelve months, whichever be the less, provided that the Employer may in an exceptional case extend the said limit of twelve months and also that the said limit of twelve months shall not apply to absence to which paragraph (5)(ii) of this Rule applies. The option under this paragraph may be exercised at any time before or within three months after return to duty or Retirement and, if the Contributor dies without returning to duty, may be exercised by his personal representatives within six months of the Contributor's death.

(4) Except as provided in the foregoing paragraphs, for the purposes of calculating Normal and if applicable Family Contributing Service a period of absence without Salary shall not count as Normal or Family Contributing Service, and a period of absence on less than full Salary shall count as Normal Contributing Service and if Family Contributions are paid Family Contributing Service on full Salary for a proportionately reduced period.

(5) For the purposes of the foregoing paragraphs, absence of any duration on less than full Salary or without Salary shall be deemed to be absence for which leave has been granted where either (i) the Employer so decides or (ii) it is absence on Approved National Service or on compulsory service in the Armed Forces of the Crown or on any other compulsory national service. Nothing in this paragraph shall entitle a

Contributor to contribute in respect of any period spent in such service prior to entering Eligible Employment or in respect of any period prior to the date when he qualified, or would have qualified but for absence from Eligible Employment, for membership under Rule 1.

(6) For the purposes of this Rule, service in the Armed Forces of the Crown shall be deemed to be compulsory notwithstanding that it is undertaken by virtue of voluntary membership of any reserve or auxiliary force.

(7) A Contributor who before returning to duty exercises an option in pursuance of paragraph (3) hereof, shall forthwith and as a condition of the exercise of the option pay as a single lump sum the amount payable under that paragraph in respect of the period ending on the date of the exercise of the option, and shall pay the amount payable under that paragraph in respect of any subsequent week or month (as the case may be) on the day in that week or month on which contributions would normally have been paid by the Contributor.

(8) A Contributor who exercises an option in pursuance of paragraph (3) hereof after returning to duty shall have the option of paying the amount due in consequence of the exercise of the option as a single lump sum within three months of the date of exercise of the option, or of having the amount spread forward with compound interest over the period from the date of exercise of the option to such date, not being later than five years before Normal Retiring Age, as may be agreed by the Committee, provided that where the contributions relate to a period not exceeding two years, the period of spread forward may terminate on the next or next but one 5th April, or extend for a period not exceeding two years from the date of commencement of contributions in either of which events no compound interest shall be payable. In any other case (save as provided in paragraph (7) hereof) the amount due in consequence of the exercise of an option under paragraph (3) hereof shall be paid as a single lump sum within twenty-eight days of the date of exercising the option.

(9) If in consequence of absence a Contributor fails to make any payment or to pay any contributions (not being contributions as defined in paragraph (1) of this Rule) falling due within the period of absence, the amount so payable shall, at the Contributor's option, be paid as a single lump sum within three months of the date of his return to duty or be spread forward with compound interest over the period from the date of his return to duty to such date, not being later than five years before Normal Retiring Age as may be agreed by the Committee, provided that where the contributions relate

to a period not exceeding two years, the period of spread-forward may terminate on the next or next but one 5th April, or extend for a period not exceeding two years from the date of commencement of contributions, in either of which events no compound interest shall be payable. If the Contributor by reason of death or Retirement does not return to duty, any such payment or contributions which have fallen due up to the date of his death or Retirement and are unpaid shall be payable on demand.

(10) The provisions of this Rule shall apply to a person who was a Contributor under BCSSS and to whom this Rule would have applied but for the fact that he was temporarily absent under BCSSS immediately before and immediately after Transfer Day.

47. **Absence on Maternity Pay**

(1) For the purposes of this Rule a Member shall be treated as absent on Maternity Pay for any period in respect of which:-

(a) she is entitled to receive Maternity Pay calculated by reference to remuneration from Eligible Employment; but

(b) she is not entitled to receive full Salary (whether or not after any deduction in respect of Maternity Pay or otherwise).

(2) Notwithstanding any other provisions of the Rules:-

(a) during any period while she is absent on Maternity Pay a Member shall be deemed for the purposes of the Scheme to be receiving full Salary provided that a Member shall be required to pay contributions only on that amount of remuneration or Maternity Pay paid to her during such period; and

(b) that period shall be deemed to be a period of Normal Contributing Service and if she is paying Family Contributions Family Contributing Service in relation to her commencing on the date of commencement of the period during which she is absent from work referred to in paragraph (1)(b) of this Rule.

(3) Paragraph (2) of this Rule shall not, without her consent, apply to a Member whose Actual Date of Entry was before 6th April 1978.

(4) The provisions of this Rule shall apply to a person who was a Contributor under BCSSS and to whom this Rule would have applied but for the fact that she was temporarily absent on maternity leave under BCSSS immediately before and immediately after Transfer Day.

48. **Re-admission of Retired Contributors**

(1) If a Contributor, who shall have become entitled under Rule 23(3) to a pension on account of ill-health, incapacity or infirmity considered to be permanent, shall subsequently, and before he has reached Normal Retiring Age, in the opinion of the Scheme's Medical Adviser be able, owing to the improved condition of his health, to discharge with efficiency the duties of the office or employment held by him on the date of his becoming entitled to such pension or of some other office or employment in Eligible Employment, and his Employer offers in writing to reinstate him in the office or employment which he has ceased to hold or in some other office or employment in Eligible Employment, he shall on returning to Eligible Employment or on the expiry of three months from the date of the offer, whichever shall first happen, cease to receive the pension which is being paid to him in respect of his previous service, but without prejudice to his entitlement to Equivalent Pension Benefit and if a Contributor who has become entitled to benefit under Rule 23(3) ceases by virtue of this Rule to receive a pension and does not return to Eligible Employment, his pension will be reinstated on the Member attaining Normal Retiring Age at the rate, including increases under Rule 33, at which it was payable when last paid but subject to any reduction under Rule 50. After his death no further benefits shall be payable except that if he had paid Family Contributions, benefits shall be payable under Rules 29 and 30 if there is any person entitled to receive benefit under those Rules. For the purpose of calculating benefits under those Rules the Member's pension shall be deemed to be the pension which would have been payable to him under Rule 24(2) calculated as at the day he left Eligible Employment. Any widow's or widower's pension shall be regarded as a widow's or widower's prospective pension for the purpose of Rule 33.

(2) If a Contributor who has received benefits under Rule 23 on account of ill-health, incapacity or infirmity, and has returned to Eligible Employment, either:-

(a) becomes entitled again to benefits under Rule 23 on account of infirmity or incapacity; or

(b) becomes entitled to benefit on retirement at or after Normal Retiring Age,

the rate at which a pension shall be payable to him under Rule 23 or on such retirement as the case may be (apart from any deduction by virtue of Rule 34, Rule 35 or Rule 50) shall not be less than the rate at which a pension was previously payable to him immediately before, by virtue of this Rule, it ceased to be payable.

(3) If a Contributor who has been granted benefits under Rule 23(5) subsequently returns to Eligible Employment, the provisions of paragraph (1) of this Rule shall apply to him as if the reference therein to paragraph (3) of Rule 23 were to paragraph (5) thereof.

(4) If a Contributor leaves Eligible Employment in circumstances giving rise to a refund of contributions under Rule 24(6) and if applicable Rule 32 and at a later date re-enters Eligible Employment and again becomes a Contributor, then, at the discretion of the Employer, his earlier service shall again be reckoned as Qualifying Service and Normal Contributing Service and in so far as applicable Family Contributing Service, Provided that:-

(i) any interval between so leaving and so re-entering Eligible Employment does not exceed two years (or such longer period as the Employer may, in its discretion, allow in any exceptional case);

(ii) it would be possible for such former Contributor to have 5 years' Qualifying Service (including earlier service again reckoned as Normal Contributing Service) at Normal Retiring Age; and

(iii) any benefit paid or payable to the Contributor or his estate when he again leaves Eligible Employment or on death is reduced by the actuarial equivalent of the refund of contributions previously paid to him under Rule 24 and if applicable Rule 32, together with compound interest thereon, except to the extent that such refund of contributions and interest as aforesaid has been or is, within such period as the Committee may allow, paid to the Scheme.

(5) Any person to whom paragraph (1) or paragraph (3) of this Rule applies shall on re-entering Eligible Employment again become a Contributor liable for the contributions required in respect of his new Salary and eligible for the benefits provided by the Rules in respect thereof, Provided that if the Contributor returns to employment in a grade not eligible for membership of the Scheme, Rule 24 of BCSSS as it had effect immediately before 6th April 1978 shall apply to him as if he were

remaining in Eligible Employment but ceasing to be employed in a grade eligible for membership of the Scheme.

(6) If pursuant to paragraph (4) of this Rule a Contributor's earlier service is reckoned as Normal Contributing Service and in so far as applicable Family Contributing Service, the Contributor shall on re-entering Eligible Employment and again becoming a Contributor (in addition to resuming payment of Normal Contributions) and if applicable paying Family Contributions under Rule 4(2):-

(i) (1) resume payment of contributions for any Added Years for Normal Benefits he was purchasing before he left Eligible Employment, and (2) pay as a lump sum or, at his option if he is more than five years under Normal Retiring Age, spread forward to a date five years before attaining Normal Retiring Age, the Added Contributions for Normal Benefits for the period between his leaving and re-entering Eligible Employment, accumulated at compound interest to the date of resumption of payments;

(ii) resume payment of any contributions which he was making under Rule 4 before he left Eligible Employment in respect of arrears of contributions for Normal Benefits; such contributions for the period between his leaving and re-entering Eligible Employment being dealt with as under sub-paragraph (i)(2) of this paragraph; and

(iii) resume payment of contributions for Further Years of Family Contributing Service if he was making any such contributions or any contributions for Normal Family Benefits and Added Years for Normal Family Benefits immediately before he left Eligible Employment and is still married or has any Children under the age of 18 years. Any spread-forward contributions for Family Benefits he was paying before he left Eligible Employment shall be dealt with in the same way as spread forward contributions which fall to be dealt with under Rule 6(3)(a)(ii).

If it shall be shown to the satisfaction of the Committee that payment of any arrears which are due under this paragraph would result in hardship to the Contributor, the payment of such arrears may be cancelled in whole or in part, subject to such modification of the benefits payable on Retirement as the Committee, after consultation with the Actuary, may decide; or the arrears may be allowed to accumulate as a loan in accordance with Rule 53.

(7) If before he left Eligible Employment a Contributor to whom paragraph (6) of this Rule applies was paying contributions for Further Years of Family Contributing Service or for Normal Family Benefits or Added Years for Normal Family Benefits and at the date of re-entering Eligible Employment he is no longer married and has no Children under the age of 18 years, but subsequently re-marries, that Contributor may exercise any option which would have been open to him on such re-marriage had he ceased to pay contributions under or by reference to Rule 6(2)(f) or if applicable Rule 6(3)(b) (including the corresponding provisions of BCSSS as they had effect before 6th April 1978).

(8) In the event of a Member to whom benefit under Rule 24(2), Rule 24(3), Rule 23(3)(a) of BCSSS as it had effect before 6th April 1980 and Rule 47(1)(a) or Rule 47(2) of BCSSS as they both had effect on 31st December 1963, is payable, or has been paid, again becoming a Contributor before Normal Retiring Age such benefit shall not be payable to him or, as the case may be, no further such benefit shall be payable to him and the following provisions shall have effect:-

(a) if the Member was not entitled to, or did not elect to receive, a refund of contributions under Rule 24(2)(e), or if he received a refund of contributions under Rule 24(6) and if applicable Rule 32 and the Employer exercises its discretion under paragraph (10) of this Rule:-

(i) his earlier service shall again be reckoned as Qualifying and Normal and in so far as applicable Family Contributing Service;

(ii) the provisions of paragraphs (6) and (7) of this Rule as to the resumption of certain payments shall apply to him; and

(iii) any benefit subsequently payable to him or to his estate shall be reduced by such amount as the Committee, acting on the advice of the Actuary, may determine in order to take account of the benefit under Rule 24(2), Rule 24(3), Rule 23(3)(a) of BCSSS as it had effect before 6th April 1980 and Rule 47(1) or Rule 47(2) of BCSSS as they both had effect on 31st December 1963, already received;

(b) if the Member received a refund of contributions under Rule 24(6) and if applicable Rule 32 and the Employer does not exercise its discretion under paragraph (10) of this Rule:-

(i) his earlier Normal and Family Contributing Service excluding that to which the refund of contributions was attributable shall again be reckoned as Normal and in so far as applicable Family Contributing Service provided that, if the Member had paid contributions for Added Years only part of which had been refunded, he shall be deemed to have purchased only so many Added Years as would have been purchased by that part of the contributions for Added Years not refunded;

(ii) his Actual Date of Entry shall be 6th April 1975;

(iii) the provisions of paragraphs (6) (excluding sub-paragraph (ii) thereof) and (7) of this Rule, shall apply to him except that (i) his percentage rate of Normal Contributions shall be that required in respect of his new Actual Date of Entry; (ii) no contributions for Added Years shall be payable and (iii) any resumption of Family Contributions shall not include any spread-forward contributions in respect of arrears of contributions for a period of service for which contributions were refunded under Rule 24(6);

(iv) any benefit subsequently payable to him or his estate shall be reduced by such amount as the Committee, acting on the advice of the Actuary, may determine in order to take account of the benefit under Rule 24(2), Rule 24(3) or Rule 23(3)(a) in BCSSS as it had effect before 6th April 1980, already received.

(9) If a Member to whom benefit under Rule 24(2), Rule 24(3), Rule 23(3)(a) of BCSSS as it had effect before 6th April 1980, Rule 47(1)(a) or Rule 47(2) of BCSSS as they both had effect on 31st December 1963, is payable or has been paid re-enters Eligible Employment in a grade which is not eligible for membership of the Scheme, the Employer may in its discretion allow him to resume the payment of contributions and, if it does so, paragraph (8) of this Rule shall apply to him, but otherwise Rule 24 of BCSSS (apart from paragraphs (a) and (d) thereof) as it had effect immediately before 6th April 1978 and as appropriate sub-paragraphs (8)(a)(iii) or (8)(b)(iv) of this Rule shall apply to him Provided that:-

(i) the benefits payable under Rule 24 of BCSSS as it had effect immediately before 6th April 1978 (before any reduction in accordance with the said

sub-paragraph (8)(a)(iii) or (8)(b)(iv) shall not be less than would have been payable were it not for this paragraph; and

(ii) if the Member subsequently enters a grade which is eligible for membership of the Scheme, paragraph (8) of this Rule shall apply to him.

