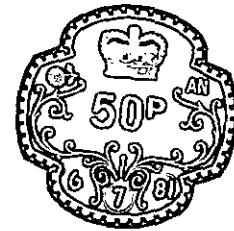


Dated 3<sup>rd</sup> July 1981

SECOND DEFINITIVE TRUST DEED  
for the  
PENSION AND ASSURANCE SCHEME  
of  
THE NATIONAL COUNCIL OF YOUNG MEN'S  
CHRISTIAN ASSOCIATIONS INCORPORATED

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THIS DEED is made the *third* day of *July* 198*0*/1

BY THE NATIONAL COUNCIL OF YOUNG MEN'S CHRISTIAN ASSOCIATIONS (INCORPORATED) whose registered office is situate at 640 Forest Road London E.17. (hereinafter called "the Council")

WHEREAS

- (A) this deed is supplemental to (i) a Declaration of Trust dated the 29th day of April 1960 (hereinafter called "the First Definitive Deed") by which the Council established a retirement benefits scheme (hereinafter called "the Scheme"), (ii) a Deed of Variation dated the 17th day of February 1961 and (iii) any deeds supplemental thereto including a deed dated the 9th day of March 1978 (hereinafter called "the Interim Contracting-Out Deed")
- (B) the Council as the present trustee of the Scheme has agreed that in accordance with the provisions of the First Definitive Deed the First Definitive Deed shall be amended as hereinafter provided
- (C) this deed is to be known as the Second Definitive Deed

NOW THIS DEED WITNESSETH  
AND IT IS HEREBY AGREED AND DECLARED as follows:-

With effect from the 30th day of April 1974 Clauses 1-17 of the First Definitive Deed as amended by any deeds executed subsequent to the date thereof and before the date hereof are replaced by the Clauses hereof and the Schedule or Schedules hereto:-

1. (a) IN this Deed where the context so admits the singular includes the plural and vice versa, the masculine includes the feminine, the expressions defined in the First Schedule to this Deed have the meanings therein ascribed to them, the expression "Rules" means the rules attached hereto together with any variations of or additions to or substitutions for the same duly made and any expressions not defined in the First Schedule shall, unless otherwise specifically provided, have the meanings ascribed to them by the Rules.
- (b) The provisions of the Rules and of any Schedules hereto shall be deemed to be incorporated in and to form part of this Deed which shall be read and construed accordingly.
2. (a) THE Trustees may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. All business brought before a meeting of the Trustees shall be decided by a majority of the votes of the Trustees present and voting thereon and in the event of any equality of votes the chairman of the meeting shall have a second or casting vote (provided that a resolution in writing signed as approved by all the Trustees shall be as effectual as if it had been passed at a meeting of the Trustees and so that the same may consist of two or more documents in similar form signed by one or more of the Trustees). Should there be an equality of votes on the election of a chairman at any meeting the Trustee to take the chair at the meeting shall be chosen by lot. The quorum for any meeting of the Trustees shall be a majority of the Trustees.
- (b) The Trustees shall keep such accounts, entries, registers and records as are necessary for the proper working of the Scheme and shall cause the said accounts to be audited annually by an accountant with proper professional qualifications appointed by the Trustees. Such accountant shall have access to all books, papers, vouchers, accounts and documents connected with the Scheme and shall certify in writing the result of each audit.
- (c) The Trustees shall keep a register of Members which register shall be deemed to be incorporated in and to form part of these presents and so soon as an employee has been admitted to membership of the Scheme the Trustees shall enter his name in the said register and shall issue to him a certificate stating that his name has been recorded as a Member.
- (d) Any Trustee for the time being hereof being a solicitor or other person engaged in any profession or business shall be entitled to charge and be paid all usual professional or other charges for business done by him or by his firm in relation to the trusts hereof or to the administration of the Scheme.
- (e) Any Trustee which is a company transacting insurance business (or any subsidiary as defined by Section 154 of the Companies Act 1948 of such a Trustee) may (without such Trustee or subsidiary being liable to account for any profit) issue and hold any annuity or assurance or sinking fund contracts or policies in respect of the Scheme and transact in respect of the Scheme any class of business which it is authorised by its Memorandum of Association to carry on.
- (f) Any Trustee which is a company shall be entitled to such fees or remuneration for services as such Trustee as shall from time to time be agreed between such Trustee and the Council.

(g) Any Trustee who is a Member or (in the case of any Trustee being an incorporated body) any member of the board of directors of the trustee company who is a Member shall be entitled to retain for his absolute benefit any benefits to which he is or becomes entitled by virtue of his membership of the Scheme.

3. **THE** Trustees shall have the following special powers in addition to all ordinary powers vested in them by this Deed and by statute, viz:-

- (i) power to act generally by majority vote;
- (ii) power to delegate to any incorporated body or to any committee consisting of two or more persons (any of whom may be a Trustee) appointed by them such of the powers, duties, authorities and discretions hereby or by the Rules conferred on the Trustees as they may deem necessary or desirable for the convenient administration of their duties hereunder including the operation of any banking accounts by such incorporated body or by two or more members of any such committee;
- (iii) power to make such arrangements generally for the administration of their duties hereunder and in particular to employ such agents and staff including a secretary (who may be one of the Trustees) to transact or to concur in transacting any business (including the receipt and payment of money) as the Trustees may think fit;
- (iv) power from time to time to obtain Actuarial Advice upon such terms as to remuneration as shall be approved by the Principal Employer;

**Provided always that:-**

- (1) none of the powers and discretions of the Trustees in regard to the investment of the Scheme Assets shall be delegated otherwise than to a committee consisting only of two or more of the Trustees;
  - (2) any notice, receipt, instructions, requests, data, information or evidence given, made or furnished in the exercise of their functions under this Clause by any person, persons or corporation appointed or employed by the Trustees as aforesaid shall be as valid and effectual as if the same were given, made or furnished by the Trustees and any valid receipt given to such person, persons or corporation for any payment made by them under the provisions of this Clause shall be a good and sufficient discharge to the Trustees.
4. (a) **THE** statutory power of appointing new trustees hereof shall be vested in the Council and any such appointment shall be by deed.
- (b) The Council may at any time and notwithstanding that there may at the time of such appointment be more than three Trustees or that one or more of the Trustees is a Trust Corporation (as hereinafter defined) by deed appoint one or any number of additional trustees hereof.
- (c) A Trust Corporation as defined in Section 205 (1) of the Law of Property Act 1925 and Section 3 of the Law of Property (Amendment) Act 1926 may be appointed to act alone as the Trustees of this Deed and in any such case the powers, duties, authorities and discretions of such Corporation as the Trustees shall be exercisable by the Board of Directors of such Corporation or by any proper officer of such Corporation.

(d) The Trustees or any of them may resign their appointment as the Trustees or Trustee hereof by serving on the Council one month's notice in writing to that effect which shall be delivered to or sent by registered post to the registered office or principal place of business of the Council and at the expiration of such notice the Trustees or Trustee so resigning shall be deemed to have retired from the trust and the continuing Trustee or Trustees, the resigning Trustee or Trustees and the Council shall execute such documents and do such things (if any) as may be necessary to give proper effect to such retirement.

(e) The Council may call upon any Trustee to resign by serving upon such Trustee seven days' notice in writing to that effect which shall be delivered to him or sent by registered post to his last known place of abode or in the case of a company to the registered office of such company and at the expiration of any such notice the Trustee therein named shall be deemed to have retired from the trust and shall execute such documents and do such things (if any) as may be necessary to give proper effect to such retirement.

5. NO Trustee hereof shall be responsible, chargeable or liable in any manner whatsoever for or in respect of any loss of or any depreciation in or default upon any of the Scheme Assets or for any delay which may occur from whatever cause in the investment of any moneys forming part of the Scheme Assets or for the safety of any securities or documents of title deposited by the Trustees for safe custody or for the exercise of any discretionary powers vested in the Trustees by this Deed or by the Rules including any act or omission by any person, persons or corporation appointed or employed by the Trustees under the provisions of Clause 3 hereof or by reason of any other matter or thing except wilful default on the part of the Trustee who is sought to be made liable.

6. (a) THE Trustees shall hold the Scheme Assets for the Trust Period (which period shall be the perpetuity period applicable to this Deed) upon the trusts and with and subject to the powers hereinafter and in the Rules declared and contained concerning the same and may do all such other acts and things as may seem to them expedient or necessary for the support and maintenance of the Scheme and the benefit of the Members.

(b) The Trustees shall have full power to determine all questions and matters of doubt arising in connection with the Scheme whether relating to the construction thereof or the benefits thereunder or otherwise and no decision of or exercise of a power by one or more of the Trustees shall be invalidated or questioned on the ground that any Trustee or (in the case of any Trustee being an incorporated body) any member of the board of directors of the trustee company had a direct or personal interest in the result of any such decision or in the exercising of any such power.

(c) The Trustees shall have all powers, rights and privileges in connection with the Scheme requisite or proper to enable them to carry out or execute or do any transaction, act, deed or thing arising under or in connection with this Deed or the Rules or any annuity or assurance or sinking fund contracts or policies effected by or assigned to them under the provisions of this Deed and the consent or concurrence of the Employers or the Members or any of them shall not be necessary in connection with the giving of any receipt or discharge or the making of any payment or the doing of any act or thing made or done in the exercise of their powers as Trustees or in connection with this Deed or the Rules or the said contracts or policies or any of them. Persons transacting

business with the Trustees in relation to the Scheme shall not be entitled or be under any obligation to make enquiry of the Trustees or the Employers or the Members or any of them as to the application of funds in the hands of the Trustees and all persons paying money to the Trustees shall be completely and sufficiently discharged by their receipt for the same.

(d) The Trustees shall have power to pay such fees, remuneration and professional or other charges as shall be approved by the Council to any person, persons or corporation appointed, employed or consulted for the purposes of the Scheme in accordance with Clauses 2, 3 and 4 hereof and any amounts so paid shall be deemed to be part of the necessary expenses incurred by the Trustees in or about the execution and carrying-out of the trusts and provisions of this Deed.

(e) The Trustees shall be entitled to deduct from any amount payable by them under the Scheme any tax or duty for which they are accountable in respect of the amount so payable.

7. (a) THE Trustees shall have the following power in relation to the whole or part of any moneys from time to time forming part of the Scheme Assets and which they are not required to expend immediately in making any payment or payments pursuant to the provisions of this Deed, namely, the power to invest the same in or upon any securities for the time being authorised by law for the investment of trust funds or by placing the same on deposit with any bank or insurance company or building society of good repute at such rate of interest and upon such terms as the Trustees shall think fit or in annuity or assurance or sinking fund contracts or policies with any Authorised Insurer as hereinafter more particularly provided or in such Unit Trusts as may be approved by the Council with power to vary any such investments for others of a nature hereby authorised.

(b) The Trustees may if they think fit make provision for the Intended Benefits and any additional benefits granted by them in accordance with the terms of this Deed or for any part thereof whether in advance or as and when the same shall fall due by investing from time to time so much of the capital and/or income of the Scheme Assets (after meeting any expenses, tax, duty or other payments hereinafter referred to) in such annuity or assurance or sinking fund contracts or policies as they may deem desirable with any United Kingdom office or branch of any Authorised Insurer upon the terms that all sums payable under such contracts or policies shall as and when received by the Trustees from the Authorised Insurer concerned be held by the Trustees upon trust for the purposes of the Scheme.

8. THE Trustees shall have power at their discretion to retain part of the capital and/or income of the Scheme Assets as a reserve and not to apply such part in the provision of benefits for Members so long as the total amount so retained at any one time shall not exceed one year's Ordinary Annual Contribution at the rate then prevailing in accordance with Clause 9(a).
9. (a) THE Trustees shall on the Commencement Date and on each subsequent Scheme Anniversary Date or so soon thereafter as is possible estimate to the best of their ability the total sum (including contributions, if any, of Members) required during the period up to the next Scheme Anniversary Date to enable the Trustees to maintain the benefits of the Scheme and shall immediately give written notice to the Employers of the proportions of the amount so estimated applicable to their respective employees specifying the instalments (if any) by which and the date or dates within such period on which the Trustees may have required the same to be paid.

(b) The Employers shall on behalf of the Trustees collect from those Members who are their respective employees by way of deduction from salary or wages or pay or otherwise such contributions (if any) as are expressed to be payable by the Members under the Rules and on receipt of written notice as aforesaid shall pay to the Trustees on the date or dates specified therein or within seven days thereof the amount or amounts therein stated except in so far as the same may require to be altered by reason of the Council exercising its discretion under Clause 16 hereof or any of the Employers exercising their discretion under Clause 17 hereof. The Employers shall also pay to the Trustees such sum or sums as the Trustees shall at any time estimate to be required to make provision for any additional benefits granted by the Trustees at their discretion under the provisions of Clause 10 hereof. Each Employer may also subject to the consent of the Trustees pay to the Trustees at any time such additional sum or sums as such Employer shall at its discretion decide which sum or sums shall until such time as they shall be applied in the provision of benefits for Members who are or have been employed by such Employer be retained by the Trustees as part of the reserves subject to the provisions of Clause 8 hereof.

(c) Where any sum, amount or value is by this Deed or the Rules expressed to be determined by the estimate or opinion of the Trustees, the Trustees may rely and act upon the Actuarial Advice obtained by them as permitted under Clause 3 hereof and shall not in any event incur any liability or responsibility whatsoever in the event of such estimate or opinion proving subsequently to be incorrect or inaccurate or in any way insufficient for its purposes.

(d) The Trustees may accept donations or bequests from any person or body for the purposes of the Scheme.

