



## THE IPS FAMILY SIPP

Insert Scheme name

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**THESE RULES** are made as a deed on

IPS to insert date

**Between**

- (1) **The IPS Partnership Plc** (Company No 1458445) whose registered office is Trinity House, Anderson Road, Swavesey, Cambridge CB4 5VQ (the "**Provider**"); and
- (2) **PAL Trustees Limited** (Company No 1666419) whose registered office is Queen Square House, 18/21 Queen Square, Bristol, BS1 4NH (the "**Professional Trustee**"); and
- (3) insert names and addresses of the trustees

Name of (home address)

Name of (home address)

Name of (home address)

Name of (home address)

Name of (home address)

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Name \_\_\_\_\_ of (home address)

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Name \_\_\_\_\_ of (home address)

(together the "**Member Trustees**")

## **1 BACKGROUND TO THESE RULES**

- 1.1 The Provider is an institution authorised by the FSA to establish, operate and wind-up a personal pension scheme.
- 1.2 The Provider wishes to appoint the Scheme Trustees as the first trustees of the Scheme.

## **2 ADOPTION OF THE RULES**

- 2.1 By these Rules (the "Rules") the Provider establishes the Scheme with effect from the date of these Rules for the provision of Authorised Payments for and in respect of Members.
- 2.2 The Scheme shall be known as the IPS Family SIPP – (*Name as above*).

- 2.3 The Provider hereby declares itself to be the scheme administrator of the Scheme ("**Scheme Administrator**") to be responsible for the discharge of the functions conferred or imposed on the scheme administrator of the Scheme by and under Part 4 of the Act.
- 2.4 The Provider hereby appoints the Scheme Trustees to be the trustees of the Scheme for all the purposes of the Scheme.
- 2.5 The Scheme Trustees hold the Fund from the date of these Rules on irrevocable trust to apply it in accordance with the provisions of these Rules.
- 2.6 These Rules may be executed in any number of counterparts, each of which when executed and delivered shall be an original, but all of which when taken together shall constitute a single agreement.

### **3 COMING INTO EFFECT OF THE RULES**

- 3.1 These rules (the "**Rules**") have effect from the date shown at the top of page 1.
- 3.2 The provisions of the Rules apply to the contributions paid by or on behalf of all the Members under the Scheme and the benefits of all the beneficiaries under the Scheme.

### **4 BASIC INFORMATION ABOUT THE SCHEME**

- 4.1 The Scheme is a personal pension scheme for the purposes of section 1(1) of the PSA93 and a Registered Pension Scheme. Without prejudice to Rule 42.2, the Scheme's only purpose is to provide Authorised Payments as described in the Scheme Documents (including these Rules). The Scheme is not a Stakeholder Pension Scheme.
- 4.2 The Scheme is set up for a wider Membership than a specific employment (or employments).
- 4.3 The Scheme allows its Members options over investment choice to such a degree that an Arrangement may be an investment-regulated pension scheme for the purposes of paragraphs 1 – 3 of Schedule 29A of the FA04.
- 4.4 The Scheme is also designed to receive payments from HMRC where a notice has been given to HMRC that a Member wishes Minimum Contributions to be made to the Scheme. The Scheme has contracted-out of the State Second Pension as an Appropriate Personal Pension Scheme with effect from the date shown on Page 1.

### **5 BECOMING A MEMBER**

- 5.1 Membership of the Scheme is subject to the consent of the Scheme Administrator and Scheme Trustees. A person who wants to become a Member (or his legal guardian if he is under the age of 18) must complete an application procedure, as required by the Scheme Administrator. The application procedure must include the following declarations:
- (a) The Member (or a legal guardian acting for the Member) agrees to be bound by these Rules;
  - (b) The Scheme Administrator agrees, on behalf of the Provider, to administer the Scheme as required by these Rules.

A person can become a Member only if the Scheme Administrator agrees.

- 5.2 Subject to the agreement of the Scheme Administrator and the Scheme Trustees an Ex-spouse who has Pension Credit Rights deriving from the Member's Arrangements may become a Member of the Scheme. The Scheme Administrator shall have an absolute discretion to impose such terms and conditions as to the Membership of an Ex-Spouse as it in its absolute discretion shall decide, subject to the provisions of these Rules.
- 5.3 Where a legal guardian is acting for a potential Member under the age of 18, the legal guardian must give an undertaking that he understands that any payments to the Scheme can only be used to provide benefits to or in respect of the Member under the Rules, and will not be repaid except as permitted by the Rules.
- 5.4 The date on which the Membership of a Member commences shall be determined by the Scheme Administrator and notified to him in writing.
- 5.5 Unless the Scheme Administrator decides otherwise, any person who has been admitted as a Member (including an Ex-spouse who has been admitted under Rule 5.2) or Survivor (or any such person's legal guardian if he is under the age of 18) may request that he be appointed as a Member Trustee at the discretion of the Provider under Rule 23.1(a).

## **6 ARRANGEMENTS**

- 6.1 Each person who wishes to be admitted as a Member and who the Scheme Administrator has agreed to admit to Membership shall, together with the Scheme Trustees enter into such terms and conditions of Membership as the Provider and the Scheme Trustees may require from time to time. For the avoidance of doubt, any such terms and conditions of Membership may be entered into via the internet or any other electronic forms of communication.
- 6.2 All benefits under the Scheme for or in respect of any Member are subject to the provisions of these Rules and any terms and conditions of Membership as referred to in Rule 6.1 above.
- 6.3 If the Scheme Administrator permits:
- (a) a Member may make more than one Arrangement with the Scheme Administrator, and shall do so if Rule 21.5 applies and contributions are paid by or on behalf of the Member. If the Member does so, these Rules will apply to each Arrangement separately.
  - (b) an Arrangement may be treated as more than one Arrangement if the Member chooses for only part of the Member Fund to be applied for a pension and (if relevant) a lump sum. Any part of the Member Fund for which the Member has not yet asked to be applied for benefits will be treated as an arrangement that has not reached Pension Date.
- 6.4 If a Member's Protected Rights Fund is spread over more than one Arrangement the Rules governing the Protected Rights Fund must be applied to those Arrangements together.
- 6.5 Different Arrangements (whether different at the time of being created or whether originating from a single arrangement) may produce separate pensions, annuities, Income Withdrawals or lump sums payable under these Rules.
- 6.6 An Arrangement under the Scheme will be a contract between the Scheme Administrator, the Scheme Trustees and the Member.
- 6.7 Nothing in the terms and conditions of an Arrangement may conflict with these Rules unless specifically permitted by the Scheme Administrator.

## **7 MEMBER FUNDS**

- 7.1 The Scheme Trustees shall establish in respect of each Member's Arrangement a Member Fund to which contributions and transfer payments may be made. A Member Fund shall consist of the Member's Non-Protected Rights Fund and, if applicable, his Protected Rights Fund.
- 7.2 No benefits shall be payable to or in respect of a Member under the Scheme other than from or in respect of the value of net assets held in that Member Fund. The Scheme Trustees shall have the sole discretion to determine the value of a Member Fund at any time.

## **8 CONTRIBUTIONS**

- 8.1 Contributions may be paid to the Scheme by, or on behalf of, each Member or by each individual Member's employer (if any), subject to the remainder of this Rule 8.
- 8.2 A Member is eligible to make contributions with the consent of the Scheme Administrator. The rate and the frequency of such contributions will be agreed between the Member and the Scheme Administrator.
- 8.3 The Scheme may accept the following contributions:
- (a) Contributions by Members, including contributions made on behalf of a Member paid by another individual (see Rule 8.4);
  - (b) Contributions by the Member's employer(s) in respect of the Member;
  - (c) Minimum contributions if the Member is contracted-out within this Appropriate Personal Pension Scheme with the consent of the Scheme Administrator, together with basic rate tax relief and incentive payments as described in Rule 9.1 where the Scheme is the Member's chosen scheme.

Contributions under (a) and (b) above may only be made at a time when the Member is eligible to make contributions under Rule 8.2. The Scheme Administrator is entitled to determine that contributions may not be paid by or on behalf of the Member to the Scheme under Rule 8.3(a) unless those contributions are relievable pension contributions within the meaning in 188(2) of the FA04.

- 8.4 If the Scheme Administrator so permits payments may be made by an individual other than the Member or his employer if the payments are being made on behalf of the Member and the Member (or, if relevant, the Member's legal guardian) is aware of the payment. These payments will be treated as a contribution made by the Member (see Rule 8.3(a)).
- 8.5 When a Member's benefit under any Arrangement becomes payable no further contributions may be paid to that Arrangement unless:
- (a) the Arrangement has become more than one Arrangement under Rule 6.3; or
  - (b) the Member is under Pensionable Age and has not given effect to his Protected Rights Fund, and so Minimum Contributions may continue to be paid.
- 8.6 Contributions made by the Member or other individual on his behalf (see Rule 8.4) may only be paid, as the Scheme Administrator permits:
- (a) in money form (cash, cheque, debit card, credit card, standing order, direct debit, direct transfer or via BACS payments); or

- (b) at the absolute discretion of the Scheme Administrator, as a transfer of Eligible Shares which qualify for tax relief by virtue of section 195 of the FA04 (transfer of certain shares to be treated as payment of contribution).
- 8.7 Contributions to the Scheme must be a monetary amount, but at the absolute discretion of the Scheme Administrator, a Member may pay a monetary contribution and then settle this debt by way of a transfer of one or more assets, provided that the transfer would not be treated as an Unauthorised Payment and would not prejudice the Scheme's status as an Appropriate Personal Pension Scheme.
- 8.8 The contributions and their proceeds under the Scheme must be used to provide benefits which qualify as Authorised Payments.
- 8.9 Except where otherwise specified in this Rule, all contributions made by a Member to the Scheme under this Rule are amounts net of basic rate income tax. Therefore when the Member makes a contribution to the Scheme, the Member must reduce the intended amount of the contribution by a figure equal to the amount of basic rate income tax due as relief on the intended amount of contribution. The Scheme Administrator will recover this figure from HMRC in accordance with section 192 of the FA04 (relief at source) and the Registered Pension Schemes (Relief at Source) Regulations 2005, SI 2005/3448, and add the recovered amount to the Member's Non-Protected Rights Fund in accordance with these Rules. This applies even where the Member is not a taxpayer. This Rule does not apply to contributions which are used towards premiums on a life insurance contract under Rule 8.13 after 5 April 2007.
- 8.10 All contributions paid to the Scheme by a Member's employer shall be treated by the Scheme Administrator as being gross amounts. Employer contributions must therefore represent the full contribution.
- 8.11 If the Scheme Administrator discovers that the contributions paid by or in respect of a Member exceed the maximum amount of relief to which the Member is entitled for the Tax Year under section 190 of the FA04 (annual limit for relief) the Scheme Administrator may arrange for the contributions which exceed the limit to be repaid to the Member provided the payment qualifies as a Refund of Excess Contributions Lump Sum.
- 8.12 The Scheme Administrator may use discretion to adjust a repayment of contributions to take account of expenses and interest and of any change in the value of the underlying assets during the intervening period.

#### ***Using contributions to buy life insurance***

- 8.13 A Member may, if allowed to do so by the Scheme Administrator, choose (subject to the remainder of this Rule and Rule 8.14) for all or part of the contributions in respect of him or her (excluding protected payments) to be used by the Scheme Administrator as premiums on a life insurance contract with an Insurer. It will be possible, if the Scheme Administrator agrees, for contributions to this Scheme to be for life insurance only.
- 8.14 The contract must provide a lump sum to be paid only if it can be paid as an Authorised Member Payment unless the Scheme Administrator in any individual case decides otherwise. This lump sum shall be payable in accordance with Rule 15, provided that rights to benefits under such a life insurance contract may not be assigned, and Rule 15.1(c) shall not apply unless this proviso is deleted in the contract documentation in respect of specific Arrangements or parts of Arrangements.

## **9 PROTECTED PAYMENTS**

- 9.1 Special restrictions apply to the following payments to the Scheme in respect of the Member (the "**Protected Payments**") and the benefits resulting from those payments:
- (a) Payment of Minimum Contributions by HMRC. These contributions comprise of:
    - (i) payment of age-related payments by HMRC; and
    - (ii) tax relief paid by HMRC in respect of the employee's share of the age-related rebate.

The age-related rebate in this paragraph (a) is the contracted-out rebate percentage of the Member's earnings between the lower and upper earnings limits, and any additional amounts specified in section 42A(3) of the PSA93;
  - (b) Transfer payments received under Rule 21.4 covering protected rights, Section 9(2B) Rights or Guaranteed Minimum Pensions under defined benefit Occupational Pension Schemes or under insurance policies or annuity contracts of the type described in section 19 of the PSA93, payments secured under section 32A of the PSA93 arising from the protected rights of a member of an Occupational Pension Scheme being wound up; and
  - (c) Incentive payments under paragraph 22 of Schedule 6 of the PSA93 and regulation 3(10) of the Personal and Occupational Pension Schemes (Incentive Payments) Regulations 1987 (SI 1987/1115).
- 9.2 The Scheme Administrator shall ensure that all Minimum Contributions, as described in paragraph (a) of Rule 9.1, that are received by the Scheme are applied with effect from the date of payment and allocated to the Protected Rights Fund of each Member, in respect of whom such Minimum Contributions relate, within three months of the date on which payment of such Minimum Contributions is made by HMRC.
- 9.3 Any payments other than those specified in Rule 9.1 (and the benefits resulting from such payments) are not subject to the restrictions referred to in Rule 9.1 unless the Scheme Documents specifically state otherwise. Any part of a Member Fund representing non-protected payments are referred to in these Rules in relation to the Member concerned as his "**Non-Protected Rights Fund**".
- 9.4 The protected payments under Rule 9.1 and their proceeds under the Scheme must be used to provide the Member with Money Purchase Benefits, except so far as they are used to meet administrative expenses of the Scheme and to pay commission.
- 9.5 The value of the Member's Protected Rights Fund must be calculated in a way approved by the Scheme Administrator. It must be at least as favourable as the way in which any other Money Purchase Benefits of the Member in the Scheme are calculated. It must also be consistent with the requirements set out in the rest of these Rules.
- 9.6 Where the valuation of the Protected Rights Fund involves making estimates of the value of benefits, then the manner of calculation must be approved by an Actuary. The methods and assumptions used must be either determined by the Scheme Administrator, or notified to the Scheme Administrator by an Actuary, and must in either case be certified by an Actuary to be consistent with the requirements of the PSA93 and with "Retirement Benefits Schemes - Transfer Values (GN11)" published jointly by the Institute of Actuaries and the Faculty of Actuaries and current when the calculation is being made. The Scheme Administrator must keep such records as will enable the amount of the Member's Protected Rights Fund to be calculated at any time.

