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SCHEDULE 1

The New Provisions

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APPENDIX 2—RULES OF THE CAA SECTION

PART 2:

BENEFITS AND THE ADMINISTRATION OF BENEFITS

35.

TRANSFERS TO THE CAA SECTION

35.1 Subject to Rule 35.2 below and to any undertaking given to the Board of Inland Revenue for the purposes of this Rule if any Member of if any group of Members of the CAA Section is entitled to benefit under any other retirement benefits arrangement or another Section of the Scheme then, in accordance with the provisions of the other arrangement or Section or at the written request of any Member, the Trustees may:

- (a) accept from the other arrangement or Section any cash sum that the trustees thereof or persons having the necessary powers thereunder may be authorised to pay to them in substitution for the benefit for or in respect of the Member thereunder or for a part of such benefits, and/or
- (b) accept from the other arrangement or Section an assignment or transfer to the Trustees of such annuity or assurance contracts or policies on the life of the Member or such other assets or investments which the Trustees are empowered to acquire or retain in accordance with the provisions of the CAA Section as may be included within such other arrangement, and/or
- (c) accept a new annuity or assurance contract or policy or an amendment of an existing annuity or assurance contract or policy which will secure, among other things, benefits on the life of the Member.

35.2 Before accepting any payment or transfer to the CAA Section or any annuity or assurance contract or policy or any amendment or assignment thereof and before conferring any right or benefit under the CAA Section under this Rule the Trustees shall satisfy themselves that such acceptance or conferment will not prejudice the approval of the Scheme under the Taxes Act.

35.3 Upon such acceptance as aforesaid the Trustees shall, subject to Rules 35.4, 35.5 and 35.6 of this Rule and Appendix 5, confer on the Member such rights and benefits under the CAA Section as they shall determine on the advice of the Actuary having regard to the nature and value of the assets so received and shall notify the Member accordingly; provided always that:

- (a) the benefits arising on retirement from a payment or transfer shall not be capable of commutation nor shall they be paid in lump sum form if the payment or transfer is accompanied by a certificate from the administrator of the other arrangement or Section to the effect that the payment or transfer is not to be used to provide benefits in lump sum form; and
- (b) for Continued Rights Members pension benefits on retirement arising from a payment or transfer (other than from another scheme of the Employer or any company firm or individual which is or may become associated in business with the Sponsoring Section Employer) may be commuted only if and to the extent that a certificate has been obtained from the administrator of the other arrangement showing the maximum lump sum payable from the payment or transfer. The amount so certified may be increased in proportion to any increase in the Index since the date the payment or transfer was received; and
- (c) where the payment or transfer is in respect of a Former Civil Servant and is from one of the Civil Service Schemes the benefit conferred on the Member shall be a number of

additional years of Pensionable Service equal to the number of years prior to the date on which he became a Member which were regarded as reckonable service for superannuation purposes under such scheme in respect of him,

except that provisos (a) and (b) above shall not apply where the Trustees have conferred an additional period of Pensionable Service in the CAA Section on the Member in respect of the payment or transfer.

35.4 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 or Section (as certified by the trustees thereof or other person or persons administering the other arrangement) shall be treated in the CAA Section as Member's contributions and such part thereof as is derived from voluntary contributions of the Member (certified as aforesaid) shall, at the option of the Member and if agreed between the Member and the Trustees, be treated in the CAA Section as Member's voluntary contributions.

- 35.5** The Trustees shall not assume liability in respect of a Member of the CAA Section for
- (a) an Equivalent Pension Benefit (as defined in the National Insurance Act 1965)(1); or
 - (b) a Guaranteed Minimum Pension; or
 - (c) Protected Rights

unless the payment or transfer to the CAA Section is in their opinion on the advice of the Actuary sufficient to secure the said benefit and before assuming such liability they shall ascertain from the trustees of or persons administering the other arrangement or Section the amount of such benefit. Upon assuming such liability they shall impose such restrictions on the options available to the Member as shall be necessary to comply with the requirements of the National Insurance Act 1965 or the Pension Schemes Act 1993 as appropriate.

35.6 In the event of the Member leaving Service in the CAA Section before Normal Pension 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 unless the Member in accordance with the Rules is to receive a return of his own contributions in lieu of other benefit. In that event the return of any of the contributions which are referred to in Rule 35.4 above shall be in lieu of the whole of the benefits conferred upon the Member by the Trustees as aforesaid.

(1) 1965 c. 51.