10. **SUBJECT** as provided in Clauses 7 and 8 hereof the Trustees shall apply the capital and/or income of the Scheme Assets:-

firstly, in paying and discharging as and when the same shall fall due all necessary expenses incurred by them in or about the execution and carrying out of the trusts and provisions of this Deed and any tax, duty or other payments for which they may be accountable or liable;

and

secondly, in providing the Intended Benefits as and when the same shall fall due in accordance with the terms and provisions of the Rules;

and

lastly, if the Trustees so think fit having regard to any special circumstances and if the funds from time to time in the hands of the Trustees so permit and if the Principal Employer so consents:-

(i) in augmenting the Intended Benefits payable under the Rules to or on the death of any Member,

and

(ii) in providing pension for the widow, widower or other Dependant of any Member,

and

- (iii) in providing a lump sum benefit payable on the death of any Member who is a former employee of any of the Employers and is not in receipt of a pension from the Scheme or has not received a cash retirement benefit or a cash sum in lieu of pension under the Scheme,

and

- (iv) in providing pension or other benefit to or on the death of any former employee of any of the Employers who is not a Member or in providing pension or other benefit for the widow or widower of any such former employee or for any individual who was at the date of any such former employee's death or retirement financially dependent upon such former employee for all or part of the necessities of life;

**Provided always that:-**

- (A) the total pension or other benefit payable to or on the death of any Member or to the widow, widower or other Dependant of any Member shall not exceed any maximum specified in the Rule headed "Limitation of Benefits" in the Rules or be such as would prejudice approval of the Scheme under the 1970 Act,

and

- (B) before granting any pension or other benefit under (iv) above the Trustees shall obtain confirmation from the Commissioners of Inland Revenue that the approval of the Scheme under the 1970 Act shall not be prejudiced,

and

- (C) a Member who on leaving Service is a Qualifying Member shall, subject to the provisions of the Scheme, be entitled in addition to any benefits in respect of him under the Rules to the whole or such proportion of any benefits under (i) or (ii) above in respect of him (other than any part thereof payable on death in Service prior to Normal Retiring Date) as the Trustees shall decide being not less than such proportion as the period from the date such benefit was awarded to the date on which he left Service (but ignoring any part of such period in respect of which a refund of contributions is elected by the Member) bears to the period from the said date such benefit was awarded to the Member's Normal Retiring Date.

11. IF any Member is entitled to benefit under any other retirement benefits arrangement then the Trustees may in accordance with the provisions of the other arrangement or at the written request of such Member and subject to the consent of the Council and to any undertaking given to the Commissioners of Inland Revenue for the purposes of this Clause:-



- (i) accept from the other arrangement any cash sum that the trustees thereof or other person or persons having the necessary powers thereunder may be authorised to pay to them in substitution for the Member's benefit thereunder or for a part thereof,

and/or

- (ii) accept from the other arrangement an assignment to themselves of such annuity or assurance contracts or policies on the life of the Member as the assets thereunder may include,

and/or

- (iii) accept a fresh annuity or assurance contract or policy or an amendment of an existing annuity or assurance contract or policy of which they are the grantees which will secure, inter alia, benefits on the life of the Member similar to and in substitution for those secured for him under the other arrangement or for a part thereof in respect of which the trustees of the other arrangement or other person or persons having the necessary powers thereunder may be authorised to effect a transfer to them;

and upon such acceptance shall confer on the Member such rights and benefits under the Scheme as they estimate to be equal in value to the assets so received and shall notify the Member accordingly;

**Provided always that:-**

- (1) before accepting any payment to the Scheme or any annuity or assurance contract or policy or any amendment or assignment of any annuity or assurance contract or policy or conferring any right or benefit under this Clause the Trustees shall satisfy themselves that such acceptance or conferment will not prejudice the approval of the Scheme under the 1970 Act;

- (2) such part, but only such part, of the assets so received as is derived from the contributions (if any) made by the Member under the other arrangement, as certified by the trustees thereof or other person or persons administering the other arrangement, shall be treated in the Scheme as Member's contributions and

- (A) any provision which restricted a Member's rights to take a refund of any contributions under such other arrangement shall subsist in relation to any assets so treated but only, in the case of any such restriction imposed by reason of the level of a Member's remuneration while in such other arrangement, up to and including 5th April 1980,

- (B) any provision subsisting as aforesaid which by reason of the level of a Member's remuneration while in such other arrangement restricts his rights to take a refund of any assets so treated shall, if such other arrangement is an arrangement of the Employers, apply to any contributions which he makes to the Scheme,

and

- (C) any provision which by reason of the level of a Member's remuneration while in the Scheme restricts his rights to take a refund of any contributions which he makes to the Scheme shall apply to any assets so treated;

- (3) in the event of the Member leaving Service before Normal Retiring Date for any reason except death he shall be entitled to the full amount of the benefit conferred upon him by the Trustees as aforesaid except that if in accordance with the Rules the Member elects to receive a return of his own contributions in lieu of other benefit any return as aforesaid of any contributions to any other arrangement which are treated in the Scheme as Member's contributions shall be in lieu of the whole of the benefits conferred upon the Member by the Trustees as aforesaid unless the Member is a Qualifying Member in which case he shall remain entitled to that part of such benefits which corresponds to the benefits to which in the opinion of the Trustees he would have remained entitled under the other arrangement if he had at the date of acceptance of the relevant assets therefrom by the Trustees, elected a return of contributions thereunder in circumstances in which he was entitled to short service benefit in accordance with the preservation requirements of the Social Security Act.
12. (a) IF any Member in respect of whom the Rule headed "Members who cease to be Participating Members" in the Rules shall have become operative becomes a member under any other retirement benefits arrangement approved under the 1970 Act or wholly approved under Section 208 of the Income and Corporation Taxes Act 1970 or approved for the purposes of this sub-clause by the Commissioners of Inland Revenue and (so far as may be necessary in any particular case) the Occupational Pensions Board the Trustees may in substitution for the whole or a part of the benefits which would otherwise arise under the Scheme in consequence of his membership thereof and provided that the manner in which the Scheme Assets are invested so permits and subject to any undertaking given to the Commissioners of Inland Revenue for the purposes of this sub-clause -
- (i) pay to such other retirement benefits arrangement a cash sum of an amount not exceeding that which they estimate to be equal in value to such benefits,
- and/or
- (ii) if the Scheme Assets shall include annuity or assurance contracts or policies with any insurance company, enter into an arrangement with such insurance company whereby it shall be released from all liability to pay the whole or part of any benefits secured in respect of the Member under any such contract or policy in consideration of such insurance company agreeing to issue a fresh annuity or assurance contract or policy in respect of such other retirement benefits arrangement or to amend an existing annuity or assurance contract or policy issued by such insurance company in respect of such other retirement benefits arrangement in order to secure in respect of such other retirement benefits arrangement benefits similar to and in substitution for those benefits in respect of which the Trustees shall have released such insurance company from liability as aforesaid,
- upon the footing that the Member shall be entitled under such other retirement benefits arrangement to such benefits (consistent with the existing formal approval of such other retirement benefits arrangement by the Commissioners of Inland Revenue) in respect of such payment and/or arrangement as the Trustees may in their discretion arrange with such other retirement benefits arrangement;

Provided always that:-

- (1) no transfer relating to less than the whole of the benefits in respect of the Member under the Scheme shall be made from the Scheme under this sub-clause unless the benefits which are to remain payable in respect of him under the Scheme are Specified Residual Benefits,
- (2) no transfer (unless in accordance with the Rules) shall be made from the Scheme under this sub-clause without the written consent of the Member or a written request from the Member to which the Employer has given consent,
- (3) no transfer shall be made from the Scheme under this sub-clause unless the Trustees are satisfied that such part, but only such part, of the value thereof as is derived from contributions (if any) of the Member will be treated in such other retirement benefits arrangement as member's contributions, and the Trustees shall certify to the trustees or person or persons administering such other retirement benefits arrangement the amount to be so treated,

and

- (4) the Trustees shall notify the trustees or person or persons administering such other retirement benefits arrangement of any prohibition on the Member's right to take a refund of contributions (if any) under the Scheme and shall further notify such trustees or person or persons as aforesaid that a similar prohibition must subsist under any other retirement benefits arrangement which is providing the benefits as aforesaid in relation to such contributions as aforesaid but only, in the case of any such prohibition imposed by reason of the level of a Member's remuneration while in the Scheme, up to and including 5th April 1980.

(b) Subject as hereinafter provided the Trustees may at any time prior to the coming into operation of the provisions of Clause 18 hereof make provision for any benefit (or any part thereof) payable or prospectively payable under the Scheme in respect of a Member who has ceased to be a Participating Member by securing a corresponding benefit under a Prescribed Policy and upon the Trustees making such provision the Member or other person or persons to whom such benefit would have been payable under the Scheme shall cease to have any claim on the Trustees arising out of the Scheme in respect of such benefit.

13. EACH of the Employers hereby covenants with the Trustees as follows:-

- (1) Without prejudice to Clause 10 hereof, at the request of the Trustees to pay to the Trustees all necessary expenses attributable to the employees of such Employer and incurred by the Trustees in or about the execution and carrying out of the trusts and provisions of this Deed,

and

- (2) to supply within 15 days from the date of a notice from the Trustees requiring it so to do such information in connection with the Scheme as the Trustees in their discretion consider is required in order to enable the Trustees to comply with the requirements of the 1970 Act Schedule 5 paragraph 7.

14. (a) **THE** assignment by a person of any right to benefit under the Scheme is prohibited and if any person shall purport either wholly or partially to assign or charge any right to present or future benefit in the Scheme, or attempt to do so, or if any other act shall be done or event shall happen whereby such benefit if belonging absolutely to such person would be vested in or payable to or charged in favour of any other person or company, all right whatsoever of such person to such benefit shall cease forthwith. The Trustees may as from the date on which they receive notice of the act or event causing such cesser hold, pay or apply in case of hardship only such benefit (as and when it arises) or any part thereof at their sole and absolute discretion to or for the benefit of all or any one or more to the exclusion of the other or others of the following persons, namely, the person entitled to such benefit prior to such cesser and (provided that such person was a Member prior to such cesser) the Dependants of such person but so that in no circumstances shall any payment be made to any person purported to be an assignee of such benefit.

(b) Where any benefit becomes payable under the Scheme and the person to whom it is payable is deemed by the Trustees in their absolute discretion to be incapable of managing his affairs owing to mental infirmity the Trustees shall have the power to pay or apply the benefit for or towards the maintenance personal support or benefit of the Member his spouse and issue or all or any of them to the exclusion of the other or others of them instead of paying it as otherwise provided under the Scheme.

15. **ANY** employer which desires to become a party to the Scheme at any time after the date hereof and is associated with the Council and the participation of which therein is approved by the Council, the Trustees and the Commissioners of Inland Revenue shall enter into an agreement with the Council and the Trustees supplemental hereto binding itself to observe and perform the provisions hereof and of the Rules and shall thereby become a party to the Scheme and to this Deed as from a date to be specified in such agreement.

16. **THE** Council may from time to time without the concurrence of the Members authorise the Trustees in writing to alter or add to the terms and provisions of the Rules and/or the trusts, powers and provisions of this Deed and any such alteration or addition may have retrospective effect. The Trustees shall forthwith declare any such alteration or addition to the Rules in writing under their hands and any such alteration or addition to this Deed in writing under their hands and seals except that any alteration or addition to this Deed which is solely for the purpose of enabling the Scheme to satisfy any requirements of Relevant Legislation (and any variation or termination of such alteration or addition) may be under their hands only and shall be as effective in all respects as if it had been under seal. This Deed and/or the Rules shall stand amended accordingly with effect from the date of such declaration or from such other date (whether future or past) as is stated in such declaration. In the event of the Trustees making any such alteration or addition to the Rules the Trustees shall forthwith notify or arrange for the notification of each Member affected thereby individually in writing of the effect thereof.

**Provided always that** no such alteration or addition shall (1) operate so as to affect in any way prejudicially (a) any pension already being paid in accordance with the Rules or this Deed at the date such alteration or addition takes effect or (b) any rights or interests which shall have accrued to each prospective beneficiary in respect of pension or other retirement benefits secured under the Scheme up to the date on which such alteration or addition takes effect or

(2) authorise or permit, or have the effect of authorising or permitting, the payment or transfer (or any increase in the payment or transfer) to any of the Employers of any part of the Scheme Assets if such payment or transfer (or increase in payment or transfer) would prevent the continued approval of the Scheme under the 1970 Act or (3) create any surplus of Scheme Assets if such surplus would prevent the continued approval of the Scheme under the 1970 Act or (4) affect in any way the duration of the Trust Period except to extend it to such other period (whether limited or unlimited) as may for the time being be allowed by law or (5) cause the main purpose of the Scheme to be other than the provision of pensions for Members on their retirement at a specified age.

17. (a) **THE** Council may at any time without the concurrence of the Members or the other Employers terminate its liability to contribute to the Scheme by giving notice in writing to the Trustees to that effect. Upon receipt of such notice the Trustees shall forthwith notify each Member individually in writing to that effect and all further liability on the part of the Employers and the Members to contribute to the Scheme shall cease with effect from the date of such notice by the Council except in so far as concerns any payments due on or before the date of such notice.

(b) An Associated Employer may at any time without the concurrence of the Members or the other Employers terminate its liability to contribute to the Scheme by giving notice in writing to the Trustees to that effect. Upon receipt of such notice the Trustees shall forthwith notify each Member employed by such Associated Employer individually in writing to that effect and all further liability to contribute to the Scheme on the part of the Associated Employer and such Members shall cease with effect from the date of such notice by the Associated Employer except in so far as concerns any payments due on or before the date of such notice.