## 10 DATE MEMBER'S BENEFIT STARTS

- 10.1 Where the member has made more than one Arrangement Rules 10.3 to 10.8 will apply separately to each Arrangement separately, except in relation to Protected Rights as explained in Rule 6.4. This means that benefits may start on different occasions from each arrangement.
- 10.2 Where the Member has an Arrangement that is being 'split' into two or more Arrangements in accordance with Rule 6.3 because only part of a Member Fund is to be applied for ongoing benefits, Rules 10.3 to 10.8 will apply separately to each Arrangement. This means that benefits (lump sums, annuities or pensions paid by income withdrawals) may start at different times from each Arrangement.
- 10.3 Subject to Rule 10.4, payment of benefit derived from both the Protected Rights Fund and the Non-Protected Rights Fund commences immediately on the earlier of:
- (a) the Member's 75<sup>th</sup> birthday in accordance with Rule 12.5; or
  - (b) on such a date as chosen by the Member, which is not earlier than his Minimum Pension Age.
- 10.4 A Member's benefit (including benefits from his Protected Rights Fund) may start earlier than his Minimum Pension Age if the ill-health condition in Rule 10.5 is met in respect of the Member.
- 10.5 For the purposes of these Rules the ill-health condition is met if:
- (a) the Scheme Administrator has received evidence from a registered medical practitioner that the Member is (and will continue to be) incapable of carrying on the Member's occupation because of physical or mental impairment; and
  - (b) the Member has in fact ceased to carry on the Member's occupation,
- or if the conditions of paragraph 1 of Schedule 28 to the FA04 are otherwise satisfied.
- 10.6 Pension Credit Rights of an Ex-spouse may not be paid early in accordance with Rules 10.4 and 10.5.
- 10.7 If payment of a Member's benefit is due to start in accordance with Rule 10.3(a), his Member Fund shall be applied to provide benefits immediately after midnight on his 75<sup>th</sup> birthday. If the Scheme Administrator has been unable to ascertain the Member's whereabouts after having taken all reasonable steps to do so, his Member Fund shall not be so applied but shall be deferred until Rule 10.8(c) applies.
- 10.8 Payment of benefits shall commence after the Member's 75<sup>th</sup> birthday in the following circumstances:
- (a) if the Member becomes entitled to a Pension Credit Benefit after that date, either directly under the Scheme or as a result of a transfer of such rights into the Scheme from another Registered Pension Scheme; or
  - (b) on receipt of a transfer of benefits from another Registered Pension Scheme after that date; or
  - (c) if the Member's whereabouts could not be ascertained under Rule 10.7 and the Member is subsequently traced by the Scheme Administrator; or
  - (d) if the Member's Membership commences after his 75<sup>th</sup> birthday.

Benefits shall start to be paid immediately following an event under paragraphs (a), (b) or (d) of this Rule. If paragraph (c) of this Rule applies, benefits shall start to be paid at the latest by the end of the period of six months beginning with the date on which the Member's whereabouts were ascertained by the Scheme Administrator.

## **11 LUMP SUM FOR MEMBER**

- 11.1 This Rule 11 is subject to regulation 8 of the Personal and Occupational Pension Schemes (Protected Rights) Regulations 1996 in relation to a Member's Protected Rights Fund, and the Rules are modified to the extent required in order to impose the limit prescribed by that regulation.
- 11.2 The Member may choose to receive a lump sum on a Pension Date.
- 11.3 A lump sum shall only be payable under Rule 11.2 to the extent that it qualifies as a Pension Commencement Lump Sum or as a Lifetime Allowance Excess Lump Sum. The amount of the lump sum taken in commutation of pension under Rule 11.2 shall not exceed the Member's permitted maximum for the purposes of paragraph 2 of Schedule 29 to the FA04 unless it is a Lifetime Allowance Excess Lump Sum or is permitted under the transitional provisions of Schedule 36 to the FA04.
- 11.4 The Scheme Administrator may apply the whole of a Member Fund as a lump sum payable to the Member if the Member is in exceptionally serious ill-health on a Pension Date and the lump sum would qualify as a Serious Ill-Health Lump Sum.
- 11.5 The Scheme Administrator may apply the whole of a Member Fund as a lump sum payable to the Member at any time that the payment qualifies as a Trivial Commutation Lump Sum.
- 11.6 Payment of a lump sum under Rules 11.4 or 11.5 will extinguish the Member's entitlement to benefits under the Scheme and shall terminate his Membership.

## **12 PENSION FOR MEMBER**

### ***General***

- 12.1 Subject to Rule 12.2, if the Member's Arrangement has been 'split' into two or more Arrangements in accordance with Rule 6.3 because only part of the Member Fund is to be applied to provide benefits then the rest of this Rule 12 applies to each separate Arrangement. This means that a lump sum may be taken from the newly created Arrangement in accordance with Rule 11, with a further lump sum being drawn from the original Arrangement at a later date in accordance with the same Rule.
- 12.2 Where the Member's Protected Rights Fund is held in more than one Arrangement those funds will be treated as if in one Arrangement for the purposes of Rules 8.5 and Rules 12.9 to 12.19 (inclusive) and Rule 11.

### ***Non-Protected Rights Fund***

- 12.3 Except for any lump sum paid as described in Rule 11 the Member may elect to apply his Member's Non-Protected Rights Fund in accordance with Rule 12.4 with effect from the chosen Pension Date.
- 12.4 A pension from the Member's Non-Protected Rights Fund may be provided by one or more of the following methods:
  - (a) if the Scheme Administrator agrees, a Scheme Pension;
  - (b) a Lifetime Annuity; or

- (c) if the Scheme Administrator agrees, by designating his Member's Fund as available for the payment of
  - (i) an Unsecured Pension (if he has not reached the age of 75); or
  - (ii) an Alternatively Secured Pension (if he has reached the age of 75).
- 12.5 If a Member's pension is due to commence under Rule 10.3 on attaining the age of 75, his Non-Protected Rights Fund will be used to provide pension by way of Alternatively Secured Pension subject to deduction of Tax, unless the Member has elected by notice in writing to the Scheme Administrator prior to attaining the age of 75 for his pension to be provided by way of Scheme Pension or Lifetime Annuity. Unless there has been such an election, the Member's Non-Protected Rights Fund which is an Uncrystallised Fund will be deemed to be funds designated for Unsecured Pension, which will be designated to provide pension by way of Alternatively Secured Pension on the Member attaining the age of 75.
- 12.6 The Scheme Administrator may make such administrative arrangements from time to time as it considers appropriate to give effect to the provision of a pension under Rules 12.4 or 12.5.
- 12.7 Each Member who wishes to apply his Non Protected Rights Fund to provide a pension by way of a Scheme Pension, Unsecured Pension or Alternatively Secured Pension shall enter into such terms and conditions as the Scheme Administrator and Scheme Trustees may require.

***Protected Rights Fund***

- 12.8 A Member may elect with the consent of the Scheme Administrator to receive payments of his Protected Pension under an Interim Arrangement during the Interim Period in accordance with section 28(1A) of the PSA93. Each Member who wishes to apply his Protected Rights Fund to provide a pension under an Interim Arrangement shall enter into such terms and conditions as the Scheme Administrator and Scheme Trustees may require.
- 12.9 Subject to Rule 12.8, a Member's Protected Rights Fund must be used to provide a pension through either:
  - (a) the purchase of an annuity from an Insurer; or
  - (b) the provision of a pension which complies with the Pension Requirements.
- 12.10 The Protected Pension must be one offered without regard to the sex of the Member either in making the offer or in calculating the amount of the pension.
- 12.11 Protected rights can be used to purchase a single life annuity provided that the Member is unmarried at the time protected rights are effected and is not survived by a Civil Partner.
- 12.12 The Member has the right to choose the Insurer from which an annuity that gives effect to his Protected Rights is to be purchased. Once the Member has chosen the Insurer, he must write to tell the Scheme Administrator which Insurer he has chosen.
- 12.13 If the Member has chosen the Insurer to provide a pension from the Protected Rights Fund, he must notify the Scheme Administrator at least one month, but not more than six months, before the date the pension is due to start. If the Member agrees to the benefit starting at a date later than the agreed date chosen under Rule 10.3, the time during which he can write to tell the Scheme Administrator of the choice of Insurer is different. In this case it is any time from the date on which he agrees to a later date up to one month before that later date. If there is less

than one month between the two dates, then he can only choose an Insurer by telling the Scheme Administrator so in writing on the same day as he agrees to the later date.

With Non-Protected Rights Funds the Scheme Administrator may apply different time limits to those detailed above and allow a Member a longer period in which to make his choice of Insurer.

- 12.14 If the Member does not choose an Insurer by writing to tell the Scheme Administrator by the latest date permitted under Rule 12.13 the Scheme Administrator will choose an Insurer from whom the annuity will be bought.
- 12.15 Rules 12.18 to 12.19 and also Rule 13 set out benefits which may (or in the case of a Member with a Protected Rights Fund must in some circumstances) be paid by an annuity on the Member's death. Where these Rules allow alternatives, a Member who opts under Rule 12.12 to choose the Insurer from which the annuity is to be purchased may at the same time choose which of the alternatives detailed in the aforementioned Rules apply under the terms of the annuity. If the Insurer is chosen by the Scheme Administrator through Rule 12.14, the Scheme Administrator may still allow the Member to choose what benefits the annuity will provide on his death. Alternatively the Scheme Administrator may choose the alternatives.
- 12.16 Any Survivor's pension secured through annuity purchase with a Member's Protected Rights Fund must be bought, together with the Member's pension from the Protected Rights Fund, as a single contract with one Insurer.
- 12.17 Any other Survivor's pension will be secured through an annuity at the same time as the Member's pension bought with the Member's Non-Protected Rights Fund. If the Scheme Administrator permits, the Survivor's pension may be secured from a different Insurer than the one providing the Member's annuity, chosen either by the Member or by the Dependant for whom the Survivor's pension is being bought.

### ***Guarantees***

- 12.18 Subject to Rule 12.19, the Member's Scheme Pension or Lifetime Annuity may (but need not) be guaranteed to continue to be paid (to any person) for a period not exceeding ten years. If the Member dies during the guarantee period, it may be paid to any person for the rest of that period.
- 12.19 The following special restrictions apply to any guarantee on the Protected Pension:
- (a) The guarantee period may be for up to five years only;
  - (b) If there is a pension for a widow, widower, surviving Civil Partner or other Survivor included with the Protected Pension (as described in Rule 13.10) which becomes payable on the Member's death, the guarantee may only take effect by increasing that pension up to the amount of the Member's Protected Pension for any part of the guarantee period. If the pension stops during the guarantee period on the death of the person entitled to it under Rule 13.10, or because the last dependent child entitled to it under that Rule dies or reaches age 18, the payments for the rest of that period may be made to another individual, or to the estate of the Member or of another individual who dies after the Member (and the recipient may vary from time to time).

## **13 DEATH BENEFITS FROM CRYSTALLISED FUNDS**

### ***Member's choice***

13.1 Subject to Rules 13.10 to 13.16 a Member may elect that, in addition to the pension being provided for the Member under Rule 12, his Member Fund shall be applied after his death to provide one or more of the following benefits:

- (a) a pension in relation to the amounts crystallised for one or more Dependants under Rule 13.3; and
- (b) a lump sum under Rule 13.5.

If the Member does not make a choice under this Rule and there is a Survivor after the Member's death then the Scheme Administrator may decide how the Member Fund should be used in accordance with this Rule.

13.2 If a Member has designated his Member Fund as available for the payment of an Unsecured Pension, he may make, vary or cancel an election under Rule 13.1(a) at any time after the Pension Date and before the earlier of

- (a) the date on which his pension is secured by the provision of a Scheme Pension or a Lifetime Annuity; or
- (b) the date of his death.

13.3 A Dependant's pension under Rule 13.1(a) may be provided by one or more of the following methods which have been agreed with the Scheme Administrator:

- (a) a Dependant's Scheme Pension;
- (b) a Dependant's Annuity;
- (c) if the Dependant has not reached the age of 75, a Dependant's Unsecured Pension; or
- (d) if the Dependant has reached the age of 75, a Dependant's Alternatively Secured Pension.