(10) If a Member to whom paragraph (8) or (9) of this Rule applies and who received a refund of contributions under Rule 24(6) again becomes a Contributor, his service to which that refund is attributable may, at the Employer's discretion, be reckoned as Contributing Service subject to the same provisos as in sub-paragraphs (4)(i) and (iii) of this Rule.

V. MISCELLANEOUS

49. **General Discretion of Employer and Committee**

(1) The Employer shall have power to grant, in special cases or classes of case, terms differing from those otherwise applicable under the Rules, any additional cost subject to the terms of Clause 5 being paid to the Scheme in such manner as the Committee may decide after consulting the Actuary except where the Employer considers and the Committee agree that no such payment is necessary Provided that where, by virtue of such terms a Contributor becomes entitled to benefits that would otherwise exceed the Inland Revenue Limits the excess shall not be payable.

(2) Where in these Rules anything is required to be done within a certain period or before a certain date the Co-ordinator or the Employer or the Committee, as the case may be, may in their discretion extend such period or substitute a later date. Where, in these Rules, any contributions are required to be paid within a certain period or before a certain date and the Committee are satisfied that the payment of such contributions within that period or before that date would inflict hardship on the Contributor, or where any such contributions have not been paid on the date or within the period prescribed by the Rules and the Committee are satisfied that the failure to pay such contributions was due to no fault of the Contributor, they may, in their discretion, permit such contributions to be paid by such instalments over such period as they may determine or to accumulate as a loan under Rule 53.

50. **National Insurance**

(1) The Normal Contributions payable by a Contributor who became a Contributor under BCSSS before 1st January 1975, shall be reduced by 3.8p (4.2p for women) a week if his Salary is payable weekly or 16.3p (17.9p for women) a month if his Salary is payable monthly Provided that:-

(a) the Normal Contributions of a Contributor who, having ceased to be a Contributor at any time, becomes a Contributor again shall not be reduced for any period after he again becomes a Contributor unless he ceased to be a Contributor on ceasing to be employed in an eligible grade and remained in Eligible Employment; and

(b) if a Contributor whose contributions are reduced in accordance with this Rule (including a Contributor who has exercised an option as aforesaid) so elected under BCSSS in writing before 30th June 1975 (or, in the case of a Contributor not liable to pay contributions for any period including 1st January 1975, within 3 months of the beginning of the first period for which he subsequently became liable to pay contributions under BCSSS) no reduction shall be made in respect of any period commencing on or after 1st January 1975.

(2) As from the date on which a retirement pension under the 1965 Act becomes payable to the Contributor or, if later, the date of his retirement from Eligible Employment, there shall be deducted from the pension payable to him a sum ascertained in accordance with paragraph (3) of this Rule in respect of any period of Contributing Service:-

(a) for which the Contributor's Normal Contributions have been reduced in accordance with this Rule or in the case of a Transferred BCSSS Member Rule 51 of BCSSS or a deduction is required by Rule 35; or

(b) which in the case of a Transferred BCSSS Member is comprised in a Back Service Credit granted under Rule 44(b)(i) of BCSSS as it had effect before 6th April 1978 to a Contributor whose Actual Date of Entry was on or after 6th July 1956 in respect of service in employment other than Eligible Employment if the transfer value received by BCSSS was reduced because of a modification of the benefits provided by the scheme from which the Contributor transferred, such modification being referable, or agreed by the

Principal Employer under BCSSS and the Contributor's former employer to be referable, to benefits other than graduated retirement benefit under the 1965 Act. But no deduction shall be made in respect of any number of years exceeding forty.

(3) The amount of the deduction to be made in accordance with paragraph (2) of this Rule shall be the sum set out in the second or third column of Appendix III as the case may be against the age of the Contributor at his Actual Date of Entry multiplied by the number of years Contributing Service (including fractions of a year) in respect of which the deduction is to be made Provided that:-

(a) the amount of the deduction:-

(i) shall not exceed such amount as will reduce the pension payable to the Contributor to the minimum rate of pension to which the Proviso to Rule 22(2) refers or, as the case may be, Rule 23(3) provides; and

(ii) in respect of any period of Contributing Service after 5th April 1978 to which paragraph (2)(a) of this Rule applies shall not exceed such amount as would have resulted from the exclusion from any amount of Salary in respect of that period by reference to which that pension is calculated of an amount which if expressed at a weekly rate is equivalent to one and a half times the lower earnings limit (within the meaning of the 1993 Act) in force during that period; and

(b) for the purposes of Appendix III any period in respect of which a Contributor's contributions are required to be reduced under paragraph (2)(b) of this Rule or were reduced under Rule 51(2)(b) of the Rules of BCSSS in the case of a Transferred BCSSS Member shall be deducted from his age at his Actual Date of Entry.

51. **Liability for Taxes on Death**

If any liability to any tax or duty payable by reason of death for which the Committee are liable shall arise in respect of any benefits falling to be paid to any person under the Scheme and the Committee are entitled by law to recover the amount of such tax or duty from the person entitled to such benefit then the Committee may deduct that amount (including any interest payable thereon) from such benefit and account for the same to the proper authority before paying such benefit to the person entitled or may postpone payment of such benefit

until the liability for such tax or duty and any interest thereon has been paid or provided for to the Committee's satisfaction.

52. **Method of Calculating Interest**

(1) Interest mentioned in these Rules shall be computed at the rate of 2.5 per cent per annum, without deduction for income tax.

(2) Compound interest on any contribution or other sum of money shall be calculated at the rate provided by this Rule with yearly rests from the 6th April following the date when the contribution or benefit was paid or the period in respect of which it was or would have been payable, as the case may require, and no interest shall be added in respect of the year beginning on the 6th April in which the contribution or benefit was or would have been payable.

53. **Contributions Accumulated as a Loan Against Normal Benefits**

The following provisions shall apply where any contributions are permitted under these Rules to accumulate as a loan:-

(a) The contributions shall accumulate at compound interest as a loan charged on the Normal Benefits payable on the Contributor's death, withdrawal or retirement, as the case may be, and deductible therefrom.

(b) If such loan, including compound interest (or the aggregate of such loans, if more than one) at any time exceeds a sum equal to two-eightieths of the Contributor's Pensionable Salary in respect of each year of his Contributing Service to that date, the Contributor or his personal representatives shall repay the excess on demand.

(c) The Contributor may at any time on giving three months' notice to the Committee repay the amount of the loan or any part thereof not less than one-quarter with interest accumulated to the date of payment.

(d) The Committee may at their discretion notify the Contributor or his personal representatives that they will not require repayment of such loan, and in that case the Normal Benefits which would otherwise have become payable on the death, retirement or withdrawal of the Contributor shall not be payable, but there shall be payable to him or to his personal representatives benefits equivalent to those Normal Benefits, reduced by an amount equal to the amount of the loan and interest thereon then outstanding.

54. **Evidence of Life of Pensioner**

Every Contributor, after becoming entitled to annual superannuation benefits, shall furnish from time to time such evidence of his being alive as the Committee may require and, in default thereof, to be liable to have any further payments of benefits suspended, as the Committee may think fit subject to the requirements of the Contracting-out Rules.

55. **Address of Pensioner**

Every Contributor shall give notice in writing to the Secretary of his place of residence at the time of becoming entitled to annual superannuation benefits and, thereafter, shall give immediate notice of any change of residence.

56. **Payment of Superannuation Benefits**

(1) Lump sums payable to a Member under the Scheme shall, subject as provided in the 1993 Act and any regulations for the time being in force under it or made under the 1975 Act, be paid within twenty-eight days after the day on which he becomes entitled thereto, subject to proof of title, unless he may then re-enter Eligible Employment in a grade eligible for membership of the Scheme in the circumstances specified in Rule 26(1), in which case no lump sum shall be payable to him until such time if any as the Committee are satisfied that he will not or cannot so re-enter Eligible Employment.

(2) Annual payments to be made to a Member or his Dependants under the Scheme shall be paid by equal monthly instalments in arrear with proportion to or from date of death Provided that it may be paid by equal quarterly instalments or annual payments on such dates as the Committee may decide with proportion to date of death.

(3) Superannuation benefits shall be payable in such manner as the Committee from time to time may approve. Any payment made through the post, or otherwise at the written request of the person entitled thereto, shall be at his risk.

(4) Lump sums payable on Retirement may, if the Member so requests not earlier than two months prior to Retirement and the Employer agrees, be paid to any person authorised in writing by the Member to receive payment on his behalf. The receipt of the person to whom any money is so paid shall be a sufficient discharge for the payment of the amount mentioned therein.

57. **Deduction in Respect of Income Tax from Refunds of Contributions**

The Committee being liable to the Board of Inland Revenue for income tax in respect of any contributions (with any additions of interest thereto) returned to Contributors during their life-time or any lump sum paid in commutation or in lieu of an annuity, shall be at liberty to deduct from any such sums an amount not exceeding any income tax in respect thereof for which the Committee become so liable Provided that the amount so deducted shall not be such as would make the sum returnable to a Contributor, before taking into account any reduction for which provision is made by any of Rule 20(1), Rule 38 or Rule 48(1) of BCSSS and Rules 24(a)(i), 24(bb) or 24(cc) of BCSSS as they had effect before 6th April 1978, less than the contributions paid by him to the Scheme in respect of the Contributing Service to which the return of contributions relates except in the case of Added Years purchased by a single lump sum payment or Added Years purchased under BCSSS by a single lump sum payment.

58. **Fraudulent Contributors' Rights to Benefits**

The right of each Member to receive any benefit under the Scheme is subject to the qualification that any sum in respect of a monetary obligation due to his Employer arising out of a criminal or fraudulent act or omission by the Member may at the discretion of the Committee be withheld from, set off against, or charged upon any benefit payable to him or his personal representatives and reimbursed to his Employer Provided that:-

(i) the sum recovered shall be limited to the actuarial value of the Member's actual or prospective benefits at that time (insofar as these do not include benefits derived from a Transfer Value Payment in respect of previous employment) or the amount of the obligation whichever is less (subject to any different agreement in writing between the Employer and the Member); and

(ii) the Committee shall issue a certificate to the Member showing the amount recovered and its effect on his benefit or prospective benefit; and

(iii) if the Committee decide to withhold any benefit from a Member and there is any dispute as to the amount to be recovered, the Committee shall not put their decision into effect until such time as the obligation has become enforceable under an order of a competent Court or the award of an arbitrator or in Scotland an arbiter to be appointed (failing agreement between the parties) by the Sheriff. The Committee shall have the power to suspend the payment of any benefit until the amount of the Member's monetary obligation has been ascertained.

59. **Superannuation Benefits Not Assignable**

Benefits payable under the Scheme shall not be assignable or chargeable, except for the purposes of any Rule under which contributions are permitted to be accumulated as a loan in accordance with Rule 53, and shall cease to be payable to the person who but for this provision would be entitled thereto in the event of the bankruptcy of such person, or upon the execution of an assignment for the benefit of his creditors, or of any attempt to mortgage, charge or otherwise assign the same to any person. In any of these events and whether or not the benefits had previously become payable, the Committee shall have power in their absolute discretion to pay or apply such benefits or any part thereof for the benefit of the Member and his Dependants or any of them.

60. **Mental Incapacity of Pensioner**

If any Member is, in the opinion of the Scheme's Medical Adviser, unable to act (whether because of mental disorder or for any other reason) the Committee may in their discretion pay any benefit to which he is entitled under the Scheme to any other person for the benefit of the Member and his dependants or any of them. The receipt of the person to whom any money is so paid shall be sufficient discharge for the payment of the amount mentioned therein.

61. **Payment to Personal Representatives or Dependants**

On death of a Member, any amount payable under the Principal Scheme to his estate or which accrued due to him under the Scheme during his lifetime and was unpaid at the time of his death (less any sum paid or payable in pursuance of a nomination under Rule 62) shall be paid on production of probate or letters of Administration to his personal representatives Provided that if the amount to be paid does not exceed £1500 or such higher amount as may have been specified for the time being by order under section 6 of the Administration of Estates (Small Payments) Act 1965 it may be paid at the discretion of the Committee without the production of Probate or Letters of Administration to any person who has paid the expenses incurred for the funeral of the Member or to any one or more of the Dependants of the Member. If the amount to be paid exceeds £1500 or such higher sum as aforesaid but the Member's personal representatives do not send a written claim to the Secretary within twelve months after the date of the Member's death, such amount may be paid to or expended for the benefit of any one or more of the Dependants of the Member as the Committee may in their absolute discretion think fit. The receipt of the person to whom any money is so paid shall be a sufficient discharge for the payment of the amount mentioned therein.

62. **Payments to Nominees of Contributors who Die Before Retirement**

(1) A Contributor may make nominations for amounts not exceeding £500 in the aggregate to be paid, in the event of his death before Retirement, to a duly appointed nominee or nominees out of any sum payable under the Rules to his estate.

(2) A nomination for the purposes of this Rule shall be in such form as the Committee may prescribe or approve and be lodged with the Secretary before the death of the Contributor.

(3) A nomination for the purposes of this Rule shall be revoked:-

(a) by the Contributor's making an election under Rule 28; or

(b) by the subsequent marriage of the Contributor unless the nomination is expressed to be made in contemplation of marriage; or

(c) by notice in writing signed by the Contributor and attested, and lodged with the Secretary before the Contributor's death.

A nomination having effect at the date a person ceased to be a Contributor shall also have effect on and from the date on which such person again becomes a Contributor unless and until it is revoked in manner aforesaid.

(4) The receipt of the person to whom any money is paid pursuant to a subsisting nomination made in accordance with this Rule, or, in the case of a nominee who is a minor, of any other person to whom the Committee may pay money for the benefit of the infant or minor, shall be a sufficient discharge for the payment of the amount mentioned therein.

63. **Copies of Trust Deed and Rules and Explanatory Literature**

The Secretary shall send or deliver to any Member on request and free of charge one copy of the Trust Deed and the Rules or, at the option of the Member one copy of any simplified edition of the Trust Deed and the Rules for the time being issued under the authority of the Committee. Any Member may on request obtain from the Secretary additional copies of the Trust Deed and the Rules or of any such simplified edition, or both, on payment of £5

(plus postage costs) for each copy unless the Committee determines that a different charge or no charge shall apply.

64. **Notices**

(1) Any notice to be given to a Member under or pursuant to the Scheme or the Rules may be given by letter addressed to the person for whom it is intended at the office or premises at which he is for the time being employed or at his last known place of residence and delivered there or sent by prepaid post. In the latter case it shall be deemed to have been given 48 hours after the letter containing the same is posted.