18. **THE** Scheme shall be determined and wound-up in accordance with Clauses 19 and 20 hereof upon the happening of any of the following events (whichever shall first occur), viz:-

- (i) if it shall appear to the Trustees that the Scheme is insolvent or if they shall have received Actuarial Advice to that effect and the Trustees thereupon resolve to determine the Scheme;
- (ii) if the Council terminates its liability hereunder by notice to the Trustees in accordance with the provisions of Clause 17 hereof;
- (iii) if the Council shall at any time fail to pay to the Trustees any sum or sums on or within 14 days after the date on which the Trustees shall have required the same to be paid under Clause 9 hereof or shall fail to observe and perform any other of its obligations hereunder or in the Rules or in any deed or agreement supplemental hereto and (in either case) the Trustees thereupon resolve to determine the Scheme;
- (iv) if an order is made or an effective resolution is passed for the winding-up of the Council or if the Council shall cease to carry on business;
- (v) when a date one year before the end of the Trust Period is reached;

**Provided always that:-**

- (1) if the Council shall be wound-up for the purpose of reconstruction or amalgamation with any other company or if the Council shall amalgamate or enter into any arrangement having the effect of amalgamation with any other company or if the undertaking of the Council or part thereof shall be assigned to or vested in any other company, person or body of persons, the Trustees may make such arrangements or enter into such agreements (not being arrangements or agreements incompatible with the manner in which the Scheme Assets are invested or of such a kind as to prejudice approval of the Scheme under the 1970 Act) as they shall think fit for the continuance of the Scheme or part thereof whereby such reconstructed company or other company with which the Council has been amalgamated or company, person or body of persons to or in which the undertaking of the Council or part thereof shall have been assigned or vested shall for the purposes of this Deed and the Rules accept and adopt the obligations and liabilities of the Council under the Scheme, and
  - (2) if this Clause becomes operative by reason of the happening of the event described in sub-paragraph (ii) above or if any of the events described in sub-paragraph (iii) above (other than the resolution of the Trustees to determine the Scheme) shall happen the Trustees may in their absolute discretion decide that the determination and winding-up of the Scheme or any part thereof shall be deferred in which event the Trustees shall continue to hold the Scheme Assets upon the trusts hereby declared and administer the same as a frozen scheme with no further liability on the Employers or the Members to contribute thereto until such date as they may fix for the determination of the Scheme or until the Scheme Assets shall be exhausted or until a date one year before the end of the Trust Period is reached (whichever shall first occur).
19. (a) IF at any time the Scheme is to be determined as aforesaid the Trustees shall (if they have not already done so) notify each Member and each other person in receipt of benefit from the Scheme individually in writing to that effect. The Trustees shall upon such determination be entitled to reserve out of the Scheme Assets such amount as they consider may be necessary to meet any expenses of the administration and winding-up of the Scheme which in their opinion may not be recoverable from the Employers and to meet any tax, duty or other payments for which they may be accountable under the Scheme as referred to in Clause 10 hereof and subject thereto shall apply the Scheme Assets in the following manner so far as the funds in the hands of the Trustees shall permit, viz:-
- firstly, in completing the application in accordance with the Rules (or in arranging appropriately with any insurance company for such application) of any cash sums which shall have become payable on the death or retirement of any Member and in securing, so far as they have not already done so, the payment of the following benefits to those persons entitled thereto under this Deed and the Rules, namely, pensions already being paid, retirement benefits for Members whose retirement from Service has been deferred after Normal Retiring Date in accordance with the Rules and who are not already in receipt of the same (such benefits to be payable immediately and to be appropriately increased in amount in accordance with the Rules), benefits expectant or contingent upon the death of the persons entitled to

any of the foregoing benefits (but excluding, unless ascertainable by reference to a pension benefit, any such death benefit in lump sum form), any Voluntary Benefits not included in the foregoing and any retirement benefits from Normal Retiring Date not included in the foregoing which shall have arisen from rights and benefits conferred under Clause 11 hereof provided always that in securing under this heading any Voluntary Benefits or any benefits which shall have arisen under Clause 11 hereof the Trustees shall secure only such of those benefits as are derived from property forming part of the Scheme Assets at the Amendment Date;

and

secondly,

(i) in securing, so far as they have not already done so, to each Member who has not reached Normal Retiring Date and has not received any retirement benefit from the Scheme the payment of a retirement benefit at Normal Retiring Date and benefits expectant or contingent upon the death of such Member on or after Normal Retiring Date or the date of earlier retirement (but excluding, unless ascertainable by reference to a pension benefit, any such death benefit in lump sum form) of such amount and subject to such terms and conditions as the Trustees shall determine to be just and equitable having regard to each such Member's respective interest in the Scheme and to the preservation requirements of the Social Security Act and any such Member in Service at the date of determination of the Scheme shall have entitlement to the aforesaid retirement benefit as if he had left Service immediately prior to such date provided always that in securing benefits under this subparagraph (i) the only Scheme Assets to be applied shall be the Specified Scheme Assets and the Specified Scheme Assets shall be applied only in respect of benefits attributable to Service before the Amendment Date for and in respect of persons who were Members immediately before the Amendment Date,

(ii) in securing (to the extent that the required amounts of benefit have not already been secured under the preceding provisions of this sub-clause) the payment of any Equivalent Pension Benefits,

(iii) if the Trustees shall have made arrangements which are approved under Section 44 of the Social Security Pensions Act, in securing (to the extent that the required amounts of benefit have not already been secured under the preceding provisions of this sub-clause but disregarding for this purpose any Equivalent Pension Benefits) the payment of any guaranteed minimum pensions and accrued rights to guaranteed minimum pensions which are subject to such approved arrangements, and

(iv) if the Trustees shall not have made arrangements which are approved as aforesaid or if having made such arrangements remain liable for the payment of any state scheme premiums, in providing for the payment of any state scheme premiums for which they are liable;

- and
- thirdly, in securing the payment of any benefits which would have fallen to be secured under the heading "firstly" but for the proviso thereto;
- and
- fourthly, in securing the payment of any further benefits which would have fallen to be secured under the heading "secondly" but for the proviso to sub-paragraph (i) under that heading;
- and
- fifthly, in securing, so far as they have not already done so, the payment of such benefits under the provisions of Clause 14 hereof as the Trustees in their sole and absolute discretion may think fit;
- and
- sixthly, in securing the payment of such additional retirement benefits at Normal Retiring Date for the benefit of all or any of the Members then in Service who have not reached Normal Retiring Date as the Trustees in their sole and absolute discretion may think fit;
- and
- seventhly, in securing the payment forthwith of such additional retirement benefits for the benefit of all or any of the persons who have received a retirement benefit from the Scheme or whose retirement benefits have been withheld after Normal Retiring Date in accordance with the Rules as the Trustees in their sole and absolute discretion may think fit;
- and
- lastly, in securing, so far as they have not already done so, the payment of such benefits (whether immediate or deferred) for the benefit of all or any of the widows, widowers or other Dependants of persons who are or have been Members as the Trustees in their sole and absolute discretion may think fit;

**Provided always that** the Trustees' liability to secure benefits in accordance with the foregoing provisions of this sub-clause shall to the extent that the required amounts of benefit will be provided pursuant to the provisions of the Social Security Pensions Act by virtue of the payment of state scheme premiums be deemed to have been discharged by the payment of the said state scheme premiums and in particular payment of a state scheme premium in respect of a Member shall be deemed to reduce the amount of the Specified Scheme Assets attributable to that Member by the amount of the said state scheme premium.

For the purposes of this sub-clause -

"Amendment Date" means whichever date occurred the earlier of (i) the date from which Clause 24 of this Deed came into effect and (ii) the Scheme Anniversary Date coincident with or if not coincident with which next followed the date of the Interim Contracting-out Deed.



"Equivalent Pension Benefits" means those pension benefits for which the Scheme is liable in accordance with the provisions of the National Insurance Act 1965 as to Part III thereof or the National Insurance Act (Northern Ireland) 1966 as to Part III thereof (or any statutory modification or re-enactment of those provisions for the time being in force and any statutory regulations made thereunder).

"Frozen Scheme Assets" means those Scheme Assets which were in the hands of the Trustees immediately before the Amendment Date and which would have fallen to be applied under the headings "firstly" and "secondly" in this sub-clause if the Scheme had been determined immediately before such date.

"Specified Scheme Assets" means at any given date the Frozen Scheme Assets or the property representing the Frozen Scheme Assets at that date (including due allowance for bonuses declared or other increments added before that date under any assurance or annuity contracts or policies effected by the Trustees) in so far as the Frozen Scheme Assets or the property for the time being representing the Frozen Scheme Assets have not been applied by the Trustees at or before that date in the provision or securing of benefits under the Scheme.

"Voluntary Benefits" means any benefits payable from the Scheme which are provided by any voluntary contributions made by the Members to the Scheme under the Rule headed "Member's Contributions" in the Rules other than any such benefits payable on the death of such Members while in Service before Normal Retiring Date.

(b) If the amount of any pension ascertained under sub-clause (a) of this Clause in respect of any person when aggregated with the annuity equivalent of all other benefits for that person under schemes relating to employment with the Employer (benefit deriving from such person's membership of any scheme being treated separately for the purposes of this sub-clause from benefit for such person contingent upon the death of some other person) does not exceed £52 per annum the Trustees may instead of applying the Scheme Assets as aforesaid elect at their discretion to commute the said pension for a cash sum payable in lieu thereof of an amount to be determined by the Trustees, provided always that (a) the Trustees may not elect to commute as aforesaid a pension contingently payable on the death of a Member if they do not also elect to commute under this sub-clause the pension payable to the Member upon whose death such pension is contingently payable and (b) the amount of any cash sum payable under this sub-clause in lieu of any amount of pension shall be determined by the Trustees on a basis approved for this purpose by the Commissioners of Inland Revenue.

(c) The winding-up of the Scheme shall be completed before the expiration of the Trust Period.

(d) The Trusts hereby declared shall cease and determine at the expiration of the Trust Period or upon any earlier date upon which the winding-up of the Scheme shall have been completed.

20. (a) **IN** order to secure the benefits referred to in sub-clause (a) of Clause 19 hereof:-

(1) the Trustees shall have power to transfer to the trustees for the time being of any other retirement benefits arrangement approved by the Commissioners of Inland Revenue for the purposes of this sub-clause all or such part of the Scheme Assets as the Trustees shall consider to

be just and equitable having regard to such of the accrued rights and interests (as determined in accordance with sub-clause (a) of Clause 19 hereof) of beneficiaries and prospective beneficiaries as may be affected by such transfer provided always that (a) where transfer is to a retirement benefits arrangement other than one relating to the same employment or to another employment with the Employer or his successor the written consent of the Member or Members concerned must be obtained before the transfer is effected and (b) subject as aforesaid such beneficiaries shall be entitled under such other arrangement to such benefits (consistent with the existing formal approval of such other arrangement by the Commissioners of Inland Revenue) as the Trustees may in their discretion arrange with the trustees of such other arrangement;

- (2) any benefits referred to in sub-clause (a) of Clause 19 hereof which have not been secured as aforesaid shall be secured by purchasing Prescribed Policies from an Authorised Insurer, such Prescribed Policies to include such options as may be agreed with the Authorised Insurer concerned, not being options which are inconsistent with the Scheme having been recognised as an exempt approved scheme under the 1970 Act nor with the preservation requirements of the Social Security Act and not so that (i) any Member who is in Service at the time the winding-up of the Scheme begins shall be permitted to receive a refund representing the amount of his own contributions (if any) to the Scheme and (ii) any payment can be made in full commutation of an annuity under such a Prescribed Policy without the Authorised Insurer concerned first having made arrangements satisfactory to the Commissioners of Inland Revenue for the payment of any tax due as a consequence of such payment;
- (3) in securing any such benefits as aforesaid the Trustees shall expend the Scheme Assets to the extent that they determine to be reasonable and practicable in providing such benefits in each case up to the maximum approvable by the Commissioners of Inland Revenue.

(b) If the Scheme Assets shall comprise in whole or in part annuity or assurance or sinking fund contracts or policies with any Authorised Insurer the Trustees shall have the following special powers in relation thereto and may exercise one or more of such powers in applying the whole or such part of the Scheme Assets as aforesaid in securing the benefits referred to in sub-clause (a) of Clause 19 hereof, such powers being:-

- (1) power to enter into any arrangements with the Authorised Insurer concerned whereby the whole or part of any benefit secured on the life of any person at the date of determination of the Scheme under any such contract or policy shall be transferred to or secured to or in trust for such person in the form of a non-assignable annuity or assurance contract or policy which shall include such options as may be agreed with the Authorised Insurer which are not inconsistent with the Scheme having been recognised as an exempt approved scheme under the 1970 Act nor with the preservation requirements of the Social Security Act, and
- (2) power to enter into any arrangements with the Authorised Insurer concerned whereby such Authorised Insurer shall be released from all liability to pay any benefits under the whole or any part or parts of

any such contract or policy in consideration of such Authorised Insurer agreeing to issue from any United Kingdom office or branch of such Authorised Insurer a fresh annuity or assurance contract or policy in respect of any other retirement benefits arrangement approved by the Commissioners of Inland Revenue for the purposes of this sub-clause or to amend an existing annuity or assurance contract or policy issued by such Authorised Insurer in respect of such other arrangement in order to secure in respect of such other arrangement benefits (consistent with the existing formal approval of such other arrangement by the Commissioners of Inland Revenue) similar to and in substitution for those benefits in respect of which the Trustees shall have released such Authorised Insurer from liability as aforesaid, and

- (3) power (subject to the consent of the Authorised Insurer concerned) to assign the whole or any part or parts of any such contract or policy and the benefits and moneys thereby assured to the trustees for the time being of any other retirement benefits arrangement approved by the Commissioners of Inland Revenue for the purposes of this sub-clause on the understanding that the premises so assigned shall be kept on foot upon such terms (consistent with the existing formal approval of such other arrangement by the Commissioners of Inland Revenue) as the Trustees shall consider to be just and equitable having regard to such of the accrued rights and interests of beneficiaries and prospective beneficiaries under the Scheme as may be affected by such assignment,

**Provided always that** where there is to be a transfer to a retirement benefits arrangement other than one relating to the same employment or to another employment with the Employer or his successor the written consent of the Member or Members concerned must be obtained before the transfer is effected.

(c) Any balance of the Scheme Assets remaining unexpended in the hands of the Trustees after effect has been given to the preceding provisions of this Clause shall be paid to the Employers in such proportions having regard to any special requirements of the Commissioners of Inland Revenue as the Trustees shall arrange or, if this Clause becomes operative in consequence of the operation of sub-clause (c) of Clause 21 hereof, shall be paid to the appropriate Associated Employer.