13.4 If any lump sum is payable under a life insurance contract as described in Rules 8.13 and 8.14, it will be paid direct by the Insurer to the Scheme Administrator. It will not form part of a Member Fund, but it will be applied separately by the Scheme Administrator as described in Rule 15.

13.5 Following an election under Rule 13.1(b):

- (a) on the death of a Member before the age of 75, if he was being paid a pension in the form of an Unsecured Pension, Scheme Pension or Lifetime Annuity before his death, the Scheme Administrator shall hold such portion of the Member's Non-Protected Rights Fund as the Member elected to be paid under this Rule 13.1 on the discretionary death benefit trusts of Rule 17 provided the payment of benefit would qualify as an Unsecured Pension Fund Lump Sum Death Benefit or an Annuity Protection Lump Sum Death Benefit; or
- (b) on the death of a Member on or after the age of 75 the Scheme Administrator shall pay a lump sum to any charity nominated by the member (or, if the member made no nomination, selected by the scheme administrator) provided it qualifies as a Charity Lump Sum Death Benefit.

13.6 A Member may elect with the consent of the Scheme Administrator that, in the event of the death of any of his Dependants who is in receipt of a pension under the Scheme after reaching the age of 75, a lump sum will be paid to any charity nominated by the Member or, if the Member made no nomination, by the

Dependant (or, if neither the Member nor the Dependant made a nomination, selected by the Scheme Administrator).

- 13.7 The Scheme Administrator may make such administrative arrangements as it considers appropriate from time to time to give effect to the provision of a pension under Rule 13.3.

### ***Protected Pension***

- 13.8 If a Member to whom Rule 12.8 applies dies during the Interim Period and he is survived by a widow, widower or surviving Civil Partner, Rule 12.8 shall thereafter apply as if references to the Member were replaced with references to his widow, widower or surviving Civil Partner.
- 13.9 At the termination of the Interim Period under Rule 13.8, effect shall be given to the Protected Pension payable to the Member's widow, widower, or surviving Civil Partner by the provision of a pension or annuity which complies with Rule 13.12.
- 13.10 If Rule 12.8 does not apply or if the Interim Period has terminated before the Member's death, a Member's Protected Pension:
- (a) must include a pension payable on the Member's death to any widow, widower or surviving Civil Partner, if such a person exists when the annuity is purchased. It must not include a pension for any other Survivor if there is a widow, widower or surviving Civil Partner;
  - (b) may (but need not) also include a Survivor's pension if there is no widow, widower or surviving Civil Partner. In this case the Survivor's pension must be payable either:
    - (i) to any one Dependant; or
    - (ii) for the benefit of any Dependant Child or Dependant Children. The child(ren)'s pension will be paid only so long as at least one Dependant Child is under age 18.

The restrictions on a Member's Protected Pension under this Rule do not affect the Member's choice under Rule 13.2 for the rest of his pension.

A pension need not be provided for a widow, widower or surviving Civil Partner if the Member is single at the time that an annuity is bought.

- 13.11 When a Survivor is entitled to a pension derived from both the Member's Protected Pension and Non-Protected Rights Fund then the provisions in the rest of this Rule 13 as to the commencement and ceasing of those pensions apply to each pension separately.
- 13.12 Subject to Rule 12.19, the Protected Pension payable to the widow, widower or surviving Civil Partner under Rules 13.9 or 13.10 will be half the amount that would have been payable if the Member had survived. Any Protected Pension paid to any other Survivor will not be more than half the amount that would have been payable if the Member had survived. Where there is a mixture of pre-6 April 1997 and post-5 April 1997 protected rights, the effect as stated in Rule 13.10 may be a Protected Pension of less than half.

Pensions which are not Protected Pensions can be of any amount.

- 13.13 A Survivor's annuity under Rule 13.10 will start as soon as practicable after the Member dies, except that a widow, widower or surviving Civil Partner who is under age 60 when the Member dies may choose, if the Scheme Administrator permits, for the annuity to start at any later time up to his or her 60th birthday (or, if he is

receiving continued payments of the Member's annuity for a guarantee period ending after his 60th birthday, at the end of the guarantee period). A widow, widower or surviving Civil Partner may not, however, do this with any Survivor's annuity included with the Member's annuity bought with the Protected Rights Fund (as described in Rule 13.10).

Where the Survivor's annuity is not being deferred in accordance with this Rule the annuity payments should be backdated to the date of death of the Member.

- 13.14 A pension provided for a Dependant Child (or Dependant Children) included with the annuity bought with the Member's Protected Rights Fund will stop when there is no longer any Dependant Child under age 18.
- 13.15 The widow, widower or surviving Civil Partner's or surviving civil partner's pension included with the annuity bought with a Member's Protected Rights Fund will continue for life unless provision is made for it to stop if the widow, widower or surviving Civil Partner remarries before reaching Pensionable Age.
- 13.16 A Survivor's annuity that is not covered by Rules 13.14 or 13.15 may be paid for the Survivor's life or may stop if the Survivor marries.

#### ***Triviality***

- 13.17 If a Member dies before reaching the age of 75, the Scheme Administrator may pay the cash value of the Member's Fund, which includes any Protected Rights Fund, as a lump sum to any Dependant entitled under the pension scheme to a pension death benefit in respect of the Member provided the lump sum would qualify as a Trivial Commutation Lump Sum Death Benefit, in lieu of any other benefit under this Rule 13.

#### **14 DEATH BENEFITS FROM UNCRYSTALLISED FUNDS**

- 14.1 A Member may choose that, for as long as his Member Fund remains an Uncrystallised Fund before he dies, it will be used to:
  - (a) secure a pension payable on his death to one or more of his Dependents in accordance with Rule 14.2; and
  - (b) pay a lump sum on his death under Rule 14.20 and, if applicable, Rule 14.19.

If the Member does not make a choice under this Rule and there is a Survivor after the Member's death then the Scheme Administrator may decide how the Member Fund should be used in accordance with this Rule.

#### ***Dependants' Pensions: Non-Protected Rights***

- 14.2 The Dependant's pension under Rule 14.1(a) from his Non-Protected Rights Fund may be provided by one or more of the following methods which have been agreed with the Scheme Administrator:
  - (a) a Dependant's Scheme Pension;
  - (b) a Dependant's Annuity; or
  - (c) if the Scheme Administrator agrees, by designating the Member's Fund as available for the payment of a Dependant's Unsecured Pension.
- 14.3 The Scheme Administrator may make such administrative arrangements as it considers appropriate to give effect to the provision of a pension under Rule 14.2.

- 14.4 A pension bought for a Dependant from the Member's Non-Protected Rights Fund must stop when that person ceases to be a Dependant.

***Dependants' Pensions: Protected Rights***

- 14.5 If the Member holds any Protected Rights Fund in the Scheme, Rules 14.6 to 14.13 inclusive shall override any choice made by the Member under Rule 14.1 for as long as it remains an Uncrystallised Fund.
- 14.6 If a Member with a Protected Rights Fund dies before Pension Date, the Scheme Administrator must take reasonable steps to find out whether the Member is survived by a widow, widower or surviving Civil Partner. If the Member is not survived by a widow, widower or surviving Civil Partner, benefits should be paid in accordance with Rule 14.19.
- 14.7 If the Scheme Administrator discovers that a Member to whom Rule 14.6 applies is survived by a widow, widower or surviving Civil Partner, then, as soon as practicable, the Member's Protected Rights Fund must be used to buy the widow, widower or surviving Civil Partner a pension through a pension or an annuity contract unless the Scheme Administrator decides to pay a lump sum under Rule 14.22 or for as long as Rule 14.12 applies.
- 14.8 The pension bought with a Member's Protected Rights Fund will continue until the death of the widow, widower or Civil Partner unless provision is made for it to stop if the widow, widower or surviving Civil Partner remarries before Pensionable Age.
- 14.9 A Survivor's pension or annuity bought with a Member's Protected Rights Fund for a widow, widower or surviving Civil Partner may (but need not) be on terms that, if the widow, widower or surviving Civil Partner is still receiving payments when she or he dies and leaves a Dependant Child (or Dependant Children), the pension or annuity will continue for the benefit of that child or those children. The amount paid as pension(s) for the child(ren) will not be more than the widow's or widower's pension would have been if he had survived. It will continue to be paid only so long as at least one Dependant Child is under age 18.
- 14.10 The pension or annuity bought with a Member's Protected Rights Fund may (but need not) be on terms that it will be paid for a guarantee period up to five years from its commencement. Then if, within that guarantee period, the widow, widower or surviving Civil Partner dies or the payments would have stopped in accordance with Rule 14.9, the pension will be paid for the rest of the guarantee period to another individual, or to the estate of the Member or of another individual who dies after the Member (and the recipient may vary from time to time).
- 14.11 Where a pension or annuity under Rule 14.10 continues and is payable to another individual it may either continue to be payable for the full guarantee period in any event, or be arranged so as to stop if at any time the individual to whom it is being paid marries, reaches age 18 or leaves full-time educational or vocational training after reaching age 18.
- 14.12 A widow, widower or surviving Civil Partner may elect with the consent of the Scheme Administrator to receive payments of his or her Protected Pension under an Interim Arrangement during the Interim Period in accordance with Regulation 13 of the Personal and Occupational Pension Schemes (Protected Rights) Regulations 1996 [SI 1996/1537]. The Scheme Administrator may determine the terms of an Interim Arrangement under this Rule from time to time.

***Dependants' Annuities***

- 14.13 When a Survivor has a Dependant's Annuity, part of which is bought using the Member's Protected Rights Fund and part of which is not, the provisions in this

Rule 14 about the permissible dates for the pension to start and to stop apply to each part separately.

- 14.14 A Dependant's Scheme Pension may only be paid if the Member or Dependant had an opportunity to select a Dependant's Annuity instead.
- 14.15 The Member or Survivor may choose which Insurer a Dependant's Annuity is purchased from including the Provider in accordance with Rules 14.16 and 14.17.
- 14.16 The Scheme Administrator must write and tell the Survivor that he has the right to choose an Insurer. The Survivor then has three months from the date of notification to write back and tell the Scheme Administrator which Insurer he has chosen. If the Survivor chooses an Insurer, he may at the same time decide whether any of the options in Rules 14.9 to 14.11 will apply to the pension provided by the annuity.
- 14.17 If a Member or Survivor does not choose which Insurer the annuity is purchased from by writing to tell the Scheme Administrator by the latest date permitted under Rule 14.16 then the Scheme Administrator will choose the Insurer and will decide which of the alternatives in Rules 14.4 to 14.11 will apply to the pension.
- 14.18 The purchase of a Dependant's Annuity must occur as soon as practicable after the Member dies, unless the Survivor chooses to take his pension as Dependant's Unsecured Pension. Where a Dependant's Annuity is to be provided for the Survivor the annuity payments should be backdated to the date of death of the Member.

### **Lump Sum**

- 14.19 If a Member with a Protected Rights Fund dies and either:
  - (a) the Scheme Administrator decides after making reasonable enquiries that the Member died without leaving a widow, widower or surviving Civil Partner; or
  - (b) the widow, widower or surviving Civil Partner dies before the pension is bought,then, provided that no pension has become payable to another Survivor, the Scheme Administrator may, either as soon as practicable, or in any event subject to Rule 14.21, pay the value of the Member's Protected Rights Fund in accordance with any direction given by the Member in writing or to the Member's estate. If a pension has become payable under Rule 14.1, the Member's Protected Rights Fund must be used to buy Survivors' pensions. Such pensions may (but need not) be on terms that they will be paid for any period not exceeding ten years.
- 14.20 If a Member dies the Scheme Administrator may, as soon as practicable and subject to Rule 14.21, pay out such portion of the Member's Non-Protected Rights Fund as is not applied towards Survivors' pensions under Rule 14.1 as a lump sum:
  - (a) in accordance with any specific provision regarding payment of such sums under the contract(s) applying to the Arrangements in question; or
  - (b) if Rule 14.20(a) is not applicable and at the time of the Member's death the Scheme Administrator is satisfied that the contract is subject to a valid trust under which no beneficial interest in a benefit can be payable to the Member, the Member's estate or the Member's legal personal representatives, to the trustees of the trust; or
  - (c) if Rules 14.20(a) and 14.20(b) are not applicable, at the discretion of the Scheme Administrator, under the discretionary death benefit trusts of Rule 17.

No lump sum may be payable under this Rule to the extent that it would be an Unauthorised Payment.

- 14.21 The Scheme Administrator will pay any lump sum under Rule 14.20 within two years of the Member's death. If this is not practicable then, at the end of two years, it will be transferred to a separate account outside the Scheme until it can be paid.

**Triviality**

- 14.22 The Scheme Administrator may pay the cash value of the Member's Fund which includes any Protected Rights Fund as a lump sum if it would qualify as a Trivial Commutation Lump Sum Death Benefit.

**15 DEATH BENEFITS FROM UNCRYSTALLISED FUNDS - LIFE INSURANCE**

- 15.1 If some of the contributions in respect of a Member have been used to pay premiums under a life insurance contract as described in Rules 8.13 to 8.14, the Scheme Administrator will, as soon as practicable and subject to Rule 14.21, pay the lump sum benefit from the contract:
- (a) in accordance with any specific provision regarding payment of such sums under the contract; or
  - (b) if 15.1(a) is not applicable and at the time of the Member's death the Scheme Administrator is satisfied that the contract is subject to a valid trust under which no beneficial interest in a benefit can be payable to the Member, the Member's estate or the Member's legal personal representatives, to the trustees of the trust; or
  - (c) subject to the proviso to Rule 8.14, if 15.1(a) and 15.1(b) are not applicable and at the time of the Member's death the contract is vested in an assignee, other than the Member's estate or the Member's legal personal representatives, to the assignee; or
  - (d) if 15.1(a), 15.1(b) and 15.1(c) are not applicable, in accordance with Rule 17.