(2) Any notice to be given to the Secretary under or pursuant to the Scheme or the Rules shall be in writing and addressed to him at the Registered Office of the Trustee, the envelope being marked "Superannuation Scheme - Confidential" and delivered there or sent by prepaid post.

(3) Any notice required to be exhibited under or pursuant to the Scheme or the Rules shall be posted on notice boards at the principal place of business of the Employer, at each colliery of the Employer at which members of the Scheme are employed, and at such other establishments as the Committee may determine, but accidental failure to exhibit such notice at one or more places shall not render the notice invalid.

65. **Forms**

(1) Every Member shall fill in and deliver to the Secretary an application form, together, in each case, with a certificate of his birth or such other evidence of his age and if he is a married Member such evidence of his marriage as may be required by the Committee. Forms for this purpose shall be approved by the Committee as may be required from time to time.

(2) (a) Every Member before becoming a Contributor in respect of any Added Contribution shall fill in and deliver to the Secretary an application form, together with such evidence of his marriage as the Committee may require.

(b) Every Contributor contributing for Family Benefits shall register with the Committee the name and date of birth of his spouse and of children who might become entitled to benefits. No claim shall be admitted in respect

of any child not so registered except at the discretion of the Committee, and no claim shall be admitted in respect of a spouse until production of evidence that she is the surviving spouse of the Contributor or former Contributor except at the discretion of the Committee.

(3) Every Member shall exercise any option given by the Rules or any election conferred by the Rules other than one conferred by Rule 28, within three months of his becoming entitled so to do or within such longer or shorter period as the Rules may allow, or such longer period as the Committee in their discretion may allow, and on exercising such option or election shall fill in and deliver to the Secretary a notice in writing.

(4) The appropriate forms for giving any notice exercising any option or election or making any request under the Rules may be obtained on request from the Secretary at the Registered Office of the Trustee.

(5) No benefits under the Scheme (other than Equivalent Pension Benefit or a Guaranteed Minimum Pension) shall be payable to any Member, or, unless the Committee otherwise decide, to any other person by reference to his membership of the Scheme, so long as any entrance, exchange or application form which the Member is required by the Rules to fill in and deliver to the Secretary is not properly filled in and delivered to the Secretary together with any necessary supporting evidence; and Equivalent Pension Benefit or a Guaranteed Minimum Pension shall not be payable to any Member unless his entitlement thereto is established.

66. **Determination of Medical Questions**

Any person who is aggrieved by the determination of the Scheme's Medical Adviser upon any matter as to which, under the Rules, his opinion or certificate is required to be given may, subject to the requirements of any insurance company ("the Underwriter") with whom the Committee have arranged the underwriting of any benefits payable under the Scheme, require the Committee to refer the matter to an independent Medical Consultant appointed or approved by the Committee and thereupon the matter shall be so referred. The written determination of such independent Medical Consultant upon the matter so referred shall, subject to the requirements of the Underwriter, be final and have effect as the opinion or certificate of the Scheme's Medical Adviser. Any person so requiring the Committee to refer a matter to an independent Medical Consultant shall pay the costs of the reference if

the determination of the Consultant upholds the determination of the Scheme's Medical Adviser.

67. **Limitation on Benefits**

Notwithstanding anything to the contrary in the provisions of the Scheme, the benefits payable to a Member or to any person in respect of him shall not, when aggregated with all benefits of a like nature provided under all Relevant Schemes providing benefits in respect of Relevant Service, exceed the limits set out in Appendix V or such greater limits as the Board of Inland Revenue may in writing from time to time agree.

68. **Supply of Information to BCSSS**

The Committee shall be entitled on request from time to time, to provide the Trustee of BCSSS with all such information in their possession relating to those Members of the Scheme, who retire, die, withdraw from Contributing Service or otherwise become eligible to receive benefit under the scheme in any circumstances, as may reasonably be required for the purposes of that scheme as may be requested by the committee of BCSSS.

APPENDIX 1

Tables showing, per £100 of salary, the single payment required from a Contributor to purchase one "Added Year" under Rule 8 of the Scheme

Age at date of payment (last birthday)	Amount per £100 of salary	
	Men	Women
	£	£
30 and under	8.50	13.20
31	8.55	13.35
32	8.65	13.50
33	8.80	13.70
34	8.95	13.90
35	9.10	14.15
36	9.30	14.35
37	9.45	14.55
38	9.60	14.80
39	9.80	15.05
40	9.95	15.25
41	10.15	15.50
42	10.35	15.80
43	10.55	16.10
44	10.70	16.45
45	10.95	16.75
46	11.15	17.05
47	11.35	17.40
48	11.55	17.75
49	11.80	18.10
50	12.00	18.30
51	12.25	18.70
52	12.50	19.05
53	12.80	19.50
54	13.10	19.90
55	13.25	20.35
56	13.55	20.80
57	13.90	21.25
58	14.30	21.75
59	14.75	22.25

In this part of the table, ie, below the line, the amount appropriate to the age of the employee expressed in years and months is to be calculated proportionately by reference to the amounts shown at integral ages in the table.

NOTE - The total amount payable is to be calculated proportionately by reference to the annual remuneration of the employee at the date of payment and to the number of "Added Years" to be purchased.

APPENDIX II

(Part 1)

Tables showing, per £100 of salary, the level annual amount, payable by monthly instalments, required from a Contributor to purchase one "Added Year" under Rule 8 of the Scheme, the payments to continue so long as the employee is in service but not after the attainment of age 60.

Age at date of commencement of payment	Level annual amount per £100 of salary	
	Men	Women
	£	£
30 and under	0.5583	0.9292
31	0.5750	0.9625
32	0.5958	1.0000
33	0.6208	1.0417
34	0.6458	1.0875
35	0.6708	1.1375
36	0.7000	1.1958
37	0.7333	1.2542
38	0.7667	1.3250
39	0.8000	1.4042
40	0.8417	1.4917
41	0.8875	1.5958
42	0.9375	1.7167
43	0.9917	1.8583
44	1.0542	2.0333
45	1.1290	2.2375
46	1.2042	2.4958
47	1.2958	2.8250
48	1.4042	3.2458
49	1.5333	3.8292
50	1.6917	
51	1.8875	
52	2.1292	
53	2.4500	
54	2.8875	

NOTE - 1. The total annual amount is to be calculated proportionately by reference to the annual remuneration of the employee at the date at which the contract is made and to the number of "Added Years" to be purchased.

2. The amount appropriate to the age of the employee expressed in years and months is to be calculated proportionately by reference to the amounts shown at integral ages in the table.

APPENDIX II

(Part 2)

MEN

Table showing, per £100 of salary, the level monthly amount required from a Contributor to purchase one "Added Year" under Rule 8 of the Scheme, the payments to continue so long as the employee is in service but not after the attainment of age 60.

Age at date of commencement of payments		Number of payments to age 60	Level monthly payment	Age at date of commencement of payments		Number of payments to age 60	Level monthly payment
Years	Months		£	Years	Months		£
55	0	60	0.2625	56	6	42	0.3750
	1	59	0.2667		7	41	0.3833
	2	58	0.2708		8	40	0.3917
	3	57	0.2750		9	39	0.4042
	4	56	0.2792		10	38	0.4125
	5	55	0.2833		11	37	0.4208
	6	54	0.2875	57	0	36	0.4292
	7	53	0.2917		1	35	0.4458
	8	52	0.2958		2	34	0.4625
	9	51	0.3000		3	33	0.4792
	10	50	0.3042		4	32	0.5000
	11	49	0.3083		5	31	0.5167
56	0	48	0.3167		6	30	0.5292
	1	47	0.3250		7	29	0.5458
	2	46	0.3375		8	28	0.5708
	3	45	0.3458		9	27	0.5875
	4	44	0.3583		10	26	0.6042
	5	43	0.3667		11	25	0.6208
				58	0	24	0.6417

APPENDIX II

(Part 2)

WOMEN

Table showing, per £100 of salary, the level monthly amount required from a Contributor to purchase one "Added Year" under Rule 8 of the Scheme, the payments to continue so long as the employee is in service but not after the attainment of age 55.

Age at date of commencement of payments		Number of payments to age 55	Level monthly payment	Age at date of commencement of payments		Number of payments to age 55	Level monthly payment
Years	Months		£	Years	Months		£
50	0	60	0.3500	51	6	42	0.5000
	1	59	0.3583		7	41	0.5125
	2	58	0.3625		8	40	0.5208
	3	57	0.3708		9	39	0.5333
	4	56	0.3792		10	38	0.5417
	5	55	0.3833		11	37	0.5542
	6	54	0.3917	52	0	36	0.5708
	7	53	0.4000		1	35	0.5875
	8	52	0.4083		2	34	0.6167
	9	51	0.4125		3	33	0.6375
	10	50	0.4208		4	32	0.6667
	11	49	0.4292		5	31	0.6917
51	0	48	0.4333		6	30	0.7125
	1	47	0.4375		7	29	0.7375
	2	46	0.4458		8	28	0.7625
	3	45	0.4625		9	27	0.7875
	4	44	0.4708		10	26	0.8125
	5	43	0.4875		11	25	0.8375
				53	0	24	0.8625

APPENDIX I

Tables showing, per £100 of salary, the single payment required from a Contributor to purchase one "Added Year" under Rule 8 of the Scheme.

Amount per £100 salary

	MALES			FEMALES	
Age Exact at Date of Payment	for Normal Benefits £	for Family Benefits £	for Total Benefits £	for Normal Benefits £	for Family Benefits £
20 and under	21.65	7.93	29.58	19.03	2.40
21	20.61	7.55	28.16	18.77	2.35
22	19.67	7.17	26.84	18.56	2.30
23	18.62	6.79	25.41	18.24	2.24
24	17.67	6.42	24.09	17.97	2.18
25	16.86	6.12	22.98	17.68	2.13
26	16.11	5.82	21.93	17.44	2.08
27	15.46	5.58	21.04	17.17	2.03
28	15.00	5.37	20.37	17.17	2.01
29	14.59	5.22	19.81	17.13	1.98
30	14.18	5.05	19.23	17.13	1.96
31	13.83	4.92	18.75	17.10	1.94
32	13.49	4.76	18.25	17.11	1.92
33	13.32	4.69	18.01	17.21	1.91
34	13.13	4.59	17.72	17.36	1.90
35	12.98	4.53	17.51	17.47	1.90
36	12.81	4.43	17.24	17.62	1.89
37	12.68	4.37	17.05	17.73	1.88
38	12.75	4.37	17.12	17.90	1.87
39	12.85	4.37	17.22	18.00	1.86
40	12.93	4.34	17.27	18.18	1.85
41	13.03	4.34	17.37	18.29	1.84
42	13.10	4.34	17.44	18.47	1.83
43	13.22	4.34	17.56	18.62	1.82
44	13.29	4.32	17.61	18.85	1.81
45	13.41	4.32	17.73	19.00	1.80
46	13.48	4.30	17.78	19.24	1.79
47	13.61	4.30	17.91	19.40	1.78
48	13.69	4.28	17.97	19.62	1.77
49	13.84	4.28	18.12	19.75	1.75
50	13.92	4.24	18.16	19.99	1.74
51	14.08	4.24	18.32	20.15	1.72
52	14.18	4.18	18.36	20.42	1.71
53	14.37	4.18	18.55	20.64	1.69
54	14.47	4.10	18.57	20.99	1.68

55	14.68	4.10	18.78	21.24	1.66
56	14.79	4.04	18.83	00.00	0.00
57	15.05	4.04	19.09	00.00	0.00
58	15.23	3.98	19.21	00.00	0.00
59	15.59	3.98	19.57	00.00	0.00
60	15.81	3.87	19.68	00.00	0.00

Note

(1) The total payable is to be calculated proportionately by reference to the annual remuneration of the employee at the date of payment and to the number of "Added Years" to be purchased.

(2) The amount appropriate to the age of the employee expressed in years and months is to be calculated proportionately by reference to the amounts shown at integral ages in the table.

APPENDIX II

Tables showing, per £100 of salary at beginning of each financial year, the annual amount, payable by monthly instalments, required from a Contributor to purchase one "Added Year" under Rule 8 of the Scheme, the payments to continue so long as the employee is in service, but not after the attainment of age 60.

Annual amount, per £100 salary at the beginning of the year

	MALES			FEMALES	
Age Exact at Date of Payment	for Normal Benefits £	for Family Benefits £	for Total Benefits £	for Normal Benefits £	for Family Benefits £
20 and under	0.359	0.131	0.490	0.512	0.065
21	0.364	0.134	0.498	0.525	0.066
22	0.370	0.135	0.505	0.539	0.067
23	0.377	0.137	0.514	0.554	0.068
24	0.384	0.139	0.523	0.570	0.070
25	0.392	0.142	0.534	0.587	0.071
26	0.400	0.145	0.545	0.606	0.072
27	0.410	0.148	0.558	0.626	0.074
28	0.420	0.151	0.571	0.648	0.076
29	0.432	0.154	0.586	0.671	0.078
30	0.444	0.157	0.601	0.698	0.080
31	0.457	0.163	0.620	0.724	0.082
32	0.471	0.166	0.637	0.754	0.085
33	0.487	0.172	0.659	0.785	0.087
34	0.504	0.176	0.680	0.821	0.090
35	0.523	0.182	0.705	0.857	0.093
36	0.542	0.188	0.730	0.898	0.096
37	0.565	0.194	0.759	0.940	0.099
38	0.588	0.201	0.789	0.989	0.104
39	0.615	0.209	0.824	1.039	0.108
40	0.642	0.216	0.858	1.098	0.113
41	0.673	0.226	0.899	1.159	0.117
42	0.705	0.233	0.938	1.232	0.123
43	0.743	0.244	0.987	1.308	0.128
44	0.781	0.254	1.035	1.399	0.135
45	0.826	0.268	1.094	1.496	0.142
46	0.873	0.278	1.151	1.614	0.150
47	0.929	0.295	1.224	1.742	0.159
48	0.988	0.307	1.295	1.900	0.172
49	1.059	0.328	1.387	2.078	0.183
50	1.134	0.344	1.478	2.302	0.200
51	1.227	0.369	1.596	2.562	0.218
52	1.327	0.390	1.717	2.904	0.244
53	1.453	0.423	1.876	3.325	0.271
54	1.591	0.451	2.042	3.909	0.314

55	1.770	0.497	2.267	4.699	0.367
56	1.973	0.537	2.510	0.000	0.000
57	2.248	0.603	2.851	0.000	0.000
58	2.577	0.668	3.245	0.000	0.000
59	3.052	0.778	3.830	0.000	0.000
60	3.669	0.900	4.569	0.000	0.000

Note

(1) The total annual amount is to be calculated proportionately by reference to the annual remuneration of the employee at the beginning of each financial year and to the number of "Added Years" to be purchased.

