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STATUTORY INSTRUMENTS

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**2012 No. 687**

**POSTAL SERVICES**

**The Postal Services Act 2011 (Transfer of Accrued Pension Rights) Order 2012**

*Made - - - - 8th March 2012*  
*Laid before Parliament 9th March 2012*  
*Coming into force in accordance with article 1(2) to (4)*

The Secretary of State makes the following Order in exercise of the powers conferred by section 17, 18, 19, 20(6), 25, 26 and 89(2) of the Postal Services Act 2011<sup>(1)</sup>. The Secretary of State has consulted the parties required by section 25(1), obtained consent of the Treasury in accordance with section 25(2), and makes this Order in compliance with section 20(2) of the Postal Services Act 2011.

**Citation and commencement**

**1.**—(1) This Order may be cited as the Postal Services Act 2011 (Transfer of Accrued Pension Rights) Order 2012.

(2) This Article will come into force on 31 March 2012.

(3) Articles 2 to 12 will come into force on a day to be specified by Order made under section 25(4) and (5) of the Act.

(4) Articles 13 and 14 will come into force immediately after articles 2 to 12 have come into force.

**Interpretation**

**2.** In this Order—

“the Act” means the Postal Services Act 2011;

“Assets Order” means the Postal Services Act 2011 (Transfer of Assets) Order 2012<sup>(2)</sup>;

“POL” means Post Office Limited (registered number 02154540);

“qualifying member of the RMPP” has the meaning given in the RMSPS Rules;

“the qualifying time”<sup>(3)</sup> means the time immediately before 1 April 2012;

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(1) 2011 c.5.

(2) S.I. 2012/688.

(3) Qualifying time is defined at section 16(1) of the Postal Services Act 2011.

“RMPP Amendments” means the amendments made by article 11 to the trust deed and rules of the RMPP(4), as set out in the Statement of Amendments;

“RMPP Rules” has the meaning given in the RMSPS Rules;

“RMSPS” means the Royal Mail Statutory Pension Scheme;

“RMSPS Rules” means the rules governing the RMSPS (as set out at Schedule 1);

“Statement of Amendments” means the document entitled “Statement of Amendments to the Royal Mail Pension Plan to be effected by the Postal Services Act 2011 (Transfer of Accrued Pension Rights) Order 2012 (S.I. 2012/687)”, authored by Slaughter and May dated 9 March 2012 and placed in the Libraries of the House of Commons and the House of Lords.

### **Establishment of the RMSPS**

3. The RMSPS is established and the RMSPS Rules are contained in Schedule 1.
4. Amendments to the RMSPS are subject to the restrictions set out in Schedule 2.

### **Transfer of qualifying accrued rights from RMPP to RMSPS**

5. The following are transferred from the RMPP to the RMSPS—
  - (a) all the qualifying accrued rights(5); and
  - (b) the additional rights or entitlements to or in respect of benefits or future benefits which are removed from the RMPP by the RMPP Amendments.
6. Schedule 3 makes provision for the transfer to the RMSPS of obligations and liabilities under the RMPP relating to pension sharing orders, pension attachment orders, attachment of earnings orders, deductions from earnings orders, earnings arrestment schedules and voluntary deduction from earnings arrangements.

### **Discharge of Trustee**

7. The Trustee of the RMPP is discharged from any liability in respect of the following for or in respect of a qualifying member of the RMPP—
  - (a) all the qualifying accrued rights; and
  - (b) the additional rights or entitlements to or in respect of benefits or future benefits which are removed from the RMPP by the RMPP Amendments.
8. For the purposes of article 7, the “Trustee of the RMPP” includes—
  - (a) the trustee of the RMPP at the qualifying time;
  - (b) a former or future trustee of the RMPP;
  - (c) where any such trustee is or was a corporate trustee, its past, present and future directors and officers; and
  - (d) any past, present and future agents, delegates, employees or staff of the Trustee.

### **Application of occupational pensions legislation to RMSPS**

9. The RMSPS is to be treated as an occupational pension scheme for the purposes of the statutory provisions described in Part 1 of Schedule 4.

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(4) RMPP is defined in the Postal Services Act 2011 as the Royal Mail Pension Plan.

(5) Qualifying accrued rights are defined at section 16(1) of the Postal Services Act 2011.

**10.** The RMSPS is to be treated as a salary-related contracted out scheme for the purposes of Part III of the Pension Schemes Act 1993(6), as modified by Part II of Schedule 4.

**Amendments to the RMPP**

**11.** The trust deed and rules of the RMPP are amended in accordance with the Statement of Amendments so that—

- (a) the provisions that are crossed out in the Statement of Amendments (other than those in italics) are omitted; and
- (b) the provisions that are underlined in the Statement of Amendments (other than those in italics) are inserted.

The provisions that are either crossed out or underlined but are also in italics are dealt with by article 13.

**12.** The Security Agreements, as defined in Schedule 5, which relate to the provision of financial support in relation to the RMPP, are amended by that Schedule.

**Participation of POL in the RMPP and division of the RMPP into different sections**

**13.** The trust deed and rules of the RMPP (as amended by article 11) are further amended in accordance with the Statement of Amendments so that—

- (a) the provisions that are in italics and are crossed out in the Statement of Amendments are omitted, and
- (b) the provisions that are in italics and are underlined in the Statement of Amendments are inserted.

**14.** POL is admitted to participation in the RMPP as an employer on the terms set out in the trust deed and rules of the RMPP, as amended by article 11 and article 13, and as from time to time in force thereafter.

7th March 2012

8th March 2012

*Norman Lamb*  
Parliamentary Under Secretary of State for  
Employment Relations, Consumer and Postal  
Affairs  
Department for Business, Innovation and Skills  
*Michael Fabricant*  
*James Duddridge*  
Department for HM Treasury

SCHEDULE 1

Article 3

The Royal Mail Statutory Pension Scheme Rules

**PART I**  
**CLAUSES**

**Purpose, definitions and interpretation**

1.—(1) The Royal Mail Statutory Pension Scheme has been established by the Secretary of State under section 17 of the Postal Services Act 2011<sup>(7)</sup> for the purpose of securing pensions and other benefits for or in respect of qualifying members of the Royal Mail Pension Plan, for and in respect of whom a transfer was made to the Scheme under the provisions of that Act with effect from the Commencement Date.

(2) In these Rules the following expressions have the following meanings—

“Actuary” means the Government Actuary or any Fellow of the Institute and Faculty of Actuaries or a firm the majority of whose partners are Fellows of the Institute and Faculty of Actuaries, as may be appointed by the Secretary of State to be the Actuary for the purpose of these Rules;

“Benefits Order” means the Postal Services Act 2011 (Transfer of Accrued Pension Rights) Order 2012<sup>(8)</sup>;

“Clause” means one of the clauses in Part I of the Rules;

“Commencement Date” means the date on which this RMSPS commenced, being 1 April 2012;

“Contracting-out Laws” means the contracting-out laws of the Pension Schemes Act 1993<sup>(9)</sup> (including anti-franking) to the extent that they apply to the RMSPS with any modifications under the Benefits Order;

“Cut-Off Date” means 31 March 2012, being the date on which the qualifying time falls;

“Cut-Off Date Active” has the meaning given in Clause 4 (Benefits payable in respect of Cut-Off Date Actives);

“Cut-Off Date Non-Active” means a person referred to in Clause 3(1)(a) and/or (b) (Benefits payable in respect of Wholly Transferred Beneficiaries);

“Employer” means at any time (which may be a time before, on or after the Cut-Off Date) an “Employer” for the purposes of the RMPP as defined in the RMPP Rules;

“Family Benefits” means pensions or benefits paid under Section A or Section B to or in respect of the widow, widower or children of a Section A Active or a Section B Active (as the case may be);

“Former RMPP Section A Member” means a Cut-Off Date Non-Active who, before the end of the Cut-Off Date, was subject to the Section A Rules of the RMPP;

“Former RMPP Section B Member” means a Cut-Off Date Non-Active who, before the end of the Cut-Off Date, was subject to the Section B Rules of the RMPP;

“Former RMPP Section C Member” means a Cut-Off Date Non-Active who, before the end of the Cut-Off Date, was subject to the Section C Rules of the RMPP;

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(7) 2011 c.5.  
(8) S.I. 2012/687.  
(9) 1993 c.48.

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“Fund” means all monies from time to time held (whether before, on or after the Cut-Off Date) for the purposes of the RMPP by or on account of the RMPP Trustees in pursuance of the RMPP Rules and the investments and securities from time to time representing the same;

“General Rules” means—

- (a) the general rules of the RMSPS set out in Part II (The General Rules of the Scheme) of this Schedule, and a reference to a “General Rule” is a reference to one of the General Rules; or
- (b) if stated, the general rules of the contributory part of the RMPP, and in that case a reference to a “General Rule” is a reference to one of those General Rules;

“GMP” means guaranteed minimum pension as that term is used for the purposes of the Pension Schemes Act 1993;

“HMRC” means Her Majesty’s Revenue and Customs;

“Interest” means compound interest at such rate and (unless a period is specified in these Rules) for such period or periods as may be determined by the Secretary of State in his discretion (less tax at such rate as applies from time to time);

“Member” means a person who is either a Cut-Off Date Non-Active or a Cut-Off Date Active;

“money purchase benefits” has the meaning given by the words used to define “money purchase benefits” at section 181 of the Pension Schemes Act 1993 read together with section 29 of the Pensions Act 2011(10);

“New POL Scheme” has the meaning given in Clause 5 (New POL Scheme);

“Normal Retiring Age” means—

- (a) for a Cut-Off Date Active, age 60 in respect of RMSPS NRA60 Benefits or RMSPS NRA60 Pension (as the case may be) and age 65 in respect of RMSPS NRA65 Benefits or RMSPS NRA65 Pension (as the case may be) except where specified otherwise in the Rules (including any difference arising by reason of service in unhealthy places);
- (b) for a Cut-Off Date Non-Active, their “Normal Retiring Age” for the purposes of the RMPP;

“Pensioner” means a Cut-Off Date Active who is in receipt of payment of any pension under the RMSPS, or immediately entitled under the RMSPS to receive payment of any pension or other benefit;

“Plan L Member” means a Member (whether a Cut-Off Date Non-Active or a Cut-Off Date Active) who had an obligation to pay contributions due to the RMPP under General Rule 21 (Contributions for widow’s pensions) of the RMPP Rules that was outstanding at the end of the Cut-Off Date, and who had chosen or had been deemed to have chosen as that Member’s method of paying those contributions “Plan L” as set out in General Rule 25 (Plan L) of the RMPP Rules;

“Preservation Laws” means laws as to preservation of benefit set out in Chapter I Part IV of the Pension Schemes Act 1993, as they apply to the RMSPS under Clause 18 (Preservation Laws);

“Principal Employer” means the principal employer of the RMPP from time to time;

“qualifying member of the RMPP” means a Cut-Off Date Active, a Cut-Off Date Non-Active or an Underlying Member;

“qualifying time” means the time immediately before 1 April 2012, as defined in the Benefits Order;

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“QROPS” means a qualifying recognised overseas pension scheme as that term is defined in Section 169 of the Finance Act 2004(11);

“Registered” means the status of a scheme registered in accordance with Chapter 2 of Part 4 of the Finance Act 2004;

“Revaluation Rules” means the requirements as to the revaluation of accrued benefits that apply under any provision of the Rules to benefits under the RMSPS;

“RMPP” means the Royal Mail Pension Plan;

“RMPP Active” means a Cut-Off Date Active who remains in “Reckonable Service” as defined under the RMPP Rules. A Cut-Off Date Active will cease to be an RMPP Active on the member’s RMPP Exit Date;

“RMPP AVC Fund” has the meaning given in Clause 10(1) (Additional voluntary contributions transferred from the RMPP);

“RMPP Commencement Date Rules” means the trust deed and rules of the RMPP as amended by Articles 11 and 13 of the Benefits Order, as at the time immediately after the amendments under both of those Articles take effect;

“RMPP Cut-Off Date Rules” means, in relation to any Member or Wholly Transferred Beneficiary, the governing documents of the RMPP as they applied to that person at the end of the Cut-Off Date;

“RMPP Exit Date” means, in respect of a Cut-Off Date Active, the earlier of the date the Member opts out of the RMPP under the RMPP Rules, ceases to be employed by an Employer, dies or retires;

“RMPP Leaver” means a Cut-Off Date Active who, after the Cut-Off Date, ceases to be an RMPP Active but who is not yet entitled under the RMSPS to receive payment of any pension or other benefit;

“RMPP Reckonable Service” means, in respect of a Member, the Member’s “Reckonable Service” under (as applicable to that Member) General Rule 10 (Contributory and Reckonable Service) or Rule 1 (Meaning of words used) of Section C of the RMPP Rules;

“RMPP Rules” means the trust deed and rules of the RMPP as in force from time to time, but where there is a reference to an occurrence, right or entitlement under the RMPP Rules at a particular time (which may be a time before, on or after the Cut-Off Date), that reference will be taken to be a reference to an occurrence, right or entitlement under the relevant provisions of the RMPP Rules as in force or applicable at that time. Any reference in these Rules to a specific rule or provision of the RMPP Rules—

- (a) shall (unless otherwise stated) be based on the numbering and paragraphs used in the provisions of the RMPP Cut-Off Date Rules; but
- (b) notwithstanding Paragraph (a) above, shall be deemed (where necessary) to be a reference to the provision of the RMPP Rules in force or applicable at the relevant time that is equivalent or corresponds to the specific rule or provision that is referred to in these Rules;

“RMPP Trustees” means the trustee or any of the trustees of the RMPP from time to time;

“RMSPS” means this scheme, the Royal Mail Statutory Pension Scheme;

“RMSPS AVC Only Beneficiary” means a Cut-Off Date Non-Active who is an “RMSPS AVC Only Beneficiary” for the purposes of the RMPP, as that term is defined under the RMPP Commencement Date Rules;

“RMSPS NRA60 Benefits” has the meaning given in the Section B Rules;

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(11) 2004 c.12.

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“RMSPS NRA65 Benefits” has the meaning given in the Section B Rules;

“RMSPS NRA60 Pension” has the meaning given in the Section C Rules;

“RMSPS NRA65 Pension” has the meaning given in the Section C Rules;

“RMSPS Reckonable Service” means the following—

- (a) for Section C Actives, it has the meaning given in Rule 2 (Definitions and interpretation) of the Section C Rules; and
- (b) for other Cut-Off Date Actives, it has the meaning given in General Rule 2 (RMSPS Reckonable Service) (and, for Section A Actives, the meaning given to their “reckonable service” by any other provisions as may be applicable in accordance with Rule 2 (Benefits of Section A Actives under the RMSPS) of the Section A Rules);

“Rules” means the rules governing the RMSPS (including these Clauses) as set out in this Schedule or, as the context requires, any or some of these Rules. “Rule” means any individual rule of the Rules of any Section of the RMSPS;

“Scheme” means the RMSPS;

“Section A” means Section A of the RMSPS;

“Section A Rules” means the Rules of Section A as set out in Part III (Section A Rules of the Scheme) of this Schedule;

“Section B” means Section B of the RMSPS;

“Section B Rules” means the Rules of Section B as set out in Part IV (Section B Rules of the Scheme) of this Schedule;

“Section C” means Section C of the RMSPS;

“Section C” Rules means the Rules of Section C as set out in Part V (Section C Rules of the Scheme) of this Schedule;

“Section E” means Section E of the RMSPS;

“Section E Rules” means the Rules of Section E as set out in Part VI (Section E) of this Schedule;

“Surrender and Forfeiture Laws” has the meaning given in Clause 19 (Surrender and Forfeiture Laws);

“Transferred AVC Fund” has the meaning given in Clause 10(1) (Additional voluntary contributions transferred from the RMPP);

“Transfer Value Laws” means the laws as to transfer values set out in Chapter IV of Part IV of the Pension Schemes Act 1993, as they apply to the RMSPS under the Benefits Order;

“Underlying Member” has the meaning given in Clause 3(1)(c) (Benefits payable in respect of Wholly Transferred Beneficiaries); and

“Wholly Transferred Beneficiary” has the meaning given in Clause 3 (Benefits payable in respect of Wholly Transferred Beneficiaries).

(3) Reference to any enactment shall include regulations made under it and reference to any enactment or regulations shall include reference to any statutory amendment or re-enactment thereof for the time being in force and where appropriate (a) any preceding, subsequent related or replacement legislation in the same behalf and (b) equivalent legislation in Northern Ireland.

(4) Headings do not form any part of these Rules but are for convenience of reference only.

(5) The terms of these Rules are derived from the RMPP Cut-Off Date Rules. When interpreting provisions of these Rules, regard may be had to any corresponding provisions contained in the RMPP Cut-Off Date Rules as an aid to interpretation where relevant. However, for avoidance of doubt, the

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terms of these Rules govern this Scheme, and the terms of the RMPP Cut-Off Date Rules shall have no binding effect unless expressly stated.

(6) In these Rules, references to clauses are references to clauses in Part I, and references to Rules are to Rules set out in Parts II to IX.

### **Civil Partners**

2.—(1) References in the RMSPS to a “spouse” shall include a “civil partner”; references to a “widow” or “widower” shall include a “surviving civil partner”; references to “marriage” shall include a “civil partnership”; references to “marry” or “married” shall include “form a civil partnership” or “a participant in a civil partnership” as the context requires; and references to “divorce” shall include “dissolution of a civil partnership” (where the term “civil partner” has the meaning given to it in the Civil Partnership Act 2004<sup>(12)</sup>).

(2) Nothing in this Clause 2 is intended to override the provisions of the Section A Rules (or the equivalent provisions of the RMPP Cut-Off Date Rules that apply to Former RMPP Section A Members or Cut-Off Date Non-Actives who are former members of the non-contributory part of the RMPP, as applicable to such members under Clause 3) (Benefits payable in respect of Wholly Transferred Beneficiaries) as they relate to civil partners.

### **Benefits payable in respect of Wholly Transferred Beneficiaries**

3.—(1) Any person who, but for the transfer, amendments and discharge under the Benefits Order, would have been in one or more of the categories (a)-(c) below (in each case, whether or not known to the Trustee at any time) immediately after the qualifying time will be a Wholly Transferred Beneficiary—

- (a) in receipt of a pension under the RMPP referable to that person’s membership of the RMPP (or membership of any other pension scheme from which that person was transferred to the RMPP);
- (b) a deferred pensioner under the RMPP; or
- (c) a person entitled to a pension or other benefit under the RMPP (including a pension credit) in respect of or referable to the membership of the RMPP of another person (that other person being the Underlying Member).

A Wholly Transferred Beneficiary will also include any person who, but for the transfer, amendments and discharge under the Benefits Order, would have been contingently entitled to receive a pension or other benefit under the RMPP in respect of any of the persons described in Paragraphs (a)-(c) above immediately after the qualifying time (for the avoidance of doubt this includes, without limitation, dependants and survivors of those persons). A member of the RMPP who comes within the description in either Paragraph (a) or (b) above, or who is an Underlying Member, is a qualifying member of the RMPP for the purposes of Part 2 of the Postal Services Act 2011<sup>(13)</sup>.

(2) Each Wholly Transferred Beneficiary will, from the Commencement Date, have under the RMSPS the same rights and entitlements as applied to them under the RMPP as at the end of the Cut-Off Date, subject to sub-paragraphs (3) and (4) below, other than any rights and entitlements in respect of money purchase benefits which (subject to Clause 10 (Additional voluntary contributions transferred from the RMPP)) shall remain in the RMPP. The rights and entitlements in respect of Wholly Transferred Beneficiaries are (subject to the other Clauses) governed solely by this Clause 3, and Parts II-IX of this Schedule do not apply to them.

(3) Subject to sub-paragraph (4) below, for the purposes of determining the rights and entitlements of Wholly Transferred Beneficiaries under this Clause—

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<sup>(12)</sup> 2004 c.33.

<sup>(13)</sup> 2011 c.5.



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- (a) any duty of the RMPP Trustees or an Employer, or any power or discretion which may be exercisable by the RMPP Trustees or an Employer, howsoever expressed, shall be a duty, power or discretion of the Secretary of State; and
  - (b) any role or function which would under the RMPP have been performed by the “Actuary” (as defined in the RMPP) shall be, to the extent relevant to the RMSPS, performed by the Secretary of State on the advice of the Actuary.
- (4) In relation to each Wholly Transferred Beneficiary who is a Member who opted out of the RMPP under General Rule 1A (Optional membership) or Rule 10E (Opting out of the Scheme) of Section C of the RMPP Rules before the end of the Cut-Off Date, and who is in Employer employment—
- (a) if the Member is retired from service with an Employer by reason of ill-health or incapacity, that Member’s RMSPS benefits will commence payment as they would have done if that Member had retained his or her benefits in the RMPP; and
  - (b) the amount of any benefit payable to or in respect of the Member from the RMSPS will be the same as would have been payable from the RMPP if that Member had retained his or her benefits in the RMPP.
- (5) Except as expressly provided for in these Rules, where a Cut-Off Date Active has one or more periods of RMPP Reckonable Service that ended on or before the Cut-Off Date, that person shall be treated as a Wholly Transferred Beneficiary (and this Clause 3 shall apply to that person) in respect of his or her rights and entitlements relating to such earlier period or periods of RMPP Reckonable Service, subject to the following—
- (a) If the Cut-Off Date Active has a period of RMPP Reckonable Service that ended on or before the Cut-Off Date and which was at the end of the Cut-Off Date treated as continuous with RMSPS Reckonable Service, that person shall be treated as a Cut-Off Date Active (subject to the Section A, Section B, Section C or Section E Rules as applicable) in respect of that period.
  - (b) In respect of a Section C Active, this Clause 3(5) operates without prejudice to the provisions made in Rule 5 (RMSPS Pension Supplement) of Section C in respect of any Suspended Pre-Cut-Off Date RMPP Pension Supplement that that person may have.
  - (c) In relation to any person who is or becomes entitled or contingently entitled to receive a pension or other benefits in respect of one or more periods of a Member’s RMPP Reckonable Service that ended on or before the Cut-Off Date, principles that are equivalent to those set out in the preceding provisions of this Clause 3(5) will apply.
- (6) If a Cut-Off Date Non-Active is a Plan L Member, that Member had accrued an obligation to pay the amount of contributions due to the RMPP under General Rule 21 (Contributions for widow’s pensions) of the RMPP Rules. The amount of that obligation, as had accrued as at the end of the Cut-Off Date and revalued under the RMSPS as if it were a benefit payable to that Member under the RMSPS, is an Accrued Plan L Amount. The Plan L Member will be treated as owing an obligation to the RMSPS in respect of the Accrued Plan L Amount, to be discharged by one or both of the methods set out in Paragraphs (a) and (b) below. Where both methods are available, the Member will choose the proportion of the accrued amount that will be met by each method, unless the Member has died, in which case the Secretary of State will use the method set out in Paragraph (a).
- (a) Under the method set out in this Paragraph, any lump sum benefits payable in respect of the Member from the RMSPS (including any lump sum payable on that Member’s death) will be reduced by the Accrued Plan L Amount (or if the Member also chooses to use the method set out in Paragraph (b), the appropriate share of the Accrued Plan L Amount under the RMSPS).
  - (b) Under the method set out in this Paragraph, the Member’s Transferred AVC Fund will, as provided for in Clause 10 (Additional voluntary contributions transferred from the RMPP),

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be applied for the purpose of meeting some or (if the Member also chooses to use the method set out in Paragraph (a)) the appropriate share of the Accrued Plan L Amount.

#### **Benefits payable in respect of Cut-Off Date Actives**

4. For any person who was—

- (a) in pensionable service under Section A of the contributory part of the RMPP immediately after the qualifying time (a Section A Active);
- (b) in pensionable service under Section B of the contributory part of the RMPP immediately after the qualifying time (a Section B Active);
- (c) in pensionable service under Section C of the contributory part of the RMPP immediately after the qualifying time (a Section C Active); or
- (d) in pensionable service under Section E of the contributory part of the RMPP immediately after the qualifying time (a Section E Active),  
(in each case, a Cut-Off Date Active),

benefits will be provided under the RMSPS in respect of that person as follows—

- (i) benefits will be provided, subject to General Rule 7 (Application of Sections A and B – election for Section B benefits), in respect of Section A Actives as set out in the Section A Rules;
- (ii) benefits will be provided in respect of Section B Actives as set out in the Section B Rules;
- (iii) benefits will be provided in respect of Section C Actives as set out in the Section C Rules;
- (iv) benefits will be provided in respect of Section E Actives as set out in the Section E Rules; and
- (v) the benefits of all Cut-Off Date Actives will be subject to the General Rules, except as may be stated otherwise.

#### **New POL Scheme**

5.—(1) If a “New POL Scheme” as defined in Clause 28B (Transfer of the POL Fund out of the Scheme at the request of the Principal Employer or POL) of the RMPP Commencement Date Rules is established (the New POL Scheme), these Rules shall apply to a Cut-Off Date Active as provided for in the remainder of this Clause where all or part of the benefits to which the Cut-Off Date Active is entitled under the RMPP are transferred to the New POL Scheme pursuant to that clause.

(2) The Secretary of State will apply these Rules with any modifications or adjustments as he may consider to be reasonably necessary in order to ensure that a Cut-Off Date Active’s benefits under the RMSPS (including without limitation the amount of such benefits, the circumstances under which they are paid and the treatment of elections or actions taken by the Cut-Off Date Active or any other person) are the same as they would have been had the Cut-Off Date Active’s RMPP benefits remained in the RMPP rather than transferring to the New POL Scheme.

(3) Without limitation to sub-paragraph (2) above—

- (a) all references in these Rules to benefits payable, events taking place, directions, elections, nominations and requests made and actions taken under or in relation to the RMPP or any of its Employers shall where appropriate be deemed to refer to benefits payable, events taking place, elections made and actions taken under or in relation to the New POL Scheme;

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- (b) the definition of “Employer” in Clause 1 (Purpose, definitions and interpretation) shall where appropriate mean an “Employer” for the purposes of the rules of the New POL Scheme;
- (c) the definition of “RMPP Rules” in Clause 1 (Purpose, definitions and interpretation) shall where appropriate refer to the trust deed and rules of the New POL Scheme;
- (d) the references to an Employer in Clause 16 (Set-off for crime, fraud or negligence) and in Clause 19(2)(a) (Surrender and Forfeiture Laws) shall where appropriate refer to an employer participating in the New POL Scheme; and
- (e) the references to the RMPP in Clause 16 (Set-off for crime, fraud or negligence) and in Clause 19(2)(b) (Surrender and Forfeiture Laws) shall where appropriate refer to the New POL Scheme.

### **Member choices and nominations made under the RMPP**

6.—(1) Any directions, elections, nominations and requests made by any person (whether Wholly Transferred Beneficiaries, Cut-Off Date Actives or any beneficiaries with actual or contingent rights to benefits in respect of them) under the RMPP Rules and notified to the RMPP Trustees before the Commencement Date in accordance with the requirements of the RMPP Rules will continue to (as appropriate) bind or be taken into account by the Secretary of State from the Commencement Date, subject as appropriate to any later directions, elections, nominations and requests that may be made by any person under the RMSPS in accordance with these Rules.

(2) Without limitation to sub-paragraph (1), where any lump sum benefits are payable under the RMSPS on the death of a Member or any other person, the Secretary of State (or any responsible persons as may be appointed for such purpose by the Secretary of State under General Rule 6 (Member’s power to place benefits within the Secretary of State’s discretion), or the equivalent provisions of the RMPP Rules as apply to Wholly Transferred Beneficiaries under Clause 3) (Benefits payable in respect of Wholly Transferred Beneficiaries)) shall take into account any nomination form completed by the Member or any other person and delivered before the Commencement Date to the RMPP Trustees (a Pre-Commencement Nomination), and shall take account of the wishes regarding the distribution of death benefits (including treating any person as a beneficiary of any death benefit) as set out in the Pre-Commencement Nomination in the same way as if that Pre-Commencement Nomination had been delivered to the Secretary of State instead of to the RMPP Trustees. To the extent that a Pre-Commencement Nomination has been superseded by any valid nomination form that is delivered at a later date to the Secretary of State under these Rules, the Secretary of State (or any responsible persons referred to above) may take into account the Pre-Commencement Nomination as he considers (or they consider) to be reasonable and appropriate in order to determine the distribution of death benefits.

### **Payment of benefits**

7.—(1) Where, by reason of an overpayment of pension or other benefit in respect of a Wholly Transferred Beneficiary that occurred under the RMPP on or before the Cut-Off Date, the RMPP Trustees would at the end of the Cut-Off Date have had a right to recover that overpayment from future instalments of the pension in respect of that person, subject to sub-paragraph (3) below the Secretary of State in his absolute discretion may recover that overpayment as if it had occurred under the RMSPS by reducing future instalments of pension or any other benefit owed in respect of that person (and for these purposes any monetary obligation due from the beneficiary to the RMPP as at the end of the Cut-Off Date by reason of the overpayment will be treated as an obligation owing to the RMSPS).

(2) Where an overpayment of pension or other benefit in respect of any person occurs under the RMSPS after the Cut-Off Date, subject to sub-paragraph (3) below the Secretary of State in his

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absolute discretion may recover that overpayment by reducing future instalments of pension or any other benefit owed in respect of that person.

(3) The Secretary of State will only have the power to make recovery from a person as described in sub-paragraphs (1) and (2) above to the extent that—

- (a) the RMPP Trustees may have done so had that person's benefit been retained in the RMPP; and
- (b) it is permitted under the Surrender and Forfeiture Laws as applied to the RMSPS under Clause 19 (Surrender and Forfeiture Laws).

### **Limitations of Claims**

**8.** No person whether a Member or otherwise shall have any claim right or interest upon to or in respect of the RMSPS or any interest thereon or any such claim upon or against the Secretary of State except under and in accordance with the provisions of the RMSPS.

### **Augmentation and new benefits**

**9.** The Secretary of State may provide increased or additional benefits in respect of any Member (or any spouse or dependant of a Member) or any Wholly Transferred Beneficiary. These benefits must be consistent with the Preservation Laws, Revaluation Rules, Contracting-out Laws and Transfer Value Laws where relevant.

### **Additional voluntary contributions transferred from the RMPP**

**10.—(1)** Where a Member has uncrystallised rights to money purchase benefits under the RMPP that are derived from additional voluntary contributions (including additional voluntary contributions that are made to the RMPP after the end of the Cut-Off Date), funds under the relevant account provided to that Member under the RMPP in respect of such contributions (the RMPP AVC Fund) may be transferred to the RMSPS and applied to provide benefits in accordance with this Clause (the part of the RMPP AVC Fund that is transferred to the RMSPS being the Transferred AVC Fund).

(2) Where the Member is an RMSPS AVC Only Beneficiary, the entire balance of the RMPP AVC Fund may at the Member's election be transferred to the RMSPS at the time the Member elects to crystallise those money purchase benefits. The Transferred AVC Fund will be used in one of the following ways, as the Member chooses—

- (a) to provide the following benefits under the RMSPS—
  - (i) a lump sum cash benefit from the RMSPS, to the extent that this would be an authorised payment under the Finance Act 2004(14); and/or
  - (ii) a pension under the RMSPS on such terms and conditions as the Secretary of State decides in his absolute discretion; and/or
- (b) if the Member is a Plan L Member and so elects, to meet some or all of the obligation to the RMSPS in respect of the Accrued Plan L Amount, as provided for in Clause 3(6) (Benefits payable in respect of Wholly Transferred Beneficiaries) (in the case of a Cut-Off Date Non-Active) or General Rule 15 (Plan L) (in the case of a Cut-Off Date Active).