**16 MEMBER WITH PROTECTED RIGHTS FUND DIES AFTER PENSION STARTS BUT BEFORE EFFECT HAS BEEN GIVEN TO PROTECTED RIGHTS**

- 16.1 If a Member has a Protected Rights Fund, and dies after any other benefit starts but before effect has been given to the protected rights, then the benefit on the Member's death will be as follows:
- (a) Rule 14 will apply to the Protected Rights Fund as if the Member had died before the benefit had started. Consequently, where the conditions described in Rule 14.19 apply and no part of the Member's Protected Rights Fund is to be used to pay a Survivor's pension, the Member's Protected Rights Fund must be paid as a lump sum, as dictated by regulation 12 of the Personal and Occupational Pension Schemes (Protected Rights) Regulations 1996 (SI 1996/1537);
  - (b) Any other benefits will be applied as described in Rule 13.

**17 DISCRETIONARY DEATH BENEFIT TRUST**

- 17.1 If a Member dies and as a consequence a lump sum death benefit becomes payable under the terms of Rules 13.5(a), then insofar as the provisions of this Rule 17 do not conflict with the Rules any such lump sum shall be held on irrevocable discretionary trust by the Scheme Administrator to be paid in accordance with the terms of this Rule 17.

- 17.2 the Scheme Administrator may at its discretion, as soon as practicable and subject to Rule 17.3, pay out the Member Fund (other than any protected rights fund) as a lump sum to or for the benefit of any one or more of the Member's Beneficiaries in such proportions as the Scheme Administrator decides. For this purpose a relationship acquired by legal adoption is as valid as a blood relationship.
- 17.3 The Scheme Administrator will pay any lump sum within two years of the member's death. If this is not practicable then, at the end of two years, it will be transferred to a separate account outside the Scheme until it can be paid.

## **18 GENERAL PROVISIONS ABOUT BENEFITS**

### ***Rights under the Scheme***

- 18.1 A person's rights under the Scheme are only those given under the Scheme Documents or by any insurance or pension contract bought with the Member Fund.
- 18.2 The Scheme must only provide Money Purchase Benefits.
- 18.3 Rights to a lump sum retirement benefit under the Scheme may not be assigned or surrendered, except to the extent necessary to give effect to comply with a pension sharing order.

### ***Information to Members***

- 18.4 The Scheme Administrator will issue an annual statement to Members and others as required through section 113 of the PSA93.

### ***Beneficiary unable to act***

- 18.5 If the Scheme Administrator believes that a Member or other beneficiary is unable to act for any reason, the Scheme Administrator may arrange that:
- (a) payments, instead of being made to that Member or beneficiary, will be made to a responsible adult for the maintenance of that person and/or any of that person's Dependants; or
  - (b) if any payments are not made under paragraph (a), they (and any proceeds) must be held by the Scheme Administrator for the Member or beneficiary concerned until that person is again able to act.

If that Member or beneficiary dies without becoming able to act, payment must be made by the Scheme Administrator to that person's estate.

- 18.6 If the Scheme Administrator believes that a person is unable to act for any reason, it may refuse to give effect to a direction under Rule 31.5 or Rule 31.6 from that person or it may instead agree to accept directions from someone who appears to the Scheme Administrator to be responsible for his care.
- 18.7 Any payment made in accordance with Rule 18.5 will discharge the Scheme, the Provider, the Scheme Trustees and the Scheme Administrator from any obligation to provide the benefits to which it relates.
- 18.8 In the case of a Member who is under the age of 18, one of his parents or legal guardians shall act on behalf of the Member in respect of all matters to which these Rules apply until the Member attains the age of 18, from which time the Member shall act for himself. All references to the Member in these Rules until the Member attains the age of 18, shall be construed as referring to the Member's parents or legal guardians acting on his behalf.

### ***Whereabouts unknown***

- 18.9 The Scheme Administrator may use discretion to decide that any person who is entitled to a payment under the Scheme shall cease to have any claim to the payment if at least six years have passed from the date the payment became due and the address of the person is not known to the Scheme Administrator. The Scheme Administrator must, however, first take all reasonable steps to ascertain the address.

### ***Evidence***

- 18.10 The Scheme Trustees or Scheme Administrator may require any Member or any other person to whom a pension or lump sum is payable under the Scheme to produce any evidence or information which they may from time to time reasonably require. If the Member or the other person does not produce the evidence or information, the Scheme Administrator may withhold payment of any benefit to which it is relevant until it is produced.

### ***Notice to the Scheme Administrator***

- 18.11 Where these Rules give a Member or other person any choice, the Scheme Administrator may impose any requirements as to the period or form of the notice to be given by the Member or other person, so long as these do not conflict with any requirements specified in these Rules.

## **19 GENERAL PROVISIONS ABOUT PENSIONS**

### ***Payment Intervals***

- 19.1 Any pension paid as an annuity from a Member's Non-Protected Rights Fund or Protected Rights Fund (where relevant) may be paid in advance or arrears. It must be paid at least once a year.
- 19.2 If a pension bought with a Member's Protected Rights Fund is payable in arrears, it must be paid at least monthly unless the recipient agrees in writing that it can be paid less often.

### ***Reductions in Scheme Pensions and Dependants' Scheme Pensions***

- 19.3 The Scheme Administrator shall review from time to time all the Scheme Pensions and Dependants' Scheme Pensions in course of payment under the Scheme and may, acting on the advice of an Actuary, make such reductions as it considers appropriate to the rate of all such pensions being paid. No reduction shall be made under this Rule to the extent that it would prevent a pension from continuing to qualify as a Scheme Pension or Dependants' Scheme Pension.

### ***Increase in Payment***

- 19.4 Subject to Rule 19.5, a pension under the Scheme may be of a level amount or may increase in payment. Alternatively, if the Scheme Administrator agrees, a pension under the Scheme may be of a variable amount.
- 19.5 In the case of a pension (other than an Interim Arrangement) which is attributable to a transfer into the Scheme under Rule 21 and which had been bought under the transferring scheme with a Member's Protected Rights Fund before 6 April 2005, the following special conditions apply:
- (a) The pension attributable to contributions which relate to Tax Years ending before 6 April 1997, must increase each year by the same percentage as a Guaranteed Minimum Pension accruing between 5 April 1988 and 5 April 1997. These increases are governed by orders under section 109 of the PSA93 and reflect increases in the general level of prices up to a maximum

of 3%; the pension may (but need not) be on terms that it will increase by a greater amount, but not by more than 3% in any year;

- (b) The pension attributable to contributions that relate to Tax Years commencing after 5 April 1997, must be increased in accordance with section 162 of the Pensions Act 1995;
- (c) The first increase must be made not later than the first anniversary of the pension starting. Further increases must be made on each anniversary of the first increase.

### ***Enforceability***

- 19.6 The Scheme Administrator may only buy a pension from an Insurer with a Member's Protected Rights Fund if the Scheme Administrator is satisfied that the Insurer complies with the requirements in section 29(3) of the PSA93 and any Regulations made under it.

## **20 TRANSFER OUT OF THE SCHEME**

### ***Member's right to a Cash Equivalent***

- 20.1 A Member has a right to a Cash Equivalent under the provisions of Part IV or Part IVA of Chapter IV of the PSA93.

If a Member elects to apply for a Cash Equivalent, which by definition relates to the whole of the Member's interest in the Scheme, then all the Member's accrued rights in all his Arrangements must be transferred, subject to special conditions for Protected Rights (see Rule 20.4 and Rule 20.5 to 20.10).

### ***Transfer payments***

- 20.2 In the absence of an election to apply for a statutory right to transfer a Cash Equivalent under Rule 20.1, the Scheme Administrator may, nevertheless, at the written request of a Member transfer the Member's Non-Protected Rights Fund to another scheme of which he has become a Member.
- 20.3 A transfer payment may comprise all or part of a Member's pension rights in the Scheme whilst leaving the remaining rights in the Scheme provided that:
  - (a) it is made to another Registered Pension Scheme; and
  - (b) the transfer is a Recognised Transfer.

### ***Protected Rights***

- 20.4 Where Protected Rights are to be transferred, the whole of the Member's Protected Rights Fund under the Scheme must be transferred subject to the rest of this Rule and the conditions set out in Rules 20.5(a) to 20.5(g) and 20.12.

If, however, protected rights are to be transferred from an Arrangement that also contains Non-Protected Rights, then those Non-Protected Rights must also be transferred.

- 20.5 The transfer of a Member's Protected Rights Fund will be subject to the additional conditions set out in Rules 20.5(a) to 20.5(g) according to the type of scheme to which a transfer is being made.
  - (a) The Member must consent to the transfer unless Rule 40 permits otherwise.

- (b) The receiving scheme must be an Appropriate Personal Pension Scheme; a contracted-out Occupational Pension Scheme; or an overseas Occupational Pension Scheme or arrangement as permitted by regulation 5 of the Protected Rights (Transfer Payment) Regulations 1996 (SI 1996/1461).
- (c) The transfer payment (or that part which gives effect to protected rights) must be of an amount at least equal to the Cash Equivalent of the Member's Protected Rights Fund.
- (d) A transfer payment to an Appropriate Personal Pension Scheme or an Occupational Pension Scheme which is a Contracted-Out Money Purchase Scheme must be applied by the receiving scheme in providing Money Purchase Benefits for and in respect of the Member, except where the scheme is a Contracted-Out Money Purchase Scheme that provides salary related benefits.
- (e) A transfer payment may not be made to an Occupational Pension Scheme (other than an Overseas Scheme) unless the Member has entered employment with an employer who is a contributor to the receiving scheme, or be a former Member of the receiving scheme.
- (f) A transfer payment may not be made to a Salary Related Contracted-Out Occupational Pension Scheme unless the receiving scheme provides the Member or the Member's widow, widower or surviving Civil Partner with benefits in accordance with regulation 4(e) of the Protected Rights (Transfer Payment) Regulations 1996 (SI 1996/1461).
- (g) A transfer payment may not be made to an Overseas Scheme or Overseas Arrangement unless the Scheme Administrator has taken reasonable steps to satisfy himself that the Member has:
  - (i) emigrated permanently and entered employment to which the receiving scheme applies (if an Overseas Scheme);
  - (ii) received a statement from the receiving scheme or arrangement showing the benefits to be awarded in respect of the transfer payment and any conditions on which these could be withheld or forfeited.

The Member must acknowledge in writing that he accepts that the receiving scheme may not be regulated under UK law, and consequently that there can be no obligation under UK law on the receiving scheme to provide any particular value or benefit in return for the transfer payment.

### **General**

- 20.6 The Member Fund may be transferred to another Registered Pension Scheme or to any other scheme or arrangement but subject to Rule 20.7.
- 20.7 The Scheme Administrator must comply generally with all HMRC requirements or conditions and specifically must ensure that the transfer qualifies as a Recognised Transfer.
- 20.8 In the event of Pension Credit Rights arising, these must be implemented by a transfer to a scheme of the type listed in Rule 20.6 or, where the Scheme Administrator permits, to a new Arrangement for the Ex-spouse within the Scheme.
- 20.9 The Member may withdraw a request by giving the Scheme Administrator notice in writing to that effect but may not withdraw a request after the Scheme Administrator has entered into a binding agreement with a third party to make the transfer to the other scheme. A Member who has withdrawn a request may make another.

20.10 Where a Pension Sharing Order is made before the Member's Pension Date under an Arrangement, but is not implemented by that date, then a transfer of Pension Credit Rights may still be made subject to the requirements of the Discharge Regulations.

20.11 Following a transfer in accordance with this Rule 20:

- (a) Entitlement to benefit under the Scheme for or in respect of the Member or Survivor will cease in respect of any rights transferred;
- (b) the Scheme will be discharged from any obligation to provide benefits in respect of those rights; and
- (c) if the transfer represents all of the Member's rights under the Scheme, he shall cease to be a Member.

20.12 Provided benefits are not yet in payment, a Member may elect under this Rule to split a transfer payment and for each part to be transferred to separate destination schemes.

## **21 TRANSFER INTO THE SCHEME**

21.1 The Scheme Administrator may, in its absolute discretion and at the written request of a Member, accept a transfer payment representing the value of the Member's rights (including any pension credit rights) under another Registered Pension Scheme.

21.2 Where the Scheme Administrator accepts a transfer payment into the Scheme under Rule 21.1 and is informed by the transferring scheme of a pension debit relating to the transfer payment then the Scheme Administrator must retain details of this pension debit. If those benefits are transferred from the Scheme in accordance with Rule 20 then the Scheme Administrator must give full details of the pension debit to the receiving scheme's administrator.

21.3 The transfer must be made by a direct payment between the administrator or trustee of the other scheme and the Scheme Administrator (or, where appropriate, between the insurance company or friendly society concerned and the Scheme Administrator). The transfer may not be paid or passed through a financial intermediary or broker.

21.4 A transfer payment under Rule 21.1 may include:

- (a) protected rights for the Member from another scheme which is, or was, an Appropriate Personal Pension Scheme or an Occupational Pension Scheme contracted-out by the money purchase test, or protected rights under an appropriate policy of insurance of the type described under section 32A of the PSA93;
- (b) the Member's accrued rights to a Guaranteed Minimum Pension under a scheme which is, or was, a salary-related contracted-out scheme, or an insurance policy or annuity contract of the type described in section 19 of the PSA93; and
- (c) Section 9(2B) Rights.