(2) The amount appropriate to the age of the employee expressed in years and months is to be calculated proportionately by reference to the amounts shown at integral ages in the table.

APPENDIX I

Tables showing, per £100 of salary, the single payment required from a Contributor to purchase one "Added Year" under Rule 8 of the Scheme.

Amount per £100 salary

	MEN			WOMEN	
Age Exact at Date of Payment	for Normal Benefits £	for Family Benefits £	for Total Benefits £	for Normal Benefits £	for Family Benefits £
20 and under	24.12	9.29	33.41	23.94	1.75
21	22.25	8.58	30.83	23.37	1.75
22	21.00	8.04	29.04	22.75	1.75
23	20.12	7.67	27.79	22.25	1.75
24	19.62	7.42	27.04	21.81	1.75
25	19.19	7.21	26.40	21.44	1.75
26	18.75	7.04	25.79	21.12	1.71
27	18.44	6.92	25.36	20.81	1.71
28	18.19	6.83	25.02	20.56	1.67
29	18.00	6.79	24.79	20.37	1.67
30	17.75	6.75	24.50	20.25	1.62
31	17.56	6.75	24.31	20.25	1.62
32	17.44	6.67	24.11	20.31	1.62
33	17.31	6.62	23.93	20.37	1.62
34	17.25	6.62	23.87	20.50	1.62
35	17.19	6.58	23.77	20.56	1.58
36	17.12	6.54	23.66	20.62	1.58
37	17.06	6.54	23.60	20.75	1.58
38	17.06	6.50	23.56	20.87	1.58
39	17.06	6.46	23.52	21.00	1.58
40	17.12	6.42	23.54	21.25	1.58
41	17.12	6.37	23.49	21.50	1.58
42	17.12	6.33	23.45	21.81	1.58
43	17.19	6.29	23.48	22.12	1.58
44	17.25	6.25	23.50	22.44	1.58
45	17.31	6.25	23.56	22.75	1.58
46	17.44	6.21	23.65	23.06	1.58
47	17.50	6.17	23.67	23.44	1.58
48	17.62	6.12	23.74	23.62	1.54
49	17.69	6.08	23.77	23.81	1.54
50	17.81	6.04	23.85	23.87	1.50
51	17.94	5.96	23.90	23.94	1.50
52	18.06	5.87	23.93	24.00	1.46
53	18.25	5.79	24.04	24.00	1.46
54	18.44	5.67	24.11	24.00	1.42

55	18.62	5.54	24.16	24.00	1.37
56	18.87	5.42	24.29		
57	19.12	5.29	24.41		

Note

(1) The total payable is to be calculated proportionately by reference to the annual remuneration of the employee at the date of payment and to the number of "Added Years" to be purchased.

(2) The amount appropriate to the age of the employee expressed in years and months is to be calculated proportionately by reference to the amounts shown at integral ages in the table.

APPENDIX II

Tables showing, per £100 of salary at beginning of each Scheme year, the annual amount, payable by monthly instalments, required from a Contributor to purchase one "Added Year" under Rule 8 of the Scheme, the payments to continue so long as the employee is in service, but not after the attainment of age 60.

Annual amount, per £100 salary at the beginning of the year

	MEN			WOMEN	
Age Exact at Date of Payment	for Normal Benefits £	for Family Benefits £	for Total Benefits £	for Normal Benefits £	for Family Benefits £
20 and under	.404	.138	.542	.384	.051
21	.410	.140	.550	.396	.053
22	.418	.142	.560	.412	.055
23	.428	.145	.573	.430	.057
24	.438	.148	.586	.451	.059
25	.449	.151	.600	.473	.061
26	.461	.155	.616	.497	.063
27	.474	.159	.633	.522	.065
28	.488	.163	.651	.550	.068
29	.503	.167	.670	.579	.071
30	.519	.172	.691	.611	.073
31	.536	.178	.714	.641	.076
32	.555	.183	.738	.672	.080
33	.574	.189	.763	.706	.082
34	.594	.195	.789	.741	.085
35	.616	.202	.818	.778	.088
36	.640	.208	.848	.818	.091
37	.667	.216	.883	.861	.094
38	.695	.224	.919	.907	.098
39	.726	.233	.959	.956	.103
40	.760	.243	1.003	1.010	.108
41	.799	.253	1.052	1.071	.112
42	.840	.264	1.104	1.136	.118
43	.886	.277	1.163	1.210	.122
44	.939	.290	1.229	1.292	.128
45	.997	.306	1.303	1.385	.135
46	1.063	.322	1.385	1.492	.141
47	1.138	.341	1.479	1.615	.149
48	1.224	.363	1.587	1.757	.160
49	1.323	.386	1.709	1.925	.171
50	1.440	.414	1.854	2.125	.185
51	1.579	.447	2.026	2.368	.205
52	1.746	.484	2.230	2.672	.226
53	1.951	.531	2.482	3.060	.251
54	2.207	.589	2.796	3.578	.290

55	2.538	.661	3.199	4.300	.338
56	2.978	.758	3.736		
57	3.593	.891	4.484		

Note

(1) The total annual amount is to be calculated proportionately by reference to the annual remuneration of the employee at the beginning of each financial year and to the number of "Added Years" to be purchased.

(2) The amount appropriate to the age of the employee expressed in years and months is to be calculated proportionately by reference to the amounts shown at integral ages in the table.

APPENDIX I

Tables showing, per £100 of salary, the single payment required from a Contributor to purchase one "Added Year" under Rule 8 of the Scheme.

Amount per £100 salary

	MEN			WOMEN	
Age Exact at Date of Payment	for Normal Benefits £	for Family Benefits £	for Total Benefits £	for Normal Benefits £	for Family Benefits £
20 and under	23.32	8.63	31.95	23.37	1.67
21	21.48	7.83	29.31	22.76	1.62
22	20.23	7.29	27.52	22.19	1.58
23	19.44	7.00	26.44	21.74	1.54
24	18.90	6.79	25.69	21.29	1.50
25	18.49	6.62	25.11	20.90	1.46
26	18.07	6.50	24.57	20.57	1.42
27	17.77	6.42	24.19	20.25	1.42
28	17.54	6.33	23.87	20.02	1.42
29	17.31	6.25	23.56	19.86	1.42
30	17.09	6.17	23.26	19.76	1.42
31	16.90	6.08	22.98	19.76	1.42
32	16.79	6.00	22.79	19.82	1.38
33	16.67	5.92	22.59	19.89	1.38
34	16.56	5.88	22.44	19.99	1.38
35	16.50	5.83	22.33	20.05	1.38
36	16.45	5.79	22.24	20.11	1.38
37	16.41	5.75	22.16	20.21	1.38
38	16.41	5.75	22.16	20.34	1.38
39	16.41	5.75	22.16	20.46	1.38
40	16.42	5.75	22.17	20.69	1.38
41	16.45	5.75	22.20	20.97	1.38
42	16.47	5.75	22.22	21.26	1.38
43	16.52	5.75	22.27	21.55	1.38
44	16.60	5.75	22.35	21.84	1.38
45	16.67	5.75	22.42	22.12	1.38
46	16.75	5.75	22.50	22.47	1.38
47	16.82	5.75	22.57	22.79	1.38
48	16.94	5.75	22.69	23.01	1.38
49	17.01	5.75	22.76	23.14	1.38
50	17.09	5.75	22.84	23.20	1.38
51	17.24	5.71	22.95	23.26	1.38
52	17.40	5.67	23.07	23.32	1.38
53	17.59	5.54	23.13	23.32	1.33
54	17.74	5.42	23.16	23.32	1.33

55	17.96	5.25	23.21	23.32	1.33
56	18.19	5.08	23.27	23.32	1.33
57	18.41	4.92	23.33	23.32	1.33
58	18.76	4.79	23.55	23.32	1.33
59	19.06	4.71	23.77	23.32	1.29
60	19.40	4.58	23.98		
61	19.79	4.46	24.25		

Note

(1) The total payable is to be calculated proportionately by reference to the annual remuneration of the employee at the date of payment and to the number of "Added Years" to be purchased.

(2) The amount appropriate to the age of the employee expressed in years and months is to be calculated proportionately by reference to the amounts shown at integral ages in the table.

APPENDIX I

Tables showing, per £100 of salary, the single payment required from a Contributor to purchase one "Added Year" under Rule 8 of the Scheme.

Amount per £100 salary

	NON-INDUSTRIAL MALES			FEMALES	
Age Exact at Date of Payment	for Normal Benefits £	for Family Benefits £	for Total Benefits £	for Normal Benefits £	for Family Benefits £
20 and under	22.317	9.122	31.439	21.133	1.933
21	22.283	9.089	31.372	20.833	1.900
22	22.250	9.056	31.306	20.533	1.867
23	22.217	9.022	31.239	20.250	1.822
24	22.183	9.000	31.183	19.950	1.789
25	22.133	8.967	31.100	19.650	1.756
26	22.100	8.922	31.022	19.417	1.733
27	22.050	8.889	30.939	19.200	1.700
28	21.983	8.844	30.827	19.000	1.667
29	21.933	8.789	30.722	18.833	1.644
30	21.867	8.744	30.611	18.667	1.611
31	21.800	8.678	30.478	18.733	1.600
32	21.700	8.611	30.311	18.867	1.600
33	21.617	8.533	30.150	19.100	1.611
34	21.500	8.444	29.944	19.400	1.611
35	21.400	8.356	29.756	19.800	1.633
36	21.283	8.267	29.550	20.100	1.644
37	21.167	8.178	29.345	20.417	1.656
38	21.050	8.100	29.150	20.767	1.667
39	20.933	8.011	28.944	21.133	1.678
40	20.800	7.922	28.722	21.517	1.689
41	20.633	7.833	28.466	21.883	1.722
42	20.433	7.756	28.189	22.250	1.756
43	20.217	7.667	27.884	22.633	1.789
44	19.983	7.578	27.561	23.017	1.822
45	19.717	7.500	27.217	23.400	1.867
46	19.550	7.400	26.950	23.700	1.889
47	19.417	7.300	26.717	23.967	1.911
48	19.300	7.200	26.500	24.200	1.922
49	19.200	7.100	26.300	24.417	1.933
50	19.133	6.989	26.122	24.583	1.944
51	19.067	6.844	25.911	24.700	1.922
52	19.050	6.689	25.739	24.750	1.889
53	19.083	6.533	25.616	24.750	1.856
54	19.200	6.389	25.589	24.683	1.800
55	19.317	6.233	25.550	24.600	1.744
56	19.583	6.089	25.672	24.533	1.700
57	19.933	5.956	25.889	24.500	1.644
58	20.300	5.811	26.111	24.500	1.600
59	20.700	5.667	26.367	24.517	1.556

Note

(1) The total payable is to be calculated proportionately by reference to the annual remuneration of the employee at the date of payment and to the number of "Added Years" to be purchased.

(2) The amount appropriate to the age of the employee expressed in years and months is to be calculated proportionately by reference to the amounts shown at integral ages in the table.

APPENDIX II

Tables showing, per £100 of salary at beginning of each financial year, the annual amount, payable by monthly instalments, required from a Contributor to purchase one 'Added Year' under Rule 8 of the Scheme, the payments to continue so long as the employee is in service, but not after the attainment of age 60.

Annual amount, per £100 salary at the beginning of the year

	NON-INDUSTRIAL MALES		FEMALES		
Age Exact at Date of Payment	for Normal Benefits £	for Family Benefits £	for Total Benefits £	for Normal Benefits £	for Family Benefits £
20 and under	0.585	0.179	0.764	0.455	0.053
21	0.595	0.182	0.777	0.470	0.054
22	0.608	0.186	0.794	0.489	0.055
23	0.622	0.190	0.812	0.511	0.058
24	0.636	0.194	0.830	0.536	0.060
25	0.652	0.198	0.850	0.563	0.063
26	0.669	0.203	0.872	0.592	0.065
27	0.687	0.208	0.895	0.624	0.069
28	0.706	0.213	0.919	0.658	0.071
29	0.726	0.219	0.945	0.692	0.075
30	0.749	0.226	0.975	0.727	0.078
31	0.772	0.232	1.004	0.761	0.081
32	0.795	0.239	1.034	0.795	0.084
33	0.822	0.246	1.068	0.830	0.086
34	0.850	0.254	1.104	0.867	0.090
35	0.880	0.262	1.142	0.906	0.094
36	0.913	0.272	1.185	0.949	0.097
37	0.950	0.281	1.231	0.994	0.101
38	0.990	0.292	1.282	1.042	0.105
39	1.033	0.304	1.337	1.095	0.109
40	1.082	0.317	1.399	1.153	0.113
41	1.135	0.331	1.466	1.216	0.120
42	1.194	0.346	1.540	1.287	0.125
43	1.260	0.364	1.624	1.366	0.131
44	1.334	0.382	1.716	1.454	0.139
45	1.417	0.404	1.821	1.553	0.145
46	1.512	0.427	1.939	1.666	0.154
47	1.620	0.454	2.074	1.796	0.165
48	1.747	0.483	2.230	1.948	0.175
49	1.897	0.518	2.415	2.126	0.189
50	2.077	0.560	2.637	2.342	0.205
51	2.298	0.611	2.909	2.605	0.222
52	2.576	0.674	3.250	2.934	0.247
53	2.935	0.754	3.689	3.360	0.276
54	3.417	0.860	4.277	3.923	0.315
55	4.092	1.009	5.101	4.707	0.367

Note

(1) The total annual amount is to be calculated proportionately by reference to the annual remuneration of the employee at the beginning of each financial year and to the number of 'Added Years' to be purchased.

(2) The amount appropriate to the age of the employee expressed in years and months is to be calculated proportionately by reference to the amounts shown at integral ages in the table.

APPENDIX I

Tables showing, per £100 of salary, the single payment required from a Contributor to purchase one "Added Year" under Rule 8 of the Scheme.