(3) Where the Member is a Cut-Off Date Active and has elected to use the RMPP AVC Fund to take a lump sum cash benefit under the RMPP of a value equal to (or, in the opinion of the Secretary of State in his absolute discretion, sufficiently close to) the maximum pension commencement lump sum (as that term is defined under the Finance Act 2004) that may be paid to that Member under the

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(14) 2004 c.12.

RMPP as an authorised payment under the Finance Act 2004, funds remaining in the RMPP AVC Fund (whether the contributions from which they were derived were made before, on or after the Cut-Off Date) may at the Member's election be transferred to the RMSPS at or around the time the Member is to take such lump sum cash benefit from the RMPP. The Transferred AVC Fund may only be used for the following purposes and subject to the following conditions—

- (a) to provide a lump sum cash benefit from the RMSPS, to the extent that this would be an authorised payment under the Finance Act 2004; and/or
- (b) if the Member is a Plan L Member and so elects, to meet some or all of the obligation to the RMSPS in respect of the Accrued Plan L Amount provided for in Clause 3(6) (Benefits payable in respect of Wholly Transferred Beneficiaries),

and the amount that is transferred from the RMPP AVC Fund will not exceed the sum of—

- (i) the maximum amount of the Transferred AVC Fund that the Member may take as a pension commencement lump sum (as defined under the Finance Act 2004) under the RMSPS (and for avoidance of doubt, when determining this amount (A) any other lump sums payable to the Member under the RMSPS will be taken into account and (B) the Transferred AVC Fund will be included as part of the Member's RMSPS benefit); and
- (ii) the maximum amount necessary to meet the Member's entire obligation to the RMSPS in respect of the Accrued Plan L Amount.

- (4) A Transferred AVC Fund must be transferred to the RMSPS in the form of cash only.

#### **Individual transfers out of the Scheme**

**11.—**(1) A Member who is at least one year before Normal Retiring Age and who either—

- (a) is a Cut-Off Date Non-Active who ceased active membership of the RMPP on or after 1 January 1986 (or of any other pension scheme from which that person was transferred to the RMPP); or
- (b) is a Cut-Off Date Active,

has a right to require the Secretary of State to use the cash equivalent of that Member's benefit in whichever of the following ways (or combination of them) that Member chooses—

- (i) to buy one or more annuities from one or more Insurance Companies chosen by the Member and willing to accept payment on account of that Member. The annuities must satisfy the Transfer Value Laws; and/or
- (ii) to acquire rights under another scheme whose trustees or managers are able and willing to accept him or her. The receiving scheme must be a Registered scheme or a QROPS. The transfer must comply with the relevant requirements of the Contracting-out Laws and the Transfer Value Laws.

The Member can exercise this right by application in writing to the Secretary of State at any time up to a year before Normal Retiring Age (or, if later, six months after the Cut-Off Date, but in any event no later than Normal Retiring Age). The Secretary of State shall have a discretion to use the cash equivalent of that Member's benefit in the same manner in relation to a Member who is within a year of, at or over Normal Retiring Age. In either case, the Secretary of State may impose such conditions as he considers appropriate.

(2) For the purposes of determining whether a Member has a right to a cash equivalent transfer and when that right may be exercised, references to "Normal Retiring Age" in sub-paragraph (1) above should be read as follows—

- (a) in respect of Section B Actives, as age 65 in respect of both any uncrystallised RMSPS NRA60 Benefits and RMSPS NRA65 Benefits and in respect of Section C Actives, as age

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65 in respect of any uncrystallised RMSPS NRA60 Pension and RMSPS NRA65 Pension. Such a Member's right (and the Secretary of State's discretion) under sub-paragraph (1) above may be exercised in respect of that Member's RMSPS NRA60 Benefits and RMSPS NRA65 Benefits separately (in relation to Section B) and in respect of that Member's RMSPS NRA60 Pension and RMSPS NRA65 Pension separately (in relation to Section C); and

- (b) (i) in respect of a Member who is a Former RMPP Section B Member and—
  - (A) had both NRA60 Benefits and NRA65 Benefits (as these terms are used for the purposes of the Section B Rules of the RMPP Cut-Off Date Rules), as age 65 in respect of both any such uncrystallised NRA60 Benefits and NRA65 Benefits accrued under the RMPP; or
  - (B) had only benefits accrued under the RMPP in respect of RMPP Reckonable Service before 1 April 2010, as age 60; and
- (ii) in respect of a Member who is a Former RMPP Section C Member and—
  - (A) had both a NRA60 Pension and a NRA65 Pension (as these terms are used for the purposes of the Section C Rules of the RMPP Cut-Off Date Rules), as age 65 in respect of any such uncrystallised NRA60 Pension and NRA65 Pension accrued under the RMPP; and
  - (B) had only benefits accrued under the RMPP in respect of RMPP Reckonable Service before 1 April 2010, as age 60.

The rights of a Member referred to in Paragraphs (a) and (b)(i)(A) and (ii)(A) above (and the Secretary of State's discretion in respect of that Member under sub-paragraph (1) above) may be exercised in respect of that Member's NRA60 Benefits and NRA65 Benefits separately (in relation to former membership of Section B of the RMPP) and in respect of that Member's NRA60 Pension and NRA65 Pension separately (in relation to former membership of Section C of the RMPP).

(3) Where a Member would otherwise have a right to require the Secretary of State to use the cash equivalent in accordance with sub-paragraph (1) above, but that Member left Post Office employment before 1 January 1986, the Secretary of State shall have discretion to apply a transfer value payment in accordance with sub-paragraph (1) above.

(4) In this Clause the cash equivalent or other transfer value payment shall be an amount calculated by the Secretary of State on the advice of the Actuary in accordance with the Transfer Value Laws where they apply.

(5) Where the Secretary of State has used the cash equivalent of the Member's preserved benefit in the manner described in this Clause, he will be discharged from any obligation to provide benefits to which the cash equivalent related.

### **Pension sharing on divorce**

**12.**—(1) Orders or other provisions under Section 28(1) of the Welfare Reform and Pensions Act 1999(**15**) (activation of pension sharing) were—

- (a) made in respect of the RMPP and implemented in the RMPP on or before the Cut-Off Date; and
- (b) made in respect of the RMPP (whether on, before or after the Cut-Off Date) but (where relevant) not implemented in the RMPP by the end of the Cut-Off Date, and such orders or provisions shall be implemented in the RMSPS in accordance with Schedule 3 of the Benefits Order,

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(15) 1999 c.30.

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(such orders or provisions being “RMPP Pension Sharing Orders”). The Secretary of State shall provide pension credit benefits under the Scheme, or implement the RMPP Pension Sharing Orders in the RMSPS, as the case may be in accordance with Schedule 3 of the Benefits Order. The relevant provisions of the RMPP Cut-Off Date Rules shall govern such benefits and the terms on which RMPP Pension Sharing Orders are implemented. For avoidance of doubt, the remaining provisions of this Clause 12 shall not apply to them.

(2) It may be that an order or other provision under Section 28(1) of the Welfare Reform and Pensions Act 1999 (activation of pension sharing) made in respect of the RMSPS requires all or part of a Member’s benefits to be transferred to the Member’s former spouse. If this happens, the Secretary of State will discharge his liability to the former spouse in accordance with the requirements of that Act. However, the Secretary of State may provide benefits for the former spouse under the Scheme and will do so where required by relevant legislation. The Secretary of State may recover charges in respect of provision of information in connection with pension sharing on divorce in the circumstances prescribed in the Welfare Reform and Pensions Act 1999 or relevant legislation.

(3) If the Secretary of State provides benefits for the former spouse under the Scheme, the benefits will be subject to the limits in Part IX (Overriding Finance Act Provisions) of this Schedule and will be provided separately from any other benefits to which the former spouse may be entitled under the Scheme. The Secretary of State will provide the former spouse with written details of the benefits that will be provided.

(4) It may be that the former spouse dies before the Secretary of State has discharged his liability to the former spouse. If this happens, the Secretary of State may (but need not) provide benefits in respect of the former spouse in one or both of the following forms as he considers appropriate—

- (a) a lump sum death benefit payable as described in General Rule 6(1) (Member’s power to place benefits within the Secretary of State’s discretion) as if the former spouse were a Member, the lump sum benefit were “the designated sum” for the purpose of that General Rule 6(1) and as if the former spouse had given an appropriate direction;
- (b) a pension or pensions for one or more of the former spouse’s children, new spouse or other dependants on terms determined by the Secretary of State.

(5) Any lump sum death benefit cannot exceed 25% of the transfer payment that could have been made to the other pension arrangement if the former spouse had not died. The amount of any single pension cannot exceed two-thirds of the annuity that the transfer payment that could have been made could have bought for the former spouse, at an available market rate, immediately before his or her death. Where more than one pension is paid, the total of all the pensions cannot exceed the amount of the annuity that could have been bought for the former spouse. If the Secretary of State decides not to provide benefits as described above, he may (but need not) discharge his liability in respect of the former spouse in one of the other ways allowed by the Welfare Reform and Pensions Act 1999. Any part of the transfer payment that is not used as described in this Clause will be retained by the Secretary of State.

(6) A pension payable under this Clause to a surviving spouse or any other adult dependant will be payable for life. A pension payable to a child will be payable until the child reaches age 18. The Secretary of State may, however, pay or continue paying a pension to a child who has reached age 18—

- (a) for so long as the child is in full-time education or training approved by the Secretary of State; or
- (b) for the lifetime of the child, but only if the child was dependent on the former spouse because of disability when the former spouse died, or was wholly incapacitated at birth, subject in both cases to Part IX (Overriding Finance Act Provisions) of this Schedule.

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### **Overriding Finance Act 2004 Provisions**

**13.** The RMSPS is a Registered scheme. The provisions of Part IX (Overriding Finance Act Provisions) of this Schedule shall apply to the benefits of Cut-Off Date Actives under the RMSPS and, except where the Rules expressly provide otherwise, override any other provision of the RMSPS with which they are inconsistent. For avoidance of doubt, the benefits of Wholly Transferred Beneficiaries shall not be subject to Part IX, but instead (in accordance with Clause 3(2) (Benefits payable in respect of Wholly Transferred Beneficiaries)) shall be subject to the equivalent Finance Act 2004 provisions that applied to them under the RMPP Cut-Off Date Rules.

### **Contracting-out**

**14.—(1)** The Secretary of State will operate the RMSPS in accordance with the Contracting-out Laws that apply to the RMSPS. The Rules will be treated as including Rules to the same effect as any rule that must be included for the RMSPS to comply with those laws (this Clause 14 overrides all other provisions of the RMSPS, except those that are in accordance with the Contracting-out Laws or where the Rules expressly provide otherwise).

(2) Without limiting sub-paragraph (1) above, any person who is a Wholly Transferred Beneficiary or a Cut-Off Date Active, or is entitled to benefits in respect of such a person, will from the Commencement Date have under the RMSPS rights and entitlements (including future rights and entitlements) to or referable to GMPs (including without limitation any rights or entitlements arising under Chapter III of Part IV of the Pension Schemes Act 1993<sup>(16)</sup>) which are no less favourable in any respect than those that person would have had under the RMPP or any relevant law but for the transfers and discharge under Articles 5 and 7 of the Benefits Order.

### **Prevention of discrimination on grounds of age**

**15.—(1)** Subject to sub-paragraphs (2) to (8) where, in respect of a Member's service under the RMPP on or after 1 December 2006, any of the terms of the RMSPS would, but for this Clause, unlawfully treat a Member or group of Members (the Less Favoured Members) less favourably than another Member or group of Members (the More Favoured Members) on grounds of age, then in respect of a Member's service under the RMPP on and from 1 December 2006 (or the date on which the term has effect, if later) the term is modified so as to disapply the more favourable treatment in respect of the More Favoured Members, to the extent required to ensure that the application of the term to the More Favoured Members and the Less Favoured Members is not unlawful.

(2) Sub-paragraph (1) shall not apply to the extent that, following any modification of a term pursuant to that clause, any pension under the RMSPS would cease to be equivalent to, or better than, the pension which would be provided under a "reference scheme" as described in Section 12B of the Pension Schemes Act 1993.

(3) If the Secretary of State becomes aware that he or (prior to the Commencement Date) the RMPP Trustees have been—

- (a) making payments to or in respect of Members; or
- (b) making statements to Members about benefits which will or may become payable to or in respect of Members at a future date,

where payment of those benefits constitutes or would constitute a breach of a term as that term is modified by sub-paragraph (1) then the Secretary of State shall—

- (i) make whatever adjustments are necessary to benefits in payment or to statements about the payment of future benefits to ensure that from the date of the adjustment the benefits paid and

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(16) 1993 c.48.



statements made about benefits accurately reflect the provisions of the Rules and requirements of legislation prohibiting discrimination on the grounds of age; and

- (ii) have power to set off any overpayments of benefit made to or in respect of a Member in breach of a modification of a term pursuant to sub-paragraph (1) against any future payments of benefit to or in respect of that Member.

(4) In this Clause, a term means a term under the Rules or (at any time before the end of the Cut-Off Date) under the RMPP Rules and any provision, criterion, action, decision or practice applied by an Employer, the RMPP Trustees or the Secretary of State (as the case may be) as to the terms on which a person becomes a Member or is or was treated as a Member of the RMSPS or the RMPP.

(5) This Clause does not have effect in relation to rights accrued or benefits payable in respect of periods of RMSPS Reckonable Service prior to 1 December 2006 (or the date on which the relevant term has effect, if later).

(6) Notwithstanding the provisions of Clause 13 (Overriding Finance Act 2004 Provisions), General Rule 4 (Payment of benefits) or Part IX (Overriding Finance Act Provisions) of this Schedule (or the equivalent provisions of the RMPP Cut-Off Date Rules, as they apply to Wholly Transferred Beneficiaries under Clause 3 (Benefits payable in respect of Wholly Transferred Beneficiaries)) regarding the making of payments which would not be authorised payments for the purposes of the Finance Act 2004, the Secretary of State shall have power to make a payment that is or may be an unauthorised payment for the purposes of that Act where the payment is made in breach of a term as that term is modified by sub-paragraph (1) and—

- (a) the Secretary of State was not aware of the breach at the time the payment was made; or
- (b) the Secretary of State was aware of the breach at the time the payment was made but it was not reasonably practicable to prevent the payment being made.

(7) The Secretary of State shall have full power to determine any matters of ambiguity or dispute arising out of the application of this Clause 15 to the terms of the RMSPS.

(8) In this clause, a reference to a Member shall mean a Cut-Off Date Active. For avoidance of doubt, the benefits of Wholly Transferred Beneficiaries shall not be subject to this Clause 15, but instead (in accordance with Clause 3(2) (Benefits payable in respect of Wholly Transferred Beneficiaries)) shall be subject to the equivalent age discrimination provisions that applied to them under the RMPP Cut-Off Date Rules.

### **Set-off for crime, fraud or negligence**

**16.**—(1) Subject to sub-paragraph (10) below, this Clause applies where, at any time (whether before, on or after the Cut-Off Date)—

- (a) a Section A Active or Section B Active is dismissed by an Employer for misconduct or resigns in order to avoid such dismissal and he or she has incurred a monetary obligation to his or her Employer arising out of his or her criminal, negligent or fraudulent act or omission;
- (b) a Section A Active, Section B Active, Former RMPP Section A Member or Former RMPP Section B Member has caused a monetary loss or incurred a monetary obligation to the RMPP as a result of his or her criminal, negligent or fraudulent act or omission;
- (c) a Section A Active, Section B Active, Former RMPP Section A Member or Former RMPP Section B Member has caused a monetary loss or incurred a monetary obligation to the RMSPS as a result of his or her criminal, negligent or fraudulent act or omission; or
- (d) a Section C Active or Former RMPP Section C Member owes money to his or her Employer arising from a criminal, fraudulent or negligent act or omission.

- (2) Where this Clause applies to a person—

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- (a) under Paragraphs (1)(a) and (d) above and the Employer notifies the Secretary of State of the amount determined by them of the monetary obligation due to that Employer; or
- (b) under Paragraph (1)(b) above and the RMPP Trustees notify the Secretary of State of the amount determined by them of the monetary obligation due to the RMPP,

the Secretary of State will reduce the benefits payable to or in respect of that person (including amounts payable by reference to contributions paid by him or her to the RMPP) subject to the following sub-paragraphs of this Clause.

(3) Where this Clause applies to a person under Paragraph (1)(c) above, the Secretary of State may reduce the benefits payable to or in respect of that person (including amounts payable by reference to contributions paid by him or her to the RMPP) subject to the following sub-paragraphs of this Clause.

(4) The amount of the reduction shall not exceed the amount of the monetary obligation due to the Employer or to the RMPP or to the RMSPS (as the case may be) or (if less) the value of the said benefits at the time of the reduction as determined by the Secretary of State on the advice of the Actuary.

(5) No reduction may be made to—

- (a) the person's GMP;
- (b) in the case of monetary obligation due to the Employer from a Section A Active, Section B Active, Former RMPP Section A Member or Former RMPP Section B Member, to benefits payable or contributions refundable in respect of any service with another employer that has been a participating employer under the RMPP (not being an Employer) for which, before the Cut-Off Date, the RMPP Trustees have granted back service credits or other benefits attributable to such service;
- (c) in the case of a Section C Active or Former RMPP Section C Member, benefits granted in respect of a transfer payment to the RMPP (except for benefits to which this Clause may apply notwithstanding the Surrender and Forfeiture Laws as applied to the RMSPS under Clause 19 (Surrender and Forfeiture Laws)); or
- (d) in the case of a Section C Active or Former RMPP Section C Member, benefits granted under the RMPP in respect of additional voluntary contributions as transferred to the RMSPS in accordance with Clause 10 (Additional voluntary contributions transferred from the RMPP).

(6) Before making any such reduction the person in question shall be given a certificate showing the amount of the reduction and the effect of it on that person's benefits.

(7) The reduction shall not be effected where there is a dispute as to the amount of the monetary obligation due to the Employer or to the RMPP or to the RMSPS unless it has become enforceable under an order of a competent court or in consequence of an award of an arbitrator or, in Scotland an arbiter to be appointed (failing agreement between the parties) by the sheriff.

(8) Unless Paragraph (1)(c) above applies, where there is a reduction under the above provisions, the amount of the reduction made will be paid by the Secretary of State to the Employer or to the RMPP Trustees (as appropriate).

(9) The above provisions (as they relate to monetary loss or obligation to the RMPP or to the RMSPS) shall not be exercisable to reduce—

- (a) the benefits of any Former RMPP Section A Member or Former RMPP Section B Member who was at 1 April 1998 already entitled to the receipt of a pension or benefits; or
- (b) the accrued rights of a Section A Active, Section B Active, Former RMPP Section A Member or Former RMPP Section B Member in respect of RMSPS Reckonable Service prior to 1 April 1998, save to the extent that a reduction of benefit would have been permissible under the RMPP Rules or by law immediately prior to 1 April 1998.

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(10) The above provisions shall not apply to a Section A Active or Former RMPP Section A Member to the extent that any provision of the Principal Civil Service Pension Scheme which relates to the reduction of a Member's benefits as a result of that Member's criminal, fraudulent or negligent act shall apply to such a Member.

(11) In addition to the above, the Secretary of State is entitled to the benefit of a charge, lien or set-off against benefits under the RMSPS in respect of Section C Actives and Former RMPP Section C Members which are attributable to Pensionable Service (as that term is used in, respectively, the Section C Rules or Section C of the RMPP Rules) on and after 1 April 1998 for the purpose of discharging some monetary obligation due from the person in question to the Scheme or the RMPP and arising out of a criminal, negligent or fraudulent act or omission by him or her. To the extent that the monetary obligation is due from the person in question to the RMPP, the Secretary of State will pay the amount of the reduction to the RMPP. Before exercising the entitlement under this sub-paragraph, the Secretary of State will follow the procedural steps set out in Section 91 of the Pensions Act 1995<sup>(17)</sup> as applied to the RMSPS under Clause 19 (Surrender and Forfeiture Laws). For the avoidance of doubt, the Secretary of State may only exercise the entitlement under this sub-paragraph to the extent that, and in the circumstances in which, the RMPP Trustees would have been able to exercise their entitlement to the benefit of a charge, lien or set-off under Rule 12G (Off-set for Crime, Fraud or Negligence) of Section C of the RMPP Cut-Off Date Rules in respect of the Member's benefits, had such benefits not been transferred to the RMSPS.

#### **Ambiguity, doubt or dispute**

17. In addition to any specific power in these Rules concerning ambiguity, doubt or dispute, the Secretary of State shall have full power to determine any matters of ambiguity, doubt or dispute concerning the interpretation of the Rules and their application to the benefits and entitlements of any Member or any beneficiary under the RMSPS.

#### **Preservation Laws**

18. The Secretary of State will ensure that the amount of a benefit provided under the RMSPS (whether in respect of a Wholly Transferred Beneficiary or a Cut-Off Date Active) is no less than the amount that would be payable if the Preservation Laws applied to the RMSPS, if and to the extent that the benefit as determined under the other provisions of these Rules would not be at least equal to that amount. The Secretary of State will also ensure that the form and time of payment of any such benefit will not be other than what would have been a permitted form and time of payment if the Preservation Laws applied to the RMSPS.

#### **Surrender and Forfeiture Laws**

19.—(1) Subject to the modifications set out in sub-paragraph (2) below, section 91 (Inalienability of occupational pension), section 92 (Forfeiture, etc), section 93 (Forfeiture by reference to obligation to employer) and section 94 (Sections 91 to 93: supplementary) of the Pensions Act 1995 and any regulations made under those sections (the "Surrender and Forfeiture Laws") shall be treated as applicable to the RMSPS, such that—

- (a) entitlements or rights under the RMSPS cannot be forfeited, assigned, commuted, surrendered or charged; and
- (b) no lien or set-off may be exercised in respect of such entitlements or rights, except to the extent permitted under the Surrender and Forfeiture Laws. Any agreement, act or occurrence that is not so permitted shall have the same consequence under the RMSPS as if the Surrender and Forfeiture Laws applied to it directly.

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(17) 1995 c.26.

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(2) The provisions referred to in sub-paragraph (1) shall be treated as modified in their application to the RMSPS, such that—

- (a) the references in or under section 91(5)(d) and section 93 to an “employer” shall be taken to mean an Employer;
- (b) the references in or under section 91(5)(e) to “the scheme” shall be taken to include the RMPP as well as the RMSPS.

(3) Subject in both cases to the Surrender and Forfeiture Laws as applied to the RMSPS under sub-paragraph (1) above, General Rule 5 (Non-assignability of benefits and forfeiture) makes provision relating to assignment and forfeiture of benefits in respect of Cut-Off Date Actives, and sub-paragraph (4) below makes provision relating to assignment and forfeiture of benefits in respect of Wholly Transferred Beneficiaries.

(4) Benefits under the RMSPS in respect of Wholly Transferred Beneficiaries will (in accordance with Clause 3(2) (Benefits payable in respect of Wholly Transferred Beneficiaries)) be subject to any equivalent provisions relating to assignment and forfeiture that applied to them under the RMPP Cut-Off Date Rules. The benefits of a Wholly Transferred Beneficiary may also be set-off in accordance with Clause 16 (Set-off for crime, fraud or negligence).

## PART II

### THE GENERAL RULES OF THE SCHEME

#### Application of the General Rules

1.—(1) Except where specified otherwise in these General Rules, the General Rules apply to all Members who are Cut-Off Date Actives subject to the Section A Rules, the Section B Rules, the Section C Rules and the Section E Rules. They do not apply to Members who are Cut-Off Date Non-Actives or to any other Wholly Transferred Beneficiaries. References to Member in the General Rules shall be read accordingly.

(2) Unless the context requires otherwise, a General Rule which is specified to apply to Section A Actives or Section B Actives shall also apply to Section E Actives who, prior to joining Section E under the RMPP, were Section A Members or Section B Members under the RMPP (respectively).

#### RMSPS Reckonable Service

2. In respect of Section A Actives, Section B Actives and Section E Actives (who are subject to the Section A Rules, the Section B Rules and the Section E Rules respectively), the following expression has the meaning hereby assigned to it (but, for avoidance of doubt, this expression does not apply to Section C Actives (who are subject to the Section C Rules)) and references to Member in this expression shall be read accordingly—

“RMSPS Reckonable Service” means, in relation to a Member, such period as would have constituted the Member’s “Reckonable Service” under the General Rules of the RMPP had the Member opted out of the RMPP under General Rule 1A (Optional membership) of the RMPP Rules at the end of the Cut-Off Date, excluding any such period which was, at the end of the Cut-Off Date, not treated by the RMPP Cut-Off Date Rules as continuous with the Member’s then-continuing RMPP Reckonable Service. For avoidance of doubt, this shall—

- (a) include a period of employment which was, at the end of the Cut-Off Date, treated by the RMPP Cut-Off Date Rules as continuous with the Member’s then-continuing RMPP Reckonable Service;

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- (b) include such part of the Member's RMPP Reckonable Service as constitutes the "Pre-Cut-Off Date AVC FS Added Years Service" of a Section B Active, as defined in Rule 1(1) of Section B of the RMPP Rules (and any equivalent period for a Section A Active); and
- (c) be subject to any special conditions specified by the Principal Employer and agreed by the RMPP Trustees in respect of that Member under General Rule 7(10A) (Members' contributions) of the RMPP Rules.

### **Refund of contributions**

3.—(1) This Rule only applies to Members who are subject to the Section A or Section B Rules.

(2) In this Rule: the "determined proportion" of contributions which is referable to specified benefits means the proportion of those contributions which is determined by the Secretary of State on the advice of the Actuary to be referable to those benefits in particular circumstances.

(3) A Member who has qualified for a pension, whose last marriage has ended and who has no eligible child at the date of that Member's retirement or death before retirement may elect to receive on retirement, or there may be paid to the Member's personal representatives, an amount equal to that Member's own standard contributions paid to the Fund which is referable to Family Benefits and that Member's own contributions paid to the Fund for the purchase of added years which is referable to Family Benefits (being in each case contributions paid to the Fund in respect of that Member's RMPP Reckonable Service since the end of that Member's last marriage if the Member is subject to the Section A Rules, or, if subject to the Section B Rules, since the end of that Member's last marriage or the cessation of that Member's children's eligibility for benefit (whichever is the later)), with Interest. In addition to the ending of a marriage by divorce, decree of nullity or the spouse's death, for the purposes of the Section B Rules a marriage shall be regarded as ended by judicial separation the terms of which do not require the Member to contribute to the spouse's support.

(4) A Member who has qualified for a pension, and who throughout that Member's service under the RMPP has had no spouse, and has no eligible child at the date of that Member's retirement or at the date of death of that Member before retirement, but has had a child or children whom either the RMPP Trustees (before the end of the Cut-Off Date) or the Secretary of State agreed to regard as eligible for Family Benefits, and who is subject to the Section B Rules, may elect to receive on retirement, or on death before retirement there may be paid to that Member's personal representatives, that Member's own standard contributions which is referable to Family Benefits and that Member's own contributions paid to the Fund for the purchase of added years which is referable to Family Benefits (being in each case contributions paid to the Fund in respect of that Member's RMPP Reckonable Service since the cessation of that Member's child's or children's eligibility for benefit), with Interest.

(5) A Member who has qualified for a pension and who throughout that Member's service under the RMPP has had no spouse and no child who is or was eligible for benefits under the Section A Rules or the Section B Rules as may be applicable to the Member, may elect to receive on retirement, or on death of that Member before retirement there may be paid to that Member's personal representatives, an amount equal to a refund of that Member's own standard contributions paid to the Fund which is referable to Family Benefits and that Member's own contributions paid to the Fund for the purchase of added years which is referable to Family Benefits, with Interest.

(6) Sub-paragraphs (3) to (5) inclusive of this Rule shall not apply in respect of contributions paid by a Member to the Fund in respect of Contracted-out Employment by reference to the RMPP on or before the Cut-Off Date.

(7) A female Member who before the end of the Cut-Off Date made an election under General Rule 26 (Election for Widower's pension in respect of service prior to 1 December 1971) of the RMPP Rules and who had no husband through her service under the RMPP or whose last marriage

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ended before the election was made, may elect to receive on her retirement, or on her death there may be paid to her personal representative, a refund of the additional annual contributions paid to the Fund under that General Rule 26 of the RMPP Rules, with Interest.

(8) A refund of contributions under the RMSPS shall be reduced by an amount equal to the tax which the Secretary of State becomes liable to pay to HMRC.

(9) Where a Contributions Equivalent Premium has been paid to the Secretary of State in respect of a period of Contracted-out Employment by reference to the RMPP relating to a Member, the Secretary of State shall have the power to deduct from any payment due to the Member from the RMSPS that is calculated by reference to contributions paid by the Member to the Fund (excluding any paid under General Rule 19 (Added Years) of the RMPP Rules) an amount equal to the certified amount (as defined in Section 55(2) of the Pension Schemes Act 1993<sup>(18)</sup>), or to not make any such payment if such amount would be less than the certified amount.

(10) For the purposes of this Rule, Contracted-out Employment and Contributions Equivalent Premium have the meanings given under the contracting-out laws of the Pension Schemes Act 1993, as they applied to the RMPP at the end of the Cut-Off Date.

### **Payment of benefits**

4.—(1) All pensions and other benefits shall be payable in such manner and at such places as the Secretary of State decides, and shall be subject to such proof of title and evidence of survival as the Secretary of State requires. Subject to Part IX (Overriding Finance Act Provisions) of this Schedule, no part repayment is necessary on the Pensioner's death (except where a payment is made in error due to late notification of the death).

(2) The Secretary of State may, subject to Part IX (Overriding Finance Act Provisions) of this Schedule and in addition to the provisions of the Rules, pay any of the following benefits to Members—

- (a) a trivial commutation lump sum or other commutation payment on grounds of triviality under the Finance Act 2004<sup>(19)</sup>;
- (b) a serious ill-health commutation lump sum;
- (c) a winding-up lump sum;
- (d) a refund of excess contributions lump sum;
- (e) a lifetime allowance excess lump sum;
- (f) a contributions refund lump sum; and
- (g) any other lump sum the payment of which would be an authorised payment under the Finance Act 2004,

where the terms “trivial commutation lump sum”, “serious ill-health lump sum”, “winding-up lump sum”, “refund of excess contributions lump sum” and “lifetime allowance excess lump sum” have the meanings given to them under the Finance Act 2004 and the term “contributions refund lump sum” has the meaning given to it in the Finance Act 2009<sup>(20)</sup>. The Secretary of State may reduce the amount of the payment by that of any tax or charge for which they may be accountable.

(3) If the Secretary of State is satisfied that a beneficiary is unable by reason of minority, mental incapacity or other cause to manage his or her own affairs the Secretary of State may at its discretion pay any benefits to which the beneficiary is entitled to any other person for the benefit of that beneficiary, and payment to such other person shall be a complete discharge of the Secretary of State who shall not be under any obligation or liability to see to the application of any sums so paid. The

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<sup>(18)</sup> 1993 c.48.

<sup>(19)</sup> 2004 c.12.

<sup>(20)</sup> 2009 c.10.

Secretary of State may also make for the beneficiary any choice which he has under the RMSPS but shall be under no obligation to do so. In neither event shall the Secretary of State incur any consequential liability to the beneficiary or to anyone else.