21. (a) **IF** before such determination of the Scheme as referred to in Clause 19 hereof:-

- (i) an Associated Employer terminates its liability hereunder by notice to the Trustees in accordance with the provisions of Clause 17 hereof;

or

- (ii) an Associated Employer shall at any time fail to pay to the Trustees any sum or sums on or within 14 days after the date on which the Trustees shall have required the same to be paid under Clause 9 hereof or shall fail to observe and perform any other of its obligations hereunder or in the Rules or in any deed or agreement supplemental hereto entered into by such Associated Employer and (in either case) the Trustees thereupon give notice in writing to such Associated Employer that its participation in the Scheme shall cease;

or

- (iii) an order is made or an effective resolution is passed for the winding-up of an Associated Employer or an Associated Employer ceases to carry on business;

or

- (iv) the Commissioners of Inland Revenue give notice in writing to the Trustees that in their opinion the degree of association between the Council and an Associated Employer has ceased to be sufficiently great to justify the continued participation of such Associated Employer in the Scheme;

then upon the happening of whichever of the events described in the preceding sub-paragraphs of this Clause shall first occur the participation of such Associated Employer in the Scheme shall cease and the provisions of sub-clause (b) of this Clause shall apply;

**Provided always that:-**

- (1) if an Associated Employer shall be wound-up for the purposes of reconstruction or amalgamation with any other company or if an Associated Employer shall amalgamate or enter into any arrangement having the effect of amalgamation with any other company or if the undertaking of an Associated Employer or part thereof shall be assigned to or vested in any other company, person or body of persons the Trustees may make such arrangements or enter into such agreements (not being arrangements or agreements incompatible with the manner in which the Scheme Assets are invested or of such a kind as to prejudice approval of the Scheme under the 1970 Act) as they shall think fit whereby such reconstructed company or other company with which such Associated Employer has been amalgamated or company, person or body of persons to or in which the undertaking of such Associated Employer or part thereof shall have been assigned or vested shall for the purposes of this Deed and the Rules accept and adopt the obligations and liabilities of such Associated Employer under the Scheme;
  - (2) if this Clause becomes operative by reason of the Commissioners of Inland Revenue serving notice in terms of sub-paragraph (iv) above such Associated Employer may continue to participate in the Scheme until such date as may be agreed between the Trustees and such Associated Employer or until the Scheme Anniversary Date next but one following the date from which in the opinion of the Commissioners of Inland Revenue the degree of association ceased to be sufficiently great as referred to in sub-paragraph (iv) or until the happening of any of the events described in sub-paragraphs (i), (ii) and (iii) of this sub-clause or until such a determination of the Scheme as aforesaid (whichever shall first occur).
- (b) If the participation of an Associated Employer in the Scheme shall cease as aforesaid the Scheme shall thereupon be determined and wound-up so far as regards the following persons, namely (i) Members who have received any retirement benefit from the Scheme upon their retirement from the employ of such Associated Employer or of any other company, person or body of persons

to whose business such Associated Employer has succeeded in any way as aforesaid (ii) Members who are in the employ of such Associated Employer at the date such Associated Employer ceases to participate in the Scheme and who are not immediately transferred to the employ of another of the Employers (iii) Members who have left the employ of such Associated Employer prior to the date such Associated Employer ceases to participate in the Scheme and have not subsequently been employed by another of the Employers (iv) all beneficiaries and prospective beneficiaries under the Scheme (not being Members) whose interest therein derives from the membership thereof of any of the above-mentioned Members.

(c) Upon such cessation as described in sub-clause (b) of this Clause if the Trustees do not exercise the discretion contained in sub-clause (d) of this Clause then the appropriate portion of the Scheme Assets applicable to the aforesaid persons shall be ascertained by the Trustees and the provisions of Clause 19 and Clause 20 hereof shall (mutatis mutandis) apply thereto provided that the Trustees may in their absolute discretion decide that the determination of all or any part of such portion of the Scheme shall be deferred in which event the Trustees shall continue to hold such assets as the appropriate portion of the Scheme may then comprise upon the trusts hereby declared and administer the same as a frozen scheme with no further liability upon such Associated Employer or upon the employees thereof to contribute thereto until such date as they may fix for the determination of such portion of the Scheme as aforesaid or until such assets as aforesaid shall be exhausted or until the whole of the Scheme shall be determined and wound-up in accordance with Clause 19 and Clause 20 hereof (whichever shall first occur).

(d) Upon such cessation as described in sub-clause (b) of this Clause the Trustees may at their absolute discretion in lieu of any action as described in sub-clause (c) of this Clause secure to the aforesaid persons such pensions and other benefits as shall have accrued in accordance with the Rules or shall have been conferred on them in accordance with Clause 10 and Clause 11 hereof up to the date of such cessation and such further benefits as they shall decide to grant in accordance with Clause 10 provided always that the said pensions and other benefits shall not be payable from an earlier date than would have been permitted by the Rules and shall be subject to the provisions of sub-clause (a) of Clause 20 hereof and the Trustees shall have in regard thereto powers and options similar to those contained in the proviso to sub-clause (c) of this Clause, sub-clause (b) of Clause 19 hereof and sub-clause (b) of Clause 20 hereof.

22. **ANY** notice required to be served hereunder on the Trustees shall be sent by post to all the Trustees at their respective last known addresses and any notice required to be served hereunder on any Employer shall be sent by post to such Employer at its registered office or principal place of business for the time being and any such notice shall be deemed served 48 hours after the same shall have been posted and in proving such service it shall be sufficient to prove that the notice was properly addressed and posted.
23. (a) **ANY** Prescribed Policies effected by the Trustees under sub-clause (b) of Clause 12 hereof shall if issued in the name of the Trustees be held by the Trustees separately from the Scheme Assets in accordance with the trusts declared in such Prescribed Policies. If in respect of any moneys which shall become payable to the Trustees under any such Prescribed Policy there shall be no express provisions as to the application by the Trustees of such moneys the Trustees shall transfer such moneys to the Scheme to be added to and thenceforth to form part of the Scheme Assets.

(b) In the event of the determination of the whole or a part of the Scheme then if any such Prescribed Policy issued in the name of the Trustees relates exclusively to persons as regards whom the Scheme shall have been determined the Trustees shall have in regard thereto powers similar to those contained in sub-clause (b) of Clause 20 hereof. The exercise of any such power of assignment shall be subject to the provisions of the policy to be so assigned and of any documents deemed to be incorporated therein and to the agreement of the Commissioners of Inland Revenue and to such modifications to the provisions of such policy and of any documents deemed to be incorporated therein as shall be required by the Commissioners of Inland Revenue or by the Authorised Insurer by which such policy shall have been issued.

24. **WITH** effect from the first date from which any Member is contracted-out by reference to the Scheme in accordance with the provisions of the Social Security Pensions Act but subject to the provisions of Clause 16 of this Deed and so far only as such provisions so permit:-

- (1) The provisions of the Second Schedule hereto shall apply and shall then override any other provisions of these presents which may be inconsistent with them (except the provisions of Clause 19 hereof) and any person's entitlement under the provisions of the Second Schedule shall be included in that person's entitlement (if any) under any other provisions of the Scheme but nothing in this Clause or in the Second Schedule shall prevent higher or additional benefits being paid under any other provisions of the Scheme or prevent benefits being paid in circumstances in which the benefits to which this Clause and the Second Schedule relate are not required to be paid,
- (2) the Scheme shall be operated in accordance with the contracting-out requirements of the Social Security Pensions Act and any words or expressions relating to contracting-out which are used in this Deed or in the provisions of the Second Schedule and which are not defined by these presents shall have the same meaning as in the Social Security Pensions Act,
- (3) if any of the Employers pays a state scheme premium in respect of any Member the Trustees shall on the request of that Employer pay to the Employer an amount which, inclusive of any amount which in accordance with section 47 of the Social Security Pensions Act the Employer may recover from the Trustees in respect of the Member's contributions, shall be not greater than the state scheme premium so paid,
- (4) any reference in this Deed (and in the First and Second Schedules) to the *Social Security Pensions Act* or to any words or expressions used therein shall include references respectively to (a) any provisions in force in Northern Ireland and corresponding to the provisions of the Social Security Pensions Act and (b) the corresponding words or expressions within the meaning of any such provisions, and
- (5) any reference in this Clause (and in the First and Second Schedules) to a "Member" shall, if the election for a contracting-out certificate by any of the Employers includes persons who will be admitted to membership of the Scheme after completion of a minimum period of employment, be deemed to include a reference to any such person while he is serving such minimum period of employment provided such period does not exceed five years.

25. **NOTWITHSTANDING** any other provision hereof the provisions of that part of proviso (2) to Clause 16 hereof commencing with the words "if such payment" sub-clauses (a) (3) and (c) of Clause 20 hereof and sub-clause (3) of Clause 24 hereof shall not have effect unless and until the operation of such proviso and sub-clauses is authorised by or pursuant to an Order made by the Occupational Pensions Board under Section 64 of the Social Security Act and any prohibitions contained in the First Definitive Deed or in the rules attached thereto on the payment of any monies from the Scheme to an Employer or on the making of any amendment which would permit or have the effect of permitting such a payment shall subsist until such an Order comes into effect in relation to the Scheme.

## THE FIRST SCHEDULE

### DEFINITIONS

**"Actuarial Advice"** means advice given by a Fellow of the Institute of Actuaries or by a Fellow of the Faculty of Actuaries or by an incorporated body making available the advice given to it by a Fellow of the Institute of Actuaries or by a Fellow of the Faculty of Actuaries.

**"Associated Employer"** means any employer (other than the Council and the Trustees) which is at present participating in the Scheme or becomes a party to the Scheme after the date hereof in accordance with Clause 15 of this Deed.

**"Authorised Insurer"** means any insurance company to which the Insurance Companies Act 1974 or the Insurance Companies (Northern Ireland) Order 1976 applies and which is authorised by or under section 3 of the Insurance Companies Act 1974 or Article 7 of the Insurance Companies (Northern Ireland) Order 1976 to carry on ordinary long-term insurance business as defined in that Act or that Order.

**"Dependant"** means in relation to a Member any person who is or was at the relevant time (i) the spouse of the Member or (ii) a child of the Member aged less than 18 or in receipt of full-time educational or vocational training or (iii) an individual financially dependent on the Member for all or part of the necessities of life.

**"Intended Benefits"** means the benefits described in the Rules.

**"Ordinary Annual Contribution"** means an annual contribution of a fixed amount or an annual contribution calculated on some definite basis by reference to the earnings, contributions or number of Members.

**"Prescribed Policy"** means an annuity or assurance contract or policy issued from a United Kingdom office or branch of an Authorised Insurer under which the Authorised Insurer concerned assumes an enforceable obligation to pay the benefits as and when they fall due to or for the benefit of such persons (or to or for the benefit of the widows, dependants or personal representatives of such persons) in respect of whom such contract or policy is issued and under which the following conditions are met:-

- (1) Any annuity benefits provided are non-assignable and except to such extent as may be permitted by the Rules non-commutable;
- (2) The benefits provided do not exceed the maximum amount approvable under the Scheme by the Commissioners of Inland Revenue;
- (3) The maximum amount which can be taken as a lump sum at Normal Retiring Date is shown in monetary terms, such amount being subject to discounting at an appropriate rate where such lump sum can be taken at a date earlier than Normal Retiring Date;
- (4) Any amount payable in lump sum form on death before retirement is shown in monetary terms and is payable to the legal personal representatives;
- (5) Where payment of any benefits can be deferred until after Normal Retiring Date the period of deferment does not extend beyond the attainment of age 70.



## THE FIRST SCHEDULE (continued)

**"Relevant Legislation"** means any legislation in force at the appropriate time which retirement benefits schemes have to satisfy and shall include (i) any such legislation which has to be satisfied in order to obtain the approval or continued approval of the Scheme by the Commissioners of Inland Revenue and (ii) except for the purposes of the proviso to Clause 16 of this Deed, any such legislation which has to be satisfied in order to obtain exemption for Members of the Scheme from liability to contribute in whole or in part to a state scheme for the national provision of retirement and other benefits for and in respect of employed earners.

**"Scheme Assets"** means the assets from time to time held by the Trustees for the purposes of the Scheme and except as provided in Clause 23 of this Deed includes rights under any assurance or annuity contracts or policies held by the Trustees as aforesaid.

**"Social Security Act"** means the Social Security Act 1973 and includes any statutory modification or re-enactment thereof for the time being in force and any statutory regulations made thereunder.

**"Social Security Pensions Act"** means the Social Security Pensions Act 1975 and includes any statutory modification or re-enactment thereof for the time being in force and any statutory regulations made thereunder.

**"Specified Residual Benefits"** means benefits falling within one or more of the following categories, viz:-

- (1) Benefits for widows or dependants
- (2) Equivalent pension benefits under retirement benefits schemes contracted-out in accordance with the provisions of the National Insurance Act 1965 as to Part III thereof or the National Insurance Act (Northern Ireland) 1966 as to Part III thereof (or any statutory modification or re-enactment thereof for the time being in force and any statutory regulations made thereunder).
- (3) Guaranteed minimum pensions under retirement benefits schemes contracted-out in accordance with the provisions of the Social Security Pensions Act or any provisions in force in Northern Ireland corresponding to the provisions of the Social Security Pensions Act.

**"Trust Period"** means the period commencing on 29th April 1960 and ending on the expiration of twenty-one years from the death of the last survivor of the descendants of His Late Majesty King Edward VII living at 29th April 1960.

**"Trustees"** means the Present Trustees or other the person or persons or the incorporated body or bodies who for the time being and from time to time are the trustees under the provisions of this Deed and "Trustee" means any one of the Trustees.

## THE SECOND SCHEDULE

### PROVISIONS RELATING TO MEMBERS IN CONTRACTED-OUT EMPLOYMENT

1. If in relation to the Scheme a Member has a guaranteed minimum in accordance with Section 35 of the Social Security Pensions Act then subject to the provisions of the following paragraphs of this Schedule:-
  - (a) the Member shall be entitled to receive from the Scheme from pensionable age a pension payable for the remainder of his lifetime at a rate equivalent to not less than the weekly rate of that guaranteed minimum, and
  - (b) if a male Member dies at any time and leaves a widow she shall be entitled to receive from the Scheme a pension payable for the remainder of her lifetime at a rate of not less than one-half of the rate ascertainable in respect of the Member at that time under sub-paragraph (a) above.
2. If the commencement of a Member's guaranteed minimum pension from the Scheme in accordance with paragraph 1 above is postponed for any period after pensionable age and there are in that period at least the minimum number of weeks specified in Section 35(6) of the Social Security Pensions Act, his guaranteed minimum pension shall for each complete week in that period be increased by not less than the amount specified in Section 35(6) aforesaid or any modification thereof for the time being in force.
3. The minimum pension benefits described in paragraph 1 above shall not be payable in cases where the Member's employer elects to pay a state scheme premium in accordance with the provisions of Section 42 of the Social Security Pensions Act or (to the extent that such premium relates to such benefits) where the Trustees are liable to pay such a premium pursuant to the provisions of Section 44(2) of the Social Security Pensions Act.
4. There can be only one widow for the purposes of sub-paragraph 1(b) of this Schedule and in the event of two or more persons having a claim to be the widow of the same deceased Member the Trustees shall have absolute discretion to decide which one of such persons shall be recognised as the widow for the purposes of that sub-paragraph.
5. In applying the provisions of the foregoing Clauses of this Deed the Trustees shall take due account of the benefits to which entitlement is granted under this Schedule and in particular:-
  - (1) any period or part of a period of a Member's service in an employment which was contracted-out employment by reference to another retirement benefits arrangement shall, in relation to any rights or benefits conferred under Clause 11 in substitution for such Member's accrued rights to guaranteed minimum pension benefits under such other arrangement, be treated as a period or part of a period in Service during Contracted-Out Membership under the Scheme,
  - (2) none of the powers contained in sub-clause (a) of Clause 12, paragraph (1) of sub-clause (a) of Clause 20 and paragraphs (2) and (3) of sub-clause (b) of Clause 20 (or any similar powers contained in Clause 21) shall be exercised in relation to the minimum pension benefits described in paragraph 1 of this Schedule unless the requirements of section 38(1) of the Social Security Pensions Act are met,