Amount per £100 salary

INDUSTRIAL MALES

Age Exact at Date of Payment	for Normal Benefits £	for Family Benefits £	for Total Benefits £
20 and under	16.467	6.722	23.189
21	15.783	6.533	22.316
22	15.250	6.344	21.594
23	14.833	6.156	20.989
24	14.533	5.989	20.522
25	14.367	5.811	20.178
26	14.200	5.744	19.944
27	14.150	5.700	19.850
28	14.167	5.700	19.867
29	14.283	5.722	20.005
30	14.483	5.789	20.272
31	14.567	5.800	20.367
32	14.650	5.811	20.461
33	14.767	5.822	20.589
34	14.883	5.844	20.727
35	15.033	5.867	20.900
36	15.200	5.900	21.100
37	15.400	5.956	21.356
38	15.633	6.011	21.644
39	15.883	6.078	21.961
40	16.167	6.144	22.311
41	16.433	6.244	22.677
42	16.717	6.344	23.061
43	17.000	6.456	23.456
44	17.317	6.567	23.884
45	17.633	6.700	24.333
46	17.950	6.789	24.739
47	18.283	6.878	25.161
48	18.633	6.944	25.577
49	18.983	7.011	25.994
50	19.350	7.056	26.406
51	19.633	7.044	26.677
52	19.883	6.967	26.850
53	20.017	6.833	26.850
54	20.133	6.678	26.811
55	20.167	6.478	26.645
56	20.250	6.267	26.517
57	20.350	6.078	26.428
58	20.500	5.878	26.378
59	20.700	5.667	26.367

Note

(1) The total payable is to be calculated proportionately by reference to the annual remuneration of the employee at the date of payment and to the number of "Added Years" to be purchased.

(2) The amount appropriate to the age of the employee expressed in years and months is to be calculated proportionately by reference to the amounts shown at integral ages in the table.

APPENDIX II

Tables showing, per £100 of salary at beginning of each financial year, the annual amount, payable by monthly instalments, required from a Contributor to purchase one "Added Year" under Rule 8 of the Scheme, the payments to continue so long as the employee is in service, but not after the attainment of age 60.

Annual Amount, per £100 salary at the beginning of the year

INDUSTRIAL MALES

Age Exact at Date of Payment	for Normal Benefits £	for Family Benefits £	for Total Benefits £
20 and under	0.525	0.158	0.683
21	0.540	0.161	0.701
22	0.558	0.165	0.723
23	0.579	0.170	0.749
24	0.602	0.176	0.778
25	0.626	0.183	0.809
26	0.651	0.189	0.840
27	0.677	0.195	0.872
28	0.702	0.202	0.904
29	0.729	0.209	0.938
30	0.757	0.216	0.973
31	0.786	0.224	1.010
32	0.814	0.232	1.046
33	0.843	0.241	1.084
34	0.875	0.248	1.123
35	0.906	0.258	1.164
36	0.939	0.267	1.206
37	0.973	0.276	1.249
38	1.009	0.287	1.296
39	1.050	0.297	1.347
40	1.093	0.310	1.403
41	1.142	0.323	1.465
42	1.196	0.337	1.533
43	1.257	0.353	1.610
44	1.326	0.372	1.698
45	1.403	0.392	1.795
46	1.493	0.415	1.908
47	1.597	0.442	2.039
48	1.719	0.472	2.191
49	1.864	0.507	2.371
50	2.039	0.549	2.588
51	2.254	0.601	2.855
52	2.524	0.665	3.189
53	2.874	0.747	3.621
54	3.342	0.855	4.197
55	4.000	1.005	5.005

Note

(1) The total annual amount is to be calculated proportionately by reference to the annual remuneration of the employee at the beginning of each financial year and to the number of "Added Years" to be purchased.

(2) The amount appropriate to the age of the employee expressed in years and months is to be calculated proportionately by reference to the amounts shown at integral ages in the table.

APPENDIX II

Tables showing, per £100 of salary at beginning of each financial year, the annual amount, payable by monthly instalments, required from a Contributor to purchase one "Added Year" under Rule 8 of the Scheme, the payments to continue so long as the employee is in service, but not after the attainment of age 60.

Annual amount, per £100 salary at the beginning of the year

	NON-INDUSTRIAL MALES			FEMALES		
Age Exact at Date of Payment	for Normal Benefits £	for Family Benefits £	for Total Benefits £	for Normal Benefits £	for Family Benefits £	for Total Benefits £
20 and under	0.537	0.148	0.685	0.366	0.035	0.401
21	0.550	0.151	0.701	0.389	0.036	0.425
22	0.563	0.154	0.717	0.414	0.038	0.452
23	0.577	0.157	0.734	0.442	0.040	0.482
24	0.591	0.160	0.751	0.474	0.042	0.516
25	0.606	0.164	0.770	0.509	0.044	0.553
26	0.621	0.168	0.789	0.546	0.047	0.593
27	0.638	0.172	0.810	0.586	0.050	0.636
28	0.656	0.176	0.832	0.627	0.052	0.679
29	0.676	0.181	0.857	0.669	0.055	0.724
30	0.697	0.186	0.883	0.711	0.058	0.769
31	0.720	0.192	0.912	0.753	0.061	0.814
32	0.746	0.198	0.944	0.796	0.064	0.860
33	0.774	0.205	0.979	0.838	0.068	0.906
34	0.805	0.213	1.018	0.880	0.071	0.951
35	0.839	0.221	1.060	0.925	0.074	0.999
36	0.875	0.230	1.105	0.972	0.078	1.050
37	0.915	0.240	1.155	1.023	0.082	1.105
38	0.959	0.251	1.210	1.078	0.086	1.164
39	1.007	0.262	1.269	1.137	0.091	1.228
40	1.060	0.275	1.335	1.200	0.096	1.296
41	1.118	0.288	1.406	1.270	0.101	1.371
42	1.182	0.304	1.486	1.347	0.107	1.454
43	1.254	0.320	1.574	1.433	0.113	1.546
44	1.333	0.338	1.671	1.529	0.120	1.649
45	1.422	0.357	1.779	1.637	0.128	1.765
46	1.524	0.379	1.903	1.760	0.137	1.897
47	1.640	0.404	2.044	1.901	0.147	2.048
48	1.776	0.433	2.209	2.066	0.159	2.225
49	1.939	0.466	2.405	2.261	0.173	2.434
50	2.135	0.506	2.641	2.495	0.189	2.684
51	2.376	0.554	2.930	2.781	0.209	2.990
52	2.679	0.614	3.293	3.141	0.233	3.374
53	3.070	0.690	3.760	3.604	0.265	3.869
54	3.595	0.791	4.386	4.221	0.306	4.527
55	4.332	0.932	5.264	5.079	0.362	5.441

Note

(1) The total payable is to be calculated proportionately by reference to the annual remuneration of the employee at the beginning of each financial year and to the number of "Added Years" to be purchased.

(2) The amount appropriate to the age of the employee expressed in years and months is to be calculated proportionately by reference to the amounts shown at integral ages in the table.

Applicable to options exercised after 1 November 1993
and before the table is replaced

APPENDIX II

Tables showing, per £100 of salary at beginning of each financial year, the annual amount, payable by monthly instalments, required from a Contributor to purchase one "Added Year" under Rule 8 of the Scheme, the payments to continue so long as the employee is in service, but not after the attainment of age 60.

Annual amount, per £100 salary at the beginning of the year

INDUSTRIAL MALES

Age Exact at Date of Payment	for Normal Benefits £	for Family Benefits £	for Total Benefits £
20 or under	0.490	0.121	0.611
21	0.513	0.126	0.639
22	0.537	0.131	0.668
23	0.560	0.136	0.696
24	0.584	0.141	0.725
25	0.608	0.146	0.754
26	0.633	0.152	0.785
27	0.659	0.158	0.817
28	0.685	0.165	0.850
29	0.711	0.171	0.882
30	0.738	0.178	0.916
31	0.764	0.185	0.949
32	0.791	0.192	0.983
33	0.818	0.200	1.018
34	0.847	0.208	1.055
35	0.878	0.216	1.094
36	0.912	0.225	1.137
37	0.949	0.235	1.184
38	0.988	0.246	1.234
39	1.032	0.257	1.289
40	1.081	0.270	1.351
41	1.135	0.284	1.419
42	1.195	0.299	1.494
43	1.262	0.316	1.578
44	1.338	0.334	1.672
45	1.425	0.355	1.780
46	1.525	0.378	1.903
47	1.640	0.405	2.045
48	1.776	0.436	2.212
49	1.937	0.472	2.409
50	2.132	0.515	2.647
51	2.371	0.566	2.937
52	2.671	0.630	3.301
53	3.058	0.711	3.769
54	3.577	0.819	4.396
55	4.306	0.968	5.274

Note

(1) The total annual amount is to be calculated proportionately by reference to the annual remuneration of the employee at the beginning of each financial year and to the number of "Added Years" to be purchased.

(2) The amount appropriate to the age of the employee expressed in years and months is to be calculated proportionately by reference to the amounts shown at integral ages in the table.

APPENDIX I

Tables showing, per £100 of salary, the single payment required from a Contributor to purchase one "Added Year" under Rule 8 of the Scheme.

Amount per £100 salary

	NON-INDUSTRIAL MALES			FEMALES	
Age Exact at Date of Payment	for Normal Benefits £	for Family Benefits £	for Total Benefits £	for Normal Benefits £	for Family Benefits £
20 and under	30.350	12.400	42.750	18.850	1.722
21	30.017	12.244	42.261	19.200	1.744
22	29.700	12.089	41.789	19.533	1.767
23	29.367	11.933	41.300	19.883	1.789
24	29.050	11.778	40.828	20.217	1.822
25	28.717	11.633	40.350	20.567	1.844
26	28.167	11.378	39.545	20.800	1.856
27	27.533	11.100	38.633	21.000	1.856
28	26.833	10.789	37.622	21.183	1.867
29	26.050	10.444	36.494	21.317	1.856
30	25.267	10.100	35.367	21.467	1.856
31	24.600	9.800	34.400	21.633	1.856
32	24.033	9.533	33.566	21.850	1.856
33	23.500	9.278	32.778	22.100	1.856
34	23.000	9.033	32.033	22.350	1.867
35	22.533	8.800	31.333	22.633	1.867
36	22.117	8.589	30.706	22.967	1.878
37	21.733	8.400	30.133	23.317	1.889
38	21.383	8.222	29.605	23.717	1.900
39	21.083	8.067	29.150	24.150	1.922
40	20.817	7.922	28.739	24.550	1.933
41	20.650	7.833	28.483	24.883	1.956
42	20.533	7.789	28.322	25.133	1.978
43	20.483	7.789	28.272	25.333	2.000
44	20.483	7.789	28.272	25.517	2.022
45	20.483	7.789	28.272	25.650	2.044
46	20.467	7.755	28.222	25.683	2.056
47	20.433	7.689	28.122	25.650	2.044
48	20.383	7.611	27.994	25.567	2.033
49	20.350	7.522	27.872	25.417	2.011
50	20.300	7.422	27.722	25.200	1.989
51	20.217	7.255	27.472	25.033	1.944
52	20.167	7.067	27.234	24.900	1.900
53	20.133	6.878	27.011	24.767	1.856
54	20.133	6.678	26.811	24.667	1.800

55	20.167	6.478	26.645	24.583	1.744
56	20.250	6.267	26.517	24.533	1.700
57	20.350	6.078	26.428	24.500	1.644
58	20.500	5.878	26.378	24.500	1.600
59	20.700	5.667	26.367	24.517	1.556

Note

(1) The total payable is to be calculated proportionately by reference to the annual remuneration of the employee at the date of payment and to the number of "Added Years" to be purchased.

(2) The amount appropriate to the age of the employee expressed in years and months is to be calculated proportionately by reference to the amounts shown at integral ages in the table.

APPENDIX I

Tables showing, per £100 of salary, the single payment required from a Contributor to purchase one "Added Year" under Rule 8 of the Scheme.

Amount per £100 Salary

INDUSTRIAL MALES

Age Exact at Date of Payment	for Normal Benefits £	for Family Benefits £	for Total Benefits £
20 or under	14.283	5.833	20.116
21	14.333	5.844	20.177
22	14.383	5.855	20.238
23	14.450	5.867	20.317
24	14.500	5.878	20.378
25	14.550	5.900	20.450
26	14.683	5.933	20.616
27	14.850	5.978	20.828
28	15.017	6.033	21.050
29	15.233	6.100	21.333
30	15.450	6.178	21.628
31	15.700	6.244	21.944
32	15.950	6.322	22.272
33	16.217	6.400	22.617
34	16.517	6.478	22.995
35	16.833	6.567	23.400
36	17.117	6.644	23.761
37	17.417	6.733	24.150
38	17.700	6.811	24.511
39	18.017	6.889	24.906
40	18.317	6.967	25.284
41	18.550	7.044	25.594
42	18.750	7.111	25.861
43	18.917	7.178	26.095
44	19.083	7.244	26.327
45	19.217	7.311	26.528
46	19.350	7.322	26.672
47	19.483	7.333	26.816
48	19.617	7.311	26.928
49	19.717	7.289	27.006
50	19.817	7.244	27.061
51	19.867	7.122	26.989
52	19.933	6.989	26.922
53	20.000	6.822	26.822
54	20.067	6.655	26.722
55	20.150	6.467	26.617
56	20.250	6.267	26.517
57	20.350	6.078	26.428
58	20.500	5.878	26.378
59	20.700	5.667	26.367

Note

(1) The total payable is to be calculated proportionately by reference to the annual remuneration of the employee at the date of payment and to the number of "Added Years" to be purchased.

(2) The amount appropriate to the age of the employee expressed in years and months is to be calculated proportionately by reference to the amounts shown at integral ages in the table.