(4) Where the Secretary of State is due to pay, or has exercised his discretion under General Rule 6(2)(a) (Member's power to place benefits within the Secretary of State's discretion) or Rule 10 (Discretionary trusts) of the Section C Rules to pay, any amount to the personal representatives of a Member, and no grant of representation to the Member's estate is produced to the Secretary of State, the Secretary of State may if in his discretion he thinks fit pay any such amount to any person showing himself or herself to the Secretary of State's satisfaction to be entitled, otherwise than as a creditor, to take out such a grant or to any person appearing to the Secretary of State's satisfaction to be entitled otherwise than as a creditor to share in the estate of the deceased. The Secretary of State may also at his discretion deduct the cost of funeral expenses from the lump sum death benefits and pay it to the person who incurred the funeral expenses.

#### **Non-assignability of benefits and forfeiture**

5.—(1) Benefits under the RMSPS cannot be assigned or charged; subject to General Rules 4(3) and (4), they will not be paid to anyone except the person entitled under these Rules. Subject to the Surrender and Forfeiture Laws as applied to the RMSPS under Clause 19 (Surrender and Forfeiture Laws) a benefit will cease to be payable if—

- (a) the person entitled to the benefit under these Rules tries to assign or charge it or becomes bankrupt; or
- (b) any other event occurs by which all or part of the benefits would become payable to some other person.

(2) If a benefit ceases to be payable under sub-paragraph (1) above, the Secretary of State shall be at liberty in his absolute discretion to pay an equivalent benefit to, or for the benefit of, one or more of—

- (a) the person who was entitled to the original benefit; and
- (b) that person's spouse and dependants.

If the Secretary of State decides to pay the benefit to more than one person, he will pay it in such shares as he decides.

(3) Sub-paragraphs (1) and (2) above do not apply to GMPs since, by law, they cannot be assigned; any attempt to assign GMPs is void and will be ignored. Nor do these Rules apply to any lump sum or instalment of pension that falls due for payment before the benefit otherwise ceases to be payable.

(4) The Secretary of State may, in accordance with Section 92(5)(b) of the Pensions Act 1995 as applied to the RMSPS under Clause 19 (Surrender and Forfeiture Laws), forfeit a claim for pension or other benefits under the RMSPS where such pension or benefits are not claimed by the Member or beneficiary within 6 years of the pension or benefit becoming due. The Secretary of State shall have full powers to determine the circumstances in which he shall exercise this power.

(5) A Member's benefits may also be set-off in accordance with Clause 16 (Set-off for crime, fraud or negligence).

#### **Member's power to place benefits within the Secretary of State's discretion**

6.—(1) In this Rule the expression the "designated sum" shall mean any death benefit and/or any lump sum retirement benefit and/or any arrears of pension benefits which may be payable under the Section A or Section B Rules and which in the absence of any direction by a Member under this Rule would be payable to the personal representatives of the Member.

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(2) Subject to sub-paragraph (5) below, a Member may at any time by notice in writing to the Secretary of State in such form as the Secretary of State shall approve direct that—

- (a) the designated sum shall be payable to that Member's personal representatives only at the discretion of the Secretary of State; or
- (b) the designated sum shall be paid to such responsible persons (not being less than two nor more than four) as shall be appointed for such purpose by the Secretary of State to be held by the Secretary of State upon the trusts and with and subject to the powers and provisions set out in Part VII (Trusts, Powers and Provisions) of this Schedule hereto at the date of such direction.

(3) Any direction given in accordance with this Rule shall be effective and if a direction is given under sub-paragraph (2)(b) above the designated sum shall accordingly be paid to such responsible persons and shall be held by them upon the trusts and with and subject to the powers and provisions set out in Part VII (Trusts, Powers and Provisions) of this Schedule hereto at the date of such direction.

(4) The trusts powers and provisions set out in Part VII (Trusts, Powers and Provisions) of this Schedule hereto may from time to time be varied by the Secretary of State but so that the trusts powers and provisions as so varied shall only apply in relation to directions given to the Secretary of State after the making of such variations.

(5) Any direction given by the Member to the RMPP Trustees on or before the Cut-Off Date under General Rule 16 (Member's or Pensioner's power to place benefits within the Trustees' discretion) of the RMPP Rules will bind the Secretary of State for the purposes of the RMSPS. No further direction can be given by the Member to the Secretary of State under this Rule.

(6) Any direction given by a Member to the Secretary of State under this Rule, or given to the RMPP Trustees on or before the Cut-Off Date under the RMPP Rules, shall be irrevocable and binding on such Member and that Member's estate and all persons interested therein.

#### **Application of Sections A and B – election for Section B benefits**

7.—(1) Any Section A Active may elect by notice in writing given to the Secretary of State in the form from time to time prescribed and received by him before the relevant date mentioned in sub-paragraph (2) below to be subject to the Section B Rules (in place of the Section A Rules), although remaining a Member of Section A. A Section A Active who, having been enabled at the time by the General Rules then in force to do so, has revoked an election under this sub-paragraph, shall be entitled again to make such an election provided that the provisions of this sub-paragraph can be and are complied with.

(2) The relevant date is three months before a Section A Active's benefits commence or, if earlier, the date six months after the Section A Active's RMPP Exit Date.

(3) The Secretary of State may extend the period during which an election may be made to such later date as he may specify.

(4) An election under sub-paragraph (1) of this Rule shall be irrevocable and shall have effect on the date on which it is received by the Secretary of State or on the date on which the Member retired, whichever is the earlier.

(5) If a Section A Active entitled to make an election under sub-paragraph (1) dies without making such election and within the prescribed period for making an election under that sub-paragraph, the Secretary of State shall pay the benefits (either under the Section A Rules or under the Section B Rules) which in his opinion are the more favourable and his decision shall be final, but the Secretary of State shall be entitled to change his decision where he is of the opinion that such change would enable him to pay benefits which are more favourable.



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(6) If the Secretary of State is satisfied that a Section A Active entitled to make an election under sub-paragraph (1) is by reason of mental incapacity unable to do so within the prescribed period for doing so, the Secretary of State shall pay the benefits (either under the Section A Rules or under the Section B Rules) which in his opinion are the more favourable, and his decision shall be final whether or not the Section A Active recovers his or her capacity to manage his or her own affairs but the Secretary of State shall be entitled to change his decision where he is of the opinion that such change would enable him to pay benefits which are more favourable.

(7) Where a Section A Active who has received benefits on retirement under the Section A Rules elects to be subject to the Section B Rules, any lump sum to which that Section A Active may be entitled under the Section B Rules shall be reduced by the amount of any lump sum received by that Section A Active under the Section A Rules.

(8) For the purpose of this Rule a person who has received such benefits or return of contributions as may have been due to that person on retirement shall be deemed to have retired notwithstanding that the person is re-employed by an Employer.

(9) This Rule applies despite anything in Rule 4 (Payment of RMSPS benefits) of the Section A Rules and Rule 4 (Payment of RMSPS benefits, retirement options and flexible retirement) of the Section B Rules.

### **Delay in payment**

#### **8. If either—**

- (a) before the Commencement Date, the RMPP Trustees have deferred payment of any benefit from the RMPP for a period exceeding three months from the due date of the whole or any part of the lump sum or pension due to any person under the contributory part of the RMPP on the ground that they were not satisfied that they could obtain a discharge for such a payment, and the payment remains deferred on the Commencement Date; or
- (b) the Secretary of State defers payment of any benefit from the RMSPS (or continues under the RMSPS any deferral of payment under the RMPP that was commenced by the RMPP Trustees before the Commencement Date) for a period exceeding three months from the due date of the whole or any part of the lump sum or pension due to any person under the RMSPS on the ground that the Secretary of State is not satisfied that he can obtain a discharge for such a payment,

the Secretary of State shall on ultimate payment of the amount so deferred pay Interest for the period from the expiration of the said three months to the date of such payment.

### **Added Years**

9.—(1) Up to and including 1 April 2008, with the consent of the RMPP Trustees a Member who was subject to Section A or Section B of the RMPP Rules could elect to purchase a number of added years by making additional annual contributions to the Fund at rates then specified in the RMPP Rules or determined by the RMPP actuary. The RMSPS Reckonable Service of such Members shall include the added years they purchased under that Rule before the end of the Cut-Off Date.

(2) A number of Members who had made such elections had not completed purchasing such added years as at the Cut-Off Date, such that if such Members had continued in RMPP Reckonable Service after the Cut-Off Date they would have continued to purchase added years by making the required additional contributions after the Cut-Off Date. In the case of each such Member, the number of added years included in RMSPS Reckonable Service shall be calculated according to the amount of contributions paid up to the end of the Cut-Off Date in accordance with the method and assumptions agreed before the Cut-Off Date between the RMPP Trustees and the Principal Employer. Any added years purchased with contributions paid to the “Fund” (as this term is defined for the purposes of the RMPP) after the Cut-Off Date shall not be included in RMSPS Reckonable Service.

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(3) The maximum number of added years which will be included in Members' RMSPS Reckonable Service under this Rule can in no case exceed—

- (a) the limits set out in Part IX (Overriding Finance Act Provisions) of this Schedule;
- (b) the number of additional years that would enable the Member to complete 45 years' RMSPS Reckonable Service.

(4) In respect of Members subject to the Section B Rules, any added years which have been purchased under the RMPP and which count as RMSPS Reckonable Service in accordance with (2) above will be counted as RMSPS NRA60 Benefits (as that term is used for the purposes of the Section B Rules) notwithstanding the fact that such added years may have been purchased by contributions paid by the Members to the RMPP on and after 1 April 2010.

### **Provisions relating to application of General Rules 11 to 16**

**10.**—(1) General Rules 11 (Widows' pensions: Members' choices), 12 (Members' choice of methods of payment of contributions), 13 (Plan M), 14 (Plan U), 15 (Plan L) and 16 (Election for Widower's pension in respect of service prior to 1 December 1971) shall only apply to those Members who are subject to the Section A or Section B Rules.

(2) In the Rules referred to in sub-paragraph (1) above, except where the context otherwise requires the expression "widow" and "his widow" shall respectively include "dependent widower" and "her dependent widower".

### **Widows' pensions: Members' choices**

**11.**—(1) A male Member who was excluded from Part III of the Superannuation Act 1965<sup>(21)</sup> by such an election as is referred to in Section 58 of that Act (repealed with savings by the Superannuation Act 1972<sup>(22)</sup>, Schedule 7, paragraph 2), or a male Member whose "Reckonable Service" in the Civil Service began on or before the 14 July 1949, and who, being on that date unmarried or otherwise ineligible has not elected that the said Part III should not apply to him, may have chosen under the RMPP (in accordance with General Rule 20(2) (Widows' Pensions: Members' Choices) of the RMPP Rules) that his widow would receive—

- (a) no annual pension in respect of his RMPP Reckonable Service before he joined the contributory part of the RMPP; or
- (b) an annual pension of  $\frac{1}{3}$  of the Member's pension in respect of his RMPP Reckonable Service before he joined the contributory part of the RMPP or 1 June 1972, whichever is the earlier, and an annual pension of  $\frac{1}{2}$  of the Member's pension in respect of his service (if any) from 1 June 1972 and before he joined the contributory part of the RMPP; or
- (c) an annual pension of  $\frac{1}{2}$  the Member's pension in respect of his RMPP Reckonable Service before he joined the contributory part of the RMPP.

If such a Member had made no choice by such date as was notified to the Member by an Employer under the RMPP Rules, he was deemed to have chosen that his widow should receive no annual pension in respect of his RMPP Reckonable Service before he joined the contributory part of the RMPP.

(2) A Member who after 14 July 1949 gave notice under Section 10(5) of the Superannuation Act 1949<sup>(23)</sup> cancelling his election under Section 10 of that Act that Part 1 of that Act should not apply and should be deemed never to have applied to him, or notice under Section 58(5) of the

(21) 1965 c.74.

(22) 1972 c.11.

(23) 1949 c.44.

Superannuation Act 1965 (repealed with savings by the Superannuation Act 1972<sup>(24)</sup>, Schedule 7, paragraph 2) cancelling his election under Section 58 of that Act that Part III of that Act should not apply and should be deemed never to have applied to him, may have chosen under the RMPP (in accordance with General Rule 20(3) (Widows' Pensions: Members' Choices) of the RMPP Rules) that his widow shall receive either—

- (a) an annual pension of  $\frac{1}{3}$  of the Member's pension; or
- (b) an annual pension of  $\frac{1}{2}$  of the Member's pension in respect of his RMPP Reckonable Service before he joined the contributory part of the RMPP or 1 June 1972, whichever is the earlier.

If such a Member made no choice by such date as was notified to the Member by an Employer under the RMPP Rules, he was deemed to have chosen that his widow should receive an annual pension of  $\frac{1}{3}$  of the Member's pension in respect of such service.

(3) A female Member who has a dependent husband may have chosen under the RMPP (in accordance with General Rule 20(4) (Widows' Pensions: Members' Choices) of the RMPP Rules) before the end of the Cut-Off Date that her dependent widower should receive either—

- (a) an annual pension of  $\frac{1}{3}$  of the Member's pension; or
- (b) an annual pension of  $\frac{1}{2}$  of the Member's pension in respect of her RMPP Reckonable Service before she joined the contributory part of the RMPP or 1 June 1972, whichever is the earlier.

If such a Member made no such choice before the end of the Cut-Off Date, her dependent widower shall receive no annual pension from the RMSPS in respect of such service.

(4) Any other Member may have chosen under the RMPP (in accordance with General Rule 20(5) of the RMPP Rules) that his widow shall receive either—

- (a) an annual pension of  $\frac{1}{3}$  of the Member's pension; or
- (b) an annual pension of  $\frac{1}{2}$  of the Member's pension in respect of his RMPP Reckonable Service before he joined the contributory part of the RMPP or 1 June 1972, whichever is the earlier.

If such a Member made no choice by such date as was notified to the Member by an Employer under the RMPP Rules, he was deemed to have chosen that his widow should receive an annual pension of  $\frac{1}{3}$  of the Member's pension in respect of such service.

(5) A Member's choice under any of the provisions of the RMPP Rules referred to in subparagraphs (1), (2), (3) or (4) of this Rule shall be final unless the Secretary of State agrees otherwise.

### **Members' choice of methods of payment of contributions**

**12.** A Member was required to pay contributions due to the RMPP for the widow's pension that Member had chosen in respect of that Member's RMPP Reckonable Service before that Member joined the contributory part of the RMPP (and contributions which were payable to the RMPP under General Rule 21(2)(a) (Contributions for widow's pensions) of the RMPP Rules) and must have paid those contributions by any one of the three methods (designated Plan M, Plan U or Plan L) set out in General Rules 23 (Plan M), 24 (Plan U) and 25 (Plan L) of the RMPP Rules. If no choice had been made by such date as shall be notified to the Member by an Employer under the RMPP Rules, the Member would have been deemed to have chosen Plan L. Once a Member had started to make payments by the method of that Member's choice, such payments continued under the RMPP until the earlier of the end of the Cut-Off Date (subject to the Member's ability to meet the obligation to

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(24) 1972 c.11.

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pay contributions under Plan L under the RMSPS by using the methods set out in General Rule 25 (Plan L) of the RMPP Rules) or the Member's outstanding liability to the Fund was discharged.

### **Plan M**

13.—(1) A Member who was in post on both 30 November 1971 and 1 December 1971 and not having retired at or after age 60 on or before 30 November 1971 may have elected to pay to the Fund the contributions due in respect of that Member's RMPP Reckonable Service before that Member joined the contributory part of the RMPP in accordance with "Plan M" under General Rule 23 (Plan M) of the RMPP Rules. Such contributions were required to be paid to the Fund either (a) in full in one amount, or (b) payment were required to have been made over a minimum of 5 years, or until age 60 if this is earlier, with a maximum of 25 years for such payment, and subject to the limits on contributions in paragraph 7(c) of Schedule 13 (Overriding Finance Act Provisions) to the RMPP Rules.

(2) The amounts due to the Fund were required to be paid in full by age 60 unless the limits on contributions in paragraph 7(c) of Schedule 13 (Overriding Finance Act Provisions) to the RMPP Rules precluded this. The lump sum or death benefit (as the case may be) under the RMSPS of a Member who had not paid in full by the end of the Cut-Off Date will be reduced by the amount (if any) which the Secretary of State calculates to be outstanding.

(3) If a Member ceased to have a spouse before he or she joined the contributory part of the RMPP and that Member did not remarry, the amount due to the RMPP would have been recalculated by the RMPP Trustees to the date when that Member last had a spouse before joining the contributory part of the RMPP. The difference (if any) between the amount paid to the Fund by the Member and the amount due on such recalculation will be refunded to the Member with Interest on that Member's retirement under the RMSPS, provided that if the Member was serving in the designated category of service similar to service in Civil Service in an unestablished capacity on the date that Member joined the contributory part of the RMPP or the 1 June 1972, whichever is the earlier, and that Member ceased to have a spouse before that date and that Member did not remarry before retirement, no contributions would have been payable and any amount paid to the Fund by the Member shall be refunded to that Member with Interest on that Member's retirement under the RMSPS.

(4) A Member who never had a spouse before joining the contributory part of the RMPP and who did not marry before the end of the Cut-Off Date will be entitled to a refund of contributions with Interest on that Member's retirement under the RMSPS.

### **Plan U**

14.—(1) A Member may have elected to pay the contributions due in respect of that Member's RMPP Reckonable Service before joining the contributory part of the RMPP in accordance with "Plan U" under General Rule 24 (Plan U) of the RMPP Rules, in units of 1 1/2% of that Member's salary subject to the limits on contributions in paragraph 7(c) of Schedule 13 (Overriding Finance Act Provisions) to the RMPP Rules.

(2) A Member who never had a spouse before joining the contributory part of the RMPP and who did not marry before the end of the Cut-Off Date will be entitled to a refund of contributions with Interest on that Member's retirement under the RMSPS.

(3) If a Member ceased to have a spouse before joining the contributory part of the RMPP and that Member did not re-marry before the end of the Cut-Off Date, the amount previously due to the RMPP shall be recalculated to the date when that Member last had a spouse before joining the contributory part of the RMPP, and the difference (if any) between the amount paid to the Fund by the Member and the amount due on such recalculation shall be refunded to the Member with Interest on that Member's retirement under the RMSPS; provided that if the Member was serving in the designated category of service similar to service in the Civil Service in an unestablished capacity

on the date that Member joined the contributory part of the RMPP or 1 June 1972, whichever is the earlier, and that Member ceased to have a spouse before that date and that Member did not remarry before the end of the Cut-Off Date, no contributions would have been payable at that time, and any amount paid to the Fund by the Member will be refunded to that Member with Interest on that Member's retirement under the RMSPS.

### **Plan L**

**15.**—(1) Where a Member (being a Plan L Member) elected under the RMPP to pay the contributions due in respect of that Member's RMPP Reckonable Service before that Member joined the contributory part of the RMPP by reduction of that Member's lump sum or that Member's death benefit and/or by the application of that Member's additional voluntary contributions made to the RMPP under General Rule 19A (Additional Voluntary Contributions) of the RMPP Rules, then that Member will have accrued an obligation to pay the amount of contributions due to the RMPP under the RMPP Rules. The amount of that obligation, as had accrued as at the end of the Cut-Off Date and then revalued under the RMSPS as if it were a benefit payable to that Member under the RMSPS, is an Accrued Plan L Amount.

(2) The Plan L Member will be treated as owing an obligation to the RMSPS in respect of the Accrued Plan L Amount, to be discharged by one or both of the methods set out in Paragraphs (a) and (b) below. Where both methods are available, the Member will choose the proportion of the amount that will be met by each method, unless the Member has died, in which case the Secretary of State will use the method set out in Paragraph (a) below—

- (a) Under the method set out in this Paragraph, as at the beginning of the Commencement Date (before any revaluation is applied) any lump sum benefits payable in respect of the Member from the RMSPS (including any lump sum payable on that Member's death) will be treated as if reduced by the Accrued Plan L Amount or (if the Member also chose to use the method set out in Paragraph (b) below) the appropriate share of the Accrued Plan L Amount under the RMSPS.
- (b) Under the method set out in this Paragraph, the Member's Transferred AVC Fund will, as provided for in Clause 10 (Additional voluntary contributions transferred from the RMPP), be applied for the purpose of meeting some or (if the Member also chose to use the method set out in Paragraph (a) above) the appropriate share of the Accrued Plan L Amount.

### **Election for Widower's pension in respect of service prior to 1 December 1971**

**16.**—(1) With the consent of the RMPP Trustees a female Member could, at any time before the end of the Cut-Off Date whilst she was an active Member of the RMPP have elected that the spouse to whom she was married at the time of her retirement at or before normal retirement age or when she otherwise left Employer employment or on her death in service with an Employer, and who did not have a dependent widower's entitlement would be eligible for benefit under Section B Rule 12 (Spouse's pension for Relevant Members) in respect of any part of her RMPP Reckonable Service before becoming a Member of the contributory part of the RMPP. Such election would also entitle her children to benefit under Section B Rule 14(1) (Children's pensions) in respect of the same period of service.

(2) Where the election referred to in sub-paragraph (1) of this Rule was made under the RMPP, the Member was required to pay additional annual contributions to the Fund up to Normal Retiring Age in accordance with the RMPP Rules. The additional benefit payable under the RMSPS shall be calculated according to the actual amount of additional annual contributions paid to the Fund before the end of the Cut-Off Date.

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## PART III

### SECTION A RULES OF THE SCHEME

#### Application

1. These Section A Rules shall only apply to Members who are Section A Actives, and they do not apply to Members who are Cut-Off Date Non-Actives or to any other Wholly Transferred Beneficiaries. References to Member in these Section A Rules shall be read accordingly.

#### Benefits of Section A Actives under the RMSPS

2.—(1) Subject to Rule 3 (Pensions increase) and Rule 4 (Payment of RMSPS benefits), and to General Rule 7 (Application of Sections A and B – election for Section B benefits), the benefits in respect of a Section A Active are calculated as the benefits that would have been provided in respect of such a Member under the RMPP, as if such Member had opted-out of membership of the RMPP under General Rule 1A (Optional membership) of the RMPP Rules at the end of the Cut-Off Date.

(2) For the purposes of determining the rights and entitlements of Section A Actives under this Rule—

- (a) any duty of the RMPP Trustees or an employer under the RMPP, or any power or discretion which may be exercisable by the RMPP Trustees or such employer, howsoever expressed, shall be a duty, power or discretion of the Secretary of State; and
- (b) any role or function which would under the RMPP have been performed by the “Actuary” (as defined in the RMPP) shall be, to the extent relevant to the RMSPS, performed by the Secretary of State on the advice of the Actuary.

(3) Where a pension or lump sum benefit payable under these Section A Rules following a Member’s death is calculated by reference to the Member’s actual or prospective entitlement under these Section A Rules, that actual or prospective entitlement shall be determined applying the principles set out in sub-paragraphs (2) and (3) above and Rule 3 (Pensions increase) and Rule 4 (Payment of RMSPS benefits) below.

#### Pensions increase

3.—(1) Any pension payable under the Section A Rules shall be increased from time to time in accordance with the 1971 Act and Sections 59 and 59A of the 1975 Act, as if it was a pension beginning on the Member’s COD Beginning Date and it were payable under the Principal Civil Service Pension Scheme 1974 and any amendment or replacement thereof, subject to the modifications set out in and the additional provisions of this Rule.

(2) Where the Member’s COD Beginning Date is before the start of the Member’s RMPP Terminal Revaluation Year, in respect of the period from the Member’s COD Beginning Date to the start of that Member’s RMPP Terminal Revaluation Year, the Member’s benefit shall be increased by the percentage specified in each Pension Increase Order coming into force on or before the Member’s RMPP Beginning Date.

(3) In respect of the period from the start of the Member’s RMPP Terminal Revaluation Year to that Member’s RMPP Beginning Date, the Member’s benefit shall be revalued by the factor of  $(1+A\%)$  divided by  $(1+B\%)$ , or by a factor of one, if greater, where—

A% = the percentage increase (if any) specified in the Pension Increase Order which came into force at the end of the Member’s Applicable Revaluation Year; and

B% = (A% multiplied by: (i) the number of complete months in the period from the Member’s RMPP Beginning Date to the end of that Member’s RMPP Terminal Revaluation Year; plus (but only where the Member’s RMPP Beginning Date falls in the same Revaluation Year as

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that Member's COD Beginning Date) (ii) the number of complete months in the period from the start of that Member's RMPP Terminal Revaluation Year to that Member's COD Beginning Date)) divided by 12,

and an incomplete month is to be treated as a complete month if it would have been so treated for the purposes of the Pension Increase Order coming into force at the end of the Member's Applicable Revaluation Year.

(4) In respect of the period from the Member's RMPP Beginning Date, the Member's benefit shall be increased in accordance with the 1971 Act as if it were a pension beginning on the Member's RMPP Beginning Date.

(5) Where different parts of the Member's benefits are for the purposes of Section 8(2) of the 1971 Act deemed to begin on different days, then for the avoidance of doubt—

(a) the revaluation process under this paragraph will apply separately to the Member's benefit in respect of each such part, as will the definitions of "Applicable Revaluation Year", "COD Beginning Date" and "RMPP Terminal Revaluation Year";

(b) in respect of each such part of the RMSPS benefit, the "RMPP Beginning Date" will refer to the date on which the Member's Relevant RMPP Margin Benefit in respect of that part of the RMSPS benefit is deemed to begin under Section 8(2) of the 1971 Act; where—

(i) the "Relevant RMPP Margin Benefit" means, in respect of a part of the Member's RMSPS benefit, the part of the Member's RMPP benefit in the calculation of which the Corresponding RMPP Amount in relation to that part of the RMSPS benefit is being used; and

(ii) "Corresponding RMPP Amount" means, in respect of a part of the Member's RMSPS benefit, the corresponding part of the "RMSPS Deductible" (as that term is defined in Rule 1XA(3) (Overriding provision) of Section A of the RMPP Rules) in respect of the Member's RMPP benefit.

(6) Any pension payable prior to Normal Retiring Age will receive annual increases (where payable) as if it were a pension payable on or after Normal Retiring Age.

(7) In this Rule—

"1971 Act" means the Pensions (Increase) Act 1971(25);

"1975 Act" means the Social Security Pensions Act 1975(26);

"1992 Act" means the Social Security Administration Act 1992(27);

"Applicable Revaluation Year" means the Revaluation Year ending immediately before a Member's RMPP Terminal Revaluation Year unless the Member's RMPP Beginning Date falls in a Revaluation Year before the Revaluation Year in which the Member's RMPP Exit Date falls, in which case references to that Member's "Applicable Revaluation Year" should be read as references to that Member's RMPP Terminal Revaluation Year;

"COD Beginning Date" means the date on which a Member's pension under the RMSPS is deemed to begin for the purposes of Section 8(2) of the 1971 Act, which is the date that his or her corresponding Section B pension under the RMPP would have been deemed to begin for the purposes of that section if that Member had opted out of the RMPP under General Rule 1A (Optional Membership) of the RMPP Rules at the end of the Cut-Off Date;

"pension" has the same meaning as it has in the 1971 Act;

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(25) 1971 c.56.

(26) 1975 c.60.

(27) 1992 c.5.

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“Pension Increase Order” means an order made under Section 59 of the 1975 Act, by virtue of a direction given under Section 151 of the 1992 Act that the sums mentioned in Section 150(1) (c) of the 1992 Act are to be increased by a specified percentage;

“Revaluation Year” means, in respect of a Member’s benefit under the RMSPS, the “base period” in relation to any Pension Increase Order, as defined in section 59 of the 1975 Act;

“RMPP Beginning Date” means the date a Member’s benefit under the RMPP is deemed to begin under Section 8(2) of the 1971 Act;

“RMPP Terminal Revaluation Year” means the Revaluation Year during which a Member’s RMPP Beginning Date falls.

### **Payment of RMSPS benefits**

4.—(1) Despite any other provision of these Section A Rules but subject to General Rule 7 (Application of Sections A and B – election for Section B benefits) and to sub-paragraph (3) below, the benefits of a Section A Active under the RMSPS—

- (a) will come into payment automatically under the RMSPS when that Member draws or is paid his or her benefits from the RMPP; and
- (b) may not come into payment under the RMSPS until that Member draws or is paid his or her benefits from the RMPP.

(2) Where the benefits of a Section A Active under the RMSPS—

- (a) should have come into payment automatically under sub-paragraph (1) but have not come into payment, the Member shall be paid the relevant RMSPS benefits in arrears, with such Interest, if any, as the Secretary of State considers appropriate; and
- (b) have come into payment but the RMPP benefits have not come into payment, the relevant RMSPS benefits will be treated as having been paid in error, and the Secretary of State must take whatever action he deems appropriate in his absolute discretion to correct the error.

(3) In the event that a Section A Active ceases to be a member of the RMPP by reason of a transfer of that Member’s benefits out of the RMPP or a discharge of the Trustee’s obligations to provide benefits to that Member (in either case, other than money purchase benefits)—

- (a) sub-paragraphs (1) and (2) above will not apply in respect of that Member if and to the extent that any benefit under the RMSPS has not yet or should have) come into payment under sub-paragraph (1); and
- (b) the Member may or will draw his or her benefits in the circumstances provided for in the provisions applicable under Rule 2(1) (Benefits of Section A Actives under the RMSPS) above.

(4) While the Member remains in employment to which the RMPP relates, the Member’s consent will not be required to defer payment of that Member’s GMP after age 65 (being the expiration of five years from the date on which that Member attains Normal Retiring Age in respect of his or her Section A benefits). Section 13(5)(b) of the Pension Schemes Act 1993 (as applied to the RMSPS by the Contracting-out Laws) shall apply accordingly.



## PART IV

### SECTION B RULES OF THE SCHEME

#### Application

1. These Section B Rules shall only apply to Members who are Section B Actives, and they do not apply to Members who are Cut-Off Date Non-Actives or to any other Wholly Transferred Beneficiaries. References to Member, RMPP Active and RMPP Leaver in these Section B Rules shall be read accordingly.

#### Definitions and interpretation

2.—(1) In the Section B Rules the following expressions have the following meanings—

“Children” (and the term “Child”) in relation to a Member means—

- (a) legitimate and legitimated children of a Member or his or her spouse;
- (b) children adopted by the Member and/or his or her spouse;
- (c) illegitimate children of the Member or his or her spouse;
- (d) step-children of the Member or his or her spouse;
- (e) children of a deceased brother or half brother, of a deceased sister or half sister or of deceased children of the Member;
- (f) a brother or half brother, or sister or half sister of the Member,

other than children (not being children of a Member) who become children of a woman after the termination of her marriage to a Member, being in cases (a), (b), (c), (d), (e) and (f) above persons who are under 18 or if over that age (but not over age 25), subject to Part IX (Overriding Finance Act Provisions) of this Schedule, are receiving full-time education or undergoing full-time training of not less than two years' duration for any trade, profession or vocation during which they receive not more than the maximum allowable remuneration which term, for this purpose, means £312 per annum (excluding returns of premiums), increased from time to time by the amount of increase that would be applied under the Pensions (Increases) Act 1971 to a pension of £312 per annum first awarded on 1 December 1971.