THE SECOND SCHEDULE (continued)

- (3) the powers referred to in (2) above may be exercised without the consent of the Member or Members concerned if the other retirement benefits arrangement concerned is contracted-out in accordance with the provisions of the Social Security Pensions Act and either relates to employment with the Employer or is an arrangement to which the accrued rights of all Members (or of a specified group of Members which includes the Member or Members concerned) are to be transferred,
  - (4) except where the consent of the Member or Members concerned is required in accordance with (3) above the Trustees shall before exercising any of the powers referred to in (2) above satisfy themselves that in their opinion the rights to be allowed in the other retirement benefits arrangement concerned will be at least equal in value to the rights to be transferred,
  - (5) no exercise by the Trustees of the power contained in sub-clause (b) of Clause 12 shall serve to cancel a claim on the Scheme in relation to the minimum pension benefits described in paragraph 1 of this Schedule unless the benefits provided under the Prescribed Policy concerned and the terms and conditions relating thereto are such as to enable a certificate to be issued in accordance with the provisions of Section 22(9) of the Social Security (Miscellaneous Provisions) Act 1977 (or any statutory modification or re-enactment thereof for the time being in force and any statutory regulations made thereunder),
  - (6) in applying the provisions of sub-clause (b) of Clause 19 the Trustees shall make due allowance for any increases in the amount of any minimum pension benefits described in paragraph 1 of this Schedule which would fall to be made in accordance with paragraph 7 of this Schedule in respect of the period from the date of determination of the Scheme to the pensionable age of the Members concerned, and
  - (7) no other provisions of this Deed or the Rules which provide for the reduction, suspension, termination or payment in a different form of any pension payable from the Scheme shall apply in relation to the minimum pension benefits described in paragraph 1 of this Schedule unless such provisions are within those prescribed under the Social Security Pensions Act.
6. If the Scheme's liability to provide guaranteed minimum pension benefits in respect of any Member is cancelled in accordance with any of the foregoing provisions then the Member's entitlement to benefits from the Scheme shall be appropriately reduced and any ancillary benefits (contingent on death or otherwise) which are related to the amount of guaranteed minimum pension concerned shall cease to be payable unless the Trustees in their discretion decide otherwise.
7. (a) Subject always to sub-paragraph (b) of this paragraph, in the event of a Member ceasing to be in a contracted-out employment by reference to the Scheme in circumstances in which he remains prospectively entitled to a guaranteed minimum pension from the Scheme as from pensionable age, such pension will be calculated on the basis that the guaranteed minimum pension which has accrued under the Scheme up to the date of such cessation will be increased in respect of the period from the date of such cessation up to pensionable age in accordance with the provisions of Section C of the following Table, viz:-

THE SECOND SCHEDULE (continued)

THE TABLE

SECTION A	A rate of increase equal to the percentage by which earnings factors for the tax year in which contracted-out employment terminates are increased by the last order under section 21 of the Social Security Pensions Act to come into force before the tax year in which the Member reaches pensionable age or dies (if earlier).
SECTION B	Whichever of the following makes for the lesser increase, viz:-  (a) a rate of increase of 5 per cent. compound for each tax year after that in which contracted-out employment terminates up to and including the last complete tax year before pensionable age or previous death, and  (b) a rate of increase equal to the percentage by which earnings factors for the tax year in which contracted-out employment terminates are increased by the last order under section 21 of the Social Security Pensions Act to come into force before the tax year in which the Member reaches pensionable age or dies (if earlier).
SECTION C	Such rate of increase for each tax year after that in which contracted-out employment terminates up to and including the last complete tax year before pensionable age or previous death as regulations made under Section 45 (1)(b) of the Social Security Pensions Act specify as being relevant to the date of termination of contracted-out employment.

(b) The Trustees reserve the right, subject to the consent of the Council and of the Occupational Pensions Board, to amend the reference to the particular Section specified in sub-paragraph (a) above so as to refer to a different Section of the above Table and any such amended reference shall then apply to all Members who first cease to be in contracted-out employment by reference to the Scheme on or after the date on which such amended reference comes into effect.

RULES OF THE  
PENSION AND ASSURANCE PLAN  
OF  
THE NATIONAL COUNCIL OF YOUNG MEN'S  
CHRISTIAN ASSOCIATIONS (INCORPORATED)

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**RULES OF THE PENSION AND ASSURANCE PLAN OF  
THE NATIONAL COUNCIL OF YOUNG MEN'S  
CHRISTIAN ASSOCIATIONS (INCORPORATED)**

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These Rules apply with effect from the 30th April 1974 in substitution for all rules which were in force before that date, except that in respect of Members who ceased to be Participating Members before the 6th April 1978 they shall apply subject to the modifications set out in Rule 19.

**INTERPRETATION**

1. (a) In these Rules, unless the context requires otherwise, the singular includes the plural and vice-versa, the masculine includes the feminine, and the expressions defined in the Appendix hereto shall have the meanings therein ascribed to them.
- (b) The provisions of these Rules shall be subject to those of the Trust Deed. In particular any entitlement or otherwise to benefit under these Rules shall be subject to the provisions of the Trust Deed relating to the determination and winding-up or partial determination and winding-up of the Scheme, and to the provisions of the Schedule to the Trust Deed relating to guaranteed minimum pensions.

**ELIGIBILITY**

2. (a) The Scheme shall, subject to the following provisions of these Rules, be for the benefit of persons within the following category -

Male and female employees of any of the Employers who are ordinarily employed in Great Britain and Northern Ireland, other than (i) employees whose employment is of a temporary or casual nature, and (ii) employees who are employed for less than the Employer's standard working hours.
- (b) On and after 6th April 1978 persons who are within the category described in paragraph (a) of this Rule shall, subject to the provisions of Rule 3, be eligible to join the Scheme on the first Entry Date on which they are aged not less than 20 years, but less than 64 years in the case of males and less than 59 years in the case of females, and have completed not less than three months' continuous Service immediately before such Entry Date. (Prior to 6th April 1978 the minimum age for eligibility was 21 years.)

**ADMISSION TO MEMBERSHIP**

3. (a) A person who is within the category described in Rule 2(a) may, subject to paragraph (b) of this Rule and to completion of a written application in such form (if any) as the Trustees may require, join the Scheme on the first date on which he is eligible to do so in accordance with Rule 2(b).

- (b) A person who was previously a member of any other retirement benefits arrangement of any of the Employers may not join the Scheme unless he has, before the first date on which he would otherwise be or have been eligible to join in accordance with the provisions of the Scheme then applicable, completed if required to do so by the Trustees an agreement in such form as they shall have prescribed relating to his benefits under such other arrangement.
- (c) A person who has not joined the Scheme on the first date on which he was eligible to do so in accordance with the provisions of the Scheme then applicable shall not be entitled to join at a later date except with the special permission of the Employer and the Trustees. If such permission shall be given the provision of benefits under the Scheme in respect of such person shall be upon such terms and subject to such conditions as the Trustees may notify to such person.
- (d) In special circumstances an employee of any of the Employers who has not otherwise become eligible to join the Scheme may by permission of the Employer and the Trustees join the Scheme on such conditions and with effect from such date (whether or not an Entry Date) as may be agreed with the Employer and the Trustees, provided that the approval of the Scheme under the 1970 Act is not thereby prejudiced.
- (e) Each Employer shall require all persons who enter its employment after the Commencement Date, or any later date from which such Employer first participates in the Scheme, to join the Scheme as a condition of such employment on the first date on which they are eligible to do so.

#### FURNISHING OF PARTICULARS AND EVIDENCE

- 4. (a) A Member shall furnish not only in respect of himself but also in respect of any other person who is or may be entitled to benefit from the Scheme deriving from such Member's membership of the Scheme such particulars, including proof of date of birth, and complete such forms at such times as shall be required by the Trustees. If such particulars are not furnished or are later found to be incorrect, the Trustees may modify the benefits in respect of him in such manner as they consider appropriate.
- (b) A Member shall furnish evidence of health at such times and in such form as the Trustees require. If such evidence is not furnished, or is unsatisfactory to the Trustees, the Trustees may, until he produces satisfactory evidence of health and except as otherwise specifically provided in these Rules, restrict any benefit which would otherwise be payable on his death.
- (c) Payment of any benefit under the Scheme to any person shall be subject to the production by that person of such evidence of identity and entitlement to benefit as the Trustees may require.

#### AMOUNT OF MEMBERS' PENSIONS

- 5. (a) A pension payable under Rule 9(a) to a Member who ceases to be a Participating Member at Normal Retiring Date shall, subject to Rule 17 and to any other provisions of these Rules which may apply in respect of a particular Member, be of a yearly amount equal to -

one-sixtieth of his Final Pensionable Earnings for each year of his Pensionable Service.



For the purposes of the above, complete years of Pensionable Service shall be taken into account, with a proportionate amount in respect of each additional complete month of Pensionable Service.

- (b) A pension payable to a Member who ceased to be a Participating Member before Normal Retiring Date shall, subject to Rules 13 and 17 and to any other provisions of these Rules which may apply in respect of a particular Member, for the purposes of (i) of Rule 13(a) be calculated in accordance with paragraph (a) of this Rule; except that (i) if the date of his ceasing to be a Participating Member is such that the definition of Final Pensionable Earnings in the Appendix hereto can have no application to him, then his Final Pensionable Earnings shall for this purpose be taken to be his Pensionable Earnings at the date when he ceased to be a Participating Member, and (ii) his Final Pensionable Earnings shall in any event be deemed to be not less than that which would be applicable to him if the reference to his Normal Retiring Date in the said definition had been a reference to the date when he ceased to be a Participating Member.

#### AMOUNT OF DEATH BENEFITS

- 6. (a) A life assurance benefit payable under Rule 8(a) in respect of a Member shall, subject to Rule 17 and to any other provisions of these Rules which may apply in respect of a particular Member, be of an amount equal to -

twice his Pensionable Earnings at the date of his death.

- (b) A pension payable under Rule 8 or Rule 10 on the death of a Member shall, subject to Rule 17 and to any other provisions of these Rules which may apply in respect of a particular Member, be of a yearly amount equal to the greater of -

- (i) one one-hundred-and-sixtieth of his Contracted-out Earnings for each complete year of his Contracted-out Membership;

and

- (ii) 25% of his Pensionable Earnings at the date of his death in the case of a Member who dies while a Participating Member, and in any other case one-half of his Relevant Pension (as defined in paragraph (c) below);

provided always that -

- (1) the amount calculated in accordance with (i) above shall not be subject to any restriction in terms of Rule 4(b) or to suspension in terms of Rule 14(f); and
- (2) alternative (ii) above shall not apply to a pension payable under Rule 8(e); and
- (3) alternative (i) above shall not apply to a pension payable under Rule 8(f) or under Rule 10 in respect of a Member who left Service before Normal Retiring Date and who was not a Qualifying Member; and

- (4) if the Member was married at the date of his death to a wife who was born more than ten years after him the amount described above may be reduced by such amount (if any) as the Trustees determine to be appropriate, not exceeding a reduction of  $2\frac{1}{2}$  per cent. for each year of age disparity in excess of 10.
- (c) For the purposes of paragraph (b) above "Relevant Pension" means -
- (i) in the case of a Member who dies after the date when a pension had become payable to him under these Rules, the pension to which he was entitled at that date; or
  - (ii) in the case of a Member who dies on or after Normal Retiring Date but before any pension has become payable to him under the Scheme, the pension which would have been payable to him at its commencement under these Rules if he had commenced to receive his pension on the day preceding the date of his death (or on Normal Retiring Date if that was the date of his death); or
  - (iii) in the case of a Member who dies while he is a Participating Member, an amount of pension calculated in accordance with Rule 5(a), assuming for this purpose that there would have been no further change in his Pensionable Earnings after the date of his death and that his Pensionable Service includes the period from the date of his death until Normal Retiring Date;

provided always that for the purposes of this paragraph a Member's pension shall not include any pension provided by voluntary contributions paid by him, but shall be deemed to include any pension surrendered or commuted under paragraph (b) or (c) of Rule 11 or under Rule 12.

#### MEMBER'S CONTRIBUTIONS

7. (a) Each Participating Member shall, subject to paragraph (c) of this Rule, contribute to the Scheme -
- (A) prior to the 30th April 1981, at an annual rate related to Pensionable Earnings in accordance with the Schedule to these Rules wherein the rate is expressed in terms of monthly payments, and
  - (B) on and after the 30th April 1981, at the annual rate of (i)  $9\frac{1}{2}$  per cent. of his Pensionable Earnings in the case of a male Member who is married or in respect of whom there is a Qualifying Child and (ii) 9 per cent. in the case of any other Member.
- Provided that for this purpose no account shall be taken of any increases in a Member's Pensionable Earnings which fall after the last date on which such increases can affect the calculation of his Final Pensionable Earnings.
- (b) A Participating Member may, with the consent of the Trustees and subject to paragraph (c) of this Rule and to Rule 17, make voluntary contributions to the Scheme in order to provide one or more of the following benefits, which shall be additional to those otherwise specified in these Rules -
- (i) pension payable to himself;
  - (ii) pension payable to his widow on his death on or after Normal Retiring Date, or after the date of his retirement if earlier;
  - (iii) pension payable on his death while in Service before Normal Retiring Date for the benefit of his widow and/or children who are under 18 years of age;

- (iv) lump sum payable on his death while in Service before Normal Retiring Date.

The types of benefit to be provided in return for a Member's voluntary contributions shall be such as may be agreed by the Member with the Trustees and the amounts thereof and the provisions relating thereto shall be such as are determined by the Trustees and notified to the Member provided that (i) such contributions and benefits and the provisions relating thereto shall not be such as to prejudice the approval of the Scheme under the 1970 Act and (ii) a Participating Member may not terminate or reduce such contributions within the period of five years after their commencement except with the special consent of the Trustees and then only on grounds of financial hardship.