APPENDIX III

Table for adjustment of pensions on receipt of National Insurance Benefit under the National Insurance Act, 1965 (Rule 50)

Pension reductions starting at age 65 (men) 60 (women)

Age at date of reduction of contributions	Pension reductions per year of Contributing Service over the period of reduction of contributions (subject to a maximum reduction corresponding to 40 years service)	
	Men £	Women £
Under 21	1.700	1.700
21 and under 22	1.700	1.600
22 and under 23	1.650	1.500
23 and under 24	1.650	1.425
24 and under 25	1.600	1.350
25 and under 26	1.550	1.275
26 and under 27	1.550	1.200
27 and under 28	1.500	1.125
28 and under 29	1.500	1.050
29 and under 30	1.450	1.000
30 and under 31	1.400	0.950
31 and under 32	1.400	0.900
32 and under 33	1.350	0.875
33 and under 34	1.350	0.850
34 and under 35	1.300	0.825
35 and under 36	1.250	0.800
36 and under 37	1.200	0.775
37 and under 38	1.200	0.750
38 and under 39	1.150	0.725
39 and under 40	1.150	0.700
40 and under 41	1.100	0.700
41 and under 42	1.100	0.675
42 and under 43	1.050	0.675
43 and under 44	1.050	0.650
44 and under 45	1.000	0.650
45 and under 46	1.000	0.625
46 and under 47	0.950	0.625
47 and under 48	0.950	0.600
48 and under 49	0.900	0.575
49 and under 50	0.900	0.550
50 and under 51	0.850	0.550+
51 and under 52	0.850	
52 and under 53	0.850	
53 and under 54	0.800	
54 and under 55	0.800	
55 and over	0.750	

+ Age 50 and over

APPENDIX IV - CONTRACTING-OUT

GMP MODEL RULES
(CODE: OPB/SR - REVISED 12/89)

Contents

1. Interpretation

   1.1 Definitions
   1.2 Legislation

2. Application of Appendix

   2.1 Application of Appendix
   2.2 Overriding effect of Appendix

3. Amendment of Appendix

   3.1 Power to alter Appendix
   3.2 OPB's consent

4. Entitlement to GMP

   4.1 Guaranteed Minimum
   4.2 Member's GMP
   4.3 Widow's GMP
   4.4 Widow's GMP - when payable
   4.5 Widower's GMP
   4.6 Widower's GMP - when payable
   4.7 Offsetting pension against GMP

5. Increasing a Member's GMP after State Pension Age or a Widow's or Widower's GMP

6. Revaluation of GMP

   6.1 After State Pension Age
   6.2 Before State Pension Age
   6.3 Transfers in
   6.4 Transfers out

7. Anti-Franking

8. Transfers into the Scheme

   8.1 Acceptance of transfers
   8.2 Effect of transfers

9. Transfers of GMPs out of the Scheme

   9.1 Conditions for transfer of GMPs
   9.2 Effect of such transfers

10. Transfer premiums

11. Commutation of GMP

    11.1 Commutation Condition
    11.2 Circumstances in which GMP may be commuted

12. Securing GMPs

13. Winding-up of the Scheme

    13.1 Priorities on winding-up
    13.2 Order of priorities
    13.3 Voluntary contributions

14. Scheme ceasing to be a contracted-out salary related scheme

15. Upper age limit for entry

16. Contributions equivalent premiums

OVERRIDING APPENDIX - GMP MODEL RULES

1. **Interpretation**

1.1. **Definitions.** In this Appendix the following words have the following meanings:-

"**1973 Act**" means the Social Security Act 1973.

"**1975 Act**" means the Social Security Pensions Act 1975.

"**Actuary**" means a Fellow of the Institute of Actuaries or a Fellow of the Faculty of Actuaries or a person with other actuarial qualifications who is approved by the Secretary of State for Social Security, at the request of the Trustees, as being a proper person to act in this capacity.

"**Contracted-out Employment**" of a Member means his contracted-out employment by reference to the Scheme (which expression shall have the same meaning as in the 1975 Act).

"**Fixed Rate Revaluation**" means the method of revaluing a GMP before State Pension Age described in (C) in Rule 6.2.

"**GMP**" means the guaranteed minimum pension of a Member, Widow or Widower as defined in the 1975 Act.

"**Insurer**" means:-

(1) an insurance company authorised under section 3 or 4 of the Insurance Companies Act 1982 to carry on ordinary long-term insurance business and acting through a branch or office in the United Kingdom; or

(2) a friendly society enabled under regulations made under section 71(1) of the 1973 Act as amended by section 4 of the Social Security Amendment Act 1974 or under article 67 of the Social Security Pensions (Northern Ireland) Order 1975 to conduct such business as is described in that section or article.

"**Limited Revaluation**" means the method of revaluing a GMP before State Pension Age described in (B) in Rule 6.2.

"**Member**" means a member of the Scheme (including a person who is no longer in the pensionable service of any employer participating in the Scheme but in respect of whom benefits are still immediately or prospectively payable under the Scheme).

"**Normal Retiring Date**" means the day on which a Member attains his normal pension age (within the meaning of the 1975 Act) under the Scheme.

"**Protected Rights**" has the same meaning as in Schedule 1 to the Social Security Act 1986.

"**Qualifying Service**" has the same meaning as in the 1973 Act.

"**Rule**" followed by a number means the Rule with that number in this Appendix.

"**Scheme**" means this occupational pension scheme.

"**Section 21 Revaluation**" means the method of revaluing a GMP before State Pension Age described in (A) in Rule 6.2.

"**Section 49 money purchase scheme**" means a scheme which was a contracted-out money purchase scheme and which the Occupational Pensions Board are under a duty to supervise under section 49 of the 1975 Act.

"**Section 49 salary related scheme**" means a scheme which was a contracted-out salary related scheme and which the Occupational Pensions Board are under a duty to supervise under section 49 of the 1975 Act.

"**Short Service Benefit**" means the benefit to which an early leaver who satisfies the qualifying conditions must be entitled under the preservation requirements.

"**State Pension Age**" means a man's 65th birthday and woman's 60th birthday.

"**Trustees**" means the trustees or administrators of the Scheme.

"**Widow**" **and** "**Widower**" mean respectively the widow and the widower of a Member. If a Member has married under a law which allows polygamy and, on the day of the Member's death has more than one spouse, none of them will qualify as a Widow or Widower. However, if only one spouse survives, that survivor will be the Widow or Widower.

1.2 **Legislation.** References to any piece of legislation include any legislative modification or re-enactment of it, any regulations made under it and any equivalent Northern Ireland legislation.

2. **Application of Appendix**

2.1 **Application of Appendix.** This Appendix shall apply if any Member's employment becomes Contracted-out Employment by reference to the Scheme and the Scheme is not contracted-out on a money purchase basis.

The Appendix will only apply so long as anyone has a GMP or a prospective right to receive a GMP under the Scheme.

2.2 **Overriding effect of Appendix.** This Appendix overrides any inconsistent provisions elsewhere in the Scheme except provisions which are necessary in order that Inland Revenue approval for the purposes of Chapter I Part XIV of the Income and Corporation Taxes Act 1988 is not prejudiced.

3. **Amendment of Appendix**

3.1 **Power to alter Appendix.** The persons or bodies having the power of alteration in relation to the rest of the Scheme may make in writing any alteration to this Appendix necessary to comply with the contracting-out requirements of the 1975 Act applicable to salary related contracted-out schemes and Section 49 salary related schemes. This power of alteration may be exercised by them without any condition except the one in Rule 3.2.

3.2 **OPB's consent.** No alteration to this Appendix may be made without the consent of the Occupational Pensions Board. This applies whether the alteration is made under Rule 3.1 or under any other power of alteration in the Scheme.

4. **Entitlement to GMP**

4.1 **Guaranteed Minimum.** Rule 4 applies to a Member, Widow or Widower where the Member has a guaranteed minimum in relation to the pension provided for the Member under the Scheme in accordance with section 35 of the 1975 Act.

4.2 **Member's GMP.** The Member shall be entitled to a pension for life paid at a rate equivalent to a weekly rate of not less than that guaranteed minimum. The pension will be paid from

State Pension Age but commencement of the pension may be postponed for any period during which the Member remains in employment after State Pension Age:-

(1) if the employment is employment to which the Scheme relates and the postponement is not for more than 5 years after State Pension Age, or

(2) if the Member consents to the postponement.

4.3 **Widow's GMP.** Where the Member is a man and dies at any time leaving a Widow, she shall be entitled, subject to Rule 4.4, to receive a pension from the Scheme paid at a rate equivalent to a weekly rate of not less than half that guaranteed minimum.

4.4 The pension shall be paid for life to any Widow.

4.5 **Widower's GMP.** Where the Member is a woman and dies at any time on or after 6 April 1989 leaving a Widower, he shall be entitled, subject to Rule 4.6, to receive a pension from the Scheme paid at a rate equivalent to a weekly rate of not less than half of that part of that guaranteed minimum which is attributable to earnings for the tax year 1988/89 and subsequent tax years.

4.6 The pension shall be paid for life to any Widower.

4.7 **Offsetting pension against GMP.** Any pension payable to the Member, Widow or Widower under any other provision of the Scheme may be offset against his or her pension entitlement under Rule 4 except to the extent that:-

(1) any part of the other pension is an equivalent pension benefit within the meaning of the National Insurance Act 1965, or

(2) any part of the other pension is the "appropriate amount" under Part I of Schedule 1A of the 1975 Act, or

(3) offsetting would contravene Rule 7.

5. **Increasing a Member's GMP after State Pension Age or a Widow's or Widower's GMP**

Any GMP to which a Member, Widow or Widower is entitled under Rule 4 shall, insofar as it is attributable to earnings in the tax years from and including 1988/89, be increased in accordance with the requirements of section 37A of the 1975 Act.

6. **Revaluation of GMP**

6.1 **After State Pension Age.** If the commencement of any Member's GMP is postponed for any period after State Pension Age, that GMP shall be increased to the extent, if any, specified in sections 35(6), (6A) and (6B) of the 1975 Act.

6.2 **Before State Pension Age.** Where a Member ceases to be in Contracted-out Employment before State Pension Age, the Member's GMP at State Pension Age or at the Member's earlier death will be calculated by increasing the accrued rights to GMP at cessation of Contracted-out Employment under (A) or (B) or (C) below.

(A) **Section 21 Revaluation**

The increase will be by the percentage by which earnings factors for the tax year in which Contracted-out Employment ceases are increased by the last order under section 21 of the 1975 Act to come into force before the tax year in which the Member reaches State Pension Age or dies (if earlier).

(B) **Limited Revaluation**

The increase will be by the lesser of:-

(1) 5 per cent compound for each tax year after that in which Contracted-out Employment ceases up to and including the last complete tax year before the Member reaches State Pension Age or dies (if earlier), and

(2) the percentage by which earnings factors for the tax year in which Contracted-out Employment ceases are increased by the last order under section 21 of the 1975 Act to come into force before the tax year in which the Member reaches State Pension Age or dies (if earlier).

The Trustees must pay a limited revaluation premium in respect of the Member to the Secretary of State.

(C) **Fixed Rate Revaluation**

The increase will be by such rate as regulations made under section 45(1)(b) of the 1975 Act specify as being relevant at the date Contracted-out Employment ceases, for

each tax year after the tax year containing that date up to and including the last complete tax year before the Member reaches State Pension Age or dies (if earlier).

The Trustees and the principal employer participating in the Scheme shall decide whether (A) or (B) or (C) applies to the Scheme. They may at any time decide that one of the other two methods shall be used, instead of the method currently being used, for all Members ceasing to be in Contracted-out Employment after a specified date. They must notify the Occupational Pensions Board whenever the method of revaluation for the Scheme is changed.

6.3 **Transfers in.** Where a transfer payment is received in respect of a Member from another scheme ("the transferring scheme") which includes accrued rights of the Member to a GMP, the earnings factors used in calculating that GMP will normally be revalued using Section 21 Revaluation during the Member's Contracted-out Employment and Rule 6.2 will apply if that Contracted-out Employment ceases before State Pension Age. The Trustees may, however, decide, if the provisions of the transferring scheme so allow, to use either Fixed Rate Revaluation or Limited Revaluation from the date on which the Member ceased to be in contracted-out employment by reference to the transferring scheme until the Member attains State Pension Age (or dies, if earlier) but:-

(1) Fixed Rate Revaluation may not be used as regards any part of the GMP being transferred which arose from contracted-out employment in relation to a previous scheme and which the transferring scheme is already revaluing by Limited Revaluation (or vice versa), and

(2) the Trustees may not make that decision in respect of any Member if, when he becomes a Member, his contracted-out employment before he became a Member is treated as continuing for the purposes of the 1975 Act.

Where under Rule 6.3 Limited Revaluation is to be used, the Trustees shall have power to pay out of the transfer payment in respect of that Member any limited revaluation premium payable as a result of the Member ceasing to be in contracted-out employment by reference to the transferring scheme.

Where the Scheme accepts the proceeds of or the assignment of an insurance policy which consists of or includes accrued rights to GMP condition (1) above applies unless the Trustees use Section 21 Revaluation.

6.4 **Transfers out.** Where a Member's accrued rights to GMPs are transferred to another contracted-out salary related scheme or to a section 49 salary related scheme, the Trustees

may agree with the administrator of that scheme that the Member's GMP shall, instead of being revalued using the method currently being adopted under Rule 6.2, be revalued using another method which would be permitted if that scheme contained a rule in the same terms as Rule 6.3 but, where Limited Revaluation is to be used, that administrator must make arrangements for the payment of any limited revaluation premium (unless it has already been paid by the Trustees).

7. **Anti-Franking**

Except as provided in sections 37A and 41A - 41E of the 1975 Act, no part of a Member's, Widow's or Widower's pension under the Scheme may be used to frank an increase in the Member's, Widow's or Widower's GMP under Rule 5 or Rule 6.

8. **Transfers into the Scheme**

8.1 **Acceptance of transfers.** The Trustees may accept:-

(1) a transfer payment in respect of the Member's accrued rights to GMPs under a contracted-out salary related scheme, a section 49 salary related scheme or an annuity policy of the type described in section 52C of the 1975 Act,

(2) a transfer of the liability for the payment of GMPs to or in respect of any person who has become entitled to them, or

(3) a transfer of Protected Rights in respect of the Member from another scheme which is, or was, an appropriate personal pension scheme, a scheme contracted-out on a money purchase basis or a section 49 money purchase scheme.

Transfers may be accepted only as provided in the appropriate regulations.

8.2 **Effect of transfers.** Where a transfer is accepted under Rule 8.1(1), the Member's accrued rights to GMPs under the Scheme will be increased accordingly.

Where a transfer is accepted under Rule 8.1(3), the Member's, Widow's and Widower's GMPs under the Scheme will be increased by amounts equal to the GMPs to which they would have been treated as entitled by reason of the Member's membership of the transferring scheme if the transfer payment had not been made.

9. **Transfers of GMPs out of the Scheme**

9.1 **Conditions for transfer of GMPs.** A transfer payment made out of the Scheme may include a Member's accrued rights to GMPs or the liability for the payment of GMPs to or in respect of any person who has become entitled to them only if the following conditions are fulfilled. These conditions depend on the type of scheme or policy to which the transfer is being made:-

(1) **All transfers**

The Member must consent to the transfer unless:-

(a) it is made to another contracted-out salary related scheme or section 49 salary related scheme where either the scheme is a scheme of the same employer or the transfer involves all of or a group of the Members of the Scheme and either the transfer results from a financial transaction between the Member's old and new employers, or the receiving scheme is a scheme of an employer connected with the Member's old employer for the purposes of section 51A of the 1975 Act; or

(b) it is to allow benefits to be bought out where the Member has between 2 and 5 years' Qualifying Service, or to allow the Trustees to buy out the benefits of the Widow or Widower of such a Member.

The transfer will be subject to any requirements of the Inland Revenue.