At the discretion of the Secretary of State any other child may be treated as within this definition of “children” provided that—

- (a) such child is under 18 or if over that age (but not over age 25) is receiving such full-time education or training as is referred to above and on those conditions (subject to Part IX (Overriding Finance Act Provisions) of this Schedule); and
- (b) the Secretary of State is satisfied that at the time of the Member's retirement or death either the child was wholly or mainly dependent on the Member or the Member had formed the intention of legally adopting the child;

“CSDB Pensionable Salary” means, in relation to each RMSPS Pension Block and RMSPS Lump Sum Block, the amount which would have been the “CSDB Pensionable Salary” of a Member (as recognised for the purposes of the RMPP under Rule 1 of Section B of the RMPP Cut-Off Date Rules) during the 12 months up to and including the Renewal Date that is applicable to that RMSPS Pension Block and RMSPS Lump Sum Block, had that Member opted out of the RMPP under General Rule 1A (Optional membership) of the RMPP Cut-Off Date Rules at the end of the Cut-Off Date;

“CWU Represented Member” means a Member who works for an Employer in an administrative or operational grade that is represented by the Communication Workers Union (CWU) whether or not that Member is a member of the CWU;

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“Dependant” means anyone who is financially dependent on the Member or was so dependent at the time of that person’s death. This includes anyone who shares living expenses with, or receives financial support from, the Member, and whose standard of living would be affected by the loss of that person’s contribution or support. The Secretary of State’s decision as to whether someone is another person’s Dependant will be final;

“Discharged RMPP Benefit” has the meaning given in Rule 4(4) (Payment of RMSPS benefits, retirement options and flexible retirement);

“Minimum Pension Age” means age 50 up to and including 5 April 2010 and age 55 on and from 6 April 2010 and MPA has the same meaning;

“Nil Margin Member” has the meaning given in Rule 4(5) (Payment of RMSPS benefits, retirement options and flexible retirement);

“Partially Discharged RMPP Member” has the meaning given in Rule 4(4) (Payment of RMSPS benefits, retirement options and flexible retirement);

“Relevant Date means”, in respect of a Relevant Member, the earlier of: (a) the date that Member joined the contributory part of the RMPP; and (b) 1 June 1972;

“Relevant Member” means any Member who has any RMSPS Reckonable Service attributable to a period of time before that Member’s Relevant Date;

“Relevant RMSPS Benefit” means the RMSPS benefit of a Partially Discharged RMPP Member (being either that Member’s RMSPS NRA60 Benefits or RMSPS NRA65 Benefits) which corresponds to that Member’s Discharged RMPP Benefit;

“Renewal Date” means 31 March of each year following 1 April 2008;

“Retired on RMPP Ill Health Grounds” means—

- (a) subject to Paragraph (b) below, in relation to a Member, the cessation of the Member’s employment as a result of serious physical or mental ill health (not simply a decline in energy or ability) such that, in the opinion of the Employer, the Member is permanently incapable of—
  - (i) carrying out that Member’s current duties;
  - (ii) carrying out such other duties for the Employer as the Employer might reasonably expect the Member to perform; and
  - (iii) engaging in employment with any other employer of a type which, in the opinion of that Member’s present Employer, would be reasonable and appropriate for the Member; and
- (b) in relation to an RMPP Leaver who was in RMPP Reckonable Service on 31 March 2000, retirement because the Member’s Employer is satisfied that the Member concerned is likely, through physical or mental disablement, to be permanently unable to give regular and efficient service on the duties of that Member’s post;

“RMPP NRA60 Benefits” means, in respect of a Member, the “NRA60 Benefits” of the Member under the RMPP as defined by the RMPP Rules;

“RMPP NRA65 Benefits” means, in respect of a Member, the “NRA65 Benefits” of the Member under the RMPP as defined by the RMPP Rules;

“RMSPS Lump Sum Block” has the meaning assigned to it in Rule 3(7)(b)(ii) (Benefits payable to Members on retirement);

“RMSPS NRA60 Benefits” means a Member’s RMSPS NRA60 Pension and RMSPS NRA60 Lump Sum;

“RMSPS NRA60 Lump Sum” means that part of a Member’s lump sum which accrued under Rule 3(1)(b) (Benefits payable to Members on retirement) in respect of RMSPS Reckonable

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Service on or before 31 March 2010 (and so, for the avoidance of doubt, in respect of which the Member's Normal Retiring Age is 60);

"RMSPS NRA60 Pension" means that part of a Member's pension which accrued under Rule 3(1)(a) (Benefits payable to Members on retirement) in respect of RMSPS Reckonable Service on or before 31 March 2010 (and so, for the avoidance of doubt, in respect of which the Member's Normal Retiring Age is 60);

"RMSPS NRA65 Benefits" means a Member's RMSPS NRA65 Pension and RMSPS NRA65 Lump Sum;

"RMSPS NRA65 Lump Sum" means that part of a Member's lump sum which accrued under Rule 3(2)(b) (Benefits payable to Members on retirement) in respect of RMSPS Reckonable Service on or after 1 April 2010 (and so, for the avoidance of doubt, in respect of which the Member's Normal Retiring Age is 65);

"RMSPS NRA65 Pension" means that part of a Member's pension which accrued under Rule 3(2)(a) (Benefits payable to Members on retirement) in respect of RMSPS Reckonable Service on or after 1 April 2010 (and so, for the avoidance of doubt, in respect of which the Member's Normal Retiring Age is 65);

"RMSPS Pensionable Salary" means the amount which would have been a Member's "Pensionable Salary" under the RMPP had that Member opted-out of the RMPP under General Rule 1A (Optional membership) of the RMPP Cut-Off Date Rules at the end of the Cut-Off Date;

"RMSPS Pension Block" has the meaning assigned to it in Rule 3(7)(b)(i) (Benefits payable to Members on retirement);

"RMSPS Reckonable Service" has the meaning assigned to it in General Rule 2 (RMSPS Reckonable Service);

"RMSPS Revalued Lump Sum Block" has the meaning assigned to it in Rule 3(7)(d) (Benefits payable to Members on retirement);

"RMSPS Revalued Pension Block" has the meaning assigned to it in Rule 3(7)(d) (Benefits payable to Members on retirement);

"Senior Manager Member" means a Member who was invited before the Cut-Off Date by the Principal Employer to become a Senior Manager Member under the Section B Rules of the RMPP Rules and who has accepted that invitation by applying in writing to the RMPP Trustees to become a Senior Manager Member and, in that application, has agreed that he or she shall be entitled to benefits in accordance with the Section B Rules of the RMPP Rules (provided that, in the event that person is made redundant under the RMPP by an Employer, that person shall not be entitled to immediate payment of his or her RMPP pension before his or her Normal Retiring Age without reduction for early payment, or to any enhancement to his or her RMPP Reckonable Service on account of his or her redundancy under Rule 8 (Retirement on Redundancy) of Section B of the RMPP Rules and no lump sum compensation shall be payable to the person on account of his or her redundancy); and

"Wholly Discharged RMPP Member" has the meaning given in Rule 4(4) (Payment of RMSPS benefits, retirement, options and flexible retirement).

(2) Except where the context requires otherwise—

(a) words importing the masculine include the feminine gender; and

(b) references to particular Rules are references to those Rules in the Section B Rules.

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### **Benefits payable to Members on retirement**

3.—(1) The following benefits (RMSPS NRA60 Benefits) will be paid to every Member on retirement after the Cut-Off Date at or after age 60—

- (a) an annual pension (RMSPS NRA60 Pension) for life of the sum of—
  - (i)  $\frac{1}{80}$ th of the Member's RMSPS Pensionable Salary for each year and proportionately for part of a year of RMSPS Reckonable Service before 1 April 2008; and
  - (ii) the sum of the Member's RMSPS Revalued Pension Blocks, as calculated under sub-paragraph (7) below, for RMSPS Reckonable Service on and after 1 April 2008 but before 1 April 2010,

subject to sub-paragraph (3) below; and

- (b) a lump sum (RMSPS NRA60 Lump Sum) of the sum of—
  - (i)  $\frac{3}{80}$ ths of the Member's RMSPS Pensionable Salary for each year and proportionately for part of a year of RMSPS Reckonable Service before 1 April 2008; and
  - (ii) the sum of the Member's RMSPS Revalued Lump Sum Blocks, as calculated under sub-paragraph (7) below, for RMSPS Reckonable Service on and after 1 April 2008 but before 1 April 2010,

subject to sub-paragraph (4) below.

(2) The following benefits (RMSPS NRA65 Benefits) will be paid to every Member on retirement after the Cut-Off Date at or after age 65—

- (a) an annual pension (RMSPS NRA65 Pension) for life of the sum of the Member's RMSPS Revalued Pension Blocks, as calculated under sub-paragraph (7) below, for RMSPS Reckonable Service on and after 1 April 2010 up to the end of the Cut-Off Date, subject to sub-paragraph (3) below; and
- (b) a lump sum (RMSPS NRA65 Lump Sum) of the sum of the Member's RMSPS Revalued Lump Sum Blocks, as calculated under sub-paragraph (7) below, for RMSPS Reckonable Service on and after 1 April 2010 up to the end of the Cut-Off Date, subject to sub-paragraph (4) below.

(3) For the purpose of calculating the Member's pension under this Rule 3, the total amount of RMSPS Reckonable Service for Paragraphs (1)(a)(i), (1)(a)(ii) and (2)(a) above combined shall not exceed 45 years, including for these purposes the Member's "Pre-Cut-Off Date AVC FS Added Years Service" (if any) as referred to in General Rule 2 (RMSPS Reckonable Service).

(4) For the purpose of calculating the Member's lump sum under this Rule 3, the total amount of RMSPS Reckonable Service for Paragraphs (1)(b)(i), (1)(b)(ii) and (2)(b) above combined shall not exceed 45 years, including for these purposes the Member's "Pre-Cut-Off Date AVC FS Added Years Service" (if any) as referred to in General Rule 2 (RMSPS Reckonable Service).

(5) All Members will be entitled to both RMSPS NRA60 Benefits in respect of RMSPS Reckonable Service on or before 31 March 2010 (calculated in accordance with sub-paragraph (1) above) and RMSPS NRA65 Benefits in respect of RMSPS Reckonable Service on and after 1 April 2010 (calculated in accordance with sub-paragraph (2) above).

(6) The lump sum of a Member will, where applicable, be reduced in accordance with General Rule 12 (Members' choice of methods of payment of contributions) and General Rule 13 (Plan M), General Rule 14 (Plan U) or General Rule 15 (Plan L) (as applicable).

- (a) (7) (a) In respect of RMSPS Reckonable Service on or after 1 April 2008 to the earlier of completion of 45 years' RMSPS Reckonable Service and the Cut-Off Date (inclusive), the benefits of each Member shall be determined on the following basis.

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- (b) At each Renewal Date up to and including the Cut-Off Date—
    - (i) the Member accrued under the RMPP a pension of  $\frac{1}{80}$ th of the Member's CSDB Pensionable Salary for the year up to and including the Renewal Date (an RMSPS Pension Block) coinciding with the Cut-Off Date; and
    - (ii) the Member accrued under the RMPP a lump sum of  $\frac{3}{80}$ ths of the Member's CSDB Pensionable Salary for the year up to and including the Renewal Date (an RMSPS Lump Sum Block) coinciding with the Cut-Off Date.
  - (c) The RMSPS Pension Block and the RMSPS Lump Sum Block accrued at each Renewal Date were revalued under the RMPP, first at the Renewal Date at the end of the subsequent year and then at each subsequent Renewal Date thereafter up to and including the Cut-Off Date by the annual increase in the Government index of retail prices for all items for the 12 months to the preceding September subject to a maximum increase of 5% and a minimum increase of 0% a year.
  - (d) Each RMSPS Pension Block, as successively revalued under Paragraph (c) above, will be an RMSPS Revalued Pension Block. Each RMSPS Lump Sum Block, as successively revalued under Paragraph (c) above, will be an RMSPS Revalued Lump Sum Block.
- (8) The benefits payable under this Rule 3 will be deferred until the Member reaches the Normal Retiring Age applicable to them at which point they will (subject to any increases applicable under Rule 19 (Pensions increase)) be brought into payment, subject to Rule 4 (Payment of RMSPS benefits, retirement options and flexible retirement) and to the following—
- (a) If the Member dies before payment (whether of RMSPS NRA60 Benefits, RMSPS NRA65 Benefits, or both) the death, family and Dependants' benefits will be paid under—
    - (i) Rules 9(2), (3) or (4) (Lump sum benefits payable on death of a Member);
    - (ii) Rule 11 (Spouse's pension) and, where applicable, Rule 12 (Spouse's pension for Relevant Members);
    - (iii) Rule 14 (Children's pensions); and
    - (iv) Rule 15 (Dependants' pensions).
  - (b) A Member whose benefits (whether RMSPS NRA60 Benefits, RMSPS NRA65 Benefits, or both) are deferred under this sub-paragraph (8) will (if the payment of immediate benefits is not contrary to the provisions of Part IX (Overriding Finance Act Provisions) of this Schedule) receive early payment before Normal Retiring Age of either or both of those tranches of benefits in the circumstances set out in—
    - (i) Rule 4(2), (4) or (5) (Payment of RMSPS benefits, retirement options and flexible retirement);
    - (ii) Rule 5 (Benefits payable to Members who retire on ill-health grounds or compassionate grounds);
    - (iii) Rule 6 (Benefits payable to Members who retire under the RMPP in the interests of efficiency);
    - (iv) Rule 7 (Benefits payable to Members who retire under the RMPP on redundancy); and
    - (v) Rule 8 (Benefits payable to Members who take early voluntary retirement under the RMPP).
- (9) Any benefits paid early under this Rule (including the other Rules referred to in sub-paragraph (8) above) shall, unless these Rules provide otherwise, be reduced for early payment on a basis determined by the Secretary of State on the advice of the Actuary so that, as far as reasonably practicable, they are equal in value to the benefits that would have been paid to the Member at age 60 in respect of RMSPS NRA60 Benefits and age 65 in respect of RMSPS NRA65 Benefits.

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(10) Nothing in this Rule (or the other Rules referred to in sub-paragraph (8) above) shall enable the Secretary of State to reduce a Member's pension below that Member's GMP or any widow's or widower's pension payable on that Member's death below the widow or widower's GMP.

(11) Rules 9(3)(a)(i), (4)(a)(i) or (5) (Lump sum benefits payable on death of a Member) shall apply to the reduced pension payable under sub-paragraph (9) of this Rule.

#### **Payment of RMSPS benefits, retirement options and flexible retirement**

4.—(1) A Member's RMSPS NRA60 Benefits and RMSPS NRA65 Benefits are separate benefit entitlements, and shall constitute separate arrangements for the purposes of the Finance Act 2004, provided that the Secretary of State has the power to arrange the benefits under the RMSPS (in respect of one or a number of Members) so that RMSPS NRA60 Benefits and RMSPS NRA65 Benefits constitute the same arrangement for the purposes of the Finance Act 2004.

(2) Despite any other provision of these Section B Rules but subject to General Rule 7 (Application of Sections A and B – election for Section B benefits), sub-paragraph (4) below in relation to Wholly Discharged RMPP Members and Partially Discharged RMPP Members and sub-paragraph (5) below in relation to Nil Margin Members—

- (a) a Member's RMSPS NRA60 Benefits—
  - (i) will come into payment automatically under the RMSPS when that Member draws or is paid RMPP NRA60 Benefits from the RMPP having obtained all necessary consents under the RMPP to do so; and
  - (ii) may not come into payment under the RMSPS until that Member draws or is paid RMPP NRA60 Benefits from the RMPP;
- (b) a Member's RMSPS NRA65 Benefits—
  - (i) will come into payment automatically under the RMSPS when that Member draws or is paid RMPP NRA65 Benefits from the RMPP having obtained all necessary consents under the RMPP to do so; and
  - (ii) may not come into payment under the RMSPS until that Member draws or is paid RMPP NRA65 Benefits from the RMPP.

Rule 5 (Benefits payable to Members who retire on ill health grounds or compassionate grounds), Rule 6 (Benefits payable to Members who retire under the RMPP in the interests of efficiency), Rule 7 (Benefits payable to Members who retire under the RMPP on redundancy) and Rule 8 (Benefits payable to Members who take early voluntary retirement under the RMPP) will in each case apply on a basis that is consistent with this principle (except that sub-paragraphs (4) and (5) below, and any specific provisions that are set out in each of those Rules, will apply in relation to Wholly Discharged RMPP Members, Partially Discharged RMPP Members and Nil Margin Members).

- (3) Where a Member's RMSPS NRA60 Benefits or RMSPS NRA65 Benefits—
  - (a) should have come into payment automatically under Paragraph (2)(a) or (b) above but have not come into payment, the Member shall be paid the relevant RMSPS NRA60 Benefits or RMSPS NRA65 Benefits in arrears, with such Interest, if any, as the Secretary of State considers appropriate; and
  - (b) have come into payment, but the RMPP NRA60 Benefits or RMPP NRA65 Benefits, as appropriate under Paragraph (2)(a) or (b) above, have not come into payment, the relevant RMSPS NRA60 Benefits or RMSPS NRA65 Benefits will be treated as having been paid in error, and the Secretary of State must take whatever action he deems appropriate in his absolute discretion to correct the error.
- (4) In the event that a Member—

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- (a) ceases to be a member of the RMPP by reason of a transfer of all of that Member's benefits out of the RMPP (other than a transfer to a New POL Scheme described in Clause 5 (New POL Scheme)) or a discharge of all the Trustee's obligations to provide benefits to that Member (in either case, other than money purchase benefits) (such Member being a Wholly Discharged RMPP Member); or
- (b) ceases to have a right or entitlement to either that Member's RMPP NRA60 Benefits or RMPP NRA 65 Benefits for one of the reasons set out in Paragraph (a) above (such Member being a Partially Discharged RMPP Member and that benefit being a Discharged RMPP Benefit),

the following shall apply instead—

- (i) Sub-paragraphs (2) and (3) above will not apply in respect of a Wholly Discharged RMPP Member or, in the case of a Partially Discharged RMPP Member, that Member's Relevant RMSPS Benefit, unless and to the extent that any benefit under the RMSPS has not yet (or should have) come into payment under sub-paragraph (2).
- (ii) Rule 5 (Benefits payable to Members who retire on ill health grounds or compassionate grounds), Rule 6 (Benefits payable to Members who retire under the RMPP in the interests of efficiency), Rule 7 (Benefits payable to Members who retire under the RMPP on redundancy) and Rule 8 (Benefits payable to Members who take early voluntary retirement under the RMPP) will apply in respect of a Wholly Discharged RMPP Member or, in the case of a Partially Discharged RMPP Member, that Member's Relevant RMSPS Benefit, on the basis provided for in that Rule.
- (iii) Any Wholly Discharged RMPP Member whose benefits (or some of them) are deferred under Rule 3(8) (Benefits payable to Members on retirement) may elect, any time after Minimum Pension Age to take that Member's RMSPS NRA60 Benefits or (if applicable) that Member's RMSPS NRA65 Benefits, or both.

Similarly, if the Relevant RMSPS Benefit of a Partially Discharged RMPP Member is deferred under Rule 3(8) (Benefits payable to Members on retirement), he or she may elect, any time after Minimum Pension Age to take that RMSPS benefit.

In either case, such election shall require the consent of the Secretary of State (provided that such consent shall not be required in respect of RMSPS NRA60 Benefits if the Member has reached age 60, and shall not be required in respect of RMSPS NRA65 Benefits if the Member has reached age 65). In the case of a Wholly Discharged RMPP Member, if only one tranche of benefit is taken, the other shall continue to be deferred but, for avoidance of doubt, the remaining tranche can subsequently be brought into payment early in accordance with this Rule.

Similarly, if the Relevant RMSPS Benefit of a Partially Discharged RMPP Member is deferred under Rule 3(8) (Benefits payable to Members on retirement), he or she may elect, any time after Minimum Pension Age to take that RMSPS benefit.

In either case, such election shall require the consent of the Secretary of State (provided that such consent shall not be required in respect of RMSPS NRA60 Benefits if the Member has reached age 60, and shall not be required in respect of RMSPS NRA65 Benefits if the Member has reached age 65). In the case of a Wholly Discharged RMPP Member, if only one tranche of benefit is taken, the other shall continue to be deferred but, for avoidance of doubt, the remaining tranche can subsequently be brought into payment early in accordance with this Rule.

- (iv) Any Wholly Discharged RMPP Member may draw RMSPS NRA60 Benefits and RMSPS NRA65 Benefits at different times in accordance with the provisions of this Rule. However, if either a Wholly Discharged RMPP Member or a Partially Discharged RMPP Member wishes to draw RMSPS NRA60 Benefits, that Member must draw all of his or her RMSPS NRA60

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Benefits at the same time and may not draw only part of his or her RMSPS NRA60 Benefits (and the same applies to RMSPS NRA65 Benefits). Provided that where a Wholly Discharged RMPP Member or Partially Discharged RMPP Member had at the end of the Cut-Off Date two or more periods of RMPP Reckonable Service which were treated separately in accordance with the RMPP Cut-Off Date Rules, the Wholly Discharged RMPP Member or Partially Discharged RMPP Member (as appropriate) may draw benefits from the RMSPS in respect of each period separately on the same basis as applied under the RMPP before 1 April 2010.

(5) This sub-paragraph applies to a Member (not being either a Partially Discharged RMPP Member whose Relevant RMSPS Benefit is that Member's RMSPS NRA60 Benefits or a Wholly Discharged RMPP Member) whose RMSPS NRA60 Benefits have not yet been brought into payment and who has a prospective RMPP NRA60 Pension under Rule 4(1)(a) (Retirement at or after Normal Retiring Age) of Section B of the RMPP Rules of nil and a prospective RMPP NRA60 Lump Sum under Rule 4(1)(b) of Section B of the RMPP Rules of nil (as described in Rule 4XA (Deemed crystallisation of NRA60 Benefits where no margin over RMSPS NRA60 Benefits) of Section B of the RMPP Rules) on the earliest of the dates specified in Paragraph (d) below (any such Member being a Nil Margin Member).

- (a) Sub-paragraphs (2) and (3) above will not apply in respect of the Nil Margin Member, if and to the extent that any benefit under the RMSPS has not yet (or should have) come into payment under sub-paragraph (2).
- (b) Rule 5 (Benefits payable to Members who retire on ill health grounds or compassionate grounds), Rule 6 (Benefits payable to Members who retire under the RMPP in the interests of efficiency), Rule 7 (Benefits payable to Members who retire under the RMPP on redundancy) and Rule 8 (Benefits payable to Members who take early voluntary retirement under the RMPP) will apply in respect of the Nil Margin Member on the basis provided for in that Rule.
- (c) The Nil Margin Member may elect to take his or her RMSPS NRA60 Benefits at any time after Minimum Pension Age. This election shall require the consent of the Secretary of State (provided that such consent shall not be required if the Nil Margin Member has reached age 60). If only the RMSPS NRA60 Benefits are taken, the RMSPS NRA65 Benefit shall continue to be deferred but, for avoidance of doubt, the RMSPS NRA65 Benefits can subsequently be brought into payment early in accordance with sub-paragraph (2) or (4) above, as appropriate.
- (d) The dates specified for the purposes of this Rule are—
  - (i) the Nil Margin Member's RMPP Exit Date;
  - (ii) the effective date of any election by the Nil Margin Member for the purposes of the RMPP under Rule 4A of Section B of the RMPP Rules, which results in the Nil Margin Member ceasing to accrue further benefits under the RMPP or which would require his or her RMPP NRA60 Benefits to be paid immediately; and
  - (iii) the date of an election by the Nil Margin Member to receive his or her RMSPS NRA60 Benefits under Paragraph (c) of this Rule.

(6) Any benefits of a Wholly Discharged RMPP Member or a Nil Margin Member, or the Relevant RMSPS Benefit of a Partially Discharged RMPP Member (as the case may be) that (in any such case) have not come into payment (whether RMSPS NRA60 Benefits, RMSPS NRA65 Benefits or both) must commence payment no later than Normal Retiring Age (provided that no Member will be treated as becoming a Nil Margin Member by the operation of this sub-paragraph if they would not otherwise at that time have become a Nil Margin Member at their Normal Retiring Age).

(7) While the Member remains in employment to which the RMPP relates, the Member's consent will not be required to defer payment of his or her GMP after age 65 (being the expiration of five years from the date on which that Member attains Normal Retiring Age in respect of that Member's



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RMSPS NRA60 Benefits). Section 13(5)(b) of the Pension Schemes Act 1993 (as applied to the RMSPS by the Contracting-out Laws) shall apply subject to this exemption from its requirements. This sub-paragraph shall not apply to a Wholly Discharged RMPP Member, a Partially Discharged RMPP Member whose Relevant RMSPS Benefit is his or her RMSPS NRA60 Benefits. This sub-paragraph shall apply to a Nil Margin Member who remains in employment with an Employer, notwithstanding that there is at that time no RMPP NRA60 Benefit payable to the Member.

**Benefits payable to Members who retire on ill health grounds or compassionate grounds**

5.—(1) A Member who is—

- (a) an RMPP Active who is Retired on RMPP Ill Health Grounds (within the meaning of Paragraph (a) of the definition of that term) by that Member's Employer after the Cut-Off Date; or
- (b) an RMPP Leaver who is Retired on RMPP Ill Health Grounds (whether within the meaning of Paragraph (a) or Paragraph (b) of the definition of that term) by that Member's Employer after the Cut-Off Date,

will be paid the RMSPS NRA60 Benefits and RMSPS NRA65 Benefits specified in Rule 3 (Benefits payable to Members on retirement) (or, if either benefit is already in payment, the benefit not already in payment) automatically when that Member's RMPP NRA60 Benefits and/or RMPP NRA65 Benefits come into payment. The reduction set out in Rule 3(9) will not apply to that Member's RMSPS NRA60 Benefits and/or RMSPS NRA65 Benefits that then come into payment.

(2) The following shall also apply in relation to an RMPP Leaver who ceases to be in Employer employment—

(a) If—

- (i) such a Member's RMSPS NRA60 Benefits and/or RMSPS NRA65 Benefits are being deferred under Rule 3(8) (Benefits payable to Members on retirement); and
- (ii) the RMPP Trustees terminate deferment of that Member's RMPP NRA60 Benefits and/or RMPP NRA65 Benefits because they are satisfied that the RMPP Leaver could have Retired on RMPP Ill Health Grounds had the RMPP Leaver still been in Employer employment under Rule 21(4) (Preservation of benefits) of Section B of the RMPP Rules,

the Secretary of State shall (subject, in particular to paragraphs 3 and 4 of Part IX (Overriding Finance Act Provisions) of this Schedule) also terminate the deferment of that Member's RMSPS NRA60 Benefits and/or RMSPS NRA65 Benefits as appropriate. The reduction set out in Rule 3(9) (Benefits payable to Members on retirement) will not apply to that Member's RMSPS NRA60 Benefits and/or RMSPS NRA65 Benefits that then come into payment.

(b) If—

- (i) such a Member's RMSPS NRA60 Benefits and/or RMSPS NRA65 Benefits are being deferred under Rule 3(8) (Benefits payable to Members on retirement) at a time that is within 10 years before that RMPP Leaver reaches Normal Retiring Age;
- (ii) the Member has reached Minimum Pension Age); and
- (iii) the RMPP Trustees at their discretion terminate the deferment of the RMPP Leaver's RMPP NRA60 Benefits and/or RMPP NRA65 Benefits on other compassionate grounds under Rule 21(4) (Preservation of benefits) of Section B of the RMPP Rules,

the Secretary of State will also terminate the deferment of the RMPP Leaver's RMSPS NRA60 Benefits and/or RMSPS NRA65 Benefits as appropriate. The reduction set out in Rule 3(9) (Benefits payable to Members on retirement) will not apply to that Member's RMSPS NRA60 Benefits and/or RMSPS NRA65 Benefits that then come into payment,

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provided that, to the extent the said benefits relate to periods of RMSPS Reckonable Service on and from 1 December 2006, the benefits shall be reduced on a basis to be determined by the Secretary of State on the advice of the Actuary so that, so far as is reasonably practicable, they are equal in value to the benefits which would have been paid to the RMPP Leaver at Normal Retiring Age.

(3) Sub-paragraphs (1) and (2) above shall not apply in relation to a Wholly Discharged RMPP Member. The following shall apply instead—

- (a) If at any time when the RMSPS NRA60 Benefits and/or the RMSPS NRA65 Benefits of a Wholly Discharged RMPP Member are being deferred under Rule 3(8) (Benefits payable to Members on retirement), the Secretary of State is satisfied that the Wholly Discharged RMPP Member Retired on RMPP Ill Health Grounds (or could have Retired on RMPP Ill Health Grounds had the Member still been in Employer employment), the Secretary of State shall (subject, in particular to paragraphs 3 and 4 of Part IX (Overriding Finance Act Provisions) of this Schedule) terminate the deferment of that Member's RMSPS NRA60 Benefits and/or RMSPS NRA65 Benefits as appropriate. The reduction set out in Rule 3(9) (Benefits payable to Members on retirement) will not apply to the RMSPS NRA60 Benefits and/or RMSPS NRA65 Benefits that then come into payment. For avoidance of doubt, Paragraph (b) in the definition of the term Retired on RMPP Ill Health Grounds applies for the purposes of this sub-paragraph (3)(a) in relation to a Wholly Discharged RMPP Member who was in RMPP Reckonable Service on 31 March 2000.
- (b) At any time when the RMSPS NRA60 Benefits and/or the RMSPS NRA65 Benefits of a Wholly Discharged RMPP Member are being deferred under Rule 3(8) (Benefits payable to Members on retirement) that is within 10 years before that Member reaches Normal Retiring Age (but as long as the Member has reached Minimum Pension Age), the Secretary of State may at his discretion terminate the deferment of the said benefits on other compassionate grounds. The reduction set out in Rule 3(9) (Benefits payable to Members on retirement) will not apply to the RMSPS NRA60 Benefits and/or RMSPS NRA65 Benefits that then come into payment, provided that, to the extent the said benefits relate to periods of RMSPS Reckonable Service on and from 1 December 2006, the benefits shall be reduced on a basis to be determined by the Secretary of State on the advice of the Actuary so that, so far as is reasonably practicable, they are equal in value to the benefits which would have been paid to the Member at Normal Retiring Age.

(4) In relation to a Nil Margin Member, sub-paragraphs (1) and (2) will apply such that the Member's RMSPS NRA60 Benefits and (if they have not already come into payment) RMSPS NRA65 Benefits both come into payment, notwithstanding that no amount in respect of that Member's RMPP NRA60 Benefits will at that time come into payment under the RMPP.

(5) Similarly, in relation to a Partially Discharged RMPP Member, sub-paragraphs (1) and (2) will apply such that the Member's RMSPS NRA60 Benefits and RMSPS NRA65 Benefits will both come into payment (or, any such benefit that has not already come into payment will come into payment), notwithstanding that no amount in respect of that Member's Discharged RMPP Benefit will at that time come into payment under the RMPP.

### **Benefits payable to Members who retire under the RMPP in the interests of efficiency**

6.—(1) Any Member who is retired from Employer employment in the interests of efficiency under the RMPP after the Cut-Off Date will be paid that Member's RMSPS NRA60 Benefits and RMSPS NRA65 Benefits (or, if either benefit is already in payment, the benefit not already in payment) so that they come into payment at the same time as that Member's RMPP NRA60 Benefits and/or RMPP NRA65 Benefits (respectively) come into payment by reason of Rule 7 (Retirement in the interests of efficiency) or Rule 7A of Section B of the RMPP Rules.