- (c) No Participating Member shall during any year ending on a 5th April pay to the Scheme contributions of such an amount that, when aggregated with any contributions paid during that year to any other retirement benefits schemes of the Employers which are recognised as exempt approved schemes under the 1970 Act, they would exceed 15 per cent. of his total remuneration from the Employers in that year.
- (d) On ceasing to be a Participating Member a Member shall cease to pay any contributions under the Scheme.

#### DEATH BEFORE COMMENCEMENT OF PENSION

8. (a) If a Participating Member dies while in Service before Normal Retiring Date a life assurance benefit calculated in accordance with Rule 6 shall be payable in accordance with Rule 15.
- (b) If a Member dies before Normal Retiring Date and before any pension has become payable to him under the Scheme, the Trustees shall pay to his personal representatives at the earliest opportunity the whole of the contributions (if any) paid by the Member to the Scheme from time to time, excluding (i) any amount of such contributions of which a refund shall have become payable during his lifetime and (ii) unless previously agreed between the Trustees and the Member, any voluntary contributions paid by the Member.
- (c) If a Member dies on or after Normal Retiring Date and before any pension has become payable to him under the Scheme, the Trustees shall pay to his personal representatives an amount equal to five years' payments of the pension which would have been payable to him at its commencement under these Rules if he had commenced to receive his pension on the day preceding the date of his death (or on Normal Retiring Date if that was the date of his death).

Provided that -

- (i) for the purpose of calculating the above amount there shall be excluded from the said pension any amount of pension which the Member had surrendered under Rule 11(b) or by the exercise of an option under Rule 12 which had not subsequently been cancelled under the provisions of that Rule; and
- (ii) if he had not exercised the option under Rule 11(b) the Trustees shall, in respect of any amount of pension which they shall determine could have been surrendered by the Member under that Rule (other than any

surrendered under Rule 12 as aforesaid) if his pension had become payable on the date referred to above, pay instead of an amount equal to five years' payments as aforesaid the amount of the cash sum which they shall determine would have been payable to the Member at that date if he had surrendered the said amount of pension under Rule 11(b).

- (d) If a Member dies while he is a Participating Member and is survived by a Qualifying Widow and/or a Qualifying Child, a pension calculated in accordance with Rule 6 shall become payable from the date of his death.
- (e) If a Member, being a Qualifying Member who was in Contracted-out Membership, dies after ceasing to be a Participating Member but before Normal Retiring Date and before any pension has become payable to him under the Scheme and is survived by a Qualifying Widow and/or a Qualifying Child, a pension calculated in accordance with Rule 6 shall become payable from the date of his death.
- (f) If a Member dies on or after Normal Retiring Date and before any pension has become payable to him under the Scheme and is survived by a Qualifying Widow and/or a Qualifying Child, a pension calculated in accordance with Rule 6 shall become payable from the date of his death.

#### COMMENCEMENT OF MEMBER'S PENSION

9. (a) A Member who reaches Normal Retiring Date and who was a Participating Member immediately before that date shall be entitled to receive from Normal Retiring Date a pension calculated in accordance with Rule 5.
- (b) A Member who on leaving Service before Normal Retiring Date becomes entitled to a pension under Rule 13 may, at his option but with the consent of the Trustees, commence to draw such pension at any time on or after his 50th birthday, or earlier if he is retiring because of incapacity. The pension shall be subject to such reduction as the Trustees shall determine having regard to the period between its commencement and Normal Retiring Date, but not exceeding one-half per cent. for each complete month of such period.

Provided that the consent of the Trustees shall not be required and that the said reduction shall not be made if the Employer has required the Member to retire from Service on account of incapacity resulting from ill-health or other disability.

Notwithstanding the foregoing paragraphs of this sub-rule, in order that the total pension payable to a Member during his retirement should be of an approximately level annual amount the Trustees may at the request of a Member to whom this sub-rule applies, determine that such pension (whilst remaining unchanged in value) shall be payable at an increased rate until the expected date of commencement of any pension to which such Member is prospectively entitled under any national insurance or social security scheme and thereafter at a reduced rate provided that such reduced rate shall not be less than the guaranteed minimum pension to which such Member is entitled by virtue of the provisions set out in the Schedule to the Trust Deed.

- (c) If a Member's retirement from employment is deferred after Normal Retiring Date, payment of pension may at his request be withheld. In this event payment shall commence from such date as shall be agreed between the Trustees and the Member, provided that such date shall not be later than the date of his actual retirement from employment, and not in any event later than his 70th birthday in the case of a Member who left Service before Normal Retiring Date. The amount of the pension shall, subject to Rule 17, be increased by such amount as the Trustees shall determine having regard to the period for which payment of the pension has been withheld.

#### DEATH AFTER COMMENCEMENT OF PENSION

10. (a) When a Member dies after commencement of his pension, the Trustees shall pay to his personal representatives a sum equal to the amount of the instalment of such pension last falling due before the date of his death multiplied by the number of instalments of such pension which would, if he had survived, have been payable during the balance (if any) of a period of five years from the commencement of the pension.
- (b) In the case of a Member whose pension commenced before Normal Retiring Date, the amount payable under paragraph (a) of this Rule shall not be less than the amount (if any) by which the total of the contributions (if any) paid by the Member to the Scheme from time to time exceeds the total of the instalments of such pension which became payable before the date of his death.

Provided that for this purpose there shall be excluded from the total of such contributions: (i) any amount of such contributions of which a refund shall have become payable during his lifetime, and (ii) unless previously agreed between the Trustees and the Member, any voluntary contributions paid by the Member, and (iii) any amount of such contributions which had formerly been allocated to the provision of any pension which has been surrendered under any options available under the Scheme.

- (c) If a Member dies after a pension has become payable to him under these Rules and is survived by a Qualifying Widow and/or a Qualifying Child, a pension calculated in accordance with Rule 6 shall become payable from the date of his death.

#### OPTIONAL CASH IN LIEU OF PENSION

11. (a) If at the date when a pension becomes payable to or for the benefit of any person under the Scheme such pension together with the annuity equivalent of all other retirement benefits to which such person is entitled under the Employers' Schemes does not exceed £52 per annum, the Trustees may at their discretion commute the said pension for a cash sum payable to or for the benefit of such person. If the Trustees commute a Member's pension as described above and if there is a pension contingently payable under the Scheme on such Member's death which could (if the Member had died on the date his pension became payable) have been commuted in accordance with this paragraph, then the Trustees will forthwith commute such pension for a cash sum payable to the Member.

Provided that if the Member's pension under the Scheme includes a guaranteed minimum pension under the provisions of the Schedule to the Trust Deed, the Trustees shall in determining the amount of his pension as

aforesaid take due account of any increases in such guaranteed minimum pension falling to be made up to pensionable age as referred to in the said Schedule.

- (b) Subject to the consent of the Trustees and to the provisions of Rule 17, a Member may by giving notice in writing to the Trustees before any pension becomes payable to him under the Scheme elect to surrender at the date his pension becomes payable, or alternatively at his Normal Retiring Date if earlier, the whole or a part of his pension under the Scheme for a cash sum.
- (c) If at the date when any pension becomes payable to a Member under the Scheme the Trustees are satisfied by such evidence as they may require that the Member is in exceptional circumstances of serious ill-health, the Trustees may at their discretion pay a cash sum to the Member in commutation of the whole of his pension or, if the Member has elected the option under paragraph (b) of this Rule, in commutation of the balance (if any) of his pension.
- (d) The amount of any cash sum payable under this Rule in lieu of any amount of pension shall be determined by the Trustees on a basis approved for this purpose by the Commissioners of Inland Revenue.

#### OPTIONAL WIDOW'S OR DEPENDANT'S PENSION

- 12. (a) A male Member may with the consent of the Trustees, and subject to the following provisions of this Rule, elect before the date when any pension becomes payable to him under the Scheme to surrender a portion of such pension in order to provide a deferred pension payable after his death, which in the opinion of the Trustees is equal in value to the pension so surrendered.
- (b) Election of the aforesaid option shall be by notice given in writing to the Trustees and shall be in respect of the wife to whom the Member is married at the date on which the notice is given. In the event of -
  - (i) the Member or the said wife dying before Normal Retiring Date and before the commencement of any pension under these Rules, or
  - (ii) the said wife dying at or after Normal Retiring Date while the Member's pension is withheld in accordance with these Rules, or
  - (iii) the marriage of the Member and the said wife being terminated by divorce or annulment, or the Member and the said wife being judicially separated, before the commencement of any pension under these Rules, or
  - (iv) the commutation of the whole of the Member's pension for a cash sum,the exercise of the option shall be cancelled.
- (c) Except as above mentioned, the exercise of the option may not be cancelled except with the special consent of the Trustees and then only before commencement of the Member's pension. If an exercise of the option is cancelled, the benefits will be as if the Member had not

exercised the option. If after the Member has commenced to receive a pension from the Scheme the said wife predeceases the Member or their marriage is terminated by divorce or annulment, or they become judicially separated, the unsurrendered portion of the Member's pension and no more will continue to be paid to the Member.

- (d) The amount of pension surrendered by the Member under this Rule must not be so great that the total pension payable under the Scheme after his death would be greater than the pension remaining payable to the Member (after any surrender of part of his pension for a cash sum).
- (e) The deferred pension described in paragraph (a) of this Rule shall be payable to the Qualifying Widow (if any) of the deceased Member; provided always that the said pension shall be subject to such alteration (if any) in amount as the Trustees shall determine to be appropriate in any case in which the Qualifying Widow is not the wife in respect of whom the notice was given under paragraph (b) above.

Such deferred pension shall commence from the date of the Member's death, and shall cease with the last instalment thereof falling due before the death of the Qualifying Widow.

- (f) An option similar to that described in paragraph (a) of this Rule may be exercised by a female Member in favour of her husband, or alternatively by any Member in favour of any other Dependant approved by the Trustees, the terms and conditions of payment relating to the deferred pension for the person in respect of whom the option is exercised to be as notified by the Trustees to the Member.

#### MEMBERS WHO CEASE TO BE PARTICIPATING MEMBERS

13. (a) A Member who has ceased to be a Participating Member before Normal Retiring Date shall, subject to the following paragraphs of this Rule, be entitled to a pension commencing from Normal Retiring Date which shall be the greater of -

- (i) a pension calculated in accordance with Rule 5(b);

and

- (ii) a pension of an amount which the Trustees to their reasonable satisfaction determine to be equal in value to the total of the contributions (if any) which the Member was from time to time required to pay to the Scheme.

Provided that if the Trustees deem any such contributions of the Member to have been applied towards part of the cost of provision of a guaranteed minimum pension as referred to in the Schedule to the Trust Deed, the amount of pension in respect of such contributions under (ii) above shall be equal to such guaranteed minimum pension.

- (b) If any part of the amount of pension which would otherwise be applicable to a Member under (i) of paragraph (a) of this Rule is a pension or an improvement in pension in respect of Service before the date when the Member became prospectively entitled to such pension or improvement in pension, the Trustees may having regard to the payments made to the

Scheme by the Employers reduce the said part of such pension, but in the case of a Qualifying Member not so that it would be less than such proportion of its original amount as the period of Service completed by the Member after the date when he became prospectively entitled thereto and before ceasing to be a Participating Member bears to the period from that date to his Normal Retiring Date.

- (c) Alternative (i) in paragraph (a) of this Rule shall not, unless the Trustees at their discretion decide otherwise, apply in respect of a Member who is not a Qualifying Member and who has left Service before Normal Retiring Date of his own free will or because of dismissal for fraud or misconduct.
- (d) On leaving Service before Normal Retiring Date, a Member who is not a Qualifying Member may, by notice in writing given to the Trustees and subject to paragraph (m) of this Rule, elect to receive a refund of -
  - (i) the whole of any contributions he has paid to the Scheme; or
  - (ii) the whole of any contributions he has paid to the Scheme, excluding any contributions which relate to his Service after the 5th April 1975; or
  - (iii) the whole of any contributions he has paid to the Scheme, excluding any contributions which relate to a period of Contracted-out Membership.

Provided that if the Member is entitled to a guaranteed minimum pension under the Scheme as referred to in the Schedule to the Trust Deed, or would have been so entitled but for the payment of a state scheme premium as referred to therein, the amount of any refund under (i) above shall be reduced by the amount of any contributions which the Trustees deem to have been applied towards the provision of such guaranteed minimum pension.

- (e) On leaving Service before Normal Retiring Date, a Qualifying Member who paid contributions before the 6th April 1975 to the Scheme or to any other of the Employers' Schemes from which his benefits have been transferred to the Scheme may, by notice in writing given to the Trustees and subject to paragraph (m) of this Rule, elect to receive a refund of the whole of his contributions so far as they relate to his Service before that date. If his Qualifying Service after the 5th April 1975 is of a duration of less than five years, he may subject to paragraph (m) of this Rule elect that the said refund shall be increased by the amount of any contributions which relate to such Qualifying Service, excluding any such contributions which relate to a period of Contracted-out Membership.

Provided that for the purpose of determining the duration of the said period of Qualifying Service it shall, if the Member has been a member of both this Scheme and of any other scheme of the Employers (neither scheme being a Centralised Scheme), be aggregated with any period of Qualifying Service in relation to such other scheme which fell before the 6th April 1975 and in respect of which he has not received a refund of contributions under that scheme.

- (f) A Member who was at the date of leaving Service entitled to exercise an option under paragraph (d) or (e) of this Rule may, with the permission of the Trustees and subject to any conditions or restrictions which they may require, elect such option at any time before Normal Retiring Date and



before becoming entitled to receive any pension under these Rules, provided that he has not then received under any other of the Employers' Schemes any lump sum benefit other than a refund of his own contributions.