The receiving scheme or policy must be an appropriate personal pension scheme, a contracted-out occupational pension scheme, a section 49 money purchase or section 49 salary related scheme, an overseas occupational pension scheme to which the Occupational Pensions Board approve the transfer or an annuity policy of the type described in section 52C of the 1975 Act.

(2) **Contracted-out salary related schemes and section 52C annuity policies**

The receiving scheme or policy must provide the Member and the Member's Widow or Widower with GMPs equal to their accrued GMPs under the Scheme up to the date of transfer, together with revaluation until the Member reaches State Pension Age (or dies, if earlier). In the case of GMPs already in payment the receiving scheme must provide for the pensions to commence from the date from which liability

for payment has been assumed by it, and for the conditions of payment relating to its own GMPs to apply equally to such pensions.

(3) **All occupational pension schemes (except overseas schemes covered by (6))**

In the case of transfer of accrued rights to GMPs (other than transfers in accordance with regulations 2(4) and 2A(4) of SI 1985/1323) the Member must have entered employment with an employer which is (or, in the case of a section 49 scheme, is or was) a contributor to the receiving scheme.

(4) **Appropriate personal pension schemes and occupational pension schemes which are or were contracted-out by the money purchase test**

That part of the transfer payment which relates to the Member's accrued rights to GMPs must be of an amount at least equal to the cash value of those accrued rights and applied by the receiving scheme in providing money purchase benefits for or in respect of the Member.

(5) **Section 49 money purchase or section 49 salary related schemes**

No transfer payment may be made to such a scheme without the approval of the Occupational Pensions Board, who may impose any conditions they consider appropriate.

(6) **Overseas occupational pension schemes not covered by (2), (4) or (5) above**

The Member must have entered employment outside the United Kingdom to which the receiving scheme applies.

No transfer payments may be made to such a scheme without the approval of the Occupational Pensions Board, who may impose any conditions they consider appropriate.

9.2 **Effect of such transfers.** Where the Member's accrued rights to GMPs or liability for GMPs already in payment are transferred in accordance with Rule 9.1, the Member and the Member's Widow or Widower will cease to have any entitlement to a GMP under the Scheme. If the transfer does not relate to the whole of the Member's rights to benefits under the Scheme, the Member's remaining benefits under the Scheme may be reduced to allow for the fact that the Member's GMP rights have been transferred.

10. **Transfer premiums**

Where a Member ceases to be in Contracted-out Employment before Normal Retiring Date and the Member's accrued rights to benefits (other than GMPs) are transferred to another occupational pension scheme which is neither a contracted-out scheme nor one which was formerly contracted-out and which remains under the supervision of the Occupational Pensions Board in accordance with section 49 of the 1975 Act, the Trustees may elect to pay a transfer premium to the Secretary of State for Social Security. No such election may be made where the Member has completed less than 2 years' Qualifying Service or where an accrued rights premium is payable in respect of the Member.

Where a transfer premium is paid, the Member's accrued rights to GMPs under the Scheme shall be extinguished.

11. **Commutation of GMP**

11.1 **Commutation Condition**. The Commutation Condition is that the aggregate of the pensions and the pension equivalent of any lump sum benefits to which the person is entitled under the Scheme and under all other retirement benefit schemes relating to employment with the same employer as the employment in respect of which the benefits are payable does not exceed £104 per annum (or such greater amount as may be prescribed by regulations made under paragraph 15(4) of Schedule 16 of the 1973 Act and section 39(1) of the 1975 Act and is permitted by the Inland Revenue). In determining whether the Commutation Condition is satisfied:-

(a) Where commutation is taking place before State Pension Age, other than on the death of the Member, Fixed Rate Revaluation or Limited Revaluation must be applied to any GMP included in the aggregate pension and such GMP must be revalued to State Pension Age for the purposes of calculating that aggregate. For this purpose, Limited Revaluation is to be taken as 5% per annum compound.

(b) Where the Member's pension, being an alternative to short service benefit, becomes payable before Normal Retiring Date, the value of that pension must, to the reasonable satisfaction of the Trustees reflect the revaluation to Normal Retiring Date that the deferred pension would have attracted in accordance with Schedule 1A of the 1975 Act had it been provided by the Scheme at Normal Retiring Date and the revaluation of GMP referred to in (a) above.

(c) Where the Member's pension is equal to or larger than Short Service Benefit and becomes payable earlier than at Normal Retiring Date with the Member's consent, the pension to be taken into account to meet the Commutation Condition is the actuarial equivalent of the benefit which would have been payable if it had been payable only from Normal Retiring Date.

(d) Where commutation of the whole of a Member's deferred pension is taking place at Normal Retiring Date (or on the winding up of the Scheme if earlier) the Member's pension in excess of GMP must be revalued up to Normal Retiring Date in accordance with Schedule 1A of the 1975 Act.

(e) In any event, the basis of commutation must be certified as reasonable by an Actuary.

11.2 **Circumstances in which GMP may be commuted**

(1) **Member's GMP**. The Member's GMP may be commuted if the Commutation Condition is satisfied and all his/her other benefits under the Scheme are being commuted and

(a) his/her benefits have become payable; or

(b) the Scheme is being wound up.

(2) **Widow or Widower's GMP**. The Widow or Widower's GMP may be commuted if the Commutation Condition is satisfied and all her/his other benefits under the Scheme are being commuted and

(a) her/his benefits have become payable; or

(b) the Member's benefits are being commuted on grounds of triviality.

(3) If the Member is a member of more than one retirement benefit scheme relating to the same employment the requirements of this rule must be satisfied by each of the schemes.

12. **Securing GMPs**

GMPs may be secured through the Scheme provided it has been established under an irrevocable trust subject to the laws of any part of the United Kingdom. Otherwise, a GMP must be secured by means of an insurance policy or annuity contract with an Insurer.

13. **Winding-up of the Scheme**

13.1 **Priorities on winding-up**. On a winding-up of the Scheme for any reason, priority must be given over any other liability to provide benefits to any benefit which falls within any one or more of the following:-

(1) Pensions and other benefits in respect of which entitlement to payment has already arisen.

(2) GMPs and accrued rights to GMPs.

(3) State scheme premiums.

(4) Equivalent pension benefits within the meaning of the National Insurance Act 1965.

13.2 **Order of priorities**. The Trustees and the principal employer participating in the Scheme may elsewhere in the provisions of the Scheme specify an order of priorities amongst the items listed in Rule 13.1 but the order of priorities shall not give any liability to provide benefits which are not listed in Rule 13.1 priority equal to or exceeding the priority given to any item which is listed there.

13.3 **Voluntary contributions**. Where Members' voluntary contributions to the Scheme are being used to provide benefits equivalent on a money purchase basis to the voluntary contributions paid and where there are separately identifiable assets attributable to those voluntary contributions within the Scheme, Rule 13.1 shall not apply to those separately identifiable assets. That part of those assets which is attributable to the voluntary contributions of a Member shall be used to provide benefits for or in respect of that Member of the types specified in the other provisions of the Scheme. No regular payments may be made by the employer unless they are used solely for the purpose of meeting administrative expenses.

14. **Scheme ceasing to be a contracted-out salary related scheme**

If the Scheme ceases to be a contracted-out salary related scheme, the Trustees must seek the Occupational Pensions Board's approval to any proposed arrangements for securing GMPs. If it is decided to buy Members back into the State Earnings Related Pension Scheme, then accrued rights premiums or pensioner's rights premiums must be paid to the Secretary of State for Social Security in the manner required by regulations made under the 1975 Act. Once these premiums have been paid, the GMPs will be extinguished. The other benefits of the Members, Widows or Widowers concerned under the Scheme shall be reduced by the amount of the GMP accrued at the date the Scheme ceased to be contracted-out increased to State Pension Age (or the Member's death, if earlier) by Fixed Rate Revaluation or Section 21 Revaluation.

15. **Upper age limit for entry**

Membership of the Scheme must be open to persons who enter employments to which the Scheme relates more than 6 years before Normal Retiring Date. If the Scheme has an annual entry date, this 6 year period may be increased to a period of between 6 and 7 years beginning with that annual entry date. Where the Scheme and one or more other contracted-out schemes relate to employment with the same employer, those schemes may be treated as if they were a single scheme in deciding whether the requirements of this Rule 15 are satisfied.

16. **Contributions equivalent premiums**

16.1 A contributions equivalent premium shall be paid, subject to Rule 16.2, in respect of a Member who ceases to be in Contracted-out Employment before whichever is the earlier of the Member's Normal Retiring Date and the end of the tax year preceding that in which the Member will reach State Pension Age with less than 2 years' Qualifying Service and less than 2 years' Contracted-out Employment. A contributions equivalent premium shall not be paid where the Member's accrued rights include rights transferred from a personal pension, nor where the Member is a woman who dies in contracted-out employment in respect of Widower's GMP.

Payment of the contributions equivalent premium extinguishes the Member's accrued rights to GMPs under the Scheme. Therefore, where the premium is paid, any refund of contributions to the Member or any transfer payment from the Scheme in respect of the Member shall be reduced by the certified amount (as defined in the 1975 Act) in relation to that premium and any pension benefit under the Scheme for the Member or the Member's

Widow or Widower shall be reduced so as to allow for the fact that their accrued rights to GMPs have been extinguished.

16.2 The premium shall not be payable if:-

(1) its amount is less than £17 (or such greater amount as is specified in regulations made under the 1975 Act); or

(2) the Member's accrued rights to GMPs are transferred to another scheme or policy in accordance with Rule 9; or

(3) the Member is a woman who has been paying primary Class 1 National Insurance contributions at the reduced rate; or

(4) the Member becomes entitled to an immediate or deferred pension under the Scheme on ceasing to be in Contracted-out Employment.

APPENDIX V
INLAND REVENUE LIMITS
(MODEL RULES PS 123 2/94)

DEFINITIONS

In this Appendix V, the following expressions shall have the meanings ascribed to them:-

1. "**Administrator**" shall mean the person or persons having the management of the Scheme.

2. "**Aggregate Retirement Benefit**" shall mean the aggregate of:-

   (a) the Member's pension under the Scheme and any Associated Scheme; and

   (b) the pension equivalent of the Member's Lump Sum Retirement Benefit.

3. "**Associated Employer**". An employer is associated with another employer if one is controlled by the other, or both are controlled by a third party. Control has the meaning in section 840 of the Taxes Act, or in the case of a close company, section 416 of the Taxes Act.

4. "**Associated Scheme**" shall mean any Relevant Scheme providing benefits in respect of Service.

5. "**Class A Member**" shall be any Member who is not a Class B or Class C Member.

6. "**Class B Member**" shall mean any Member:-

   (a) who, on or after 17th March 1987 and before 1st June 1989, joined the Scheme being a scheme which commenced before 14th March 1989; or

   (b) who the Board of Inland Revenue have agreed in writing to be a Class B Member by virtue of previous membership of a Relevant Scheme;

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

7. "**Class C Member**" shall mean any Member who joined the Scheme before 17th March 1987 or who joined subsequently and who the Board of Inland Revenue have agreed in writing to

be a Class C Member by virtue of previous membership of a Relevant Scheme and, in either case, has not opted to become a Class A Member.

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

(a) there is a period during which the Member has been the employee of 2 Associated Employers;

(b) that period counts under both schemes as a period in respect of which benefits are payable; and

(c) the period counts under one scheme for service with one employer and under the other for service with the other employer.

9. "**Controlling Director**" shall mean a Member who, at any time on or after 17th March 1987 and in the last 10 years before the Relevant Date, has, in relation to the Employer, been both within the definition of a director in section 612(1) of the Taxes Act and within paragraph (b) of section 417(5) of the Taxes Act.

10. "**Final Remuneration**" shall mean the greater of:-

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

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

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

(b) the yearly average of the total emoluments from the Employer which are assessable to income tax under Case I or II of Schedule E and upon which tax liability has been determined for any 3 or more consecutive years ending not earlier than 10 years before the Relevant Date. Where such emoluments are received after the Relevant Date but are earned or qualified for prior to that date, they may be included provided that in these circumstances the yearly average of 3 or more consecutive years begins no later than the commencement of the year ending with the Relevant Date.

Provided that:-

(i) remuneration and total emoluments do not include any amounts which arise from the acquisition or disposal of shares or any interest in shares or from a right to acquire shares (except where the shares or rights etc. which give rise to such an amount liable to tax under Schedule E had been acquired before 17th March 1987) or anything in respect of which tax is chargeable by virtue of section 148 of the Taxes Act;

(ii) in relation to a Controlling Director, Final Remuneration shall be the amount ascertained in accordance with (b) above and (a) above shall not apply;

(iii) in relation to any other employee whose remuneration in any year subsequent to 5th April 1987 used for the purpose of calculating benefits has exceeded £100,000, (or such other figure as may be prescribed by the Treasury), Final Remuneration shall not exceed the amount ascertained in accordance with (b) above and (a) above shall not apply, unless the individual chooses to adopt £100,000 (or such other figure as may be prescribed by the Treasury);

(iv) where Final Remuneration is computed by reference to any year other than the last complete year ending on the Relevant Date, the Member's remuneration or total emoluments of any year may be increased in proportion to any increase in the Index from the last day of that year up to the Relevant Date. For a Class C Member this proviso shall not apply to the calculation of the maximum Lump Sum Retirement Benefit unless the Member's aggregate total benefits are similarly increased beyond the maximum amount which could be paid but for this proviso and/or the first sentence of (a)(ii) above and then only to the same proportionate extent;

(v) for Class A Members Final Remuneration shall not exceed the Permitted Maximum;

(vi) for the purpose of calculating the maximum Lump Sum Retirement Benefit of a Class B Member Final Remuneration shall not in any event exceed £100,000 (or such other figure as may be prescribed by the Treasury);

(vii) an employee who remains, or is treated as remaining, in service but by reason of Incapacity is in receipt of a much reduced remuneration ie. under a sick pay or permanent health insurance scheme, for more than 10 years up to the Relevant Date, may calculate Final Remuneration under (a) or (b) above with the Final Remuneration calculated at the cessation of normal pay and increased in accordance with the Index;

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

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

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

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

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

(*Where Fluctuating Emoluments have not been paid for the full three years, they should be averaged over the period from the commencement of their entitlement to payment (or the

beginning of the three year period, if later) to the end of the relevant basic pay year. Where, however, it is proposed to include in Final Remuneration a Fluctuating Emolument which was payable in a single year only the agreement of the Pension Schemes Office must be sought.)

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

12. "**Incapacity**" shall mean physical or mental deterioration which is sufficiently serious to prevent the Member from following his normal employment, or which seriously impairs his earning capacity.