- (2) Where the Member (other than a CWU Represented Member) is to receive benefits by reason of this Rule 6 then—
- (a) if that Member is retired before Minimum Pension Age, payment of those benefits will be deferred in accordance with Rule 3(8) (Benefits payable to Members on retirement); or
  - (b) if that Member is retired on or after Minimum Pension Age the benefits specified in Rule 3 (Benefits payable to Members on retirement) will be paid without deferment.
- (3) Where a CWU Represented Member is to receive benefits by reason of this Rule 6 then—
- (a) if that Member is retired before Minimum Pension Age, payment of those benefits will be deferred in accordance with Rule 3(8) (Benefits payable to Members on retirement); or
  - (b) if that Member is retired on or after Minimum Pension Age either—
    - (i) payment of those benefits will be deferred in accordance with Rule 3(8) (Benefits payable to Members on retirement); or
    - (ii) if that Member's Employer declares the circumstances to be appropriate such that his or her corresponding RMPP benefits will be paid without deferment, his or her RMSPS benefits will also be paid without deferment.
- (4) This Rule will—
- (i) not apply to a Wholly Discharged RMPP Member;
  - (ii) apply to a Partially Discharged RMPP Member, but only in respect of that Member's RMSPS benefit that is not his or her Relevant RMSPS Benefit; and
  - (iii) apply to a Nil Margin Member such that the Member's RMSPS NRA60 Benefits and (if they have not already come into payment) his or her RMSPS NRA65 Benefits both come into payment, notwithstanding that notwithstanding that no amount in respect of his or her RMPP NRA60 Benefits will at that time come into payment under the RMPP.
- (5) Subject to Rule 3(10) (Benefits payable to Members on retirement) in respect of the Member's GMP, the reductions set out in Rule 3(9) will apply to the benefits payable under this Rule 6.

#### **Benefits payable to Members who retire under the RMPP on redundancy**

7.—(1) Any Member (other than a Senior Manager Member) who is retired on the grounds of redundancy by that Member's Employer after the Cut-Off Date will be paid that Member's RMSPS NRA60 Benefits and RMSPS NRA65 Benefits (or, if either benefit is already in payment, the benefit not already in payment) so that they come into payment at the same time as that Member's RMPP NRA60 Benefits and/or RMPP NRA65 Benefits (respectively) come into payment by reason of Rule 8 (Retirement on Redundancy) or Rule 8AA of Section B of the RMPP Rules.

- (2) Where the Member (other than a CWU Represented Member) is to receive benefits by reason of this Rule 7 then—
- (a) if that Member is retired before Minimum Pension Age, payment of those benefits will be deferred (and will subsequently come into payment) in accordance with Rule 3(8) (Benefits payable to Members on retirement); or
  - (b) if that Member is retired on or after Minimum Pension Age the benefits will be paid without deferment.
- (3) Where a CWU Represented Member is to receive benefits by reason of this Rule 7 then—
- (a) if that Member is retired before Minimum Pension Age, payment of those benefits will be deferred in accordance with Rule 3(8) (Benefits payable to Members on retirement); or
  - (b) if that Member is retired on or after Minimum Pension Age either—
    - (i) payment of those benefits will be deferred in accordance with Rule 3(8) (Benefits payable to Members on retirement); or

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(ii) if that Member's Employer declares the circumstances to be appropriate such that his or her corresponding RMPP benefits will be paid without deferment, his or her RMSPS benefits will also be paid without deferment.

(4) This Rule will—

(i) not apply to a Wholly Discharged RMPP Member;

(ii) apply to a Partially Discharged RMPP Member, but only in respect of his or her RMSPS benefit that is not his or her Relevant RMSPS Benefit; and

(iii) apply to a Nil Margin Member such that the Member's RMSPS NRA60 Benefits and (if they have not already come into payment) his or her RMSPS NRA65 Benefits both come into payment, notwithstanding that no amount in respect of his or her RMPP NRA60 Benefits will at that time come into payment under the RMPP.

(5) Subject to Rule 3(10) (Benefits payable to Members on retirement) in respect of the Member's GMP, the reductions set out in Rule 3(9) will apply to the benefits payable under this Rule 7.

#### **Benefits payable to Members who take early voluntary retirement under the RMPP**

8.—(1) Any Member who is, after the Cut-Off Date, permitted by his or her Employer to retire under the RMPP before Normal Retiring Age and who has attained Minimum Pension Age will be paid the RMSPS NRA60 Benefits and RMSPS NRA65 Benefits specified in Rule 3 (Benefits payable to Members on retirement) (or, if either benefit is already in payment, the benefit not already in payment) so that they come into payment at the same time as his or her RMPP NRA60 Benefits and/or RMPP NRA65 Benefits (respectively) come into payment by reason of Rule 8B (Early Voluntary Retirement) of Section B of the RMPP Rules.

(2) This Rule will—

(i) not apply to a Wholly Discharged RMPP Member;

(ii) apply to a Partially Discharged RMPP Member, but only in respect of that Member's RMSPS benefit that is not his or her Relevant RMSPS Benefit; and

(iii) apply to a Nil Margin Member such that the Member's RMSPS NRA60 Benefits and (if they have not already come into payment) RMSPS NRA65 Benefits both come into payment, notwithstanding that no amount in respect of that Member's RMPP NRA60 Benefits will at that time come into payment under the RMPP.

(3) For the avoidance of doubt, Rule 9(3)(a), Rule 9(4)(a) (Lump sum benefits payable on death of a Member) and Rule 19 (Pensions increase) shall apply to the reduced pension payable under this Rule 8 and any pension or pensions payable under Rule 11 (Spouse's pension) (and, if applicable, Rule 12 (Spouse's pension for relevant Members)), Rule 14 (Children's pensions) or Rule 15 (Dependants' pensions) shall be based on the reduced pension.

(4) Subject to Rule 3(10) (Benefits payable to Members on retirement) in respect of the Member's GMP, the reductions set out in Rule 3(9) will apply to the benefits payable under this Rule 8.

#### **Lump sum benefits payable on death of a Member**

9.—(1) If a Member dies after the Cut-Off Date, the following lump sum benefits shall be paid to that Member's personal representatives depending on the status of the Member on the day that Member died (and subject to the provisos in sub-paragraph (6) below).

(2) If the Member dies when no benefits from the RMSPS have been brought into payment, a lump sum equal to the greater of—

(a) the aggregate of—

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- (i) 5 times the amount of the annual preserved RMSPS NRA60 Pension at the rate at which that pension would have been payable (calculated without any enhancement of RMSPS Reckonable Service) to the Member had such pension been brought into payment on the date of that Member's death with an entitlement to the immediate payment of such pension; and
    - (ii) 5 times the amount of the annual preserved RMSPS NRA65 Pension at the rate at which that pension would have been payable (calculated without any enhancement of RMSPS Reckonable Service) to the Member had such pension been brought into payment on the date of that Member's death with an entitlement to the immediate payment of such pension; or
  - (b) 1.25 times RMSPS Pensionable Salary.
- (3) If the Member dies when that Member's RMSPS NRA60 Pension is in payment but his or her RMSPS NRA65 Pension has not yet come into payment, a lump sum equal to the greater of—
- (a) the aggregate of—
    - (i) if the Member dies within 5 years of his or her RMSPS NRA60 Pension coming into payment, an amount equal to the pension payments which would have been made during the remainder of the 5 year period (but calculated at the annual rate of the RMSPS NRA60 Pension in payment at the date of his or her death) (for avoidance of doubt the amount of the Member's pension payments to be used for this calculation shall be exclusive of any amount surrendered under Rule 16 (Surrender of part pension to provide for a spouse or other Dependant) and inclusive of any amount that the Member was entitled to as a result of the exercise of the conversion option under Rule 17 (Conversion of lump sum into pension)); and
    - (ii) 5 times the amount of the annual preserved RMSPS NRA65 Pension at the rate at which that pension would have been payable (calculated without any enhancement of RMSPS Reckonable Service) to the Member had such pension been brought into payment on the date of his or her death with an entitlement to the immediate payment of such pension; or
  - (b) 1.25 times RMSPS Pensionable Salary.
- (4) If the Member dies when that Member's RMSPS NRA60 Pension has not yet come into payment but his or her RMSPS NRA65 Pension is in payment, a lump sum equal to the greater of—
- (a) the aggregate of—
    - (i) if the Member dies within 5 years of his or her RMSPS NRA65 Pension coming into payment, an amount equal to the pension payments which would have been made during the remainder of the 5 year period (but calculated at the annual rate of the RMSPS NRA65 Pension in payment at the date of his or her death) (for avoidance of doubt the amount of the Member's pension payments to be used for this calculation shall be exclusive of any amount surrendered under Rule 16 (Surrender of part pension to provide for a spouse or other Dependant) and inclusive of any amount that the Member was entitled to as a result of the exercise of the conversion option under Rule 17 (Conversion of lump sum into pension)); and
    - (ii) 5 times the amount of the annual preserved RMSPS NRA60 Pension at the rate at which that pension would have been payable (calculated without any enhancement of RMSPS Reckonable Service) to the Member had such pension been brought into payment on the date of that Member's death with an entitlement to the immediate payment of such pension; or
  - (b) 1.25 times RMSPS Pensionable Salary.

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(5) If the Member dies when that Member is in receipt of both his or her RMSPS NRA60 Pension and his or her RMSPS NRA65 Pension, a lump sum equal to the aggregate of—

- (a) if the Member dies within 5 years of that Member's RMSPS NRA60 Pension coming into payment, an amount equal to the pension payments which would have been made during the remainder of the 5 year period (but calculated at the annual rate of RMSPS NRA60 Pension in payment at the date of that Member's death) (for avoidance of doubt the amount of the Member's pension payments to be used for this calculation shall be exclusive of any amount surrendered under Rule 16 (Surrender of part pension to provide for a spouse or other Dependant) and inclusive of any amount that the Member was entitled to as a result of the exercise of the conversion option under Rule 17 (Conversion of lump sum into pension); and
- (b) if the Member dies within 5 years of that Member's RMSPS NRA65 Pension coming into payment, an amount equal to the pension payments which would have been made during the remainder of the 5 year period (but calculated at the annual rate of RMSPS NRA65 Pension in payment at the date of that Member's death) (for avoidance of doubt the amount of the Member's pension payments to be used for this calculation shall be exclusive of any amount surrendered under Rule 16 (Surrender of part pension to provide for a spouse or other Dependant) and inclusive of any amount that the Member was entitled to as a result of the exercise of the conversion option under Rule 17 (Conversion of lump sum into pension)).

(6) The following provisos apply to payments made under the preceding sub-paragraphs of this Rule 9—

- (a) the amounts payable under this Rule 9 are subject to the limits in Part IX (Overriding Finance Act Provisions) of this Schedule;
- (b) in each of sub-paragraphs (2), (3) or (4) above for the purposes of calculating which of (a) or (b) is the greatest, no account shall be taken of the reductions specified in (c) below;
- (c) when payment is made under sub-paragraphs (2), (3) or (4) above it shall be reduced by the appropriate reductions corresponding to the reductions which are to be made from a lump sum under General Rule 13 (Plan M), General Rule 14 (Plan U) and General Rule 15 (Plan L) inclusive according to the circumstances;
- (d) where a Section B Active had before the Cut-Off Date been a "Pensioner" (as defined in Clause 1A (Definitions and interpretation) of the RMPP Rules) who had re-entered the RMPP and at the time of his death retained a deferred pension under the provisions of Rule 9(3)(b) of the RMPP Rules in force prior to 1 April 2010, a payment made to the Member under this Rule 9 will be (despite Clause 3(5)(a) (Benefits payable in respect of Wholly Transferred Beneficiaries)) in substitution for any death benefit otherwise payable under the RMSPS in respect of that uncrystallised deferred pension. If, however, the payment due in respect of the Member under this Paragraph would be smaller than any other death benefit which the Secretary of State could, but for this Paragraph have paid to the Member then the Secretary of State shall pay the larger death benefit instead;
- (e) for the purpose only of calculating the amounts specified in Paragraphs (2)(a)(ii), (3)(a)(ii) and (4)(a)(ii) above where there was part-time service in the last three years of RMSPS Reckonable Service, then RMSPS Pensionable Salary will be calculated by reference to the actual pay and pensionable emoluments paid by the Employer, and not by reference to the full-time rate of pay;
- (f) the benefits referred to in any of the sub-paragraphs above are additional to any refund of contributions which falls to be made to the personal representatives of the Member under sub-paragraphs (2) to (5) inclusive of General Rule 3 (Refund of contributions);

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- (g) where a Member to whom any of sub-paragraphs (2), (3) or (4) above applies dies having elected on or before the Cut-Off Date under General Rule 7(1B) (Members' contributions) of the RMPP Rules to pay the additional contribution specified in that Rule without subsequent revocation under General Rule 7(1C) of the RMPP Rules the lump sum payable under any of sub-paragraphs (2), (3) or (4) above shall be not less than the aggregate of—
  - (i) a lump sum of  $\frac{3}{80}$  of that Member's RMSPS Pensionable Salary for each year of RMSPS Reckonable Service completed before 1 April 1999, and proportionately for each part of a year, up to a maximum of 40 years at age 60; and
  - (ii) a lump sum equal to five times the amount of the annual pension based on RMSPS Reckonable Service before 1 April 1999 at the rate at which it would have been payable (calculated without any enhancement of RMSPS Reckonable Service) to the Member had that Member retired from Employer employment on the date of that Member's death with an entitlement to the immediate payment of such a pension;
- (h) where a Member has transferred out either his or her RMSPS NRA60 Benefits or his or her RMSPS NRA65 Benefits in accordance with Clause 11 (Individual transfers out of the Scheme) the provisions of this Rule 9 will apply only in respect of that tranche of benefits which is still retained in the RMSPS;
- (i) the Secretary of State may at his discretion deduct the cost of funeral expenses from the lump sum death benefits payable under this Rule 9 and pay it to the person who incurred the funeral expenses; and
- (j) for the purposes of calculating the rate at which any preserved pension would have been payable to a Member for the purposes of this Rule 9, the reductions set out in Rule 3(9) (Benefits payable to Members on retirement) will not apply.

### **Service in unhealthy places**

**10.**—(1) If a Member was employed by an Employer prior to 1 April 1998 in a country or place named in Part IX (Overriding Finance Act Provisions) of this Schedule—

- (a) his service completed prior to 1 April 2010 will reckon at 1½ times its length in computing that Member's RMSPS Reckonable Service;
- (b) each complete year of such service will enable the Member if that Member has qualified for a pension to take that Member's RMSPS NRA60 Benefits 3 months earlier than age 60, so, however, that the lowering of the Normal Retiring Age in respect of RMSPS NRA60 Benefits shall not exceed 5 years in the case of that Member.

(2) The provisions in Paragraphs (1)(a) and (1)(b) above shall not apply in respect of service on and from 1 April 2010, and, for avoidance of doubt, the reductions in Normal Retiring Age in Paragraph (1)(b) above shall not apply to RMSPS NRA65 Benefits.

(3) If the Member was granted unpaid leave by an Employer on or before the Cut-Off Date to take up temporary employment with another employer (not being an Employer) in such country or place, the provisions of sub-paragraph (1) of this Rule 10 shall apply provided that the Member and that other employer either individually or in conjunction paid to the Fund in addition to the cost of enhancement in sub-paragraph (1), both the Member's standard contributions and those of that Member's Employer.

### **Spouse's pension**

**11.**—(1) On the death of a Member after the Cut-Off Date a spouse's pension shall be payable in accordance with this Rule 11.

(2) If a Member, who was not a Relevant Member, dies after the Cut-Off Date leaving a spouse, a spouse's pension shall be payable in accordance with whichever of the provisions of this Rule 11

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are applicable depending on the status of the Member on the day that Member died in respect of all the Member's RMSPS Reckonable Service (subject to Rule 12 (Spouse's pension for Relevant members)).

(3) If a Relevant Member dies after the Cut-Off Date leaving a spouse, a spouse's pension shall be payable equal to the aggregate of the following—

- (a) a spouse's pension calculated in accordance with whichever of the provisions below of this Rule 11 is applicable depending on the status of the Member on the day that Member died in respect of both that part of the Relevant Member's RMSPS NRA60 Pension attributable to RMSPS Reckonable Service on and after the Relevant Date and the Relevant Member's RMSPS NRA65 Pension; and
- (b) a spouse's pension calculated in accordance with whichever of the provisions of Rule 12 (Spouse's pension for Relevant members) is applicable in respect of that part of the Relevant Member's RMSPS NRA60 Pension attributable to RMSPS Reckonable Service before the Relevant Date,

subject in both cases to Rule 13 (Provisions applicable to Rules 11 and 12).

For avoidance of doubt, where the Member is a Relevant Member, for the purposes of determining the spouse's pension payable under (a) above, references in the following provisions of this Rule 11 to "the Member's RMSPS NRA60 Pension" shall be read as "the part of the Member's RMSPS NRA60 Pension attributable to that Member's RMSPS Reckonable Service on and after the Relevant Date".

(4) If the Member dies when no benefits from the RMSPS have been brought into payment, and the Member leaves a spouse, the spouse shall be entitled to a pension equal to the aggregate of—

- (a) ½ of the Member's RMSPS NRA60 Pension; and
- (b) ½ of the Member's RMSPS NRA65 Pension,

in both cases which the Member would have received on that Member's date of death had his or her RMSPS NRA60 Pension and RMSPS NRA65 Pension come into payment on that date without the reduction set out in Rule 3(9) (Benefits payable to Members on retirement).

(5) If the Member dies when that Member's RMSPS NRA60 Pension was in payment but his or her RMSPS NRA65 Pension had not yet come into payment, and the Member left a spouse, the spouse shall be entitled to a pension equal to the aggregate of—

- (a) ½ of the Member's RMSPS NRA60 Pension in payment at the date of the Member's death (subject to Rules 13(1) and (3) (Provisions applicable to Rules 11 and 12)); and
- (b) ½ of the Member's RMSPS NRA65 Pension which the Member would have received on that Member's date of death had that pension come into payment on that date without the reduction set out in Rule 3(9) (Benefits payable to Members on retirement).

(6) If the Member dies when that Member's RMSPS NRA60 Pension has not come into payment but that Member's RMSPS NRA65 Pension was in payment, and the Member left a spouse, the spouse shall be entitled to a pension equal to the aggregate of—

- (a) ½ of the Member's RMSPS NRA60 Pension which the Member would have received on that Member's date of death had that pension come into payment on that date without the reduction set out in Rule 3(9) (Benefits payable to Members on retirement); and
- (b) ½ of the Member's RMSPS NRA65 Pension in payment at the date of the Member's death (subject to Rules 13 (1) and (3) (Provisions applicable to Rules 11 and 12)).

(7) If the Member was in receipt of both his or her RMSPS NRA60 Pension and his or her RMSPS NRA65 Pension and died leaving a spouse, the spouse shall be entitled to a pension equal to the aggregate of—

- (a) ½ of the Member's RMSPS NRA60 Pension; and



(b)  $\frac{1}{2}$  of the Member's RMSPS NRA65 Pension,  
in both cases in payment on the date of the Member's death (subject to Rules 13(1) and (3) (Provisions applicable to Rules 11 and 12)).

### **Spouse's pension for Relevant Members**

**12.**—(1) In accordance with Rule 11(3) (Spouse's pension), this Rule 12 applies for the purposes of calculating the benefits payable to a spouse of a Relevant Member in respect only of that part of the Relevant Member's RMSPS NRA60 Pension attributable to RMSPS Reckonable Service before the Relevant Date. For avoidance of doubt, nothing in this Rule 12 affects the spouse's pension payable in respect of either the part of the Relevant Member's RMSPS NRA60 Pension attributable to RMSPS Reckonable Service on and after the Relevant Date, or in respect of the Relevant Member's RMSPS NRA65 Pension. The provisions of this Rule 12 are subject to the provisions of Rule 13 (Provisions applicable to Rules 11 and 12).

(2) Where the Relevant Member was in receipt of that Member's RMSPS NRA60 Pension on the date of his or her death and that Member dies leaving a widow or a Dependant Widower, the spouse's pension otherwise payable to the widow or Dependant Widower in respect of that part of his or her RMSPS NRA60 Pension attributable to RMSPS Reckonable Service before the Relevant Date shall be calculated as follows—

- (a) if under General Rule 20 (Widows' Pensions: Members' Choices) of the RMPP Rules the Relevant Member chose, or was deemed to have chosen, that his or her spouse shall receive an annual pension of  $\frac{1}{3}$  of the Relevant Member's pension in respect of his or her RMSPS Reckonable Service before the Relevant Date,  $\frac{1}{3}$  of that part of the Relevant Member's RMSPS NRA60 Pension in payment on the date of his or her death which is attributable to the Relevant Member's RMSPS Reckonable Service before the Relevant Date; or
- (b) if under General Rule 20 (Widows' Pensions: Members' Choices) of the RMPP Rules the Relevant Member chose that his or her spouse shall receive an annual pension of  $\frac{1}{2}$  of the Relevant Member's pension in respect of his or her RMSPS Reckonable Service before the Relevant Date,  $\frac{1}{2}$  of that part of the Relevant Member's RMSPS NRA60 Pension in payment on the date of his or her death which is attributable to the Relevant Member's RMSPS Reckonable Service before that date; or
- (c) if under General Rule 20 (Widows' Pensions: Members' Choices) of the RMPP Rules the Relevant Member chose, or was deemed to have chosen, that his or her spouse shall receive no annual pension in respect of his or her RMSPS Reckonable Service before the Relevant Date, the Relevant Member's spouse shall not be entitled to any pension attributable to that part of the Relevant Member's RMSPS NRA60 Pension in payment on the date of his or her death which is attributable to the Relevant Member's RMSPS Reckonable Service before the Relevant Date.

(3) Where the Relevant Member's RMSPS NRA60 Pension is preserved in the RMSPS on the date of his or her death and that Member dies leaving a widow or a Dependant Widower, the spouse's pension otherwise payable to the widow or Dependant Widower in respect of the part of his or her RMSPS NRA60 Pension attributable to RMSPS Reckonable Service before the Relevant Date shall be calculated as follows—

- (a) if under General Rule 20 (Widows' Pensions: Members' Choices) of the RMPP Rules the Relevant Member chose, or was deemed to have chosen, that his or her spouse shall receive an annual pension of  $\frac{1}{3}$  of the Relevant Member's pension in respect of his or her RMSPS Reckonable Service before the Relevant Date,  $\frac{1}{3}$  of that part of the Relevant Member's RMSPS NRA60 Pension which the Relevant Member would have received on the Cut-Off Date if that Member had then reached age 60 and which would have been attributable to the Relevant Member's RMSPS Reckonable Service before the Relevant Date; or

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- (b) if under General Rule 20 (Widows' Pensions: Members' Choices) of the RMPP Rules the Relevant Member has chosen that his or her spouse shall receive an annual pension of  $\frac{1}{2}$  of the Relevant Member's pension in respect of his or her RMSPS Reckonable Service before the Relevant Date,  $\frac{1}{2}$  of that part of the RMSPS NRA60 Pension which the Relevant Member would have received on the Cut-Off Date if that Member had then reached age 60 and which would have been attributable to the Relevant Member's RMSPS Reckonable Service before the Relevant Date; or
- (c) if under General Rule 20 (Widows' Pensions: Members' Choices) of the RMPP Rules the Relevant Member chose, or was deemed to have chosen, that his or her spouse shall receive no annual pension in respect of his or her RMSPS Reckonable Service before the Relevant Date, the Relevant Member's spouse shall not be entitled to any pension in respect of that part of the Relevant Member's RMSPS NRA60 Pension which is attributable to the Relevant Member's RMSPS Reckonable Service before the Relevant Date.

(4) Where the Relevant Member dies in any of the circumstances in Rules 11(4) to (7) (Spouse's pension) leaving a widower (who is not a Dependant Widower), the widower shall only receive a spouse's pension in respect of that part of the Relevant Member's RMSPS NRA60 Pension attributable to RMSPS Reckonable Service before the Relevant Date if the Relevant Member has purchased such a pension for the widower under the previous provisions of General Rule 26 (Election for Widower's pension in respect of service prior to 1 December 1971) of the RMPP Rules in force at the relevant time.

(5) For the purposes of this Rule 12 only, Dependant Widower means a widower to whom a Relevant Member was married at the date RMPP Reckonable Service ceased and who was permanently incapacitated and dependent on her at that date.

### **Provisions applicable to Rules 11 and 12**

**13.—**(1) If a Member dies in receipt of either or both his or her RMSPS NRA60 Pension or his or her RMSPS NRA65 Pension, the spouse's pension in respect of the pension (whether RMSPS NRA60 Pension, RMSPS NRA65 Pension, or both) in payment at the date of the Member's death shall, for a period of 91 days after the Member's death, be payable to the spouse at the same rate as the pension in payment at the date of the Member's death.

(2) If a Member dies in receipt of a pension (whether RMSPS NRA60 Pension, RMSPS NRA65 Pension or both) and the Member has married after the Cut-Off Date, the pension payable to the spouse in respect of whichever part of the Member's pension is in payment (whether RMSPS NRA60 Pension, RMSPS NRA65 Pension or both) shall be calculated excluding any part of the Member's RMSPS Reckonable Service in respect of which a refund of contributions referable to benefits paid under Section A or Section B to or in respect of the Member's widow, widower or children has been made: (i) from the RMSPS in accordance with General Rule 3 (Refund of contributions); or (ii) before the Cut-Off Date from the RMPP in accordance with General Rule 11 (Refund of contributions) of the RMPP Rules, unless there has been a subsequent payment of an equivalent amount to the Secretary of State by or on behalf of the Member together with Interest. Where a Member's RMSPS Reckonable Service exceeds 45 years the limits in Rules 3(3) and 3(4) (Benefits payable to Members on retirement) shall not apply for the purpose of this Rule.

(3) Any spouse's pension payable, provided it is not a widow's GMP, will be calculated without regard to any surrender of part of the Member's pension under Rule 16 (Surrender of part pension to provide for a spouse or other Dependant), inclusive of any amount that the Member was entitled to as a result of the exercise of the conversion option under Rule 17 (Conversion of lump sum into pension), and disregarding any exercise of the commutation option in Rule 18 (Commutation of pension) and shall be initially not less than £260 per annum and thereafter subject only to increases under Rule 19 (Pensions increase).

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(4) A spouse's pension shall not be payable in respect of service given by a Member before 6 April 1978 if at the time of the Member's death the spouse was judicially separated from that Member on terms by which that Member contributed nothing to the spouse's support.

(5) Where the recipient of a pension payable to a spouse remarries the pension will continue unreduced until the death of the recipient.

(6) A spouse will always receive any GMP that the RMSPS is required to provide for the spouse under the Contracting out Laws. Additionally, the spouse's pension must be sufficient to satisfy the statutory standard referred to in Section 12A of the Pension Schemes Act 1993, as would have applied under the RMPP if the relevant Member had retained his or her benefits in the RMPP and had opted out of the RMPP under General Rule 1A (Optional membership) of the RMPP Rules at the end of the Cut-off Date, or such higher standard as is agreed between the Principal Employer and the Secretary of State.

(7) Where a Member has transferred out either his or her RMSPS NRA60 Benefits or his or her RMSPS NRA65 Benefits in accordance with Clause 11 (Individual transfers out of the Scheme), the provisions of Rule 11 (Spouse's pension) and Rule 12 (Spouse's pension for Relevant Members) will apply only in respect of that tranche of benefit which is still retained in the RMSPS.

### **Children's pensions**

**14.—**(1) There shall be paid in respect of the Children of a Member who dies after the Cut-Off Date an annual pension of the following proportions of the pension or the deferred pension (both RMSPS NRA60 Pension and RMSPS NRA65 Pension) that Member was receiving or, in the case of a deferred pension, would have been entitled to receive at that date had the pension then come into payment without the reduction set out in Rule 3(9)—

(a) where the Member dies after the Cut-Off Date and a pension is paid under Rule 11 (Spouse's pension) (and, if applicable, Rule 12 (Spouse's pension for Relevant Members)) or Rule 15 (Dependants' pensions)—

1 Child  $\frac{1}{3}$  of the Member's pension

2 or more Children  $\frac{2}{3}$  of the Member's pension,

(b) where the Member dies after the Cut-Off Date and either no pension is paid under Rule 11 (Spouse's pension) (and, if applicable, Rule 12 (Spouse's pension for Relevant Members)) or Rule 15 (Dependant's pensions) or a pension ceases to be paid under either of those Rules—

1 Child  $\frac{4}{9}$  of the Member's pension

2 or more Children  $\frac{8}{9}$  of the Member's pension,

provided that—

(i) for the purposes of this sub-paragraph (1) no account shall be taken of any person in categories (d), (e) or (f) of the definition of "Child" who in the opinion of the Secretary of State was not wholly or mainly dependent on the Member at the date of that Member's retirement or earlier death;

(ii) the pension payable under this sub-paragraph (1) shall be calculated without regard to any surrender of part of the Member's pension under Rule 16 (Surrender of part pension to provide for a spouse or other Dependant), inclusive of any amount that the Member was entitled to as a result of the exercise of the conversion option under Rule 17 (Conversion of lump sum into pension), and disregarding any exercise of the commutation option in Rule 18 (Commutation of pension);

(iii) in any circumstances which the Secretary of State considers appropriate he may pay the higher level of pension where a pension is paid under Rule 11 (Spouse's pension) (and, if applicable,

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Rule 12 (Spouse's pension for Relevant Members)) or Rule 15 (Dependants' pensions), subject to the limits in Part IX (Overriding Finance Act Provisions) of this Schedule; and

(iv) should the payment of a pension to a Child under this sub-paragraph (1) constitute an unauthorised payment for the purposes of the Finance Act 2004, the Secretary of State has discretion not to pay that pension in accordance with Paragraph 3(a) of Part IX (Overriding Finance Act Provisions) of this Schedule.

(2) The annual rate of a children's pension while—

(a) there is only one eligible Child, shall be initially not less than £173.33 per annum and thereafter subject only to increases under Rule 19 (Pensions Increases); and

(b) there are two or more eligible Children, shall be initially not less than £260 per annum and thereafter subject only to increases under Rule 19 (Pensions Increases).

(3) Subject to Part IX (Overriding Finance Act Provisions) of this Schedule, a Child of a deceased Member who, at the date of death of the Member, is incapable of self support by reason of bodily or mental infirmity may at the discretion of the Secretary of State either receive or continue to receive (as the case may be) a Child's pension for as long as the Secretary of State may determine unless the Child is receiving a dependant's pension under Rule 15 (Dependants' pensions). For the purposes of this sub-paragraph only, the age limits specified in the definition of "Children" shall not apply.

(4) Where there are two or more eligible Children, the Secretary of State may at his discretion either pay any pension under this Rule equally between the Children or pay any pension in such shares to such Children as he determines.

### **Dependants' pensions**

**15.** If a Member dies after the Cut-Off Date leaving no surviving spouse the Secretary of State may at his sole discretion and subject to the provisions of paragraph 3 of Part IX (Overriding Finance Act Provisions) of this Schedule pay a Dependant's pension equivalent to the spouse's pension under Rule 11 (Spouse's pension) (and, if applicable, Rule 12 (Spouse's pension for Relevant Members)) to any person who in his opinion is a Dependant of the Member, for such period and subject to such terms as the Secretary of State may from time to time decide.

### **Surrender of part pension to provide for a spouse or other Dependant**

**16.—(1)** A Member shall have an option to surrender not more than  $\frac{1}{3}$  of that Member's pension under the RMSPS to provide a pension for a person referred to in sub-paragraph (3) below of such amount as may be calculated by the Secretary of State according to tables prepared by the Actuary.

(2) The option must be exercised within 6 months before the date on which the Member's pension becomes payable or within such longer period as the Secretary of State may specify in a particular case (or in the circumstances set out in sub-paragraph (8) below).