- (g) Any refund of contributions made under this Rule shall be in lieu of all other benefits from the Scheme in respect of the Member, except that if the Member is not a Qualifying Member he shall remain entitled to that part (if any) of such benefits which relates to any period to which any contributions which have not been refunded to him relate and if he is a Qualifying Member he shall remain entitled to that part (if any) of such benefits which, in the opinion of the Trustees and having regard to the provisions of the Social Security Act, relates to or accrued to him during -
  - (i) any period to which any contributions which have not been refunded to him relate; and
  - (ii) any period after his admission to membership of the Scheme in respect of which he did not contribute to the Scheme (other than any period during which his contributions were suspended on account of temporary absence from work); and
  - (iii) any period before his admission to membership of the Scheme in respect of which he was, under the provisions of the Scheme in force during such period, prospectively entitled to a pension under the Scheme (unless, in the case of a Member who is entitled under paragraph (e) of this Rule to receive a refund of the whole of his contributions to the Scheme, it was a period of less than five years, during which persons who had been admitted to membership of the Scheme were required to contribute to the Scheme).
- (h) If a Participating Member joins any armed forces or national service organisation other than those of the United Kingdom or any allied country he shall cease forthwith to be a Participating Member and shall for the purposes of the Scheme be deemed to have left Service of his own free will.
- (j) If the Trustees expect that a Member who would cease to be a Participating Member according to the other provisions of these Rules will become eligible to enter any other retirement benefits scheme for employees of any of the Employers they may, at their discretion, deem him to remain a Participating Member until he enters such other scheme, but not for a longer period than one year.
- (k) Any pension to which a Member is entitled under this Rule shall be subject to the same terms conditions and options as would apply to the pension or pensions which would be payable to or in respect of him if he were a Participating Member until his Normal Retiring Date.
- (l) The Trustees shall not exercise their powers under the Trust Deed to augment benefits, or (except on the determination or partial determination of the Scheme) to make a transfer to another retirement benefits scheme, in respect of a Member who has received a refund of part or all of his contributions under this Rule.

- (m) Any option under paragraph (d) or (e) of this Rule shall not be available to a Member leaving Service before the 6th April 1980 who paid contributions before the 6th April 1975 to the Scheme or to any other of the Employers' Schemes from which his benefits have been transferred to the Scheme and whose total remuneration from the Employers has exceeded £5,000 in any period of twelve months ending on a 5th April, being in the case of a Member leaving Service before the 6th April 1978 a period during which he contributed to the Scheme, and being in the case of any other Member a period to which any contributions which would otherwise be refundable to him relate.

#### TEMPORARY ABSENCE FROM WORK .

14. (a) If a Participating Member is temporarily absent from work, he may with the consent of the Trustees and the Employer and subject to the following paragraphs of this Rule, be deemed for the purposes of these Rules to remain a Participating Member in the Service of the Employers -
- (i) for any period before Normal Retiring Date during which the absence is due to his injury or illness, or to secondment to a United Kingdom Government Department or work of national importance of a like nature; or
  - (ii) for any other period before Normal Retiring Date not exceeding three years.
- (b) Paragraph (a) of this Rule shall not, unless prior confirmation has been obtained from the Commissioners of Inland Revenue that approval of the Scheme under the 1970 Act will not thereby be prejudiced, apply in respect of any period after the Member has become a member of any other retirement benefits scheme.
- (c) With the consent of the Trustees, a Member to whom paragraph (a) of this Rule has been applied may, during the period of absence, suspend any contributions he was previously paying to the Scheme.
- (d) For the purpose of calculating the Pensionable Service of a Member, the Trustees shall, if they consider it appropriate, exclude any period in respect of which paragraph (a) of this Rule has been applied, other than any period in respect of which any contributions payable by him under Rule 7(a) have been maintained.
- (e) If the remuneration of a Member to whom paragraph (a) of this Rule has been applied is reduced on account of absence due to his injury or illness, the amount of any benefit which becomes payable under these Rules on the death of the Member during such absence shall be calculated in relation to the remuneration which would have applied for that purpose if he had died on the day before the commencement of such absence.
- (f) During any period of absence in excess of one year which is not due to the Member's injury or illness, any provisions of these Rules relating to benefits (other than a refund of any contributions paid by the Member) payable upon the death of a Member shall, except as otherwise decided by the Trustees or as specifically provided in these Rules, cease to have application.

- (g) If at the expiry of the appropriate period specified in paragraph (a) of this Rule the Member has not returned to work, he shall cease to be a Participating Member.
- (h) If a female Member is absent from work (whether as a result of dismissal or otherwise) and has informed the Employer of her intention to return to work within the terms of Section 33 of the Employment Protection (Consolidation) Act 1978, then, until the expiry of the period during which she may exercise her right under the said Act to return to work, she shall during the period of such absence be deemed to remain a Participating Member as provided in this Rule and the provisions of Rule 13 shall not be applied in respect of her.

#### **APPLICATION OF DEATH BENEFIT**

- 15. (a) In respect of any benefit which is expressed to be payable in accordance with this Rule the Trustees shall have power within the period of two years after the Member's death (but not later than one day prior to the expiration of the Trust Period as defined in the Trust Deed if that day shall be prior to the expiry of the said period of two years) to pay such benefit to the Member's estate and/or to pay or apply such benefit to or for the benefit of any one or more of the Member's Dependants and Relations living at the Member's death in such shares and in such manner as the Trustees shall decide. In exercising this power the Trustees may have regard to but shall not be bound by any wishes notified to the Trustees by the Member.
- (b) If at the end of the period within which the Trustees may exercise the aforesaid power the Trustees shall not have exercised the said power or shall have exercised it only in respect of part of the benefit aforesaid, the Trustees shall pay the whole or the balance (as the case may be) of such benefit to the Member's estate, except that if the residuary estate of the Member shall belong to the Crown or to the Duchy of Lancaster or to the Duke of Cornwall as bona vacantia the said benefit or such balance thereof shall not be payable but shall fall into and form part of the assets of the Scheme for all the purposes of the Scheme.
- (c) In this Rule -

"Dependants" means individuals who in the opinion of the Trustees shall have been wholly or partly maintained or financially assisted by the Member.

"Relations" means the spouse, parents, ancestors and descendants (however remote) of the Member and the brothers, sisters, uncles and aunts (whether of the whole or half blood) of the Member and the descendants of any of them, and shall be construed as if the stepchild or adopted child of any person were that person's natural child.

#### **PAYMENT OF PENSIONS**

- 16. (a) Pensions under the Scheme shall be payable by equal monthly instalments in advance, on such day of each month as the Trustees shall notify to the person entitled thereto. If the first such day is later than the date from which the pension is due to commence, the Trustees shall make an additional proportionate payment in respect of the period between those dates.

- (b) A pension payable to a Member shall cease with the last instalment falling due before the death of the Member.
- (c) A pension payable after the death of a Member (other than a pension provided by voluntary surrender of a part of his own pension) shall cease with the last instalment falling due before the latest of (i) the death of the Qualifying Widow (if any), and (ii) the attainment of age 18 by the youngest Qualifying Child, and (iii) the death before attainment of age 18 of the last surviving Qualifying Child. No pension shall be payable after the death of a Qualifying Widow to whom a cash sum has been paid in accordance with Rule 11(a).
- (d) A pension described in paragraph (c) of this Rule shall be payable to the Qualifying Widow (if any). If there is no Qualifying Widow, each instalment of pension shall be applied by the Trustees for the benefit of such one or more of the Qualifying Children in such manner and in such shares as the Trustees shall decide.
- (e) A pension payable under these Rules shall, subject to Rule 17 and except as provided below, be increased at each anniversary of the date of its institution by  $2\frac{1}{2}$  per cent. compound. For this purpose the date of its institution shall be regarded as the date on which a pension became payable to the Member under the Scheme or the date of the Member's death if earlier.

The provisions of this paragraph shall not apply in respect of -

- (i) any pension provided by voluntary contributions paid by the Member (unless otherwise agreed between the Trustees and the Member); or
- (ii) any pension payable on the death of a Member after ceasing to be a Participating Member but before Normal Retiring Date and before any pension has become payable to him under the Scheme.

#### LIMITATION OF BENEFITS

- 17. (a) Any pension payable to a Member under the Scheme at or before Normal Retiring Date (before the exercise of any options available under the Scheme) shall not, when aggregated with the pension equivalent of all other retirement benefits payable to or in respect of him under the Employers' Schemes, exceed  $\frac{1}{60}$ th of his Final Remuneration for each year of Service up to a maximum of 40, or such greater amount as will not prejudice the approval of the Scheme under the 1970 Act.
- (b) Any lump sum retirement benefit payable to a Member under the Scheme at or before Normal Retiring Date (other than in commutation of pension on grounds of triviality or serious ill-health) shall not, when aggregated with all other lump sum retirement benefits payable to or in respect of him under the Employers' Schemes, including any refund of his contributions, exceed  $\frac{3}{80}$ ths of his Final Remuneration for each year of Service up to a maximum of 40, or such greater amount as will not prejudice approval of the Scheme under the 1970 Act. If any such benefit shall become payable after the Member has left Service but before Normal Retiring Date, the foregoing amount shall be appropriately discounted by virtue of such earlier payment.

- (c) If a pension and/or lump sum retirement benefit becomes payable after Normal Retiring Date to a Member who has not previously received any benefit under the Scheme, the limitations described in the preceding paragraphs shall apply but with the modification that either -
  - (i) the maximum benefits payable are calculated as if they had been payable at Normal Retiring Date and are then increased actuarially in the case of a pension and by the addition of interest at a reasonable rate in the case of a lump sum in respect of the period between Normal Retiring Date and the actual date of payment;
  - (ii) the maximum benefits payable are calculated as if the actual date of payment had been his Normal Retiring Date; for this purpose the limit of 40 years referred to in paragraphs (a) and (b) above, where applicable, may be increased by the addition thereto of any period of Service (up to a maximum of 5 years) falling after Normal Retiring Date.
- (d) If a pension becomes payable after Normal Retiring Date to a Member who has previously received a lump sum retirement benefit under the Scheme, such pension shall not exceed an amount calculated in accordance with (i) of paragraph (c) above.
- (e) Any pension payable to any person under the Scheme on the death of a Member (other than any pension provided by voluntary surrender of pension by the Member) shall not, when aggregated with any other such pension payable to that person under the Employers' Schemes, exceed two-thirds of the aggregate pension (including the pension equivalent of any benefits not in pension form) payable to the Member from such schemes, or such greater amount as will not prejudice the approval of the Scheme under the 1970 Act.

For this purpose the pension payable to the Member shall be taken as (i) that which he was receiving immediately before his death if applicable; or (ii) if he died on or after Normal Retiring Date but before any pension had become payable to him under the Scheme, that which he would have received if he had retired on the day preceding the date of his death (or on his Normal Retiring Date if that was the date of his death); or (iii) if he died before Normal Retiring Date and before any pension had become payable to him under the Scheme, that which he would have received on retirement at Normal Retiring Date had he remained a Participating Member until that date without further change in remuneration.

- (f) If a pension as described in paragraph (e) above is payable to more than one person under the Scheme on the death of a Member, the total of all such pensions, when aggregated with all other such benefits under the Employers' Schemes, shall not exceed the aggregate pension of the Member (calculated in accordance with paragraph (e) above) or such greater amount as will not prejudice approval of the Scheme under the 1970 Act.
- (g) Any increase in a pension from the Scheme after its commencement (other than an increase at a fixed rate not exceeding 3 per cent. per annum compound) shall not be so great as to cause such pension to exceed the maximum amount permitted under the foregoing paragraphs at the date of its commencement, increased in proportion to any increase in the

Index since that date. For this purpose there shall, in the case of a pension payable to the Member, be excluded from such maximum amount any pension which has been surrendered to provide a pension for a Dependant or to provide a lump sum benefit.

- (h) Any lump sum benefit payable under the Scheme on the death before Normal Retiring Date of a Member who has not received any retirement benefit from the Scheme shall not be so great as to cause the total of all such benefits (excluding any refund of contributions paid by the Member and any interest payable thereon) under any retirement benefits schemes of which he has been a Member, including any retirement annuity contracts or trust schemes within Section 226A of the Income and Corporation Taxes Act 1970, to exceed the greater of (i) £5,000, and (ii) four times the Member's Final Remuneration.

- (j) In this Rule -

"Final Remuneration" means in relation to a Member at Normal Retiring Date, or the date of termination of his Service if earlier, the highest of -

- (i) his highest total yearly remuneration from the Employers for any one of the last five years (except that in calculating such remuneration the amount of any fluctuating emoluments shall be taken as the yearly average over the period of three years, or such lesser period as the Member has been in receipt of such emoluments, ending on the last day of that year); and
- (ii) his highest yearly average of his total emoluments from the Employers for any period of three or more consecutive years ending not more than ten years before the said date; and
- (iii) in the case of a deceased Member only, the yearly average of any fluctuating emoluments over the period of three years (or such lesser period as he was in receipt of such emoluments) ending at the date of his death together with the yearly rate of all other remuneration from the Employers applicable immediately before the date of his death; and
- (iv) in the case of a deceased Member only, his highest total emoluments from the Employers for any year ending not more than three years before the date of his death;

provided that -

- (1) a Member's remuneration shall for this purpose include remuneration from a sick pay or permanent health insurance scheme of the Employer (being a scheme under which benefit will not continue beyond Normal Retiring Date), benefits in kind to the extent that they are assessed or assessable under Schedule E as emoluments and otherwise to the extent agreed by the Commissioners of Inland Revenue for this purpose, and directors' fees other than any to which the Member is not beneficially entitled or any which are treated for tax purposes as a receipt of a profession; and

- (2) if the Member's remuneration has been reduced for more than 10 years up to Normal Retiring Date on account of incapacity, his Final Remuneration may be calculated by reference to the date of such reduction; and
- (3) in calculating a Member's remuneration for any year the amount thereof may be deemed to be increased in proportion to any increase in the Index over the period since the end of such year (except that for the purpose of paragraph (b) of this Rule it shall only be increased to the same extent that the Member's total benefits exceed the maximum permitted under paragraph (a) of this Rule calculated without reference to such increase).

"Index" means the general index of retail prices (all items) published by the Department of Employment or such other index as shall, with the agreement of the Commissioners of Inland Revenue, be determined by the Principal Employer from time to time to apply to the Scheme and notified by the Trustees to the Members affected thereby.

#### NON-PARTICIPATING EMPLOYMENT

18. (a) The provisions of this Rule shall apply in respect of any Member who has at any time been in Non-participating Membership, notwithstanding any other provisions of the Trust Deed or the Rules.
- (b) If a payment in lieu of contributions under the 1965 Act has been made in respect of the Member, any pension calculated under Rule 5 in relation to that Member shall be reduced by an amount equal to the Non-participating Pension.
  - (c) Except where paragraph (b) of this Rule applies, a Member to whom this Rule applies shall be entitled from Normal Retiring Date (subject to any condition in the Rules as to retirement) to a pension from the Scheme not less than the Non-participating Pension.
  - (d) Such pension shall not (except in so far as it exceeds the Non-participating Pension) be capable of being terminated or suspended unless the relevant provisions of the Rules or Trust Deed are within the permitted causes prescribed under the 1965 Act.
  - (e) Except where paragraph (b) of this Rule applies, a Member to whom this Rule applies may not exercise an option under Rule 9(b) or under Rule 12 if such exercise would cause the pension payable to him under the Scheme to be less than the Non-participating Pension.
  - (f) Any refund of contributions paid by a Member during Non-participating Membership shall be reduced by such amount thereof as the Trustees shall determine to be appropriate, not exceeding one-half of any payment in lieu of contributions under the 1965 Act which has been or could have been made in respect of him.
  - (g) For the purpose of calculating whether a Member's pension is not less than, or is not reduced to less than, the Non-participating Pension, no account shall be taken of any part of such pension which represents a guaranteed minimum pension under the provisions of the Schedule to the Trust Deed.