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

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

15. "**Pensionable Service**" shall have the meaning ascribed to it by section 70(2) of the Pension Schemes Act 1993.

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

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

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

19. "**Remuneration**" in relation to any year shall mean the aggregate of the total emoluments for the year in question from the Employer and which are assessable to Income Tax under Schedule E but excluding any amounts which arise from the acquisition or disposal of shares or any interest in shares or a right to acquire shares or anything in respect of which tax is

chargeable by virtue of section 148 of the Taxes Act. Provided that for a Class A Member there shall be disregarded any emoluments in excess of the Permitted Maximum.

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

(a) retirement benefits schemes approved or seeking approval under Chapter I Part XIV of the Taxes Act or relevant statutory schemes as defined in section 611A thereof;

(b) funds to which section 608 of the Taxes Act applies;

(c) retirement benefits schemes which have been accepted by the Inland Revenue as "corresponding" in respect of a claim made on behalf of the Member for the purposes of section 596(2)(b) of the Taxes Act;

(d) retirement annuity contracts approved under Chapter III Part XIV of the Taxes Act;

(e) personal pension schemes approved under Chapter IV Part XIV of the Taxes Act; or

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

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

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

PART 1 : INLAND REVENUE LIMITS RULE

CLASS A MEMBERS

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

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

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

(b) on retirement at any time before Normal Retiring Age on grounds of Incapacity a pension of the amount which could have been provided at Normal Retiring Age in accordance with paragraph 1(a) above, Final Remuneration being computed as at the actual date of retirement;

(c) on leaving Pensionable Service before attaining age 75, a pension of 1/60th of Final Remuneration for each year of Service prior to leaving Pensionable Service (not exceeding 40 years) or such greater amount as will not prejudice Inland Revenue Approval. The amount computed may be increased by 5 per cent for each complete year or, if greater, in proportion to any increase in the Index which has occurred between the date of termination of Pensionable Service and the date on which the pension begins to be payable. Any further increase necessary to comply with Social Security legislation is also allowable.

(d) Benefits for a Class A Member are further restricted to ensure that his total retirement benefit from the Scheme and from any Associated Scheme or Connected Scheme does not exceed a pension of 1/30th of the Permitted Maximum for each year of Service, subject to a maximum of 20/30ths. For the purpose of this limit, service is the aggregate of Service and any period of service which gives rise to benefits under a Connected Scheme provided that no period is to be counted more than once.

(e) For the purpose of calculating the Aggregate Retirement Benefit or the total retirement benefit in (a) to (d) above, the pension equivalent of any Lump Sum Retirement Benefit is one-twelfth of its total cash value.

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

(a) on retirement at any time between attaining age 50 and attaining age 75, except before Normal Retiring Age on grounds of Incapacity, 3/80ths of Final Remuneration for each year of Service (not exceeding 40 years) or such greater amount as will not prejudice Inland Revenue Approval;

(b) on retirement at any time before Normal Retiring Age on grounds of Incapacity the amount which could have been provided at Normal Retiring Age in accordance with paragraph 2(a) above, Final Remuneration being computed as at the actual date of retirement;

(c) on leaving Pensionable Service before attaining age 75, a lump sum of 3/80ths of Final Remuneration for each year of Service prior to leaving Pensionable Service (not exceeding 40 years) or such greater amount as will not prejudice Inland Revenue Approval. The amount computed may be increased in proportion to any increase in the Index which has occurred between the date of termination of Pensionable Service and the date on which the benefit is first paid.

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

(a) £5,000;

(b) 4 times the annual rate (subject to the Permitted Maximum) of the Member's basic salary or wages at the date of death or leaving Pensionable Service together with the yearly average of Fluctuating Emoluments received in the 3 years (or the whole period of Service if less) up to the date of death or leaving Pensionable Service; and

(c) 4 times the Member's Final Remuneration disregarding provisos (i), (ii), (iii) and (vi) of that definition less Retained Death Benefits.

CLASS B OR C MEMBERS

Notwithstanding anything to the contrary in the Scheme provisions, the benefits payable to a Class B or a Class C Member or to his Dependants or other beneficiaries in respect of him shall not when

aggregated with all benefits of a like nature provided under all Associated Schemes exceed the limits set out below.

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

(a) on retirement at or before Normal Retiring Age except before Normal Retiring Age on grounds of Incapacity, a pension of 1/60th of Final Remuneration for each year of Service (not exceeding 40 years) or such greater amount as will not prejudice Inland Revenue Approval;

(b) on retirement before Normal Retiring Age on grounds of Incapacity a pension of the amount calculated in accordance with paragraph 1(a) above as if the Member had remained in Service until the Normal Retiring Age, Final Remuneration being computed as at the actual date of retirement;

(c) on retirement after Normal Retiring Age, a pension of the greatest of:-

(i) the amount calculated in accordance with paragraph 1(a) above on the basis that the actual date of retirement was the Member's Normal Retiring Age;

(ii) the amount which could have been provided at Normal Retiring Age in accordance with paragraph 1(a) above increased either actuarially in respect of the period of deferment or in proportion to any increase in the Index during that period; and

(iii) where the Member's total Service has exceeded 40 years, the aggregate of 1/60th of Final Remuneration for each year of Service before Normal Retiring Age (not exceeding 40 such years) and of a further 1/60th of Final Remuneration for each year of Service after Normal Retiring Age, with an overall maximum of 45 reckonable years.

Final Remuneration being computed in respect of (i) and (iii) above as at the actual date of retirement;

(d) on leaving Pensionable Service before Normal Retiring Age, a pension of 1/60th of Final Remuneration for each year of Service prior to leaving Pensionable Service (not exceeding 40 years) or such greater amount as will not prejudice Inland Revenue Approval. The amount computed may be increased by 5 per cent for each complete year or, if greater, in proportion to any increase in the Index which has occurred

between the date of termination of Pensionable Service and the date on which the pension begins to be payable. Any further increase necessary to comply with Social Security legislation is also allowable.

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

(a) on retirement at or before Normal Retiring Age, except before Normal Retiring Age on grounds of Incapacity, 3/80ths of Final Remuneration for each year of Service (not exceeding 40 years) or such greater amount as will not prejudice Inland Revenue Approval;

(b) on retirement before Normal Retiring Age on grounds of Incapacity the amount calculated in accordance with paragraph 2(a) above as if the Member had remained in Service until the Normal Retiring Age, Final Remuneration being computed as at the actual date of retirement;

(c) on retirement after Normal Retiring Age, the greatest of:-

(i) the amount calculated in accordance with paragraph 2(a) above on the basis that the actual date of retirement was the Member's Normal Retiring Age;

(ii) the amount which could have been provided at Normal Retiring Age in accordance with paragraph 2(a) above together with an amount representing interest thereon; and

(iii) where the Member's total Service has exceeded 40 years, the aggregate of 3/80ths of Final Remuneration for each year of Service before Normal Retiring Age (not exceeding 40 such years) and of a further 3/80ths of Final Remuneration for each year of Service after Normal Retiring Age, with an overall maximum of 45 reckonable years.

Final Remuneration being computed in respect of (i) and (iii) above as at the actual date of retirement;

(d) on leaving Pensionable Service before Normal Retiring Age, a lump sum of 3/80ths of Final Remuneration for each year of Service prior to leaving Pensionable Service (not exceeding 40 years) or such greater amount as will not prejudice Inland Revenue Approval. The amount computed may be increased in proportion to any increase in

the Index which has occurred between the date of termination of Pensionable Service and the date on which the benefit is first paid.

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

(a) £5,000;

(b) 4 times the annual rate of the Member's basic salary or wages at the date of death or leaving Pensionable Service together with the yearly average of Fluctuating Emoluments received in the 3 years (or the whole period of Service if less) up to the date of death or leaving Pensionable Service; and

(c) 4 times the Member's Final Remuneration disregarding provisos (i), (ii), (iii) and (vi) of that definition less Retained Death Benefits.

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

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

(b) where retirement takes place after Normal Retiring Age but not later than the Member's 70th birthday, paragraph 1(c)(ii) and (iii) and paragraph 2(c)(ii) and (iii) shall not apply, and if retirement is later than the attainment of that age the paragraphs shall apply as if the Member's 70th birthday had been specified in the Rules as his Normal Retiring Age so as not to treat as Service after Normal Retiring Age any Service before the Member reaches the age of 70.

PART 2: OTHER CONDITIONS RELATING TO CLASS A MEMBERS

1. MEMBER'S CONTRIBUTIONS

(a) Each Member is required to contribute to the Scheme in accordance with the provisions of Rule 4. The rate of contribution determined in accordance with Rule 4 will not be altered before the expiry of a period of 12 months from the date on which the first payment at the current rate became due without the specific agreement of the Board of Inland Revenue.

(b) In addition the Member may make voluntary contributions to the Scheme to secure additional benefits for himself and/or his Dependants. Any retirement benefits so secured must be in the form of non-commutable pension except to the extent to which the provisions of the Scheme allow commutation of trivial pensions or on the grounds of serious ill health.

(c) The contributions paid to the Scheme by a Member in a year of assessment shall not exceed either:-

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

(ii) when aggregated with the Member's contributions to any schemes which are Associated or Connected Schemes, 15 per cent of the Permitted Maximum.

2. CONTINUED LIFE COVER

Any provision in the Rules to provide a lump sum benefit on the death of a Member occurring after retirement on pension (other than a payment under a guarantee of pension provision) shall be restricted in respect of a Member who joined the Scheme on or after 1st October 1991 to exclude any provision other than on death occurring before the Normal Retiring Age and after retirement on grounds of Incapacity. The amount of the benefit shall not exceed the amount payable had the Member died immediately before retirement increased in proportion to any increase in the Index between the date of the Member's retirement and the date of death.

3. PAYMENT OF RETIREMENT BENEFITS

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

(b) No part of the Member's retirement benefits is to be paid in advance of actual retirement except as necessary to comply with paragraph 3(a) above or to the extent necessary to comply with the requirements of the Pension Schemes Act 1993.

PART 3: OTHER CONDITIONS RELATING TO CLASS B OR C MEMBERS

1. MEMBER'S CONTRIBUTIONS

(a) Each Member is required to contribute to the Scheme in accordance with the provisions of Rule 4. The rate of contribution determined in accordance with Rule 4 will not be altered before the expiry of a period of 12 months from the date on which the first payment at the current rate became due without the specific agreement of the Board of Inland Revenue.

(b) In addition the Member may make voluntary contributions to the Scheme to secure additional benefits for himself and/or his Dependants. Where such contributions commence on or after 8th April 1987 any retirement benefits so secured must be in the form of non-commutable pension except to the extent to which the provisions of the Scheme allow commutation of trivial pensions or on the grounds of serious ill health.

(c) The total contributions paid by the Member in a year of assessment to this and any Associated Scheme shall not exceed 15 per cent of his Remuneration for that year.

2. TRANSFERS

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

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

PART 4: OTHER CONDITIONS RELATING TO ALL MEMBERS

1. DEPENDANTS' PENSIONS

Any pension for a Dependant, when aggregated with the pensions, other than those provided by surrender or allocation of the Member's own pension, payable to that Dependant under all Associated Schemes, shall not exceed an amount equal to 2/3rds of the maximum Aggregate Retirement Benefit payable to the Member immediately before death under Part 1 above. Where the death of the Member occurs whilst in Service before Normal Retiring Age the maximum is that appropriate had the Member retired on grounds of Incapacity on the date of death entitled to no retained benefits from previous employments.

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

2. INCREASES OF PENSIONS IN PAYMENT

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

3. SURPLUS AVCs

Where the application of the limits in this Appendix V requires the quantum of the Aggregate Retirement Benefit to be restricted and the Member has paid additional voluntary contributions to supplement scheme benefits, that restriction shall first be effected on those supplementary benefits so as to permit the repayment of the surplus additional voluntary contributions subject to section 599A of the Taxes Act.

The Administrator of the Scheme shall comply with the requirements of regulation 5 of The Retirement Benefits Schemes (Restriction on Discretion to Approve) (Additional Voluntary Contributions) Regulations 1993 (SI 1993 No 3016) and where the Scheme is the "leading scheme" in relation to a Member, with the requirements of regulation 6 of those Regulations so far as they concern main schemes. If those Regulations are amended or replaced by any

other Regulations then this rule will have effect as if it had been amended or replaced accordingly.

4. TRANSFERS

(a) The benefits arising on retirement from a transfer value shall not be capable of commutation nor shall they be paid in lump sum form if the transfer is accompanied by a certificate from the administrator of the transferring scheme to the effect that the transfer value is not to be used to provide benefits in lump sum form.

(b) When making a transfer to an approved personal pension scheme the Administrator shall provide a certificate of the maximum lump sum payable on retirement from the transfer value if the transferring member:-

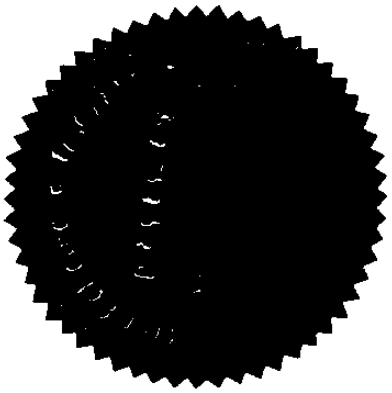
(i) was aged 45 or more at the time that the transfer payment was made; or

(ii) has, at any time within the 10 years preceding the date on which the right to the cash equivalent being transferred arose, been, in respect of any employment to which the transfer payment or any part of it relates, either:-

(I) a Controlling Director; or

(II) in receipt of annual remuneration in excess of £60,000 or, if greater, the allowable maximum (ie. the equivalent for personal pension schemes of the Permitted Maximum) for the year of assessment in which the date of transfer falls; or

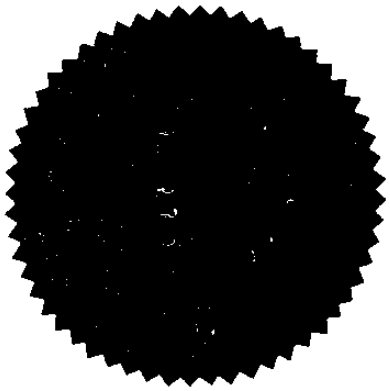
(iii) is entitled to benefits included in the transfer payment which arise from an occupational pension scheme under which the normal retiring age is 45 or less.



(The COMMON SEAL of INDUSTRY-WIDE
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(CO-ORDINATOR LIMITED was hereunto
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Director

Secretary/Director



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(INDUSTRY-WIDE COAL STAFF
(SUPERANNUATION SCHEME
(TRUSTEES LIMITED was hereunto
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Director

Secretary/Director

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