(3) The pension may be—

(a) for the Member's spouse from the day after the Member's death; or

(b) for one Dependant from the day after the Member's death.

(4) The spouse's or Dependant's pension payable after the Member's death shall not exceed the amount of the Member's pension reduced by the surrender under sub-paragraph (1) of this Rule.

(5) The amount to be surrendered shall be calculated to an exact number of pounds.

(6) Where the Member is entitled or prospectively entitled to a GMP the amount of pension surrendered under sub-paragraph (1) above may not exceed the amount which would make the Member's pension, after deduction of the amount surrendered, equal to such GMP.

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(7) Subject as mentioned in sub-paragraph (12) below of this Rule the option shall be irrevocable after midnight of the Member's last day of service with an Employer or after midnight of the day before that Member's pension becomes payable or after midnight of any day appointed for the purpose by the Secretary of State, whichever is the latest provided that if the Member or his or her spouse or Dependant dies before midnight of the relevant day the option shall be void.

(8) A Pensioner who marries after retirement shall have a similar option to provide by surrender of part of his or her own pension a pension for his or her spouse from the day after the Member's death provided that the amounts surrendered with any amount surrendered under the preceding part of this Rule shall not exceed  $\frac{1}{3}$  of his or her pension.

(9) The option under sub-paragraph (8) above shall be exercised within 3 months after the Pensioner's marriage, and subject as mentioned in sub-paragraph (12) below of this Rule shall be irrevocable after midnight of the date on which the Secretary of State receives notification of the exercise of the option or after midnight of any day appointed for the purpose by the Secretary of State, whichever is the later provided that if the Pensioner or his or her spouse dies before midnight on the relevant day the option shall be void.

(10) Except where they are inconsistent with sub-paragraphs (8) and (9) above the other sub-paragraphs of this Rule shall apply to pensions provided hereunder by a Pensioner as they apply to pensions provided hereunder by a Member.

(11) After any option under this Rule becomes effective the Member's pension will continue at the reduced rate if that Member survives his or her spouse or Dependant.

(a) (12) (a) Notwithstanding sub-paragraphs (7) and (9) above of this Rule a Pensioner who has exercised the option may notify the Secretary of State in such manner as he may require of his or her wish to cancel the option or reduce the amount of provision for the spouse's or Dependant's pension with retrospective effect from 1 April 1991, provided that any such notification will be subject to—

(i) acceptance by the Secretary of State at his discretion;

(ii) there being no resultant decrease in the spouse's or Dependant's overall benefit by comparison with such benefit payable before 1 April 1991; and

(iii) the prior written agreement of the potential beneficiary being given.

(b) The Secretary of State will also be entitled at his discretion to review any case in which a Pensioner, having exercised the option, has died, and he may in his discretion cancel the option or reduce the amount of provision for the spouse's or Dependant's pension with retrospective effect from 1 April 1991 if in his opinion it would have been in the best interests of the spouse or Dependant for the Pensioner to have done so himself or herself.

(13) Reduction of the provision for a spouse's or Dependant's pension under sub-paragraph (12) above of this Rule shall cause the Pensioner's benefit to be correspondingly restored with retrospective effect from 1 April 1991.

(14) For the purposes of this Rule, Members who were in RMSPS Reckonable Service on 1 April 2010 may surrender either or both RMSPS NRA60 Pension and RMSPS NRA65 Pension and references in this Rule to "pension" shall be interpreted accordingly. The fractions and limits on the amount that can be surrendered under this Rule shall apply separately to RMSPS NRA60 Pension and RMSPS NRA65 Pension.

### **Conversion of lump sum into pension**

17.—(1) A Member shall have the option, by giving notice in writing to the Secretary of State not later than 31 days before the date of retirement (or such later time as the Secretary of State may allow) to request that all or part of the lump sum (whether RMSPS NRA60 Lump Sum, RMSPS

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NRA65 Lump Sum, or both) payable on retirement shall be converted into an additional pension assessed on a basis to be determined by the Secretary of State on the advice of the Actuary.

(2) For the avoidance of doubt, any additional pension resulting from an exercise of the option under sub-paragraph (1) of this Rule will be taken into account for the purpose of determining any pension payable under Rule 11 (Spouse's pension) (and, where applicable, Rule 12 (Spouse's pension for Relevant Members)), Rule 14 (Children's pensions) or Rule 15 (Dependants' pensions), and Rule 9(2)(a)(i), Rule 9(3)(a)(i), Rule 9(4)(a)(i) or Rule 9(5) (Lump sum benefits payable on death of a Member) and Rule 19 (Pensions increase) shall apply to both the pension payable under Rule 3 (Benefits payable to members on retirement), Rule 6 (Benefits payable to Members who retire under the RMPP in the interests of efficiency), Rule 7 (Benefits payable to Members who retire under the RMPP on redundancy) or Rule 8 (Benefits payable to Members who take early voluntary retirement under the RMPP) (as appropriate) and the additional pension.

### **Commutation of pension**

**18.**—(1) A Member shall have the option, by giving notice in writing to the Secretary of State not later than 31 days before the date of retirement (or such later time as the Secretary of State may allow) to request that part or all of the pension (whether RMSPS NRA60 Pension, RMSPS NRA65 Pension, or both) payable on retirement shall be commuted into an additional lump sum assessed on a basis to be determined by the Secretary of State on the advice of the Actuary.

(2) For the avoidance of doubt, any reduction in pension resulting from an exercise of the option under sub-paragraph (1) above will be disregarded for the purpose of determining any pension payable under Rule 11 (Spouse's pension) (and, where applicable, Rule 12 (Spouse's pension for Relevant Members)), Rule 14 (Children's pensions) or Rule 15 (Dependants' pensions).

### **Pensions increase**

**19.**—(1) Any pension payable under the Section B Rules shall be increased from time to time in accordance with the 1971 Act and Sections 59 and 59A of the 1975 Act, as if it were a pension beginning on the Member's COD Beginning Date and it were payable under the Principal Civil Service Pension Scheme 1974 and any amendment or replacement thereof, subject to the modifications set out in and the additional provisions of this Rule.

(2) Subject to the further provisions made by sub-paragraphs (5) to (8) below, a Member's RMSPS Final Salary Benefits will be increased in accordance with sub-paragraph (3) below, and a Member's CSDB Benefits will be separately increased in accordance with sub-paragraph (4) below, provided that—

- (a) where different parts of the Member's RMSPS and RMPP benefits are for the purposes of Section 8(2) of the 1971 Act deemed to begin on different days, then for the avoidance of doubt the revaluation process under this paragraph will apply separately to the Member's RMSPS benefit in respect of each such part and a reference to the revaluation process applicable to the Member's RMPP benefit will be a reference to that process as applicable separately to the Member's RMPP benefit in respect of each such part. The definitions of "Applicable Revaluation Year", "CSDB Applicable Revaluation Year", "CSDB Terminal Revaluation Year", "Relevant RMPP Beginning Date", "COD Beginning Date" and "RMPP Terminal Revaluation Year" will be read accordingly; and
  - (b) where the COD Beginning Date in respect of the Member's benefit is on the same date as or later than the Relevant RMPP Beginning Date, the Member's benefit will not increase under sub-paragraph (3) or (4).
- (3) The Member's RMSPS Final Salary Benefit shall be increased as follows—
- (a) Where the Member's COD Beginning Date is before the start of the Member's RMPP Terminal Revaluation Year, in respect of the period from the Member's COD Beginning

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Date to the start of that Member's RMPP Terminal Revaluation Year, it shall be increased as if the percentage specified in each Pension Increase Order coming into force on or before the Relevant RMPP Beginning Date were the higher of zero and the percentage increase in the Government index of retail prices for the 12 months to the September preceding the date on which that Pension Increase Order came into force.

- (b) In respect of the period from the start of the Member's RMPP Terminal Revaluation Year to the Relevant RMPP Beginning Date, it shall be revalued by the factor of  $(1+A\%)$  divided by  $(1+B\%)$ , or by a factor of one, if greater, where—

A% = the percentage increase (if any) in the Government index of retail prices for the 12 months to the September of the Member's Applicable Revaluation Year, as if that percentage were the percentage increase specified in the Pension Increase Order which came into force at the end of the Member's Applicable Revaluation Year; and

B% = (A% multiplied by: ((i) the number of complete months in the period from the Relevant RMPP Beginning Date to the end of that Member's RMPP Terminal Revaluation Year; plus (but only where the Relevant RMPP Beginning Date falls in the same Revaluation Year as that Member's COD Beginning Date) (ii) the number of complete months in the period from the start of that Member's RMPP Terminal Revaluation Year to that Member's COD Beginning Date)) divided by 12,

and an incomplete month is to be treated as a complete month if it would have been so treated for the purposes of the Pension Increase Order coming into force at the end of the Member's Applicable Revaluation Year.

- (4) A Member's CSDB Benefits will be increased as follows—

- (a) In respect of the period from the Member's COD Beginning Date to the start of the Member's CSDB Terminal Revaluation Year, it shall be increased as if the percentage specified in each Pension Increase Order coming into force on or before the Relevant RMPP Beginning Date were the higher of zero and the percentage increase in the Government index of retail prices for the 12 months to the September preceding the date on which that Pension Increase Order came into force.

- (b) In respect of the period following the start of the Member's CSDB Terminal Revaluation Year to the Relevant RMPP Beginning Date, the CSDB Benefits will be increased by the factor of  $(1+C\%)$  divided by  $(1+D\%)$ , or by a factor of one, if greater, where—

C% = the percentage increase (if any) in the Government index of retail prices for the 12 months to the September of the Member's CSDB Applicable Revaluation Year, as if that percentage were the percentage specified in the Pension Increase Order which came into force at the end of the Member's CSDB Applicable Revaluation Year; and

D% = (C% multiplied by: ((i) the number of complete months in the period from the Member's Deemed RMPP Exit Date to the end of that Member's CSDB Terminal Revaluation Year; plus (but only where the Member's Deemed RMPP Exit Date falls in the same Revaluation Year as the Commencement Date) (ii) the number of complete months in the period from the start of that Member's CSDB Terminal Revaluation Year to the Commencement Date)) divided by 12,

and an incomplete month is to be treated as a complete month if it would have been so treated for the purposes of the Pension Increase Order coming into force at the end of the Member's CSDB Applicable Revaluation Year.

- (5) Subject to sub-paragraphs (6), (7) and (8) below, in respect of the period from the Relevant RMPP Beginning Date, the Member's benefit shall be increased in accordance with the 1971 Act as if it were a pension beginning on the Relevant RMPP Beginning Date. For these purposes, the modifications set out in sub-paragraphs (3) and (4) above will not apply to the requirements of the 1971 Act.

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(6) Where the Relevant RMPP Beginning Date and RMSPS Retirement Date both occur in the same Revaluation Year as that Member's Deemed RMPP Exit Date, the Member's pension will be increased at the Member's RMSPS Retirement Date by the Statutory Underpin Amount with respect to the period from the COD Beginning Date to the Relevant RMPP Beginning Date.

(7) Where the Relevant RMPP Beginning Date occurs in the same Revaluation Year as that Member's Deemed RMPP Exit Date, at the effective date of the first Pension Increase Order to come into force on or after the Member's Deemed RMPP Exit Date, the Member's pension will be increased by the Statutory Underpin Amount with respect to the period from the COD Beginning Date to the effective date of the first Pension Increase Order to come into force on or after the Relevant RMPP Beginning Date.

(8) Where the Relevant RMPP Beginning Date does not occur in the same Revaluation Year as the Member's Deemed RMPP Exit Date, at the Relevant RMPP Beginning Date the Member's pension will be increased by such additional amount (if any) as may be required to ensure that the amount of the Member's pension is not less than the amount it would have been had any increases provided under sub-paragraphs (3)(a) and (3)(b) been calculated by reference to the actual percentages specified in the Pension Increase Orders applicable to the periods described in those sub-paragraphs.

(9) Any pension payable prior to Normal Retiring Age will receive annual increases (where payable) as if it were a pension payable on or after Normal Retiring Age.

(10) In this Rule—

“1971 Act” means the Pensions (Increase) Act 1971(28);

“1975 Act” means the Social Security Pensions Act 1975(29);

“1992 Act” means the Social Security Administration Act 1992(30);

“Applicable Revaluation Year” means the Revaluation Year ending immediately before a Member's RMPP Terminal Revaluation Year unless the Member's RMPP Beginning Date falls in a Revaluation Year before the Revaluation Year in which that Member's Deemed RMPP Exit Date falls, in which case references to that Member's “Applicable Revaluation Year” should be read as references to that Member's RMPP Terminal Revaluation Year;

“COD Beginning Date” means the date on which a Member's pension under the RMSPS is deemed to begin for the purposes of Section 8(2) of the 1971 Act, which is the date that that Member's corresponding Section B pension under the RMPP would have been deemed to begin for the purposes of that section if that Member had opted out of the RMPP under General Rule 1A (Optional membership) of the RMPP Rules at the end of the Cut-Off Date;

“Corresponding RMPP Amount” means—

- (a) in relation to a Member's RMSPS Final Salary Benefits, the “Notional RMSPS NRA60 Final Salary Benefits” in respect of that Member, as defined under Rule 1 (Definitions) of Section B of the RMPP Rules;
- (b) in relation to a Member's RMSPS NRA60 CSDB Benefits, the “Notional RMSPS NRA60 CSDB Benefits” in respect of that Member, as defined under Rule 1 (Definitions) of Section B of the RMPP Rules; and
- (c) in relation to a Member's RMSPS NRA65 CSDB Benefits, the “Notional RMSPS NRA65 CSDB Benefits” in respect of that Member, as defined under Rule 1 (Definitions) of Section B of the RMPP Rules;

“CSDB Applicable Revaluation Year” means the Revaluation Year ending immediately before a Member's CSDB Terminal Revaluation Year;

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(28) 1971 c.56.

(29) 1975 c.60.

(30) 1992 c.5.



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“CSDB Terminal Revaluation Year” means the Revaluation Year during which a Member’s Deemed RMPP Exit Date falls;

“Deemed RMPP Exit Date” means the earlier of the Member’s RMPP Exit Date and the date on which he or she takes the Relevant RMPP Margin Benefit in respect of his or her RMSPS benefit or where appropriate benefit component;

“pension” has the same meaning as it has in the 1971 Act;

“Pension Increase Order” means an order made under Section 59 of the 1975 Act, by virtue of a direction given under Section 151 of the 1992 Act that the sums mentioned in Section 150(1) (c) of the 1992 Act are to be increased by a specified percentage;

“Relevant RMPP Margin Benefit” means, in respect of a Member’s RMSPS benefit or where appropriate benefit component, the Member’s RMPP benefit or where appropriate benefit component in the calculation of which the Corresponding RMPP Amount in relation to that RMSPS benefit or benefit component is being used;

“Revaluation Year” means, in respect of a Member’s benefit under the RMSPS, the “base period” in relation to any Pension Increase Order, as defined in section 59 of the 1975 Act;

“Relevant RMPP Beginning Date” means, in respect of a Member’s RMSPS benefit or where appropriate benefit component, the date on which the Member’s Relevant RMPP Margin Benefit in respect of that RMSPS benefit or benefit component is deemed to begin under Section 8(2) of the 1971 Act;

“RMPP Terminal Revaluation” Year means the Revaluation Year during which the Relevant RMPP Beginning Date falls;

“RMSPS CSDB Benefits” means a Member’s—

- (a) RMSPS NRA60 CSDB Benefits; and
- (b) RMSPS NRA65 CSDB Benefits;

“RMSPS Final Salary Benefits” means a Member’s Section B benefit attributable to RMSPS Reckonable Service before 1 April 2008;

“RMSPS NRA60 CSDB Benefits” means a Member’s Section B benefits attributable to RMSPS Reckonable Service on and from 1 April 2008 up to and including 31 March 2010;

“RMSPS NRA65 CSDB Benefits” means a Member’s Section B benefits attributable to RMSPS Reckonable Service on and from 1 April 2010 up to and including the Cut-Off Date;

“RMSPS Retirement Date” means the date the Member’s RMSPS benefit or where appropriate benefit component comes into payment; and

“Statutory Underpin Amount” means such additional amount (if any) as may be required to ensure that at that time, the amount of the Member’s pension is no less than the amount it would have been had it been a pension beginning on the Member’s COD Beginning Date and payable under the Principal Civil Service Pension Scheme 1974 and any amendment or replacement thereof, and increased in accordance with the 1971 Act and Sections 59 and 59A of the 1975 Act, without the modifications set out in this Rule 19.

## **Terminal illness**

**20.**—(1) This Rule shall apply where—

- (a) a registered medical practitioner has advised a Member’s Employer in writing before the Member’s death that in his opinion such Member is suffering from a terminal illness and ought not to be told; and

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- (b) the Member could have been Retired on RMPP Ill Health Grounds but was not so retired because the Employer decided (and recorded such decision before the Member's death) not to make known to that Member the extent of his or her ill health; and
  - (c) as a result of such decision the Member died in the employment of an Employer instead of in retirement.
- (2) The Secretary of State shall pay in respect of such a Member whichever of the following two sets of benefits would, in the opinion of the Secretary of State, be the more beneficial, either—
- (a) those benefits which would have been payable if the Member had been Retired on RMPP Ill Health Grounds on the day before that Member died in the employment of an Employer; or
  - (b) those benefits which would have been payable on such Member's death in the employment of an Employer.

## PART V

### SECTION C RULES OF THE SCHEME

#### Application

1. These Section C Rules shall only apply to Members who are Section C Actives, and they do not apply to Members who are Cut-Off Date Non-Actives or to any other Wholly Transferred Beneficiaries. References to Member, RMPP Active and RMPP Leaver in these Section C Rules shall be read accordingly.

#### Definitions and interpretation

2. In these Section C Rules the following expressions have the meaning hereby assigned to them—

“Beneficiaries” means the Member's widow or widower, his or her grandparents (save that for the purpose of this definition a Member's adoptive grandparents shall be deemed to be his or her grandparents) and their descendants (and the spouses, widows or widowers of those descendants), his or her Dependants, any person with an interest in his or her estate and any person nominated by the Member in writing to the Secretary of State or, before the Commencement Date, to the RMPP Trustees under Section C of the RMPP Rules.

“CSDB Pensionable Pay” means, in relation to each RMSPS Pension Block, the amount that would have been the “CSDB Pensionable Pay” of a Member (as recognised for the purposes of the RMPP under Rule 1 (Meaning of words used) of Section C of the RMPP Cut-Off Date Rules) during the 12 months up to and including the Renewal Date that is applicable to that RMSPS Pension Block had that Member opted out of the RMPP under Rule 10E (Opting out of the Scheme) of Section C of the RMPP Cut-Off Date Rules at the end of the Cut-Off Date.

“A Dependant” of any person means anyone who is financially dependent on the Member or was so dependent at the time of that person's death. This includes anyone who shares living expense with, or receives financial support from, the Member or other person, and whose standard of living would be affected by the loss of that person's contribution or support. The Secretary of State's decision as to whether someone is another person's Dependant will be final;

“Discharged RMPP Benefit” has the meaning given in Rule 4(4) (Payment of RMSPS benefits, retirement options and flexible retirement);

“Employee” means an employee of an Employer;

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“Lower Earnings Deduction” means the “Lower Earnings Deduction” as recognised for the purposes of the RMPP under the Section C Rules of the RMPP Cut-Off Date Rules, calculated as if each Member had opted-out of Section C of the RMPP under Rule 10E (Opting out of the Scheme) of Section C of the RMPP Cut-Off Date Rules at the end of the Cut-Off Date;

“Minimum Pension Age” means age 50 up to and including 5 April 2010 and age 55 on and from 6 April 2010 (and “MPA” shall have the same meaning);

“Nil Margin Member” has the meaning given in Rule 4(5) (Payment of RMSPS benefits, retirement options and flexible retirement);

“Normal Retiring Age” means age 60 for RMSPS NRA60 Pension and age 65 for RMSPS NRA65 Pension (except where specified otherwise in the Rules);

“Partially Discharged RMPP Member” has the meaning given in Rule 4(4) (Payment of RMSPS benefits, retirement options and flexible retirement);

“Part-time Member” means a Member who is contracted to work less than the full-time hours specified for that Member’s grade in the terms and conditions of employment appropriate to that Member;

“Pensionable Children” means children born of the Member, children legally adopted by the Member, a child of the Member conceived before that Member’s death and born after and any other children whom the Secretary of State is satisfied were wholly or mainly dependent on the Member at the time of that Member’s death, and whom he agrees to treat as Pensionable Children.

A child will only be a Pensionable Child if at the date of the Member’s death that child is under age 18 or under age 25 and in full-time education or training approved by the Secretary of State (subject to Part IX (Overriding Finance Act Provisions) of this Schedule) or incapable of self-support because of physical or mental incapacity. The child will remain a Pensionable Child for so long as the Secretary of State may decide but not beyond age 18 or age 25 and in full-time education or training approved by the Secretary of State (subject to Part IX (Overriding Finance Act Provisions) of this Schedule) unless the child is incapable of self support because of physical or mental incapacity;

“Relevant RMSPS Benefit” means the RMSPS benefit of a Partially Discharged RMPP Member (being either that Member’s RMSPS NRA60 Pension or RMSPS NRA65 Pension) which corresponds to that Member’s Discharged RMPP Benefit;

“Renewal Date” means 31 March of each year following 1 April 2008;

“RMPP Contributory Pay” means a Member’s “Contributory Pay” as recognised for the purposes of the RMPP under Rule 1 of Section C of the RMPP Cut-Off Date Rules calculated as if that Member had opted-out of Section C of the RMPP under Rule 10E (Opting out of the Scheme) of Section C of the RMPP Cut-Off Date Rules at the end of the Cut-Off Date;

“RMPP Final Pensionable Pay” has the meaning given in Rule 16 (Revaluation of preserved pension);

“RMPP Incapacity” means—

- (a) in relation to a Member, serious physical or mental ill health (not simply a decline in energy or ability) such that, in the opinion of the Employer, the Member is permanently incapable of—
  - (i) carrying out that Member’s current duties;
  - (ii) carrying out such other duties for the Employer as the Employer might reasonably expect the Member to perform; and

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- (iii) engaging in employment with any other employer of a type which, in the opinion of that Member's present Employer, would be reasonable and appropriate for the Member; and
- (b) in relation to an RMPP Leaver who was in RMPP Pensionable Service on 31 March 2000 but who becomes an RMPP Leaver after the end of the Cut-Off Date and remains employed by an Employer, physical or mental incapacity which prevents a Member from following that Member's normal occupation or seriously impairs that Member's earning capacity.

The Employer's decision as to whether a Member is so incapacitated under Paragraph (a) or (b) above will be final.

"RMPP NRA60 Pension" means in respect of a Member, the "NRA60 Pension" of the Member under the RMPP as defined by the RMPP Rules;

"RMPP NRA65 Pension" means in respect of a Member, the "NRA65 Pension" of the Member under the RMPP as defined by the RMPP Rules;

"RMPP NRA60 Pension Supplement" has the meaning given in Rule 5(8) (RMSPS Pension Supplement);

"RMPP NRA65 Pension Supplement" has the meaning given in Rule 5(8) (RMSPS Pension Supplement);

"RMPP Pension Supplement" means in respect of a Member, the "Pension Supplement" of the Member (if any) under the RMPP as defined by Section C the RMPP Rules;

"RMPP Pensionable Service" means, in relation to a Section C Active, the Member's "Pensionable Service" under Rule 1 (Meaning of words used) of Section C of the RMPP Rules;

"RMPP Transfer Credit Pension Supplement" has the meaning given in Rule 5(1) (RMSPS Pension Supplement);

"RMSPS Final Pensionable Pay" means the amount that would have been a Member's "Final Pensionable Pay" under the RMPP if that Member had opted-out of Section C of the RMPP under Rule 10E (Opting out of the Scheme) of Section C of the RMPP Cut-Off Date Rules at the end of the Cut-Off Date;

"RMSPS NRA60 Pension" has the meaning given in Rule 3(1) (Benefits payable to Members on retirement);

"RMSPS NRA65 Pension" has the meaning given in Rule 3(2) (Benefits payable to Members on retirement);

"RMSPS NRA60 Pension Supplement" has the meaning given in Rule 5(2) (RMSPS Pension Supplement);

"RMSPS NRA65 Pension Supplement" has the meaning given in Rule 5(2) (RMSPS Pension Supplement);

"RMSPS Pensionable Service" means—

- (a) for a Member who has not worked for that Member's Employer other than in a full-time capacity, that Member's RMSPS Reckonable Service; and
- (b) for a Member who is or has been a Part-time Member that Member's RMSPS Reckonable Service adjusted so that each part-time period of RMSPS Reckonable Service reckons at its full length multiplied by the proportion which part-time hours bear to full-time hours (excluding meal breaks if they are excluded in the Member's terms and conditions of employment).

"RMSPS Pension Block" has the meaning assigned to it in Rule 3(5)(a) (Benefits payable to members on retirement);

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“RMSPS Pension Supplement” means the pension calculated and payable in accordance with Rule 5 (RMSPS Pension Supplement);

“RMSPS Reckonable Service” means, in relation to a Section C Active, such period as would have constituted the Member’s “Reckonable Service” for the purposes of the RMPP, as defined in Rule 1 of Section C of the RMPP Cut-Off Date Rules, had that Member opted out of the RMPP under Rule 10E (Opting out of the Scheme) of Section C of the RMPP Cut-Off Date Rules at the end of the Cut-Off Date, but excluding any period of employment which was, at the end of the Cut-Off Date, not treated by the RMPP Cut-Off Date Rules as continuous with the Member’s then continuing RMPP Reckonable Service. For avoidance of doubt, this shall—

- (a) include a period of employment which was, at the end of the Cut-Off Date, treated by the RMPP Cut-Off Date Rules as continuous with the Member’s then-continuing RMPP Reckonable Service;
- (b) include the part of the Member’s RMPP Reckonable Service purchased by the Member under Rule 3C (Additional voluntary contributions by Members) of Section C of the RMPP Rules as constitutes the “Pre-Cut-Off Date AVC FS Added Years Service” of a Section C Active, as defined in Rule 1 of Section C of the RMPP Rules;
- (c) be subject to any special conditions specified by the Principal Employer and agreed by the RMPP Trustees in respect of that Member under Rule 3B(c) (Contributions by Members) and Rule 10B (Temporary Absence) of Section C of the RMPP Cut-Off Date Rules; and
- (d) be subject to any adjustment to reflect suspension of member contributions to the RMPP under the RMPP Rules as at the end of the Cut-Off Date;

“RMSPS Revalued Pension Block” has the meaning assigned to it in Rule 3(5)(b) (Benefits payable to Members on retirement);

“RMSPS Transfer Credit Pension Supplement” has the meaning given in Rule 5(1) (RMSPS Pension Supplement);

“Scheme Earnings Cap” has the meaning given to it in paragraph 7(a) of Part IX (Overriding Finance Act Provisions) of this Schedule;

“Service” means service as an Employee (including service before the Employer participated in the RMPP);

“State Pension Age” means, in respect of each Member, that Member’s “pensionable age” as set out in Part I of Schedule 4 of the Pensions Act 1995(31);

“Suspended Pre-Cut-Off Date RMPP Pension Supplement” has the meaning given in Rule 5(6) (RMSPS Pension Supplement);

“Unpaid Absence” means leave or absence from work which the Employer agrees should qualify as Unpaid Absence; and

“Wholly Discharged RMPP Member” has the meaning given in Rule 4(4) (Payment of RMSPS benefits, retirement options and flexible retirement).

### **Benefits payable to Members on retirement**

3.—(1) Subject to sub-paragraph (3) below, every Member who retires after the Cut-Off Date at or after age 60 will receive a pension for life (RMSPS NRA60 Pension) of the sum of—

- (a)  $\frac{1}{60}$ th of that Member’s RMSPS Final Pensionable Pay for each complete year of RMSPS Pensionable Service (together with an additional pro rata amount for each complete day) before 1 April 2008; and

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(31) 1995 c.26.

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- (b) the sum of the Member's RMSPS Revalued Pension Blocks, as calculated under sub-paragraph (5) below, for RMSPS Pensionable Service on and after 1 April 2008 and on and before 31 March 2010,

plus the RMSPS Pension Supplement (if any) calculated and payable in accordance with Rule 5 (RMSPS Pension Supplement).

(2) Subject to sub-paragraph (3) below, a Member who retires after the Cut-Off Date at or after age 65 will receive a pension for life (RMSPS NRA65 Pension) of the sum of the Member's RMSPS Revalued Pension Blocks, as calculated under sub-paragraph (5) below, for RMSPS Pensionable Service from and including 1 April 2010 until the end of the Cut-Off Date, plus the RMSPS Pension Supplement (if any) calculated and payable in accordance with Rule 5 (RMSPS Pension Supplement).

(3) For the purposes of calculating the Member's pension under this Rule 3, the total amount of RMSPS Pensionable Service for sub-paragraphs (1) and (2) above combined (including the RMSPS Pension Supplement, if any) shall not exceed 45 years including for these purposes the Member's "Pre-Cut-Off Date AVC FS Added Years Service" (if any) as described in Paragraph (b) of the definition of RMSPS Reckonable Service in Rule 2 (Definitions and interpretation).

(4) All Members will be entitled to both RMSPS NRA60 Pension in respect of RMSPS Reckonable Service on or before 31 March 2010 (calculated in accordance with sub-paragraph (1) above) and RMSPS NRA65 Pension in respect of RMSPS Reckonable Service on and after 1 April 2010 (calculated in accordance with sub-paragraph (2) above).

(5) In respect of RMSPS Pensionable Service on or after 1 April 2008 to the earlier of completion of 45 years' RMSPS Reckonable Service and the Cut-Off Date (inclusive), the benefits of each Member shall be determined on the following basis—

- (a) At each Renewal Date up to and including the Cut-Off Date, the Member accrued under the RMPP a pension of  $\frac{1}{60}$ th of the Member's CSDB Pensionable Pay for the year up to and including the Renewal Date (an RMSPS Pension Block).
- (b) The RMSPS Pension Block accrued at each Renewal Date was revalued under the RMPP, first at the Renewal Date at the end of the subsequent year and then at each subsequent Renewal Date thereafter, up to and including the Cut-Off Date by the annual increase in the Government index of retail prices for all items for the 12 months to the preceding September subject to a maximum increase of 5% and a minimum increase of 0% each year.
- (c) Each RMSPS Pension Block, as successively revalued under Paragraph (b) above, will be an RMSPS Revalued Pension Block.

(6) The benefits payable under this Rule 3 will be revalued in accordance with Rule 16 (Revaluation of preserved pensions) and will be preserved until the Member reaches Normal Retiring Age at which point they will be brought into payment, unless one of the following applies—

- (a) The benefits will be paid to the Member after Normal Retiring Age in accordance with Rule 6 (Late retirement).
- (b) Benefits will be paid to a Member who retires before Normal Retiring Age through RMPP Incapacity in accordance with Rule 7 (Early retirement through incapacity).
- (c) If the Member dies before payment (whether of RMSPS NRA60 Benefits, RMSPS NRA65 Benefits, or both), benefits will be paid under Rule 9 (Lump sum death benefits), Rule 10 (Discretionary trusts), Rule 11 (Pensions for spouses, children and dependants), Rule 12 (Spouse's pension and dependants' pension), Rule 13 (Children's pension) and Rule 15 (Spouse's and children's pensions).
- (d) A Member whose benefits (whether RMSPS NRA60 Benefits, RMSPS NRA65 Benefits, or both) are preserved under this sub-paragraph (6) will (if the payment of immediate benefits is not contrary to the provisions of Part IX (Overriding Finance Act Provisions) of

this Schedule) receive early payment before Normal Retiring Age of either or both of those tranches of benefits in the circumstances set out in Rule 4 (Payment of RMSPS benefits, retirement options and flexible retirement). If only one tranche is brought into payment, the remaining tranche will continue to be preserved under this Rule 3 (although, for avoidance of doubt, the remaining tranche can be brought into payment early subsequently in the circumstances set out in Rule 4 or as may otherwise be provided for under these Rules).