(h) In this Rule -

"1965 Act" means the National Insurance Act, 1965 as to Part III thereof or the National Insurance Act (Northern Ireland) 1966 as to Part III thereof, as appropriate to the Member, including any statutory modification or re-enactment thereof for the time being in force and any statutory regulations made thereunder.

"Non-participating Membership" means in relation to a Member any periods prior to pensionable age as referred to in the 1965 Act during which his employment was for the purpose of the 1965 Act non-participating employment by virtue of his membership of the Scheme, but excluding any portions of any such periods during which his employment shall not have been treated as having continued pursuant to any notice given under the provisions of the 1965 Act.

"Non-participating Pension" means in relation to a Member an annual pension calculated at such rate in respect of his Non-participating Membership as the Trustees shall have agreed with the Principal Employer, being not less than the minimum pension which qualifies as the equivalent pension benefits defined in the 1965 Act in respect of his Non-participating Membership.

#### PREVIOUS PARTICIPATING MEMBERS

19. The application of the foregoing Rules (other than Rules 17 and 18) is subject to the following modifications:

(a) In respect of Members who ceased to be Participating Members before 6th April 1978 -

(i) a reduction in the amount of a pension made by the Trustees on account of its commencement before Normal Retiring Date is not subject to any limitation;

(ii) any pension payable after the death of a Member to whom a pension has become payable under the Scheme commences one month after the due date of the last instalment of pension which was payable to him before his death or which would have been so payable but for the operation of Rule 11.

(iii) Any pension payable after the death of a Member whilst a Participating Member ceases on the remarriage of the Qualifying Widow, except that if there is a Qualifying Child it shall continue to be payable under the provisions which would have applied if the Qualifying Widow had died.

(b) Any benefit payable to or in respect of a Member who ceased to be a Participating Member before the date from which these Rules have effect is that which would have been payable from the Scheme in accordance with the provisions of the Scheme in force before that date.



# THE SCHEDULE

Salary Class	Pensionable Earnings		Monthly contributions	
			married men	unmarried men (without dependent children) and women
	£	£	£	£
	Over	to		
P	1,200	1,300	10.32	9.74
Q	1,300	1,400	11.09	10.54
R	1,400	1,500	11.91	11.28
S	1,500	1,600	12.73	12.03
T	1,600	1,700	13.50	12.82
U	1,700	1,800	14.30	13.57
V	1,800	1,900	15.14	14.31
W	1,900	2,000	15.92	15.11
X	2,000	2,100	16.74	15.85
Y	2,100	2,200	17.55	16.60
Z	2,200	2,400	19.00	18.00
AA	2,400	2,600	20.59	19.49
AB	2,600	2,800	22.17	21.03
AC	2,800	3,000	23.77	22.57
AD	3,000	3,200	25.36	24.11
AE	3,200	3,400	26.96	25.65
AF	3,400	3,600	28.55	27.19
AG	3,600	3,800	30.14	28.73
AH	3,800	4,000	31.74	30.28
AJ	4,000	4,200	33.33	31.82
AK	4,200	4,400	34.92	33.36
AL	4,400	4,600	36.51	34.89
AM	4,600	4,800	38.10	36.43
AN	4,800	5,000	39.69	37.98
AO	5,000	5,200	41.29	39.53
AP	5,200	5,400	42.88	41.08
AQ	5,400	5,600	44.47	42.63
AR	5,600	5,800	46.07	44.18
AS	5,800	6,000	47.66	45.73
AT	6,000	6,200	49.25	47.28
AU	6,200	6,400	50.85	48.83
AV	6,400	6,600	52.44	50.38
AW	6,600	6,800	54.04	51.93
AX	6,800	7,000	55.65	53.48
AY	7,000	7,200	57.25	55.03
AZ	7,200	7,400	58.85	56.58

## APPENDIX TO RULES

### DEFINITIONS

"1970 Act" means Chapter II of Part II of the Finance Act 1970 or any statutory modification or re-enactment thereof for the time being in force.

"Centralised Scheme" means a scheme for whose benefits earners in employments under different employers qualify by virtue of their respective service in those employments.

"Commencement Date" means the 30th April 1960.

"Contracted-out Earnings" means -

- (i) in the case of a Member who was a Participating Member immediately before Normal Retiring Date, his Final Pensionable Earnings; and
- (ii) in the case of a Member who dies while a Participating Member, his Pensionable Earnings at the date of his death; and
- (iii) in the case of a Member who ceased to be a Participating Member (other than by death) before Normal Retiring Date, his Final Pensionable Earnings calculated in accordance with Rule 5(b);

provided that unless the Trustees otherwise decide, there shall be excluded for the purpose of calculating the above amounts any Earnings in excess of the relevant upper earnings limits applicable from time to time under Section 1(1) of the Social Security Pensions Act.

"Contracted-out Membership" means that part (if any) of a Member's last or only period of Service during which he was for the purposes of the Social Security Pensions Act in contracted-out employment by reference to the Scheme; provided that it shall also include any earlier period of such Service which has under the provisions of the Social Security Pensions Act not been treated as terminated, but not so that such Service shall be counted more than once for the purpose of determining the total benefits payable in respect of him under the Scheme.

"Dependant" means, except where a different meaning is specified for the purpose of a particular Rule, any person who is or was at the relevant time (i) the spouse of the Member; or (ii) a child of the Member aged less than 18 or in receipt of full-time educational or vocational training; or (iii) an individual financially dependent on the Member for all or part of the necessities of life.

"Earnings" means for each Member the annual rate of his basic remuneration from the Employers together with any allowances in respect of food and accommodation which, for the purposes of the Scheme, shall be agreed with the Commissioners of Inland Revenue and notified in writing to the Member.

For the purposes of calculating the Earnings of an employee who is in receipt of fluctuating emoluments, the annual rate of any such emoluments to be included in his Earnings shall be taken as the average annual amount received over the last three years, or over such shorter period as he has been in receipt of such emoluments.

For the purposes of calculating the Earnings of an employee paid on an hourly basis, remuneration in respect of any hours of work in excess of the Employer's standard working week for the time being in operation which is appropriate to the nature of such employee's employment will be ignored and the annual rate of his remuneration will be 52 times the weekly rate.

"Employers" means the Principal Employer and any associated employer which is participating in the Scheme in accordance with the provisions of the Trust Deed, and in relation to any particular person "Employer" means that one or more of the Employers of which he is (or was at the relevant time) an employee.

"Employers' Schemes" means all retirement benefits schemes of any of the Employers or to which any of the Employers contributes or has contributed.

"Entry Date" means in relation to employees of any Employer the Commencement Date or the date on which such Employer becomes a party to the Scheme, whichever is the later, and each subsequent 30th day of any month (or in any month in which there is no such day, the last day of that month)..

"Final Pensionable Earnings" means for each Member the highest average of his Pensionable Earnings at any three consecutive Scheme Anniversary Dates on which he was a Participating Member falling within the period of 10 years ending at his Normal Retiring Date (or at each such Scheme Anniversary Date if there be three or less such Scheme Anniversary Dates); provided that for this purpose any reductions in Pensionable Earnings during a period of temporary absence shall be ignored.

"Material Date" means in relation to a Member the date on which a pension becomes payable to him under the Scheme or the date of his death, if earlier.

"Member" means any person who has joined the Scheme in accordance with the provisions of the Scheme applicable from time to time, and includes any such person so long as, but only so long as, any benefit remains payable from the Scheme to or in respect of him.

"Normal Retiring Date" means the 65th birthday of a male Member and the 60th birthday of a female Member.

"Participating Member" means a Member who, having been admitted to membership in accordance with Rule 3(a) or with the corresponding provisions of the Scheme applicable from time to time, has not ceased to be within the category described in Rule 2(a) and has not reached Normal Retiring Date.

"Pensionable Earnings" means at any date a Member's Earnings at the Scheme Anniversary Date coincident with or, if not coincident with, immediately preceding that date or at the date of his joining the Scheme if later reduced by an amount equal to one and a half times the lower earnings limit applicable at such Scheme Anniversary Date under Section 1(1) of the Social Security Pensions Act.

"Pensionable Service" means -

- (i) in respect of a Member who joined the Scheme prior to 30th April 1970 his last or only period of Service but excluding any period thereof prior to his 21st birthday, or

(ii) in respect of a Member who joined the Scheme on or after 30th April 1970 his last or only period of Service as a Member of the Scheme,

but excluding any period thereof after Commencement of Membership during which he is not a Participating Member.

"Principal Employer" means THE NATIONAL COUNCIL OF YOUNG MEN'S CHRISTIAN ASSOCIATIONS (INCORPORATED) or any other company or body of persons which from time to time has accepted and adopted the obligations and liabilities thereof under the Scheme in accordance with the provisions of the Trust Deed.

"Qualifying Child" means in relation to a Member any child less than 18 years of age who is -

- (a) born of a marriage entered into by the Member, or
- (b) a step-child of the Member by virtue of a marriage entered into by the Member, or
- (c) legitimised by a marriage entered into by the Member, or
- (d) legally adopted by the Member before the Material Date, or
- (e) any other child towards whose maintenance the Member became legally liable to contribute before the Material Date otherwise than under the terms of a deed of covenant or other contract voluntarily entered into by the Member,

provided that if the Member's death shall have occurred within six months of the Member entering into a marriage on or after the Material Date then the Trustees shall have absolute discretion as to whether or not any child who would (but for this proviso) have become a qualifying child for the first time by virtue of such a marriage shall be recognised as a qualifying child for the purposes of this definition.

"Qualifying Member" means a Member who leaves Service before Normal Retiring Date but after the 5th April 1975 and after attainment of age 26 and whose Qualifying Service is of a duration of five years or more.

"Qualifying Service" means for each Member that part of his last or only period of Service (excluding any part of such Service falling before the Commencement Date) in respect of which he was, under the provisions of the Scheme in force at the time such Service was given, prospectively entitled to a pension under the Scheme;

provided that for the purposes of this definition -

- (a) any period of his Service which is separated from a succeeding period by an interval not exceeding one month, or by an absence for pregnancy or confinement after which the Member returns to work in exercise of a right under Section 45(1) of the Employment Protection (Consolidation) Act 1978, shall be deemed to be part of such succeeding period; and, subject thereto,
- (b) if the Scheme is not a Centralised Scheme, there shall be included any part of the said last or only period of Service which qualifies the Member

for retirement benefits under any other scheme (not being a Centralised Scheme at the time such Service was given) of the Employer together with any period of employment in respect of which he is entitled to benefits under any such scheme by virtue of a transfer; and

- (c) any period during which the Member was deemed to be in Service for the purposes of the Scheme (or other scheme as aforesaid) while not actually in the employ of the Employer shall be excluded; and
- (d) if the Scheme is a Centralised Scheme, there shall be included in a Member's Qualifying Service any earlier period of Service ending after the 5th April 1975 which was at the time it ended Qualifying Service of a duration (excluding any period in respect of which his contributions were refunded or a transfer of benefit was made to another scheme) of not less than five years; and
- (e) any period of employment in respect of which he is entitled to benefits under the Scheme by virtue of a transfer into the Scheme shall be included in his Qualifying Service;

but so that no period shall be included more than once.

"Qualifying Widow" means in relation to a deceased Member the widow (if any) of his last or only marriage provided that (i) if the Member's death shall have occurred within six months of the Member entering into a marriage on or after the Material Date, then the Trustees shall have absolute discretion as to whether or not the Member's widow (if any) shall be recognised as the qualifying widow for the purposes of this definition and (ii) there can be only one widow for the purposes of this definition in respect of any one deceased Member and in the event of two or more persons having a claim to be the widow of the same deceased Member the Trustees shall have absolute discretion to decide which one of such persons shall be recognised as the qualifying widow for the purposes of this definition.

"Scheme" means The National Council of Young Men's Christian Associations (Incorporated) Pension and Assurance Plan established by a trust deed dated the 29th April 1960.

"Scheme Anniversary Date" means the Commencement Date and each subsequent 30th April.

"Service" means service as an employee or director of any of the Employers. For the purpose of these Rules transfer of a person from one to another of the Employers shall not be construed as termination of his Service.

If a Member is entitled to benefit in respect of separate periods of Service, then for the purpose of determining his entitlement to such benefit each such period shall, except in so far as the provisions of Rule 17 are concerned, be treated separately as though it were his only period of Service.

Provided that in a case where the earlier of any two periods of Service was one during which the Member was for the purposes of the Social Security Pensions Act in contracted-out employment by reference to the Scheme and which has under the provisions of that Act not been treated as terminated, the foregoing paragraph shall not apply and the two periods of Service shall for the purposes of calculating the total benefits in respect of the Member under the Scheme be treated as continuous.

"Social Security Act" means the Social Security Act 1973 and includes any statutory modification or re-enactment thereof for the time being in force and any statutory regulations made thereunder.

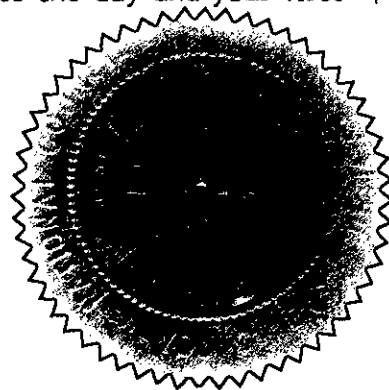
"Social Security Pensions Act" means the Social Security Pensions Act 1975, including any statutory modification or re-enactment thereof for the time being in force and any statutory regulations made thereunder.

"Trust Deed" means the definitive deed of trust (as amended from time to time) in accordance with which the Scheme is administered.

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

[IN WITNESS whereof these presents have been entered into the day and year first  
above written.]

THE COMMON SEAL of THE NATIONAL  
COUNCIL OF YOUNG MEN'S CHRISTIAN  
ASSOCIATIONS INCORPORATED was hereto  
affixed in the presence of:



Member of Council

*W. Hall-Prize*

General Secretary

*N. H. Ingles*