21.5 A transfer under Rule 21.1 may be made from another Registered Pension Scheme where pension is already in payment or an entitlement to the payment of benefits has crystallised provided the transfer qualifies as a Recognised Transfer. If transfer payment under Rule 21.1 represents benefits in payment through:

- (a) a Member's Unsecured Pension or Dependant's Unsecured Pension, or

- (b) a Member's Alternatively Secured Pension or Dependant's Alternatively Secured Pension,

under the transferring Registered Pension Scheme, the transfer payment representing all of those sums and assets must become held under a separate Arrangement under which no other sums or assets are held.

## **22 SUBSTITUTION OF THE PROVIDER**

- 22.1 The Provider on the date of these Rules is **IPS Partnership Plc** (registered no. 01458445) which is a person permitted by section 154 of the FA04 to establish a Registered Pension Scheme.
- 22.2 The Provider may at any time resign as the Provider under the Rules by deed, provided that:
  - (a) another entity (the "New Provider"), who has permission under the Financial Services and Markets Act 2000 to establish, operate or wind up a personal pension scheme in the United Kingdom, is willing to succeed the Provider as the "Provider" for the purposes of the Rules, and take on the obligations of the Provider under the Rules; and
  - (b) the New Provider covenants with the Scheme Trustees that it will observe and perform all the provisions of the Scheme under the Deed which are applicable to it as Provider.

With effect from such date as is specified in the deed, the Rules and all other provisions of the Scheme shall take effect as if the New Provider is the Provider.

- 22.3 Where a Provider resigns or is removed under Rule 22.2 but continues to have a liability pursuant to section 272 of the FA04, it shall be indemnified by the Member and his Member Fund in accordance with Rule 35 (Protection) for the amount for which it is liable by virtue of section 272 of the FA04, together with any fees, costs and expenses which it incurs in connection with the Scheme (including without prejudice to the generality of this Rule 22 any actuarial, legal or other professional fees, costs and expenses) by reason of its continuing liability under section 272 of the Finance Act 2004. This Rule 22.3 shall not be altered, amended or added to in any way without the prior written consent of each of the former Providers who resigns under Rule 22.2 or otherwise ceases to be a Provider to the Scheme.

## **23 APPOINTMENT AND REMOVAL OF THE SCHEME TRUSTEES**

- 23.1 The Provider has the power by deed to:
  - (a) remove a Member Trustee and to appoint one or more Members or Survivors (or any such person's legal guardian if he is under the age of 18) as new or additional trustees of the Scheme but subject to any limitation that may apply to the Scheme from time to time under section 34 of the Trustee Act 1925, and
  - (b) remove the Professional Trustee and to appoint a new trustee of the Scheme in place of the Professional Trustee.
- 23.2 A Scheme Trustee may resign as a trustee of the Scheme by serving one month's prior written notice to this effect on the Provider provided that upon any such resignation taking effect the remaining Scheme Trustees will not fall below the minimum required under Rule 23.3.
- 23.3 Unless a body corporate is the sole Scheme Trustee, the number of Scheme Trustees shall not be less than two.

- 23.4 If the number of Scheme Trustees falls below the minimum number required under Rule 23.3 the Provider shall as soon as reasonably practicable appoint one or more additional Scheme Trustees. If it does not do so within 30 days of the number of Scheme Trustees falling below the minimum number, the remaining Scheme Trustees may by deed appoint an additional Scheme Trustee.
- 23.5 Every Scheme Trustee shall on ceasing to be a Scheme Trustee execute such documents and do all such things as may be necessary to give effect to such cessation and vest the Fund in the new and/or continuing Scheme Trustees.

## **24 APPOINTMENT OF THE SCHEME ADMINISTRATOR**

- 24.1 The Provider may appoint and/or remove the Scheme Administrator provided that at the same time, the Provider appoints another Scheme Administrator.
- 24.2 The Provider may not appoint any person as the Scheme Administrator unless that person has satisfied any requirements under section 270(2) of the FA04.
- 24.3 The Scheme Administrator is responsible for the discharge of the functions conferred or imposed on the scheme administrator of the Scheme by and under Part 4 of the FA04 and also by these Rules.

## **25 APPOINTMENT OF AGENTS, EMPLOYEES AND ADVISERS**

- 25.1 The Scheme Trustees or the Scheme Administrator may appoint or employ agents or employees or any one or more providers of administration or other services to the Scheme to transact any business regarding the Scheme including the payment of benefits upon such terms and conditions as they in their absolute discretion think fit. Any valid receipt given to a person appointed under this Rule shall be a good and sufficient discharge to the Provider, the Scheme Trustees and the Scheme Administrator.
- 25.2 Any person dealing with an agent or employee appointed under this Rule 25 shall, on production of the Scheme Trustee's or Schemes Administrator's written authority for the agent so to act, be entitled to assume (unless he has express written notice of the revocation of that authority) that the authority remains unrevoked.
- 25.3 Any notice, request, receipt, instruction or information given, made or furnished in exercise of his functions under the Scheme by any person appointed under 25.1 or to whom any responsibilities have been delegated under Rule 26 shall be as effective as if the same were given made or furnished by the Scheme Trustees or Scheme Administrator.
- 25.4 The Scheme Trustees or the Scheme Administrator may in their absolute discretion appoint any professional adviser or other person to assist with or advise upon any aspect of the Scheme's operation or administration upon such terms and conditions as they in their absolute discretion think fit.

## **26 DELEGATION**

- 26.1 The Scheme Trustees and the Scheme Administrator may each delegate, whether by power of attorney or otherwise, the exercise of all or any of the trusts, powers, duties or discretions vested in them to any other person whom they consider competent and on any terms, including without limitation by appointing persons to act as authorised representative in relation to the scheme.

For the avoidance of doubt, this includes the delegation of their powers and duties of making holding and managing investments and of keeping a register of them to any person, firm or company whom they consider competent to do so, and to pay from the relevant Member Fund to such person, firm or company such fees, or make such

other payments from the relevant Member Fund, as may be agreed by the Scheme Trustees or the Scheme Administrator with that person, firm or company.

26.2 The Scheme Trustees may, and the Scheme Administrator may with the consent of the Scheme Trustees, authorise any delegate to exercise the powers of delegation in this Rule and to give the same authority to its sub-delegate and so on for any lower level of delegation.

26.3 The terms of any delegation may include provisions in favour of the delegate similar in effect to Rule 35 (Protection).

## **27 ADMINISTRATION AND MANAGEMENT**

27.1 The administration and management of the Scheme shall be vested in the Scheme Administrator in accordance with these Rules.

27.2 The Scheme Trustees and the Scheme Administrator shall have the power:

- (a) to make any regulation or other provision (not being inconsistent with these Rules) as they think fit relating to any matter or thing not provided for under these Rules or for the administration of the Member Funds and
- (b) generally, to do all such acts and things as they may consider necessary or expedient for the maintenance and preservation of the Member Funds and of the rights of the Members and others in it; and
- (c) to give indemnities, guarantees or undertakings to any person secured on all or any part of the Fund and binding on their successors in office.

## **28 DECISIONS BY TRUSTEES**

28.1 Subject to Rule 28.3, all the Scheme Trustees must attend a meeting of the Trustees in order for it to be validly constituted.

28.2 At meetings the Trustees may make:

- (a) any decisions relating to their powers under Rules 29 to 33 (inclusive) by unanimous agreement;
- (b) any other decisions by a vote of a majority of the Trustees.

28.3 A Trustee who is unable to attend a meeting may in writing appoint another person as his proxy to attend and vote on his behalf.

28.4 A resolution signed by all the Trustees shall be as effective as one passed at a meeting. A written resolution may consist of two or more documents in similar form each signed by one or more of the Trustees.

28.5 An Electronic Communication from a Trustee to the chairman (or acting chairman) of the Trustees agreeing to a resolution counts as a written resolution signed by him if:

- (a) the chairman (or acting chairman) verifies the identity of the sender by telephone or in person, or
- (b) the communication includes a pass code, electronic signature or other authentication that the chairman (or acting chairman) considers to be sufficient evidence of the sender's identity.

28.6 An "**Electronic Communication**" is a communication through an electronic communications network, or by other means while in an electronic form.

- 28.7 Subject to the above provisions of this Rule 28, the Trustees may regulate their business at meetings as they see fit.

## **29 CUSTODY**

- 29.1 The Scheme Trustees may appoint a custodian of assets within the Fund or in relation to one or more Member Funds on any terms including power to appoint sub-custodians and nominees without the approval of the Scheme Trustees.

## **30 OWNERSHIP AND CONTROL OF SCHEME ASSETS**

- 30.1 The assets comprising the Member Fund of each Member shall be vested in the Scheme Trustees as the trustees of that Member Fund. Any other assets of the Scheme that are not comprised in Member Funds shall be vested in (and where appropriate registered in the name of) the Scheme Trustees.

- 30.2 Subject to the Scheme Trustees' discretion under Rule 31, all assets comprising the Fund shall be registered:

- (a) in the name of the Scheme Trustees; or
- (b) in the name of any company as nominee for the Scheme Trustees; or
- (c) in the name of a nominee or custodian or sub-custodian; or
- (d) in the name of any person so authorised by the Scheme Trustees in writing for this purpose.

## **31 INVESTMENTS AND BANK ACCOUNTS**

- 31.1 the Scheme Trustees may open a bank account with such bank as the Scheme Trustees may decide, on such terms and at such tariff as shall be agreed between the bank and the Scheme Trustees and the sole signatory to that account shall be the Scheme Trustees unless the Scheme Trustees decide otherwise.

- 31.2 In relation to any Member Fund, the Scheme Trustees may retain such of the money of the Member's Arrangement as they may decide in a bank account mentioned in Rule 31.1 and, subject to any terms and conditions agreed between the Scheme Administrator or a Service Provider and the Member, shall invest, sell, convert, vary, apply or transpose the balance of that money as it thinks fit:

- (a) in any manner which they could do if they were absolutely and beneficially entitled to that money; and
- (b) in any manner which is authorised by the FA04 or by HMRC in relation to a Registered Pension Scheme.

An investment or transaction may involve a liability on the Scheme, need not produce income or be authorised by law for the investment of trust monies and may be of a wasting or reversionary nature.

- 31.3 The Scheme Trustees may in particular (without prejudice to the generality of Rule 31.2(a) above, but subject to any terms and conditions agreed between the Scheme Administrator or a Service Provider and the Member) enter into any one or more of the following transactions:

- (a) opening and maintaining such accounts with any bank or building society as they think fit for the purpose of investing the Member Fund; or

- (b) the purchase from an Insurer of any annuity for the life of any beneficiary or for any period (whether depending upon or calculated by reference to life or not) authorised and in accordance with the Rules; or
- (c) the establishment of any policy of life assurance (including the payment of premiums on any Member in accordance with the Rules); or
- (d) the underwriting or sub-underwriting (or guaranteeing a subscription of) any funds, securities, bonds, debentures, stocks or shares which may be investments or assets under this Rule 31 and which are permitted by the requirements of HMRC relating to a Registered Pension Scheme and in particular transactions in relation to United Kingdom securities or overseas securities conducted through a recognised stock exchange; or
- (e) the purchase of any units in any unit trusts and Insurer's managed funds or unit linked funds and shares in any authorised open ended investment companies or investment trusts; or
- (f) the purchase of any commercial real property; or
- (g) in addition to sub-Rules (a) to (f) of this Rule 31.3 the Scheme Trustees may undertake such other transactions as may be appropriate subject at all times to the Rules and the requirements of the FA04 and of HMRC relating to a Registered Pension Scheme.

31.4 The Scheme Trustees, for or in respect of one or more Member Fund, may loan monies for any purpose on any terms as it or they may think fit upon a direction and with the written consent of the Member or Members concerned provided that no loan may be made by the Scheme Trustees to any of the Members concerned or to any person who is connected with any of the Members concerned within the meaning of section 839 of the 1988 Act.

31.5 Subject to any restrictions in these Rules, the Scheme Trustees shall take into account any specific wishes of any Member or any professional person acting with the prior written authorisation of the Member in relation to the manner in which its powers under Rules 31.3, 31.4 and 32 are exercised, provided that:

- (a) a Member shall notify the Scheme Trustees of his wishes in accordance with any requirements stipulated by the Scheme Trustees from time to time;
- (b) the Scheme Trustees may in their absolute discretion from time to time impose restrictions on particular classes or descriptions of investment or other transactions or may refuse to take into account any wishes made known to it;
- (c) this Rule shall not apply in relation to any part of a Member Fund which has been designated for the provision of a Scheme Pension;
- (d) the Scheme Trustees shall not make or retain any investment or enter into any transaction which would in the opinion of the Scheme Trustees breach the provisions of the Scheme or of any Arrangement or prejudice the status of the Scheme as a Registered Pension Scheme; and
- (e) the Scheme Trustees may act in the absence of or contrary to any wishes of the relevant Member so as to allow recovery of any amount under Rules 33 to 34.9 or payment of benefits or any other payment required for the proper execution of the trusts of the Scheme generally.

A Member may exercise his powers of direction under this Rule 31.5 in relation to his own Member Fund only.

- 31.6 Following the death of a Member, his powers of direction under Rule 31.5 shall be exercised by such of his Dependants as are in receipt of a Dependants' Unsecured Pension or a Dependants' Alternatively Secured Pension under Rule 13.3. For this purpose, each Dependants' Unsecured Pension or a Dependants' Alternatively Secured Pension shall be treated as a separate Member Fund and a Dependants' powers of direction shall be restricted accordingly.