- (e) Except as may otherwise be provided for under these Rules, any benefits paid early under Paragraph (d) above will be reduced on a basis determined by the Secretary of State and which has been certified as reasonable by the Actuary to take account of early payment.

(7) In the case of early payment under Paragraph (6)(d) above, the Secretary of State after taking into account the advice of the Actuary must be reasonably satisfied that the pension is at least equal in value to the preserved pension (including future increases under Rule 17 (Pension increases)) payable from age 60 (in respect of RMSPS NRA60 Pension) and age 65 (in respect of RMSPS NRA65 Pension) to which that Member would otherwise have become entitled.

(8) A Member may not defer RMSPS NRA60 Pension after age 60 or RMSPS NRA65 Pension after age 65 save as permitted under Rule 6 (Late retirement).

#### **Payment of RMSPS benefits, retirement options and flexible retirement**

**4.—**(1) A Member's RMSPS NRA60 Pension and RMSPS NRA65 Pension are separate benefit entitlements, and shall constitute separate arrangements for the purposes of the Finance Act 2004<sup>(32)</sup> provided that the Secretary of State has the power to arrange the benefits under the RMSPS (in respect of one or a number of Members) so that RMSPS NRA60 Pension and RMSPS NRA65 Pension constitute the same arrangement for the purposes of the Finance Act 2004.

(2) Subject to sub-paragraph (4) below in relation to Wholly Discharged RMPP Members and Partially Discharged RMPP Members and sub-paragraph (5) below in relation to Nil Margin Members, but despite any other provision of these Section C Rules—

- (a) a Member's RMSPS NRA60 Pension—
  - (i) will come into payment automatically under the RMSPS when that Member draws or is paid his or her RMPP NRA60 Pension from the RMPP (having obtained all consents necessary under the RMPP to do so); and
  - (ii) may not come into payment under the RMSPS until that Member draws or is paid his or her RMPP NRA60 Pension from the RMPP; and
- (b) a Member's RMSPS NRA65 Pension—
  - (i) will come into payment automatically under the RMSPS when that Member draws or is paid his or her RMPP NRA65 Pension from the RMPP (having obtained all consents necessary under the RMPP to do so); and
  - (ii) may not come into payment under the RMSPS until that Member draws or is paid his or her RMPP NRA65 Pension from the RMPP.

Rule 6 (Late retirement) and Rule 7 (Early retirement through incapacity) will in each case apply on a basis that is consistent with this principle (except that sub-paragraphs (4) and (5) below, and any specific provisions that are set out in those Rules, will apply in relation to Wholly Discharged RMPP Members, Partially Discharged RMPP Members and Nil Margin Members).

(3) Where a Member's RMSPS NRA60 Pension or RMSPS NRA65 Pension—

- (a) should have come into payment automatically under Paragraph (2)(a) or (b) but has not come into payment, the Member shall be paid the relevant RMSPS NRA60 Pension or

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(32) 2004 c.12.

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RMSPS NRA65 Pension in arrears, with such Interest, if any, as the Secretary of State considers appropriate; and

- (b) has come into payment, but the RMPP NRA60 Pension or RMPP NRA65 Pension, as appropriate under Paragraph (2)(a) or (b), has not come into payment, the relevant RMSPS NRA60 Pension or the RMSPS NRA65 Pension will be treated as having been paid in error, and the Secretary of State must take whatever action he deems appropriate in his absolute discretion to correct the error.

(4) In the event that a Member—

- (a) ceases to be a member of the RMPP by reason of a transfer of all of that Member's benefits out of the RMPP (other than a transfer to a New POL Scheme described in Clause 5 (New POL Scheme)) or a discharge of all of the RMPP Trustees' obligations to provide benefits to that Member (in either case, other than money purchase benefits (such Member being a Wholly Discharged RMPP Member)); or
- (b) ceases to have a right or entitlement to either that Member's RMPP NRA60 Pension or RMPP NRA65 Pension for one of the reasons set out in Paragraph (a) above (such Member being a Partially Discharged RMPP Member and that benefit being a Discharged RMPP Benefit),

the following will apply—

- (i) Sub-paragraphs (2) and (3) above will not apply in respect of a Wholly Discharged RMPP Member or, in the case of a Partially Discharged RMPP Member, that Member's Relevant RMSPS Benefit, if and to the extent that any benefit under the RMSPS has not yet (or should have) come into payment under sub-paragraph (2).
- (ii) Rule 6 (Late retirement) and Rule 7 (Early retirement through incapacity) will apply in respect of the Wholly Discharged RMPP Member or, in the case of a Partially Discharged RMPP Member, that Member's Relevant RMSPS Benefit, as provided for in each of those Rules.
- (iii) Any Wholly Discharged RMPP Member whose benefits (or some of them) are preserved under Rule 3(6) (Benefits payable to Members on retirement) may elect, any time after Minimum Pension Age to take his or her RMSPS NRA60 Benefits or (if applicable) his or her RMSPS NRA65 Benefits, or both.

Similarly, if Relevant RMSPS Benefit of a Partially Discharged RMPP Member is preserved under Rule 3(6) (Benefits payable to Members on retirement) that Member may elect, any time after Minimum Pension Age to take that RMSPS benefit.

This election shall require the consent of the Secretary of State (provided that such consent shall not be required in respect of a RMSPS NRA60 Pension if the Wholly Discharged RMPP Member or Partially Discharged RMPP Member has reached age 60, and shall not be required in respect of a RMSPS NRA65 Pension if the Wholly Discharged RMPP Member or Partially Discharged RMPP Member has reached age 65). If only one tranche of benefit is taken, the other shall continue to be preserved but, for avoidance of doubt, the remaining tranche can subsequently be brought into payment early in accordance with this Rule.

Similarly, if Relevant RMSPS Benefit of a Partially Discharged RMPP Member is preserved under Rule 3(6) (Benefits payable to Members on retirement) that Member may elect, any time after Minimum Pension Age to take that RMSPS benefit.

This election shall require the consent of the Secretary of State (provided that such consent shall not be required in respect of a RMSPS NRA60 Pension if the Wholly Discharged RMPP Member or Partially Discharged RMPP Member has reached age 60, and shall not be required in respect of a RMSPS NRA65 Pension if the Wholly Discharged RMPP Member or Partially Discharged RMPP Member has reached age 65). If only one tranche of benefit is taken, the other shall continue to be preserved but, for avoidance of doubt, the remaining tranche can subsequently be brought into payment early in accordance with this Rule.



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(iv) Any Wholly Discharged RMPP Member may draw his or her RMSPS NRA60 Pension and his or her RMSPS NRA65 Pension at different times in accordance with the provisions of this Rule. However, if a Wholly Discharged RMPP Member or Partially Discharged RMPP Member wishes to draw his or her RMSPS NRA 60 Pension, that Member must draw all his or her RMSPS NRA60 Pension at the same time and not only part of it (and the same applies to RMSPS NRA65 Pension). Provided that where a Wholly Discharged RMPP Member or Partially Discharged RMPP Member had at the end of the Cut-Off Date two or more periods of RMPP Reckonable Service which were treated separately in accordance with Rule 10A (Breaks in Reckonable Service) of Section C of the RMPP Cut-Off Date Rules, the Member may draw benefits in respect of each period separately on the same basis as applied under the RMPP before 1 April 2010.

(5) This sub-paragraph applies to a Member (not being a Partially Discharged RMPP Member whose Relevant RMSPS Benefit is his or her RMSPS NRA60 Pension or a Wholly Discharged RMPP Member) whose RMSPS NRA60 Pension has not yet been brought into payment and who has a prospective RMPP NRA60 Pension payable from the RMPP under Rule 5A(1) (Normal Retirement) of Section C of the RMPP Rules of nil (as described in Rule 5AX (Deemed crystallisation of NRA60 Pension where no margin over RMSPS NRA60 Pension) of Section C of the RMPP Rules)) on the earliest of the dates specified in Paragraph (d) below (any such Member being a Nil Margin Member).

- (a) Sub-paragraphs (2) and (3) above will not apply in respect of the Nil Margin Member, if and to the extent that any benefit under the RMSPS has not yet (or should have) come into payment under sub-paragraph (2).
- (b) Rule 6 (Late retirement) and Rule 7 (Early retirement through incapacity) will apply in respect of the Nil Margin Member on the basis provided for in each of those Rules.
- (c) The Nil Margin Member may elect to take his or her RMSPS NRA60 Pension at any time after Minimum Pension Age. This election shall require the consent of the Secretary of State (provided that such consent shall not be required if the Nil Margin Member has reached age 60). If only the RMSPS NRA60 Pension is taken, the RMSPS NRA65 Pension shall continue to be preserved but, for avoidance of doubt, the RMSPS NRA65 Pension can subsequently be brought into payment early in accordance with sub-paragraph (2) or (4) above, as appropriate.
- (d) The dates specified for the purposes of this Rule are—
  - (i) the Nil Margin Member's RMPP Exit Date;
  - (ii) the effective date of any election by the Nil Margin Member for the purposes of the RMPP under Rule 5AA of Section C of the RMPP Rules (Retirement options and flexible retirement), which results in the Nil Margin Member ceasing to accrue further benefits under the RMPP or which would require his or her RMPP NRA60 Pension to be paid immediately; and
  - (iii) the date of an election by the Nil Margin Member to receive his or her RMSPS NRA60 Pension under Paragraph (c) of this Rule.

(6) While the Member remains in employment to which the RMPP relates, the Member's consent will not be required to defer payment of his or her GMP after age 65 (being the expiration of five years from the date on which that Member attains Normal Retiring Age in respect of that Member's RMSPS NRA60 Pension). Section 13(5)(b) of the Pension Schemes Act 1993 (as applied to the RMSPS by the Contracting-out Laws) shall apply subject to this exemption from its requirements. This sub-paragraph shall not apply to a Wholly Discharged RMPP Member, a Partially Discharged RMPP Member whose Relevant RMSPS Benefit is his or her RMSPS NRA60 Benefits. This sub-paragraph shall apply to a Nil Margin Member who remains in employment with an Employer, notwithstanding that there is at that time no RMPP NRA60 Pension payable to the Member.

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## **RMSPS Pension Supplement**

5.—(1) The RMSPS Pension Supplement shall be payable in the circumstances described in sub-paragraphs (2) to (7) below, subject to the overriding principles in sub-paragraph (8) below. It shall be determined as the sum of the following—

- (a) in respect of RMSPS Pensionable Service on or before 31 March 2008, a pension accrued at the annual rate of  $\frac{1}{60}$ th of the average Lower Earnings Deduction in force from time to time over the period during which RMSPS Final Pensionable Pay is determined; and
- (b) in respect of RMSPS Pensionable Service on and after 1 April 2008, a sum accrued at each Renewal Date following 1 April 2008 up to and including the Cut-Off Date calculated as  $\frac{1}{60}$ th of the Lower Earnings Deduction in force for the 12 months up to and including that Renewal Date (such Lower Earnings Deduction having been reduced in accordance with the RMPP Rules in such manner as the RMPP Trustees considered appropriate for periods of non-RMSPS Reckonable Service in the same 12 month period, and reduced proportionately to the number of hours worked in respect of a Part-time Member). The RMSPS Pension Supplement earned at each such Renewal Date was revalued up to the end of the Cut-Off Date on the same basis as the Member's RMSPS Pension Block was revalued (as described in Rule 3 (Benefits payable to Members on retirement)),

provided that—

- (i) the total amount of RMSPS Pensionable Service for Paragraphs (a) and (b) combined shall not exceed 45 years. Consistent with this requirement (and in accordance with Rule 3(3) (Benefits payable to Members on retirement)), the method of determining the RMSPS Pension Supplement will not take into account RMSPS Pensionable Service after the earlier of completion of 45 years' RMSPS Pensionable Service and the end of the Cut-Off Date;
- (ii) if any part of a Member's RMPP Pension Supplement was provided to the Member by the RMPP Trustees in recognition of that Member having transferred assets into the RMPP (the RMPP Transfer Credit Pension Supplement), the RMSPS Pension Supplement shall include a corresponding part (the RMSPS Transfer Credit Pension Supplement) reflecting the benefit provided under the RMPP in respect of such assets as were transferred into the RMPP on or before the Cut-Off Date; and
- (iii) a Member's RMSPS Pension Supplement shall include any Suspended Pre-Cut-Off Date RMPP Pension Supplement that the Member may have, as provided for in sub-paragraph (6) below.

(2) Subject to the other provisions of this Rule 5 below—

- (a) any RMSPS Pension Supplement accrued in respect of RMSPS Pensionable Service on or before 31 March 2010 (the RMSPS NRA60 Pension Supplement) shall only become payable at the time the Member takes his or her RMSPS NRA60 Pension, provided that such time is before the Member's State Pension Age; and
- (b) any RMSPS Pension Supplement accrued in respect of RMSPS Pensionable Service on and after 1 April 2010 (the RMSPS NRA65 Pension Supplement) shall only become payable at the time the Member takes his or her RMSPS NRA65 Pension, provided that such time is before the Member's State Pension Age.

Should the Member take neither RMSPS NRA60 Pension nor RMSPS NRA65 Pension before State Pension Age, therefore, no RMSPS Pension Supplement shall be paid to that Member.

(3) Should both—

- (a) the Member take a reduced early retirement pension (whether RMSPS NRA60 Pension, RMSPS NRA65 Pension, or both) before Normal Retiring Age; and
- (b) the Member is at that time under State Pension Age,

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notwithstanding sub-paragraph (2) above, no RMSPS Pension Supplement shall be payable unless at the Member's Normal Retiring Age the Member will be under State Pension Age (in accordance with legislation in force at the date of the Member's retirement). If RMSPS Pension Supplement is payable under this sub-paragraph (3), the total amount of the RMSPS Pension Supplement which would have been paid to the Member between Normal Retiring Age and State Pension Age (had the Member retired at Normal Retiring Age) will be paid to the Member over the period starting from commencement of that Member's early retirement pension until the attainment of State Pension Age in such a manner as the Secretary of State shall determine. Any RMSPS Pension Supplement paid under this sub-paragraph (3) will be reduced for early payment on a basis determined by the Secretary of State and which has been certified as reasonable by the Actuary.

(4) Should the Member take an unreduced early retirement pension (whether RMSPS NRA60 Pension, RMSPS NRA65 Pension, or both) before Normal Retiring Age, the Member shall (where sub-paragraph (2) above applies) receive an RMSPS Pension Supplement from the date of that Member's early retirement.

(5) Notwithstanding the provisions of Rule 4 (Payment of RMSPS benefits, retirement options and flexible retirement), no RMSPS Pension Supplement shall be brought into payment while the Member is in Service. However if, at the time they provided it, the RMPP Trustees determined that any part of a Member's RMPP Transfer Credit Pension Supplement that was provided in recognition of that Member having transferred assets into the RMPP on or before the Cut-Off Date may be paid to that Member (in accordance with the other provisions of Rule 5AB (Pension Supplement) of Section C of the RMPP Rules that govern the payment of the RMPP Pension Supplement) while that Member is still in Service, the RMSPS Transfer Credit Pension Supplement will also be paid to that Member in accordance with sub-paragraph (2), (3) or (4) above while that Member is still in Service. Once the Member leaves Service, any RMSPS Pension Supplement which would, but for this sub-paragraph (5), have been brought into payment previously, shall be brought into payment at the time the Member actually leaves Service if, at the date of leaving Service, the Member is under State Pension Age. Any such RMSPS Pension Supplement payable shall be paid at the rate which would at that time have been in payment had the RMSPS Pension Supplement come into payment at the time the Member took the relevant pension (and so, for avoidance of doubt, will not therefore include any arrears of RMSPS Pension Supplement).

(6) In accordance with the previous provisions of Rule 10A (Breaks in Reckonable Service) of Section C of the RMPP Rules that were in force before 1 April 2010, if a Member in receipt of a pension returned to Service under the RMPP, that pension (the "Suspended RMPP Pension") together with any RMPP Pension Supplement then payable to him or her was suspended (any such RMPP Pension Supplement that continued to be suspended at the end of the Cut-Off Date being a Suspended Pre-Cut-Off Date RMPP Pension Supplement). On and from 1 January 2008, Rule 10A (Breaks in Reckonable Service) of Section C of the RMPP Rules was amended so that, on and from that date, any Suspended RMPP Pension was immediately brought into payment once again (and for avoidance of doubt, in respect of such a pension a Section C Active will be treated as a Wholly Transferred Beneficiary in accordance with Clause 3 (Benefits payable in respect of Wholly Transferred Beneficiaries)). However, in accordance with that Rule, any Suspended Pre-Cut-Off Date RMPP Pension Supplement could not be brought into payment under the RMPP until the Member actually left Service. A Member's RMSPS Pension Supplement will include a part that is equal in amount and corresponds to any Suspended Pre-Cut-Off Date RMPP Pension Supplement that the Member may have had at the end of the Cut-Off Date. That part of the Member's RMSPS Pension Supplement—

- (a) may not be brought into payment under the RMSPS until the Member actually leaves Service (if, at the date of leaving Service, the Member is under State Pension Age), and until that time will be treated as suspended under the RMSPS; and
- (b) will not be payable if, at the date of leaving Service, the Member is at or over State Pension Age.

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(7) Where a Member has taken pension (whether RMSPS NRA60 Pension, RMSPS NRA65 Pension, or both) prior to that Member's State Pension Age and where in accordance with sub-paragraphs (2), (3), (4), (5) or (6) above some or all of the RMSPS Pension Supplement has actually come into payment, any RMSPS Pension Supplement in payment shall cease to be paid once the Member reaches State Pension Age.

(8) Subject to Paragraph (e) below, the following will apply despite any other provision of this Rule and of Rule 4 (Payment of RMSPS benefits, retirement options and flexible retirement), if and to the extent that those provisions would not have the same effect as the following—

- (a) A Member's RMSPS NRA60 Pension Supplement—
  - (i) will come into payment automatically under the RMSPS when that Member draws or is paid his or her Pension Supplement under Section C of the RMPP accrued in respect of his or her RMPP Reckonable Service on or before 31 March 2010 (the RMPP NRA60 Pension Supplement); and
  - (ii) may not come into payment under the RMSPS until that Member draws or is paid his or her RMPP NRA60 Pension Supplement.
- (b) A Member's RMSPS NRA65 Pension Supplement—
  - (i) will come into payment automatically under the RMSPS when that Member draws or is paid his or her RMPP Pension Supplement in respect of his or her RMPP Reckonable Service on and from 1 April 2010 (the RMPP NRA65 Pension Supplement); and
  - (ii) may not come into payment under the RMSPS until that Member draws or is paid his or her RMPP NRA65 Pension Supplement.
- (c) Where a Member's RMSPS NRA60 Pension Supplement or RMSPS NRA65 Pension Supplement should have come into payment automatically under Paragraph (a) or (b) above but has not come into payment, the Member shall be paid the relevant RMSPS Pension Supplement in arrears with such interest, if any, as the Secretary of State considers appropriate.
- (d) Where a Member's RMSPS NRA60 Pension Supplement or RMSPS NRA65 Pension Supplement has come into payment but the relevant RMPP Pension Supplement (as appropriate under Paragraph (a) or (b) above) has not come into payment, the relevant RMSPS Pension Supplement will be treated as having been paid in error, and the Secretary of State must take whatever action he deems appropriate in his absolute discretion to correct the error.
- (e) Paragraphs (a) to (d) above will not apply to the RMSPS Pension Supplement of a Wholly Discharged RMPP Member, or to a Partially Discharged RMPP Member in respect of that Member's RMSPS NRA60 Pension Supplement (if that Member's Relevant RMSPS Benefit is his or her RMSPS NRA60 Pension) or his or her RMSPS NRA65 Pension Supplement (if his or her Relevant RMSPS Benefit is his or her RMSPS NRA65 Pension), as the case may be. Similarly, Paragraphs (a) to (d) above will not apply in respect of a Nil Margin Member's RMSPS NRA60 Pension Supplement. However, for avoidance of doubt, sub-paragraphs (2) to (7) above will continue to apply in respect of the RMSPS Pension Supplement (or relevant part thereof) of such Members.

### **Late retirement**

**6.—**(1) A Member who is an RMPP Active and who retires from the RMPP after Normal Retiring Age will receive a pension for life calculated in accordance with Rule 3 (Benefits payable to members on retirement) (and will also receive the RMSPS Pension Supplement, if any, in accordance with Rule 5 (RMSPS Pension Supplement)), subject to sub-paragraphs (2) and (3) below. This Rule—

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- (a) will not apply to a Member from the time that Member becomes a Wholly Discharged RMPP Member, and if a Member is or becomes a Wholly Discharged RMPP Member on or after the Normal Retiring Age for that Member's RMSPS NRA60 Pension and/or RMSPS NRA65 Pension, the relevant benefit(s) will then come into payment;
- (b) will not apply to the Relevant RMSPS Benefit of a Member from the time that Member becomes a Partially Discharged RMPP Member, and if a Member is or becomes a Partially Discharged RMPP Member on or after the Normal Retiring Age for that Member's Relevant RMSPS Benefit, that benefit will then come into payment; and
- (c) will apply to a Member's RMSPS NRA60 Pension from the time that Member becomes a Nil Margin Member, and if a Member is or becomes a Nil Margin Member on or after age 60, that Member's RMSPS NRA60 Pension will then come into payment (provided that no Member will be treated as becoming a Nil Margin Member by the operation of this Paragraph if they would not otherwise at that time have become a Nil Margin Member at their Normal Retiring Age).

(2) The pension will not be less than is necessary to comply with the anti franking requirements of the Contracting-out Laws.

(3) Payment of such a Member's GMP will be postponed in the circumstances permitted by the Contracting-out Laws (see Rule 4(6) (Payment of RMSPS benefits, retirement options and flexible retirement) above) as necessary to comply with Rule 4(2)).

#### **Early retirement through incapacity**

7.—(1) A Member whose RMSPS NRA60 Pension and/or RMSPS NRA65 Pension is preserved under Rule 3(6) (Benefits payable to Members on retirement) and who is—

- (a) an RMPP Active who retires under the RMPP before Normal Retiring Age through RMPP Incapacity (within the meaning of Paragraph (a) of the definition that term) in accordance with Rule 5D (Early retirement through Incapacity) of Section C of the RMPP Rules after the Cut-Off Date; or
- (b) an RMPP Leaver who retires under the RMPP before Normal Retiring Age through RMPP Incapacity (whether within the meaning of Paragraph (a) or Paragraph (b) of the definition that term) in accordance with Rule 5D (Early retirement through Incapacity) of Section C of the RMPP Rules after the Cut-Off Date,

will receive an immediate pension from the RMSPS calculated as described in Rule 3 together with the RMSPS Pension Supplement in accordance with Rule 5 (RMSPS Pension Supplement). The reduction set out in Rule 3(6)(e) will not apply to the benefits that come into payment under this sub-paragraph.

(2) The following shall also apply in relation to an RMPP Leaver whose RMSPS NRA60 Pension and/or his or her RMSPS NRA65 Pension is preserved under Rule 3(6) (Benefits payable to Members on retirement) and who is no longer in Service—

- (a) If the RMPP Trustees terminate deferment of the Member's RMPP NRA60 Pension and/or RMPP NRA65 Pension under Rule 9CA (Early pension – no longer in Service) of Section C of the RMPP Rules because, in their opinion, that Member would have retired through RMPP Incapacity under Rule 5D (Early retirement through Incapacity) of Section C of the RMPP Rules had that Member remained in Service, the Secretary of State shall (subject, in particular to paragraphs 3 and 4 of Part IX (Overriding Finance Act Provisions) of this Schedule) also terminate the deferment of his or her RMSPS NRA60 Pension and/or RMSPS NRA65 Pension as appropriate. The reduction set out in Rule 3(6)(e) (Benefits payable to Members on retirement) will not apply to the benefits that come into payment under this Paragraph; or

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- (b) If the Member has reached Minimum Pension Age and the RMPP Trustees terminate the deferment of the Member's RMPP NRA60 Pension and/or RMPP NRA65 Pension under Rule 9CA (Early pension – no longer in Service) of Section C of the RMPP Rules on any compassionate grounds as the RMPP Trustees may determine, the Secretary of State shall (subject, in particular to paragraphs 3 and 4 of Part IX (Overriding Finance Act Provisions) of this Schedule) also terminate the deferment of the relevant tranche (or both tranches) of RMSPS benefit. The reduction set out in Rule 3(6)(e) (Benefits payable to Members on retirement) will not apply to the benefits that come into payment under this Paragraph except that, to the extent the Member's benefit relates to periods of RMSPS Reckonable Service on and from 1 December 2006, the benefit shall be reduced by the Secretary of State on a basis he shall determine and which has been certified as reasonable by the Actuary to take account of early payment.
- (3) Sub-paragraphs (1) and (2) above shall not apply in relation to a Wholly Discharged RMPP Member. Instead, if such a Member's RMSPS NRA60 Pension and/or RMSPS NRA65 Pension is preserved under Rule 3(6) (Benefits payable to Members on retirement), the following will apply.
- (a) If the Secretary of State is satisfied that the Wholly Discharged RMPP Member is retired by his or her Employer through RMPP Incapacity, the Member will receive (subject, in particular, to paragraphs 3 and 4 of Part IX (Overriding Finance Act Provisions) of this Schedule) an immediate pension calculated as described in Rule 3 (Benefits payable to Members on retirement) together with any RMSPS Pension Supplement in accordance with Rule 5 (RMSPS Pension Supplement). The reduction set out in Rule 3(6)(e) will not apply to the benefits that come into payment under this Paragraph. For avoidance of doubt, sub-paragraph (2) of the definition of the term RMPP Incapacity applies for the purposes of this Paragraph (a) in relation to a Wholly Discharged RMPP Member who was in RMPP Pensionable Service on 31 March 2000.
- (b) If the Member is no longer in Service and, in the opinion of the Secretary of State, that Member would have retired through RMPP Incapacity had that Member remained in Service, the Member will receive (subject, in particular, to paragraphs 3 and 4 of Part IX (Overriding Finance Act Provisions) of this Schedule) an immediate pension calculated as described in Rule 3 (Benefits payable to Members on retirement) together with any RMSPS Pension Supplement in accordance with Rule 5 (RMSPS Pension Supplement). The reduction set out in Rule 3(6)(e) will not apply to the benefits that come into payment under this Paragraph. For avoidance of doubt, sub-paragraph (2) of the definition of the term RMPP Incapacity applies for the purposes of this Paragraph (b) in relation to a Wholly Discharged RMPP Member who was in RMPP Pensionable Service on 31 March 2000.
- (c) If the Member is no longer in Service and has reached Minimum Pension Age, that Member may receive (subject, in particular, to paragraphs 3 and 4 of Part IX (Overriding Finance Act Provisions) of this Schedule) an immediate pension calculated as described in Rule 3 (Benefits payable to Members on retirement) together with any RMSPS Pension Supplement in accordance with Rule 5 (RMSPS Pension Supplement) on any compassionate grounds as the Secretary of State may determine. Provided that—
- (i) should both a Member's RMSPS NRA60 Pension and that Member's RMSPS NRA65 Pension be preserved under Rule 3(6), the Secretary of State may exercise this discretion in respect of either the Member's RMSPS NRA60 Pension, RMSPS NRA65 Pension or both. If that Member does so in respect of one tranche of benefit only, the remaining tranche will continue to be deferred under Rule 3(6) (although, for avoidance of doubt, the remaining tranche can subsequently be brought into payment under either paragraph (b) above or this Paragraph (c)); and
- (ii) the reduction set out in Rule 3(6)(e) (Benefits payable to Members on retirement) will not apply to the benefits that come into payment under this Paragraph except that, to the extent it relates to periods of Reckonable Service on and from 1 December

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2006, it shall be reduced by the Secretary of State on a basis he shall determine and which has been certified as reasonable by the Actuary to take account of early payment.

Sub-paragraphs (1) and (2) above and sub-paragraph (5) below will apply to a Nil Margin Member, notwithstanding that no amount in respect of that Member's RMPP NRA60 Pension will at that time come into payment under the RMPP.

(4) Similarly, those sub-paragraphs will also apply to a Partially Discharged RMPP Member, notwithstanding that no amount in respect of that Member's Discharged RMPP Benefit will at that time come into payment under the RMPP.

(5) If a Member is entitled to payment of benefits under sub-paragraph (1), Paragraph (2)(a), Paragraph (3)(a) or Paragraph (3)(b) above, all that Member's benefits, (RMSPS NRA60 Pension, RMSPS NRA65 Pension and any RMSPS Pension Supplement) shall be brought into payment at the same time.

(6) The Secretary of State must be reasonably satisfied that a Member's pension is at least equal in value (e.g. taking account of the longer period of payment) to the preserved pension (including future increases under Rule 17 (Pension increases)) payable from Normal Retiring Age to which that Member would otherwise have become entitled.

### **Choosing a lump sum benefit**

8.—(1) A Member may—

- (a) choose to give up RMSPS NRA60 Pension, RMSPS NRA65 Pension or both (including the RMSPS Pension Supplement, if any) for a lump sum in accordance with this Rule when that Member draws the relevant tranche of benefit; and/or
- (b) apply the Transferred AVC Fund in accordance with Clause 10 (Additional voluntary contributions transferred from the RMPP) to provide a lump sum benefit.

A Member must, however, keep a pension not less than his or her GMP (unless the Member is paid a serious ill-health lump sum under General Rule 4(2) (Payment of benefits)) and may only take one lump sum from each tranche of benefit. The Secretary of State will convert pension to lump sum on a basis he shall determine which has been certified as reasonable by the Actuary. The maximum lump sum a Member may choose shall be subject to the limits in paragraph 7(b) of Part IX (Overriding Finance Act Provisions) of this Schedule.

### **Lump sum death benefits**

9.—(1) If a Section C Active dies after the Cut-Off Date, a lump sum will be payable by the Secretary of State in accordance with Rule 10 (Discretionary trusts). The amount of the lump sum payable in respect of the Member depends on which of the following sub-paragraphs is applicable to that Member on the day that he or she died.