## **32 BORROWING**

- 32.1 Insofar as the requirements and restrictions issued in respect of Registered Pension Schemes permit the Scheme Trustees may borrow monies for any purpose and may give security over any assets of that Member Fund on such terms as it or they may think fit upon a direction and with the written consent of the Member or Members concerned.

## **33 JOINT TRANSACTIONS**

- 33.1 In relation to two or more Member Funds, the Scheme Trustees may at the written request of the relevant Members purchase investments or assets or property to be held on trust in respect of their respective Member Funds. Such investments, assets or property and any income or capital gains accruing thereto shall be apportioned equitably at the Scheme Trustees' discretion between the relevant Member Funds.
- 33.2 In relation to a Member Fund, the Scheme Trustees may join with other persons in purchasing investments or assets or property or commingling assets in common investment funds provided it would not give rise to any Unauthorised Payments.

## **34 EXPENSES AND REMUNERATION**

- 34.1 All costs, fees, charges, expenses, commissions, levies, fines, penalties and other liabilities incurred by the Scheme Trustees and by the Scheme Administrator in connection with the administration, management and investment of the Scheme may be paid, on such terms and by such methods as they may decide, in relation to any or all such amounts

- (a) directly to the Scheme Administrator or the Scheme Trustees by the Member or
- (b) on any other basis which the Scheme Administrator and the Scheme Trustees agree to; or otherwise
- (c) by the Scheme Administrator out of the Member Fund or other asset of the Scheme in respect of which the amounts have been incurred,

insofar as they are permitted by the FA04, regulations under the FA04 or are otherwise permitted by HMRC.

- 34.2 Payments made under Rule 34.1 which have been levied from time to time by the Scheme Trustees and/or the Scheme Administrator on the Fund may, if the Scheme Trustees or the Scheme Administrator decide, be borne by and deducted from any or all Member Funds in such proportions as the Scheme Trustees or the Scheme Administrator consider to be fair.
- 34.3 A Scheme Trustee who acts in a professional capacity and the Scheme Administrator may receive such commissions, fees, remuneration and other payments from the relevant Member Funds or in respect of any investments in respect of any one or more Member Funds, as the Scheme Trustees or the Scheme Administrator, as the case may be, may from time to time decide in its absolute discretion.

- 34.4 The Scheme Trustees and the Scheme Administrator may pay such commissions, fees, remuneration and other payments to the Service Providers as they shall decide. Such payments shall be treated as expenses of the Scheme for the purpose of Rule 34.1.
- 34.5 Any expenses, fees or other sums whatsoever to be levied or paid under this Rule 34 shall be paid to the Scheme Trustees or the Scheme Administrator in such proportions and on such basis as the Scheme Trustees and the Scheme Administrator as the case may be, in their sole discretion may determine and notify to the Member.
- 34.6 Notwithstanding any other provision of the Scheme, section 11(1) of the Trusts of Land and Appointment of Trustees Act 1996 does not apply to the Scheme.
- 34.7 Each of the Scheme Trustees, the Scheme Administrator, any Service Provider and the Provider will be reimbursed its expenses or other liabilities by the Scheme. Any corporate trustee and any trustee (or firm or company in which a trustee is interested) carrying on a profession or business, including in either case the Scheme Trustees, and the Scheme Administrator, and any Service Provider may charge for services rendered and may retain commissions. Fees may be levied by the Scheme Trustees, the Scheme Administrator or such Service Provider on such basis as the Scheme Trustees, the Scheme Administrator or such Service Provider may respectively determine.
- 34.8 The Scheme Trustees, the Scheme Administrator and Service Provider may also each levy such additional expenses incurred in connection with the banking, administration, management, transactions and investment of the Scheme as the Scheme Trustees may in its sole discretion deem necessary, or as the Scheme Administrator or such Service Provider may determine, as the case may be.
- 34.9 The Scheme Trustees, the Scheme Administrator and any Service Provider may each, without requiring the consent or authority of the Member, pay or require the payment of any fees and expenses to the Scheme Trustees, the Scheme Administrator, and any Service Provider directly from any bank account in the name of the Scheme Trustees or the Scheme. To the extent that any fees or expenses due to the Scheme Trustees or the Scheme Administrator or any Service Provider are not paid out of the Scheme, each of the Members and beneficiaries shall be personally liable on a joint and several basis to the Scheme Trustees, the Scheme Administrator and such Service Provider for the payment of those fees and expenses.

## **35 PROTECTION**

- 35.1 The Provider, the Scheme Trustees and the Scheme Administrator shall be entitled to all the indemnities conferred on trustees by law.
- 35.2 Neither the Scheme Trustees, nor the Scheme Administrator nor the Provider shall be personally responsible or liable for any acts or omissions or breaches of trust or duty whatsoever in connection with the Scheme except to the extent attributable to his or its own breach of trust knowingly and intentionally committed in bad faith.
- 35.3 Neither the Scheme Trustees nor the Scheme Administrator nor any Service Provider nor the Provider, nor any officer or representative of the Scheme Trustees or of the Scheme Administrator or of such Service Provider nor of the Provider, nor any delegate or nominee of the Scheme Trustees or of the Scheme Administrator, shall be under any liability to any Member or beneficiary in respect of any Unauthorised Payment, including (without limitation) in the event that any liability to a Scheme Sanction Charge or any De-registration Charge arises, except to the extent attributable to that Scheme Trustees', Scheme Administrator's, such Service Provider's, Provider's, officer's, representative's, delegate's or nominee's own act or omission knowingly and deliberately committed in bad faith.

35.4 For the avoidance of doubt but without prejudice to the generality of the foregoing, the Scheme Trustees and the Scheme Administrator and the Provider shall not be liable for the acts or omissions of any investment manager, investment adviser, dealer in securities, stockbroker, professional adviser, nominee, custodian, employee, agent or any other person (whether appointed or employed by the Scheme Trustees or Scheme Administrator or otherwise) and shall have no personal responsibility or liability to or in respect of any Member in connection with any investments made at the option or direction of or in accordance with the wishes of or in relation to that Member or any person authorised to exercise such option or direction on the Member's behalf.

35.5 Each Member and his Member Fund shall keep the Scheme Trustees, the Scheme Administrator, all such Service Providers and the Provider indemnified against:

- (a) any loss, liability, obligation, demand, claim, expenses or proceedings whatsoever (together referred to in the Rules as the "**Consequences**") incurred in the management and administration of the Member's Arrangement (whether or not the management and administration of the Member's Arrangement had been in accordance with the Member's wishes as notified to the Scheme Trustees); and
- (b) the Consequences incurred in the exercise of any powers, authorities or discretions vested in the Scheme Trustees, the Scheme Administrator, all such Service Providers and the Provider pursuant to these Rules,

except to the extent attributable to deliberate breach of duty committed in bad faith by the Scheme Trustees, the Scheme Administrator, such Service Provider or the Provider.

35.6 The Scheme Trustees, the Scheme Administrator and the Provider may effect any insurance or policy of indemnity in relation to acts or omissions or liabilities (including a Tax liability) of themselves, their servants, delegates, nominees, agents or other persons (including a former Scheme Trustees and employees of any such persons) in connection with the Scheme and the premiums for the insurance or policy and any related expenses shall be treated as expense of the Scheme under Rule 34.1.

35.7 Without prejudice to the generality of Rule 35.1 above:

- (a) the Scheme Trustees;
- (b) the Scheme Administrator;
- (c) any Service Provider as the Scheme Trustees may determine;
- (d) the Provider;
- (e) each officer or representative of the Scheme Trustees or of the Scheme Administrator or of such Service Provider or of the Provider; and
- (f) each delegate or nominee of the Scheme Trustees and of the Scheme Administrator and of such Service Provider

shall (except to the extent that he recovers under any insurance claim) be indemnified from the Fund, or from the assets of each relevant Member Fund, and by each relevant Member and beneficiary personally, from all and any Consequences to or in respect of or arising out of or in connection with a Scheme Sanction Charge or De-registration Charge or any other Tax, including any other Tax under the FA04, except to the extent attributable to that Scheme Trustees', Scheme Administrator's, Service Provider's, Provider's, officer's, representative's, delegate's, or nominee's own act or omission knowingly and deliberately committed in bad faith.

- 35.8 Any indemnity which is met by the Fund may, at the discretion of the Scheme Trustees and/or the Scheme Administrator, be borne by and deducted from any or all Member Funds in such proportions as the Scheme Trustees and/or the Scheme Administrator consider to be fair.
- 35.9 In this Rule the words "Scheme Trustees", "Scheme Administrator", "Service Provider" and "Provider" shall include every director, employee or member of a corporate trustee of the Scheme and of the Scheme Administrator, Service Provider or of the Provider. It shall also include any person who was formerly appointed to any of those offices but has ceased to act in that capacity.
- 35.10 Following the death of a Member, any reference to a "Member" in this Rule 35 shall include a reference to his Dependants or any other beneficiary entitled to the payment of a benefit from his Member Fund.

## **36 TAX**

- 36.1 The Scheme Trustees or Scheme Administrator or any Service Provider may deduct from any payment made under the Scheme a sum equal to any Tax which becomes (or in the reasonable opinion of the Scheme Administrator may become) payable as a result of that payment.
- 36.2 Where a payment is made without a deduction under Rule 36.1 the payee must repay the amount of Tax if within six months of making the payment the Scheme Administrator so demands.
- 36.3 Without prejudice to the generality of Rule 36.1, each of the Scheme Trustees and the Scheme Administrator, without requiring the consent of any other Scheme Trustees or of any Member or beneficiary or of any person, shall have the following powers in the event that there shall be any undischarged liability to Tax, whether under the FA04 or otherwise and including any Scheme Sanction Charge arising out of or in connection with the Scheme:
- (a) power to recover the amount of the Tax from the relevant Member Funds and to discharge the Tax liability from those relevant Member Funds;
  - (b) power to recover the amount of the Tax from the other assets of the Fund and to discharge the Tax liability from those assets;
  - (c) power to recover the amount of the Tax from the relevant Members or beneficiaries personally under their indemnities under Rule 35.7; and;
  - (d) power, as attorney for the Scheme Trustees and for the Member and any other beneficiaries in respect of the Member Fund, to sell all or any assets of the Fund, including assets of the relevant Member Funds, in order to discharge the Tax liability from those assets.
- 36.4 Before they pay any benefits to or in respect of a Member, the Scheme Administrator may ask him to tell them how much unused lifetime allowance (as defined in section 218 of the FA04) he has available. Unless or until the Member is able to demonstrate to the satisfaction of the Scheme Administrator that he has enough unused allowance available to cover his benefits from the Scheme, the Scheme Administrator may assume that he has used up all his lifetime allowance. It may treat all his benefits as subject to the Lifetime Allowance Charge and may deduct tax accordingly.
- 36.5 If the Scheme Administrator is liable to pay any Lifetime Allowance Charge in respect of a Member, it shall be entitled to recover an amount reflecting such liability from present or future benefits or entitlement under the Scheme in respect of the Member (other than from an entitlement to a benefit which has not crystallised, except that in relation to which the Lifetime Allowance Charge arises).

- 36.6 If a Member has failed on the request of the Scheme Administrator to declare to it his available Lifetime Allowance prior to payment of benefits under the Plan, the Scheme Administrator shall be entitled to assume that he has fully utilised his Lifetime Allowance and so treat all his benefits as subject to the Lifetime Allowance Charge until such time as he provides a declaration.

### **37 DISPUTES**

- 37.1 In the event of any dispute arising between the Provider and the Scheme Trustees, the Scheme Administrator, the Member or other beneficiary in the exercise of their powers under these Rules such dispute shall be determined by the Scheme Trustees, unless the Provider, the Scheme Administrator or the Scheme Trustees or the Member, as the case may be, elects in writing within 14 days of the dispute arising for the dispute to be determined by an arbitrator appointed jointly by the parties.

If the parties cannot agree to such appointment within 28 days of the election, the dispute shall be determined by an arbitrator to be appointed by the President or Vice President of the Chartered Institute of Arbitrators.

The determination of the arbitrator in either case shall be final and binding upon the Provider and the Scheme Trustees, the Scheme Administrator, the Member and/or the beneficiary accordingly.

The arbitration shall have its seat in England but hearings may be held at any place to be fixed by the arbitrator after consultation with the Provider and the Scheme Trustees, the Scheme Administrator, the Member and/or the beneficiary as appropriate.

The Scheme Trustees' the Scheme Administrator's, and the Member's or other beneficiary's costs of any such arbitration shall be payable out of the relevant Member Fund or the other assets of the Fund.

### **38 ASSIGNMENT, FORFEITURE AND SURRENDER**

- 38.1 Rights to a lump sum benefit under the Scheme may not be assigned, charged to someone else or surrendered, except to the extent necessary to give effect to comply with a Pension Sharing Order.
- 38.2 No pension or annuity secured with a Member Fund may be assigned, charged to someone else or surrendered except in the following circumstances:
- (a) A pension which continues under a guarantee to a person's estate after his death may be assigned by his will, or by his personal representatives in distributing his estate, for any of the following reasons:
    - (i) to give effect to his will; or
    - (ii) to give effect to the rights of those entitled on his intestacy; or
    - (iii) to appropriate it to a legacy or to a share or interest in the estate.
  - (b) To the extent necessary to comply with a Pension Sharing Order.
  - (c) As permitted by sections 342A to 342C of the Insolvency Act 1986 and sections 36A to 36C of the Bankruptcy (Scotland) Act 1985, as amended by sections 15 to 16 of the Welfare Reform and Pensions Act 1999.
  - (d) As permitted by section 273 to 278 of the Proceeds of Crime Act 2002.

- (e) As permitted by any other rule of law, statute, statutory instrument or notice or concession by HMRC.

Furthermore, by statute, every assignment of protected rights or payments giving effect to them is void. So is any charge on them, and also any agreement to assign or charge them.

- 38.3 Subject to the provisions of the Welfare Reform and Pensions Act 1999, no Member shall be entitled to any benefit under the Scheme if any act or event occurs on which the benefits which would otherwise be payable to or in respect of the Member would wholly or partly become payable to a third party, and the relevant Member Fund and any other former entitlements of the Member under the Scheme shall not vest in such a third party.
- 38.4 If, through the operation of this Rule, a benefit ceases to be payable, the Scheme Administrator may in its absolute discretion apply all or any part of it for the support and maintenance of:
  - (a) the person who would have been the recipient had the benefit not ceased to be payable; or
  - (b) his Spouse, children or remoter issue (but in no case shall any payment be made to an assignee or purported assignee).
- 38.5 If a person who is absolutely or contingently entitled to a benefit from the Scheme incurs a monetary obligation to the Scheme Trustees, the Provider or the Scheme Administrator arising out of a criminal, negligent or fraudulent act or omission by him, then that person's entitlement, or accrued right, to any benefits under the Scheme may be forfeited by the Scheme Administrator to the extent that it does not exceed the monetary obligation.

### **39 MISCELLANEOUS**

- 39.1 In order to maintain the status of the Scheme as a Registered Pension Scheme and in order to comply with any requirements of the Department of Work and Pensions ("DWP"), the Scheme Trustees will give such undertakings or may make such declarations to HMRC or to the DWP as may from time to time be required.
- 39.2 The Scheme Trustees shall have power:
  - (a) to insure any asset comprised in the funds of the Scheme on such terms as it shall think fit;
  - (b) to pay premiums out of income or capital; and
  - (c) to use any insurance money received to restore the assets or, if this is not possible or considered appropriate, to apply as if it were the proceeds of sale of the assets.
- 39.3 The perpetuity period applicable to the trusts of the Scheme shall mean the period of 80 years from the date of these Rules or such longer period as it may, from time to time, be lawful for the trusts of the Scheme to continue.
- 39.4 No Member (or other person claiming through him) shall have any entitlement under the Scheme to call for the withdrawal of funds or income from his Member Fund except in accordance with the provisions of the Scheme and of these Rules from time to time in force.
- 39.5 If any amount paid to any person exceeds that to which he is entitled then the overpayment shall, if the Scheme Administrator so directs, be deducted from any subsequent payments due to that person (or any other person who derives his

entitlement to benefits under the Scheme from him). The Scheme Administrator shall not be required to seek recovery of any amount overpaid or wrongly paid if it would not be reasonably practicable to do so or the amount likely to be recovered after deducting the costs of recovery would not in its opinion warrant such action.

- 39.6 Any option conferred upon any Member under the Scheme may only be exercisable by notice in writing sent by post to the Scheme Trustees or the Scheme Administrator. Any notice sent by post shall be deemed to be served on delivery at the offices of the Scheme Trustees or Scheme Administrator.
- 39.7 Any notice to be given under the Scheme to any Member or other person with an interest in the Scheme may be given by sending the notice through the first or second class post, in a letter addressed:
- (a) either;
    - (i) to him at his last known place of residence, or
    - (ii) by email, addressed to his last known email address; or
  - (b) either
    - (i) to a person and address on his behalf, or
    - (ii) by email, to an email address of another person

nominated by him in writing for this purpose.

Any notice so sent shall be deemed to be served on the third working day following that on which it is posted in the case of a letter posted, or of the date and time shown as the receipt time on any read receipt in relation to the email.

- 39.8 Any reference to a statute (or to a particular chapter, part of, section of, or schedule to, a statute) includes any modification or re-enactment of it and any regulations made under it or with reference to it (or any such modification or re-enactment) and any previous legislation or provision relating to the same subject matter.
- 39.9 These Rules will be read and construed together and in accordance with the laws of England.
- 39.10 For the purposes of construing these Rules:
- (a) the terms referred to in these Rules shall have the meanings that are given to them in Rule 44 (Definitions);
  - (b) pronouns and adjectival pronouns denoting the masculine gender shall be construed as including the feminine;
  - (c) words in the singular shall be construed as including the plural and words in the plural as including the singular; and
  - (d) references to any enactment include references to that enactment as amended or extended or re-enacted by or under any other enactment.

#### **40 CLOSING OR WINDING-UP THE SCHEME**

- 40.1 The provider may at any time direct the Scheme Administrator to:
- (a) stop admitting new Members to the Scheme, but continue to accept contributions from, and in respect of, existing Members; or

- (b) stop admitting new Members to the Scheme and stop accepting contributions from, and in respect of, existing Members.
- 40.2 If the Scheme is closed, the Scheme Administrator will continue to operate the Scheme under the Scheme Documents, unless the Provider decides to wind-up the Scheme under Rule 40.3. Where (b) of Rule 40.1 applies, the Scheme Administrator must notify each Member or other beneficiary of his rights and options under the Personal Pension Schemes (Disclosure of Information) Regulations 1987 (SI 1987/1110).
- 40.3 The Provider may wind-up the Scheme by giving notice to the Scheme Administrator. The Scheme Administrator will then notify each Member of his rights and options under the Personal Pension Schemes (Disclosure of Information) Regulations 1987 (SI 1987/1110). This notification will include notice of the Member's rights to a transfer under Rule 20.
- 40.4 When a Member does not make a choice under Rule 20, the Scheme Administrator will either at its discretion:
- (a) pay the whole of a Member's Arrangements as a lump sum to the Member if the lump sum would qualify as a Winding-Up Lump Sum; or
  - (b) pay the whole of a Dependant's Scheme Pension or Dependant's Unsecured Pension under the Scheme as a lump sum to that Dependant if the lump sum would qualify as a Winding-up Lump Sum Death Benefit; or
  - (c) transfer his Member Fund to another Registered Pension Scheme of the Scheme Administrator's choice. The Member's consent will not be necessary except to the extent required by the Protected Rights (Transfer) Regulations 1996 SI 1996/1461. When the Member has a Protected Rights Fund, Rule 41.3 also applies.

#### **41 CONTRACTING-OUT**

- 41.1 These Rules set out the requirements for contracting out which override any inconsistent provisions in the other Scheme Documents.
- 41.2 The provisions in the Rules relating to the legal requirements for the issue of an appropriate scheme certificate must be read in conjunction with the legislative requirements. The Rules shall be treated as modified if and to the extent necessary for the purpose of satisfying sections 26 to 33A of the PSA93 and the "Relevant Requirements" within the meaning in section 9(6) of the PSA93. To the extent that something is not covered by the Rules, or is in contradiction to the Rules, the legislative requirements shall be overriding.
- 41.3 If the Scheme ceases to be an Appropriate Personal Pension Scheme, the Scheme Administrator will inform each Member of his rights and options in accordance with The Personal Pension Schemes (Disclosure of Information) Regulations 1987 (SI 1987/1110).

#### **42 FINANCE ACT 2004**

- 42.1 Notwithstanding any other the provisions of the Scheme, but subject to the following provisions of this Rule 42.1, nothing in these Rules shall entitle any Member to an Unauthorised Payment. If the Scheme Trustees, or the Scheme Administrator makes any such Unauthorised Payment not knowing that the payment was or would be an Unauthorised Payment, neither the Scheme Trustees nor the Scheme Administrator would be in breach of trust of these Rules.

- 42.2 For the avoidance of doubt, the Scheme Trustees or the Scheme Administrator, as the case may be, may make a payment which is not an Authorised Payment provided HMRC would not treat it as an Unauthorised Payment.

### 43 AMENDMENT

- 43.1 Subject to Rules 43.2 and 43.4 the Provider may with the consent of the Scheme Trustees and without the consent of all or any of the Members by executing a deed of amendment, at any time add to, alter, delete or modify whether retrospectively or otherwise any or all of the provisions of these Rules. This power of amendment may be exercised whether the Scheme is ongoing, closed, paid up or winding up.
- 43.2 Any deed of amendment under Rule 43.1 shall specify the date from which any such addition, alteration, deletion or modifications shall take effect.
- 43.3 For the avoidance of doubt, the amendment power under Rule 43.1 may be exercised to alter the Scheme's contracted-out status as described in Rule 41.
- 43.4 No change under this Rule 43 will have effect to the extent that it would prejudice the registration of the Scheme under the FA04.
- 43.5 The Provider may at any time, in writing, make any alteration to these Rules necessary to ensure that the Scheme retains its appropriate scheme certificate. This power may be exercised by the Provider alone and without any conditions except Rule 43.4.

### 44 DEFINITIONS

- 44.1 In these Rules the following words have the following meanings:

**"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 Work and Pensions, at the request of the Scheme Administrator, as being a proper person to act in this capacity.

**"Alternatively Secured Pension"** has the meaning given to it in paragraph 5 of schedule 28 to the Act;

**"Annuity Protection Lump Sum Death Benefit"** has the same meaning as in paragraph 16 of schedule 29 to the FA04;

**"Appropriate Personal Pension Scheme"** means a personal pension scheme that has received an appropriate scheme certificate under the PSA93.

**"Arrangement"** means an arrangement (as described in Rules 6 to 6.7) made by a person with the Scheme Administrator to provide benefits under the Scheme in accordance with these Rules.

**"Authorised Payment"** means an authorised member payment (as defined in section 164 of the FA04) or authorised employer payment (as defined in section 175 of the FA04).

**"Beneficiaries"** means:

- (a) any persons (including trustees of trusts for Members and Beneficiaries) whose names the Member has notified to the Scheme Administrator in writing prior to the date of the Member's death;
- (b) the Member's Dependants;
- (c) the Member's Relatives;

- (d) the individuals entitled under the Member's will to any interest in the estate;  
and
- (e) the Member's legal personal representatives.

**"Cash Equivalent"** means the cash equivalent of any benefits which have accrued to or in respect of a Member determined in accordance with Chapter IV of Part IV of the PSA93.

**"Charity Lump Sum Death Benefit"** has the same meaning as in paragraph 18 of schedule 29 to the FA04.

**"Civil Partner"** means a person who is registered as a civil partner of the Member in accordance with the Civil Partnership Act 2004.

**"Contracted-Out"** has the same meaning as in the PSA93.

**"Contracted-Out Money Purchase Scheme"** refers to a scheme for which there is a contracting out certificate to the effect that it is such a scheme under the PSA93.

**"Dependant"** is defined as follows:

- (f) A person who was married to, or a Civil Partner of, the Member at the date of the Member's death is a Dependant of the Member;
- (g) A person who was married to, or a Civil Partner of, the Member when the Member first became entitled to a pension under the Scheme is a Dependant of the Member;
- (h) A child of the Member is a Dependant of the Member if the child-
  - (i) has not reached the age of 23; or
  - (ii) has reached that age and, in the opinion of the Scheme Administrator, was at the date of the Member's death dependent on the Member because of physical or mental impairment;
- (i) A person who was not married to, or a Civil Partner of, the Member at the date of the Member's death and is not a child of the Member is a Dependant of the Member if, in the opinion of the Scheme Administrator, at the date of the Member's death-
  - (i) the person was financially dependent on the Member;
  - (ii) the person's financial relationship with the Member was one of mutual dependence; or
  - (iii) the person was dependent on the Member because of physical or mental impairment.

It is for the Scheme Administrator to decide whether a person meets this definition.

**"Dependant Child"** or **"Dependant Children"** means a child (or children) for whom the Member was entitled to child benefit immediately before he died (or would have been if the child or children had been in the United Kingdom).

**"Dependant's Annuity"** means an annuity which qualifies as a dependant's annuity under paragraph 17 of Schedule 28 to the FA04.

**"Dependants' Alternatively Secured Pension"** has the meaning in paragraph 19 of Schedule 28 of the FA04 and amplified by paragraph 21 of that Schedule as it applies to a Dependant who has reached age 75.

**"Dependant's Scheme Pension"** means a pension which qualifies as a dependant's scheme pension under paragraphs 16-16C of Schedule 28 to the FA04.

**"Dependant's Unsecured Pension"** has the meaning in paragraph 18 of Schedule 28 of the FA04 as amplified by paragraph 20-22 of that Schedule as they apply to a Dependant who has not reached age 75.

**"De-registration Charge"** means a charge to income tax which arises under section 242 of the FA04.

**"Discharge Regulations"** means the Pension Sharing (Implementation and Discharge of Liability) Regulations 2000 (SI 2000/1053).

**"Eligible Shares"** has the meaning in section 195(3) of the FA04.

**"Employer"** means the current employer or employers of a Member.

**"Ex-spouse"** means an individual to whom pension credit rights have been or are to be allocated following a pension sharing order, agreement or equivalent provision.

**"FA04"** means the Finance Act 2004.

**"Fund"** means the aggregate of all the Member Funds held under the Scheme and any other assets for the time being held by or on behalf of the Scheme Trustees on the trust of the Scheme.

**"Guaranteed Minimum Pension"** has the same meaning as in the PSA93.

**"HMRC"** means Her Majesty's Revenue and Customs.

**"Income Withdrawal"** has the same meaning as in paragraph 7 of schedule 28 to the FA04.

**"Insurer"** means an insurance company, an EC company or a friendly society as described in section 180A(1) of the PSA93, regulation 11 of the Personal and Occupational Pension Schemes (Protected Rights) Regulations 1996 (SI 1996/1537) and in section 275 of the FA04.

**"Interim Arrangement"** means an arrangement mentioned in section 28(1A) of the PSA93 which:

- (j) complies with section 28A of the PSA93; and
- (k) satisfies any conditions prescribed under section 28(1A) of the PSA93.

**"Interim Period"** has the same meaning as in section 28(8) of the PSA93

**"Investment Funds"** means any collective investment scheme, fund, or policy or deposit fund in which any part of the Fund is from time to time invested by the Scheme Administrator pursuant to Rule 31.

**"Investment-Regulated Pension Scheme"** means a scheme which falls within paragraphs 1(1) and 1(2) of Schedule 29A of the FA04.

**"Lifetime Allowance"** has the same meaning as in section 218 of the FA04 in relation to an individual. (This limits the amount of tax privileged saving that an

individual can have. It may be the standard allowance or, depending on the individual's circumstances, a higher amount.)

**"Lifetime Allowance Charge"** has the same meaning as in section 214(1) of the FA04.

**"Lifetime Allowance Excess Lump Sum"** has the same meaning as in paragraph 11 of Schedule 29 to the FA04. (This is a lump sum benefit paid to a Member (aged under 75) because they have used up their available Lifetime Allowance.)

**"Lifetime Annuity"** means an annuity which qualifies as a lifetime annuity under paragraph 3 of Schedule 28 to the FA04.

**"Member"** means a person admitted to membership of the Scheme in accordance with the provisions of these Rules and who has not ceased to be a Member by virtue of the operation of these Rules. It also includes an individual who has had one or more Arrangements made on his behalf following the winding-up of another scheme.

**"Member Fund"** means the aggregate of such of the Member's Protected Rights Fund or Non-Protected Rights Fund as has been established by the Scheme Administrator.

**"Membership"** means the status of being a Member.

**"Member Trustees"** means on the date of these Rules the persons named in paragraph (3) on page 1 of these Rules or any person subsequently appointed as a trustee for the time being of the Scheme under Rule 23.1(a).

**"Minimum Contributions"** are contributions as described in Rule 9.1.

**"Minimum Pension Age"** means:

- (l) before 6 April 2010, age 50;
- (m) on and after that date, age 55;

save that any Member as at 5th April 2006 who had an actual or prospective right under the Scheme to a pension from age 50 shall retain that right on and after that date if that is his protected pension age for the purposes of paragraph 21 of Schedule 36 to FA04.

**"Money Purchase Benefits"** has the meaning given in section 181 of the PSA93.

**"Non-Protected Rights"** means the Member's right to Money Purchase Benefits that are not Protected Rights and are provided from his Non-Protected Rights Fund.

**"Non-Protected Rights Fund"** means, in relation to a Member's Arrangement, such part of the Member Fund established under Rule 7.1 as contains the aggregate, under that Arrangement, of the accumulated values as determined by the Scheme Trustees of:

- (a) the contributions paid to the Scheme by or in respect of the Member under paragraphs (a) or (b) of Rule 8.3;
- (b) any transfer payment accepted by the Scheme in respect of the Member except to the extent that the payment comprises of Protected Rights;
- (c) any Pension Credit Rights accepted by the Scheme in respect of the Member; and
- (d) any income or capital gain arising from the investment of such amounts; and

(e) investments or money relating to the Member concerned.

It excludes:

- (f) the value of any contract or part of a contract to which contributions have been applied under the provisions of Rule 8.13; and
- (g) any payments made under Rule 9.1 which are Protected Payments and any income or capital gain arising from the investment of such payments; and
- (h) any deductions or payments which have been made out of a Member Fund in accordance with these Rules; and
- (i) any pension debit arising as a result of a pension sharing order.

**"Occupational Pension Scheme"** means a scheme as defined in section 1 of the PSA93, or section 176 of The Pension Schemes (Northern Ireland) Act 1993.

**"Overseas Arrangement"** and **"Overseas Scheme"** both have the meanings given to these expressions in regulation 1 of the Protected Rights (Transfer Payment) Regulations 1996 (SI 1996/1461).

**"Pensionable Age"** has the meaning given in Schedule 4 of the Pensions Act 1995.

**"Pension Commencement Lump Sum"** shall have the meaning given to that phrase by Part 1 of Schedule 29 to the FA04.

**"Pension Credit Benefit"** means the benefits payable under the Scheme to or in respect of a person by virtue of rights under the Scheme attributable (directly or indirectly) to a credit under section 29(1)(b) of the Welfare Reform and Pensions Act 1999.

**"Pension Credit Rights"** means rights to benefits arising from a credit as defined in section 101P of the PSA93, as inserted by section 37 of the Welfare Reform and Pensions Act 1999, or under corresponding Northern Ireland legislation.

**"Pension Date"** is the effective start date of a Scheme Pension or an annuity or income withdrawals under an Arrangement. Where an Arrangement is split into separate Arrangements under Rule 6.5 each separate Arrangement may have a different pension date.

**"Pension Debit"** means a debit under section 29(1)(a) Welfare Reform and Pensions Act 1999 or under corresponding Northern Ireland legislation.

**"Pension Requirements"** means the requirements of sub-sections 29(1) of the PSA93 and any other conditions under section 28(2)(a) of the PSA93.

**"Pension Sharing Order"** means any order or provision as defined in either section 19 or 20 of the Welfare Reform and Pensions Act 1999.

**"Professional Trustee"** means on the date of these Rules **PAL Trustees Limited** (Company No 01666419) or any person subsequently appointed under Rule 23 as a trustee for the time being of the Scheme.

**"Protected Payments"** are defined in Rule 9.1.

**"Protected Pension"** means the pension derived from a Member's Protected Rights Fund.

**"Protected Rights"** means the Member's rights to Money Purchase Benefits arising from protected payments under Rule 9.1 and their proceeds, except so far as they are used to meet administrative expenses of the Scheme and to pay commission.

**"Protected Rights Fund"** means, in relation to a Member's Arrangement, such part of the Member Fund established under Rule 7.1 as contains the aggregate, under that Arrangement, of the accumulated values as determined by the Scheme Trustees of:

- (a) any payments made under Rule 9.1 which are Protected Payments; and
- (b) any income or capital gain arising from the investment of such payments.

It excludes:

- (c) the value of any contract or part of a contract to which contributions have been applied under the provisions of Rule 8.13 and
- (d) any administrative expenses of the Scheme and any payments of commission paid under Rule 34; and
- (e) any pension debit arising as a result of a pension sharing order.

**"Provider"** means on the date of these Rules IPS Partnership Plc (Company no. 01458445) or any successor in relation to the provision of benefits as described in Rule 22.

**"PSA93"** means the Pension Schemes Act 1993.

**"Recognised Transfer"** means a transfer of sums or assets out of the Scheme which is an Authorised Payment under section 169 of the FA04.

**"Refund of Excess Contributions Lump Sum"** means a lump sum payment to a Member which satisfies the conditions of paragraph 6 of Schedule 29 of the FA04.

**"Registered Pension Scheme"** means a scheme or arrangement which is a registered pension scheme for the purposes of Part 4 of the FA04.

**"Regulation"** is a reference to a regulation of a Statutory Instrument.

**"Relatives"** means in relation to the Member:

- (f) his widow (if the Member is male) or her widower (if the Member is female) or the Member's surviving Civil Partner;
- (g) any child or remoter issue of the Member and the spouse or widow or widower or surviving Civil Partner of any such child or remoter issue;
- (h) the father or mother (whether lawful or adoptive) of the Member and the widow or widower or surviving Civil Partner of such father and mother; and
- (i) any person (except the Member) who is the child or remoter issue (whether lawful or adoptive) of such father or mother or Civil Partner and the widow or widower or surviving Civil Partner of any such person.

For the purpose of this definition, the word "child" in relation to the Member has its ordinary meaning and additionally includes his stepchild a child he has legally adopted, a child of his conceived but not yet born and a child to whom in the opinion of the Scheme Administrator he stands or would have stood in loco parentis.

**"Rule"** is a reference to a Rule in this document.

**"Rules"** means these Rules of the Scheme.

**"Scheme"** means the pension scheme governed by these Rules which is named in Rule 2.2.

**"Scheme Administrator"** means on the date of these Rules **IPS Partnership Plc** (Company no. 01458445) or any person subsequently appointed under Rule 24 for the purposes of section 270 of the FA04.

For some specific requirements of the Welfare Reform and Pensions Act 1999 or the PSA93, the references to scheme administrator in the Rules may relate more specifically to the manager or trustees of the Scheme. The Scheme Administrator shall also be the scheme administrator for the purpose of those Acts.

**"Scheme Documents"** means the documents that govern the Scheme (including these Rules) as amended from time to time.

**"Scheme Pension"** means a pension which qualifies as a scheme pension under paragraphs 2 and 2A of Schedule 28 to the FA04.

**"Scheme Sanction Charge"** shall have the meaning given by section 239 of the FA04.

**"Scheme Trustees"** means on the date of these Rules the Professional Trustee and any Member Trustees.

**"Section 9(2B) Rights"** means rights derived through section 9(2B) of the PSA93.

**"Serious Ill-Health Lump Sum"** shall have the meaning given in paragraph 4 of Schedule 29 to FA04.

**"Service Provider"** means a person appointed or employed by the Scheme Trustees or the Scheme Administrator under Rule 25.1.

**"Stakeholder Pension Scheme"** means a scheme for the time being registered as a stakeholder pension scheme with the Pensions Regulator under section 2 of the Welfare Reform and Pensions Act 1999.

**"State Second Pension"** means the additional state pension. The additional state pension pre-6 April 2002 was commonly known as SERPS (State Earnings-Related Pension Scheme) but since 6 April 2002 has been known as the 'State Second Pension'.

**"Survivor"** means a Dependant of a Member who has died.

**"Tax"** means any tax, charge, imposition, duty, levy, excise duty, national insurance contribution, surcharge, rate or penalty whatsoever (without limitation) together with any interest charged on it which may be imposed by Her Majesty's Treasury, HMRC or by any other body and includes (without limitation) any Scheme Sanction Charge and the De-registration Charge.

**"Tax Year"** means a period beginning on 6 April and ending on the following 5 April.

**"Trivial Commutation Lump Sum"** shall have the meaning given by paragraphs 7 - 9 of Schedule 29 to the FA04.

**"Trivial Commutation Lump Sum Death Benefit"** shall have the meaning given by paragraph 20 of Schedule 29 to the FA04.

**"Unauthorised Payment"** has the meaning given to that phrase by section 160(5) of the FA04.

**"Uncrystallised Fund"** means a Member Fund which has not been designated as available for the payment of

- (j) Unsecured Pension or Dependant's Unsecured Pension; or
- (k) Alternatively Secured Pension or Dependant's Alternatively Secured Pension; or
- (l) a Scheme Pension or a Dependant's Scheme Pension; or
- (m) a Pension Commencement Lump Sum; or

which has not been applied to purchase a Lifetime Annuity.

**"Unsecured Pension"** means a pension which is payable to a Member under the age of 75 and which qualifies as an unsecured pension under paragraph 4 of Schedule 28 to the FA04.

**"Unsecured Pension Fund Lump Sum Death Benefit"** means a lump sum payable on a Member's death which complies with the conditions of section 168 and paragraph 17 of Schedule 29 to the FA04.

**"Winding-Up Lump Sum"** shall have the meaning given by paragraph 10 of Schedule 29 to the FA04.

**"Winding-up Lump Sum Death Benefit"** has the meaning as defined in paragraph 21 of Schedule 29 to the FA04.

**IN WITNESS** of which this deed has been executed by the parties and is intended to be and is delivered on the date first written above.

IPS to complete

<b>EXECUTED as a DEED by</b>	)
<b>The IPS Partnership Plc</b>	)
<b>acting by:</b>	)
	<b>Director/Authorised Signatory</b>
	<b>Director/Authorised Signatory</b>

IPS to complete

<b>EXECUTED as a DEED by</b>	)
<b>PAL Trustees Limited</b>	)
<b>acting by:</b>	)
	<b>Director/Authorised Signatory</b>
	<b>Director/Authorised Signatory</b>

Each member trustee to sign and have their signature witnessed (not by a family member)

Executed as a deed by ) Print name <input type="text"/>
Sign <input type="text"/>
in the presence of: )
<i>Witness Signature</i> ..... <i>Witness Name</i> ..... <i>Address</i> ..... ..... <i>Occupation</i>

Executed as a deed by ) Print name <input type="text"/>
Sign <input type="text"/>
in the presence of: )
<i>Witness Signature</i> ..... <i>Witness Name</i> ..... <i>Address</i> ..... ..... <i>Occupation</i>

Executed as a deed by ) Print name <input type="text"/>
Sign <input type="text"/>
in the presence of: )
<i>Witness Signature</i> ..... <i>Witness Name</i> ..... <i>Address</i> ..... ..... <i>Occupation</i>

Executed as a deed by )  
 Print name

Sign

in the presence of: )

*Witness Signature* .....  
*Witness Name* .....  
*Address*.....  
 .....  
 .....  
*Occupation*

Executed as a deed by )  
 Print name

Sign

in the presence of: )

*Witness Signature* .....  
*Witness Name* .....  
*Address*.....  
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 .....  
*Occupation*

Executed as a deed by )  
 Print name

Sign

in the presence of: )

*Witness Signature* .....  
*Witness Name* .....  
*Address*.....  
 .....  
 .....  
*Occupation*