(2) If the Member dies in Service when no benefits from the RMSPS have come into payment, the lump sum payable is the greater of—

- (a) the aggregate of—
  - (i) an amount equal to 5 years' payment of that Member's preserved annual RMSPS NRA60 Pension (but excluding the RMSPS Pension Supplement (if any)) assuming that Member had an entitlement to the immediate payment of such pension without reduction under Rule 3(6)(e) (Benefits payable to Members on retirement); and
  - (ii) an amount equal to 5 years' payment of that Member's preserved annual RMSPS NRA65 Pension (but excluding the RMSPS Pension Supplement (if any)) assuming

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- that Member had an entitlement to the immediate payment of such pension without reduction under Rule 3(6)(e) (Benefits payable to Members on retirement); or
- (b) 4 times the Member's RMSPS Final Pensionable Pay (but in determining RMSPS Final Pensionable Pay for this purpose, the Member's "Pensionable Pay" as defined in Section C of the RMPP Cut-Off Date Rules will not be reduced by the Lower Earnings Deduction and such "Pensionable Pay" for a Part-time Member will be ascertained ignoring the penultimate paragraph of that definition of "Pensionable Pay" in Section C of the RMPP Cut-Off Date Rules).
- (3) If the Member dies in Service when that Member's RMSPS NRA60 Pension is in payment but his or her RMSPS NRA65 Pension has not come into payment, the lump sum payable is the greater of—
- (a) the aggregate of—
- (i) if the Member dies within 5 years of his or her RMSPS NRA60 Pension coming into payment, an amount equal to the pension payments which would have been made during the remainder of the 5 year period if that Member had not died (but disregarding any future increases and the RMSPS Pension Supplement (if any)); and
- (ii) an amount equal to 5 years' payments of his or her preserved annual RMSPS NRA65 Pension (but excluding the RMSPS Pension Supplement (if any)) assuming that Member had an entitlement to the immediate payment of such pension without reduction under Rule 3(6)(e) (Benefits payable to Members on retirement); or
- (b) 4 times the Member's RMSPS Final Pensionable Pay (but in determining RMSPS Final Pensionable Pay for this purpose, the Member's "Pensionable Pay" as defined in Section C of the RMPP Cut-Off Date Rules will not be reduced by the Lower Earnings Deduction and such "Pensionable Pay" for a Part-time Member will be ascertained ignoring the penultimate paragraph of the definition of "Pensionable Pay" in Section C of the RMPP Cut-Off Date Rules) less the aggregate of—
- (i) the total amount of RMSPS NRA60 Pension (including increases and any RMSPS Pension Supplement) paid to the Member between the date his or her RMSPS NRA60 Pension commenced and the date of that Member's death; and
- (ii) the amount of the lump sum (if any) paid to the Member in accordance with Rule (Choosing a lump sum benefit).
- (4) If the Member dies in Service when his or her RMSPS NRA60 Pension has not yet come into payment but his or her RMSPS NRA65 Pension is in payment, the lump sum payable is the greater of—
- (a) the aggregate of—
- (i) an amount equal to 5 years' payments of his or her preserved annual RMSPS NRA60 Pension (but excluding the RMSPS Pension Supplement (if any)) assuming that Member had an entitlement to the immediate payment of such pension without reduction under Rule 3(6)(e) (Benefits payable to Members on retirement); and
- (ii) if the Member dies within 5 years of his or her RMSPS NRA65 Pension coming into payment, an amount equal to the pension payments which would have been made during the remainder of the 5 year period if that Member had not died (but disregarding any future increases and the RMSPS Pension Supplement (if any)); or
- (b) 4 times the Member's RMSPS Final Pensionable Pay (but in determining RMSPS Final Pensionable Pay for this purpose, the Member's "Pensionable Pay" as defined in Section C of the RMPP Cut-Off Date Rules will not be reduced by the Lower Earnings Deduction and such "Pensionable Pay" for a Part-time Member will be ascertained ignoring the



penultimate paragraph of the definition of “Pensionable Pay” in Section C of the RMPP Cut-Off Date Rules) less the aggregate of—

- (i) the total amount of RMSPS NRA65 Pension (including increases and any RMSPS Pension Supplement) paid to the Member between the date his or her RMSPS NRA65 Pension commenced and the date of his or her death; and
- (ii) the amount of the lump sum (if any) paid to the Member in accordance with Rule 8(1) (Choosing a lump sum benefit).

(5) If the Member has ceased to be in Service and both his or her RMSPS NRA60 Pension and RMSPS NRA65 Pension are preserved in the RMSPS, the lump sum payable is the aggregate of—

- (a) an amount equal to 5 years’ payments of his or her preserved annual RMSPS NRA60 Pension (but excluding the RMSPS Pension Supplement (if any)) assuming that Member had an entitlement to the immediate payment of such pension without reduction under Rule 3(6)(e) (Benefits payable to Members on retirement); and
- (b) an amount equal to 5 years’ payments of his or her preserved annual RMSPS NRA65 Pension (but excluding the RMSPS Pension Supplement (if any)) assuming that Member had an entitlement to the immediate payment of such pension without reduction under Rule 3(6)(e) (Benefits payable to Members on retirement),

provided that the total lump sum payable under this Rule 9(5) shall not exceed 4 times the Member’s RMSPS Final Pensionable Pay (but in determining RMSPS Final Pensionable Pay for this purpose, the Member’s “Pensionable Pay” as defined in Section C of the RMPP Cut-Off Date Rules will not be reduced by the Lower Earnings Deduction and such “Pensionable Pay” for a Part-time Member will be ascertained ignoring the penultimate paragraph of the definition of “Pensionable Pay” in Section C of the RMPP Cut-Off Date Rules).

(6) If the Member has ceased to be in Service and his or her RMSPS NRA60 Pension has come into payment but his or her RMSPS NRA65 Pension is preserved in the Scheme, the lump sum payable is the aggregate of—

- (a) if the Member dies within 5 years of his or her RMSPS NRA60 Pension coming into payment, an amount equal to the pension payments which would have been made during the remainder of the 5 year period if that Member had not died (but disregarding any future increases and the RMSPS Pension Supplement (if any)); and
- (b) an amount equal to 5 years’ payments of his or her preserved annual RMSPS NRA65 Pension (but excluding the RMSPS Pension Supplement (if any)) assuming that Member had an entitlement to the immediate payment of such pension without reduction under Rule 3(6)(e) (Benefits payable to Members on retirement),

provided that the total lump sum payable under this Rule 9(6) shall not exceed 4 times the Member’s RMSPS Final Pensionable Pay (but in determining RMSPS Final Pensionable Pay for this purpose, the Member’s “Pensionable Pay” as defined in Section C of the RMPP Cut-Off Date Rules will not be reduced by the Lower Earnings Deduction and such “Pensionable Pay” for a Part-time Member will be ascertained ignoring the penultimate paragraph of the definition of “Pensionable Pay” in Section C of the RMPP Cut-Off Date Rules).

(7) If the Member has ceased to be in Service and his or her RMSPS NRA60 Pension is preserved in the Scheme but his or her RMSPS NRA65 Pension has come into payment, the lump sum payable is the aggregate of—

- (a) an amount equal to 5 years’ payments of his or her preserved annual RMSPS NRA60 Pension (but excluding the RMSPS Pension Supplement (if any)) assuming that Member had an entitlement to the immediate payment of such pension without reduction under Rule 3(6)(e) (Benefits payable to Members on retirement); and

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- (b) if the Member dies within 5 years of his or her RMSPS NRA65 Pension coming into payment, an amount equal to the pension payments which would have been payable during the remainder of the 5 year period if that Member had not died (but disregarding any future increases and the RMSPS Pension Supplement (if any)),

provided that the total lump sum payable under this Rule 9(7) shall not exceed 4 times RMSPS Final Pensionable Pay (but in determining RMSPS Final Pensionable Pay for this purpose, the Member's "Pensionable Pay" as defined in Section C of the RMPP Cut-Off Date Rules will not be reduced by the Lower Earnings Deduction and such "Pensionable Pay" for a Part-time Member will be ascertained ignoring the penultimate paragraph of the definition of "Pensionable Pay" in Section C of the RMPP Cut-Off Date Rules).

(8) If the Member dies when that Member is in receipt of both his or her RMSPS NRA60 Pension and his or her RMSPS NRA65 Pension, unless sub-paragraph (9) below applies, the lump sum payable is the aggregate of—

- (a) if the Member dies within 5 years of his or her RMSPS NRA60 Pension coming into payment, an amount equal to the pension payments which would have been made during the remainder of the 5 year period if that Member had not died (but disregarding any future increases and the RMSPS Pension Supplement (if any)); and
- (b) if the Member dies within 5 years of his or her RMSPS NRA65 Pension coming into payment, an amount equal to the pension payments which would have been made during the remainder of the 5 year period if that Member had not died (but disregarding any future increases and the RMSPS Pension Supplement (if any)).

(9) If the Member is in receipt of both his or her RMSPS NRA60 Pension and his or her RMSPS NRA65 Pension by reason of having retired under 7(1) or (3)(a) (Early retirement through incapacity) and dies in the 5 years following his or her retirement under that Rule, the lump sum payable is the greater of—

- (a) the aggregate of—
  - (i) if the Member dies within 5 years of his or her RMSPS NRA60 Pension coming into payment, an amount equal to the pension payments which would have been made during the remainder of the 5 year period if that Member had not died (but disregarding any future increases and the RMSPS Pension Supplement (if any)); and
  - (ii) an amount equal to the pension payments in respect of RMSPS NRA65 Pension which would have been made during the remainder of the 5 year period if that Member had not died (but disregarding any future increases and the RMSPS Pension Supplement (if any)); or

- (b) 4 times the Member's RMSPS Final Pensionable Pay (but in determining RMSPS Final Pensionable Pay for this purpose, the Member's "Pensionable Pay" as defined in Section C of the RMPP Cut-Off Date Rules will not be reduced by the Lower Earnings Deduction and such "Pensionable Pay" for a Part-time Member will be ascertained ignoring the penultimate paragraph of the definition of "Pensionable Pay" in Section C of the RMPP Cut-Off Date Rules) less the aggregate of—

- (i) the total amount of pension (both RMSPS NRA60 Pension and RMSPS NRA65 Pension (including increases and any RMSPS Pension Supplement)) paid to the Member between the date such pension commenced and the date of his or her death; and
- (ii) the amount of the lump sum (if any) paid to the Member in accordance with Rule 8(1) (Choosing a lump sum benefit).

(10) Where a Member has transferred out either that Member's RMSPS NRA60 Pension or that Member's RMSPS NRA65 Pension in accordance with Clause 11 (Individual transfers out of the

Scheme), the provisions of this Rule 9 will apply only in respect of that tranche of benefit which is still retained in the RMSPS.

(11) Where a Member had at the end of the Cut-Off Date two or more periods of RMPP Reckonable Service (at least one of these being RMSPS Reckonable Service), such periods are to be treated in aggregate as a single period of RMSPS Reckonable Service for the purpose of the calculation of death benefits under this Rule 9.

### **Discretionary trusts**

**10.**—(1) The Secretary of State will pay the lump sum death benefit (together with any arrears of pension or lump sum benefits which may be payable under the Rules) to one or more of the Beneficiaries or apply it for their benefit in such proportions as he sees fit. He may at his discretion deduct the cost of funeral expenses from the lump sum death benefits and pay it to the person who incurred the funeral expenses. If he cannot do so within 2 years he will pay it to the Member's personal representatives, unless there is no will of the Member under which it will pass and the successor on the Member's intestacy is the Crown or the Duchy of Lancaster or Cornwall, in which case no benefit will be payable. Interest will only be added if the Secretary of State so determines and the limits in Part IX (Overriding Finance Act Provisions) of this Schedule are not exceeded.

- (2) So long as no-one other than a Beneficiary can become entitled the Secretary of State may—
- (a) direct that all or part of the benefit will be held by himself or by trustees on such trusts (including discretionary trusts) and with such powers and provisions (including powers of selection and variation) as the Secretary of State sees fit; or
  - (b) pay all or part of the benefit to the trustees of any other existing trust.

### **Pensions for spouses, children and dependants**

**11.** Rule 12 (Spouse's pension and dependants' pension), Rule 13 (Children's pensions) and Rule 15 (Orphans) set out general provisions concerning the provision of spouse's and children's pensions. Rule 14 (Spouse's and children's pensions) sets out specific provisions concerning what benefits are payable and in what circumstances depending on the status of the Member on the date that Member died.

### **Spouse's pension and dependants' pension**

**12.**—(1) If a Member dies after the Cut-Off Date, leaving a surviving spouse, the spouse will receive a pension until remarriage. The Secretary of State may at his discretion restore the pension if that marriage ends. A spouse will always receive any GMP that the RMSPS is required to provide for the spouse under the Contracting-out Laws. Additionally, the spouse's pension must be sufficient to satisfy the statutory standard referred to in Section 12A of the Pension Schemes Act 1993, as would have applied under the RMPP if the relevant Member had retained his or her benefits in the RMPP and had opted out of the RMPP under Rule 10E (Opting out of the Scheme) of Section C of the RMPP Rules at the end of the Cut-off Date, or such higher standard as is agreed between the Principal Employer and the Secretary of State.

(2) If the Member dies after the Cut-Off Date leaving no surviving spouse, the Secretary of State may pay a pension to one or more of the Member's Dependants. This pension may be calculated as a spouse's pension. However the Secretary of State may pay a pension of a smaller amount, and may reduce or stop any pension at any time as he sees fit.

### **Children's pensions**

**13.** If a Member dies after the Cut-Off Date leaving one or more Pensionable Children, a children's pension will be paid. The children's pension will be paid to one or more of the Pensionable

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Children or applied for their benefit in such proportions as the Secretary of State sees fit from time to time, and may be paid to some person or persons on fixed or discretionary trusts for all or any of them. It will finish when there is no remaining Pensionable Child.

### **Spouse's and children's pensions**

**14.**—(1) If a Member dies after the Cut-Off Date, the following spouse's and children's pensions will be payable depending on which of the following sub-paragraphs is applicable to that Member on the day he or she died.

(2) If the Member is an RMPP Active and dies when no benefits from the RMSPS had come into payment—

- (a) the spouse's pension shall be equal to the aggregate of 50% of the Member's preserved RMSPS NRA60 Pension and 50% of the Member's preserved RMSPS NRA65 Pension calculated as described in Rule 3 (Benefits payable to Members on retirement) but (i) without reduction under Rule 3(6)(e), (ii) excluding the RMSPS Pension Supplement (if any) and (iii) including any increases in GMP made in accordance with the Contracting-out Laws up to the date of death; and
- (b) subject to Rule 15 (Orphans), the children's pension shall be the aggregate of 25% of the Member's preserved RMSPS NRA60 Pension and 25% of the Member's preserved RMSPS NRA65 Pension, both calculated as in (a) above where there is one Pensionable Child, and the aggregate of 50% of that preserved RMSPS NRA60 Pension and 50% of that preserved RMSPS NRA65 Pension where there are two or more Pensionable Children.

(3) If the Member is an RMPP Active and dies when that Member's RMSPS NRA60 Pension is in payment but his or her RMSPS NRA65 Pension has not come into payment—

- (a) the spouse shall be entitled to a pension equal to the aggregate of—
  - (i) 50% of the Member's RMSPS NRA60 Pension (excluding the RMSPS Pension Supplement (if any)) in payment at the date of his or her death (or, if greater, which would have been in payment if that Member had not given up any RMSPS NRA60 Pension for a lump sum) and including any increases in GMP made in accordance with the Contracting-out Laws up to the date of death; and
  - (ii) 50% of the Member's preserved RMSPS NRA65 Pension calculated as described in Rule 3 (Benefits payable to Members on retirement) but without reduction under Rule 3(6)(e) and excluding the RMSPS Pension Supplement (if any),

provided that for the first 91 days after the Member's death, the spouse's pension payable under (i) above shall be at the same rate as the Member's RMSPS NRA60 Pension (excluding the RMSPS Pension Supplement (if any)) in payment at the date of his or her death; and

- (b) subject to Rule 15 (Orphans), the children's pension shall be the aggregate of 25% of the Member's RMSPS NRA60 Pension in payment and 25% of the Member's preserved RMSPS NRA65 Pension, both calculated as in (a) above where there is one Pensionable Child, and the aggregate of 50% of that RMSPS NRA60 Pension in payment and 50% of that preserved RMSPS NRA65 Pension where there are two or more Pensionable Children.

(4) If the Member is an RMPP Active and dies when that Member's RMSPS NRA60 Pension has not yet come into payment but his or her RMSPS NRA65 Pension is in payment—

- (a) the spouse shall be entitled to a pension equal to the aggregate of—
  - (i) 50% of the Member's preserved RMSPS NRA60 Pension calculated as described in Rule 3 (Benefits payable to Members on retirement) but (i) without reduction under Rule 3(6)(e), (ii) excluding the RMSPS Pension Supplement (if any) and (iii)

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including any increases in GMP made in accordance with the Contracting-out Laws up to the date of death; and

- (ii) 50% of the Member's RMSPS NRA65 Pension (excluding the RMSPS Pension Supplement (if any)) in payment at the date of his or her death (or, if greater, which would have been in payment if that Member had not given up any RMSPS NRA65 Pension for a lump sum),

provided that for the first 91 days after the Member's death, the spouse's pension payable under (ii) above shall be at the same rate as the Member's RMSPS NRA65 Pension (excluding the RMSPS Pension Supplement (if any)) in payment at the date of his or her death; and

- (b) subject to Rule 15 (Orphans), the children's pension shall be the aggregate of 25% of the Member's RMSPS NRA65 Pension in payment and 25% of the Member's preserved RMSPS NRA60 Pension, both calculated as in (a) above where there is one Pensionable Child, and the aggregate of 50% of that RMSPS NRA65 Pension in payment and 50% of that preserved RMSPS NRA60 Pension where there are two or more Pensionable Children.

(5) If the Member is an RMPP Leaver and both of that Member's RMSPS NRA60 Pension and RMSPS NRA65 Pension are preserved in the RMSPS,

- (a) the spouse's pension shall be equal to the aggregate of 50% of the Member's preserved RMSPS NRA60 Pension and 50% of the Member's preserved RMSPS NRA65 Pension calculated as described in Rule 3 (Benefits payable to Members on retirement) but (i) without reduction under Rule 3(6)(e), (ii) excluding the RMSPS Pension Supplement (if any) and (iii) including any increases in GMP made in accordance with the Contracting-out Laws up to the date of death; and

- (b) subject to Rule 15 (Orphans), the children's pension shall be the aggregate of 25% of the Member's preserved RMSPS NRA60 Pension and 25% of the Member's preserved RMSPS NRA65 Pension, both calculated as in (a) above where there is one Pensionable Child, and the aggregate of 50% of that preserved RMSPS NRA60 Pension and 50% of that preserved RMSPS NRA65 Pension where there are two or more Pensionable Children.

(6) If the Member is an RMPP Leaver and that Member's RMSPS NRA60 Pension had come into payment but his or her RMSPS NRA65 Pension was preserved in the RMSPS—

- (a) the spouse shall be entitled to a pension equal to the aggregate of—
  - (i) 50% of the Member's RMSPS NRA60 Pension (excluding the RMSPS Pension Supplement (if any)) in payment at the date of that Member's death (or, if greater, which would have been in payment if that Member had not given up any RMSPS NRA60 Pension for a lump sum) and including any increases in GMP made in accordance with the Contracting-out Laws up to the date of death; and
  - (ii) 50% of the Member's preserved RMSPS NRA65 Pension calculated as described in Rule 3 (Benefits payable to Members on retirement) but without reduction under Rule 3(6)(e) and excluding the RMSPS Pension Supplement (if any),

provided that for the first 91 days after the Member's death, the spouse's pension payable under (i) above shall be at the same rate as the Member's RMSPS NRA60 Pension (excluding the RMSPS Pension Supplement (if any)) in payment at the date of that Member's death; and

- (b) subject to Rule 15 (Orphans), the children's pension shall be the aggregate of 25% of the Member's RMSPS NRA60 Pension in payment and 25% of the Member's preserved RMSPS NRA65 Pension, both calculated as in (a) above where there is one Pensionable Child, and the aggregate of 50% of that RMSPS NRA60 Pension in payment and 50% of that preserved RMSPS NRA65 Pension where there are two or more Pensionable Children.

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(7) If the Member is an RMPP Leaver and his or her RMSPS NRA60 Pension was preserved in the Scheme but his or her RMSPS NRA65 Pension had come into payment—

- (a) the spouse shall be entitled to a pension equal to the aggregate of—
  - (i) 50% of the Member's preserved RMSPS NRA60 Pension calculated as described in Rule 3 (Benefits payable to Members on retirement) but (i) without reduction under Rule 3(6)(e), (ii) excluding the RMSPS Pension Supplement (if any) and (iii) including any increases in GMP made in accordance with the Contracting-out Laws up to the date of death; and
  - (ii) 50% of the Member's RMSPS NRA65 Pension (excluding the RMSPS Pension Supplement (if any)) in payment at the date of his or her death (or, if greater, which would have been in payment if that Member had not given up any RMSPS NRA65 Pension for a lump sum),

provided that for the first 91 days after the Member's death, the spouse's pension payable under (ii) above shall be at the same rate as the Member's RMSPS NRA65 Pension (excluding the RMSPS Pension Supplement (if any)) in payment at the date of his or her death; and

- (b) subject to Rule 15 (Orphans), the children's pension shall be the aggregate of 25% of the Member's preserved RMSPS NRA60 Pension and 25% of the Member's RMSPS NRA65 Pension in payment, both calculated as in (a) above where there is one Pensionable Child, and the aggregate of 50% of that preserved RMSPS NRA60 Pension and 50% of that RMSPS NRA65 Pension in payment where there are two or more Pensionable Children.

(8) If the Member dies when that Member is in receipt of both his or her RMSPS NRA60 Pension and his or her RMSPS NRA65 Pension—

- (a) the spouse's pension shall be equal to the aggregate of 50% of the Member's RMSPS NRA60 Pension and 50% of the Member's RMSPS NRA65 Pension in payment at the date of his or her death (or, in each case if greater, 50% of the relevant pension which would have been in payment if that Member had not given up that pension for a lump sum), in both cases excluding the RMSPS Pension Supplement (if any), provided that for the first 91 days after the Member's death, the spouse's pension payable under this Rule shall be not less than the aggregate of the Member's RMSPS NRA60 Pension and RMSPS NRA65 Pension (in both cases excluding the RMSPS Pension Supplement (if any)) in payment at the date of his or her death; and
- (b) subject to Rule 15 (Orphans), the children's pension shall be the aggregate of 25% of the Member's RMSPS NRA60 Pension in payment and 25% of the Member's RMSPS NRA65 Pension in payment, both calculated as in (a) above where there is one Pensionable Child, and the aggregate of 50% of that RMSPS NRA60 Pension in payment and 50% of that RMSPS NRA65 Pension in payment where there are two or more Pensionable Children.

(9) Where a Member has transferred out either that Member's RMSPS NRA60 Pension or his or her RMSPS NRA65 Pension in accordance with Clause 11 (Individual transfers out of the Scheme), the provisions of this Rule 14 will apply only in respect of that tranche of benefit which is still retained in the RMSPS.

## **Orphans**

**15.** If no spouse's pension is being paid the children's pension will be increased from one-quarter to one-third of the appropriate Member's pension where there is one Pensionable Child and from one-half to two-thirds where there are two or more.

## Revaluation of preserved pensions

16.—(1) A Member's benefit under the Section C Rules, or where appropriate a component of that benefit, will be increased as set out in this Rule 16 in accordance with the requirements of the Revaluation Laws as if—

- (a) they applied to the Scheme; and
- (b) such benefit or component of that benefit was a benefit to which section 83(1)(a) of the Pension Schemes Act 1993 applied and the Member had been in pensionable service under the RMSPS that had ended at the end of the Cut-Off Date,

subject to the modifications and additional provisions set out in this Rule.

(2) For the purposes of determining the increase to the Member's benefit that is required by the Revaluation Laws (including the increases required under sub-paragraphs (3) to (7) below), any part of the benefit attributable to RMSPS Reckonable Service on or after 6 April 2009 will be increased by the "appropriate lower revaluation percentage", but as if—

- (a) any reference to "2.5 per cent" in the definition of "lower maximum rate" instead read "5 per cent"; and
- (b) the "appropriate lower revaluation percentage" specified by the Secretary of State under the Revaluation Laws was determined on that basis,

where the terms appropriate lower revaluation percentage and lower maximum rate have the meanings given to them under the Revaluation Laws.

(3) The Member's RMSPS benefit, or where appropriate a component of that benefit, will be revalued at the Deemed RMPP Exit Date—

- (a) under sub-paragraph (4) below where relevant;
- (b) where the Deemed RMPP Exit Date is not that Member's Notional Payment Date, in accordance with sub-paragraph (5) and sub-paragraph (6) below, or sub-paragraph (7) below, as applicable;
- (c) in accordance with sub-paragraph (8) below, if required;
- (d) in accordance with sub-paragraph (9) below; and
- (e) in accordance with sub-paragraph (10) below or sub-paragraph (11) below, if required.

(4) Unless the Member's Notional Payment Date precedes the Cut-Off Date (in which case there shall be no revaluation under this sub-paragraph), the Member's benefit, or where appropriate a component of that benefit, will be revalued in respect of the period from the Cut-Off Date up to the earlier of—

- (a) the Deemed RMPP Exit Date; and
- (b) the date the relevant Member reaches his or her Normal Retiring Age in respect of that benefit or component of that benefit (the Notional Payment Date),

as if the "inflation percentage" referred to in paragraph 2(3)(a) of Schedule 3 to the Pension Schemes Act 1993 was the percentage increase (if any) in the Government index of retail prices during the period which was the reference period in relation to that revaluation period.

(5) Where the Member's Notional Payment Date in respect of that Member's benefit, or where appropriate a component of that benefit, falls before the Deemed RMPP Exit Date, the benefit or component of that benefit (as revalued under sub-paragraph (4) above) will be further increased—

- (a) by the application of any Notional In Payment Increases in respect of the period between the Notional Retirement Date and the Deemed RMPP Exit Date; and then
- (b) unless otherwise stated in sub-paragraph (6), by multiplying it by the Part Year Increase Factor.

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(6) The Part Year Increase Factor (which may apply even if the benefit or component of that benefit would not otherwise have been increased by Paragraph (5)(a), but which equally may lead to no increase in the relevant benefit) will apply unless—

- (a) the benefit or component of the benefit is, or is a component of, the Member's RMSPS Final Salary Benefits; and
- (b) the Member's RMPP Final Pensionable Pay, by reference to which that component is calculated, is determined by reference to a Calculation Year (or a period of 3 consecutive tax years) which ended before that Member's Final Deemed Increase Date.

(7) Where—

- (a) the Member's Notional Payment Date in respect of the relevant benefit or component of that benefit falls after the Deemed RMPP Exit Date;
- (b) the payment of the Member's relevant benefit or component of that benefit does not commence on the Deemed RMPP Exit Date; and
- (c) the number of complete twelve-month periods between the Cut-Off Date and the Member's Notional Payment Date in respect of the benefit exceeds the sum of—
  - (i) the number of complete twelve-month periods between the Cut-Off Date and the Deemed RMPP Exit Date; plus
  - (ii) the number of complete twelve month periods between the Deemed RMPP Exit Date and the Member's Notional Payment Date in respect of the benefit or component of that benefit,

the Member's benefit or component of that benefit, as revalued under sub-paragraph (4) above, will be further increased by the Relevant Percentage at the Deemed RMPP Exit Date.

(8) The Member's RMSPS CSDB Benefits will then be further increased to the extent necessary (if at all) so that the overall percentage revaluation which has been applied to them by the end of the Deemed RMPP Exit Date is no less than the overall percentage revaluation which, by the end of that date, would have been applied under the RMSPS to the Pension Block accrued by the Member at the Renewal Date coincident with the Cut-Off Date, if the RMSPS Rules had required that the Pension Block be increased at each Renewal Date falling after the Cut-Off Date and before the Deemed RMPP Exit Date by the annual increase in the Government index of retail prices for all items for the 12 months to the preceding September subject to a minimum increase of 0% a year and a maximum increase of 5% a year.

(9) In respect of any period from the Member's RMPP Exit Date but before the RMSPS Retirement Date, the Member's benefit or component of that benefit will be increased in accordance with the requirements of the Revaluation Laws as if they applied to the Scheme and as if such benefit was a benefit to which section 83(1)(a) of the Pension Schemes Act 1993<sup>(33)</sup> applied and the Member had been in pensionable service under the RMSPS that had ended on that Member's RMPP Exit Date. For these purposes, any modifications set out in sub-paragraphs (3) to (8) above will not apply to the requirements of the Revaluation Laws, but the modifications set out in sub-paragraph (2) above will continue to apply.

(10) Where the Notional Payment Date in respect of that Member's benefit or component of that benefit falls on or after the Deemed RMPP Exit Date, the Member's benefit or component of that benefit will be increased at the Member's RMSPS Retirement Date by the Statutory Underpin Amount (if any) as though the Revaluation Period was of the same length as the number of complete years from the Cut-Off Date to the Member's RMSPS Retirement Date.

(11) Where the Notional Payment Date in respect of that Member's benefit or component of that benefit falls before the Deemed RMPP Exit Date (but after the Cut-Off Date), at the Deemed RMPP Exit Date the Member's benefit or component of that benefit will be increased by the Statutory

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Underpin Amount (if any) as though the Revaluation Period was of the same length as the number of complete years from the Cut-Off Date to that Notional Payment Date.

(12) In this Rule—

“Calculation Year” has the meaning given in Rule 17 (Pension increases);

“Corresponding RMPP Amount” means:

- (a) in relation to a Member’s RMSPS Final Salary Benefits, the “Notional RMSPS NRA60 FPP Pension” and “Notional RMSPS NRA60 FPP Pension Supplement” in respect of that Member, as defined under Rule 1 (Definitions) of Section C of the RMPP Rules;
- (b) in relation to a Member’s RMSPS NRA60 CSDB Benefits, the “Notional RMSPS NRA60 CSDB Pension” and “Notional RMSPS NRA60 CSDB Pension Supplement” in respect of that Member, as defined under Rule 1 (Definitions) of Section C of the RMPP Rules; and
- (c) in relation to a Member’s RMSPS NRA65 CSDB Benefits, the “Notional RMSPS NRA65 CSDB Pension” and “Notional RMSPS NRA65 CSDB Pension Supplement” in respect of that Member, as defined under Rule 1 (Definitions) of Section C of the RMPP Rules;

“Deemed RMPP Exit Date” means, in respect of a Member’s RMSPS benefit or where appropriate a component of that benefit, the earlier of the Member’s RMPP Exit Date and the date on which he or she takes the Relevant RMPP Margin Benefit in respect of his or her RMSPS benefit or where appropriate benefit component;

“Final Deemed Increase Date” means, in respect of a benefit, the date on which the latest increase under Rule 17 (Pension increases) prior to the Member’s RMPP Exit Date would have been granted had the amount been a pension in payment (which included no GMP) at that time

“Notional In Payment Increases” means the percentage increases (compounded where relevant) which would have been applied to the Member’s benefit if—

- (a) it were a pension in payment which included no GMP which came into payment on the Member’s Notional Retirement Date;
- (b) the increases were applied in respect of the period between the Member’s Notional Retirement Date and the Deemed RMPP Exit Date; and
- (c) the increases were determined as follows—
  - (i) the pension in payment were increased as if Rule 17(1) and Rule 17(3) (Pension increases) applied to it; and
  - (ii) if the Member’s Notional RMPP Final Pensionable Pay were determined by reference to a Calculation Year (or a period of 3 consecutive tax years) which ended before that Member’s Notional Retirement Date, the initial pension (in respect of the Member’s RMSPS Pensionable Service before 1 April 2008 only) were adjusted to take into account the increases to which the Member would have been entitled from the later of—
    - (A) the last increase date before Notional Retirement Date decided by the RMPP Trustees under Rule 12B (Pensions Increases) of Section C of the RMPP Rules, and
    - (B) the end of the Calculation Year,

“Notional Payment Date” has the meaning given in sub-paragraph (4) above;

“Notional Retirement Date” means, in respect of a Member, the date that is the later of the Member’s Notional Payment Date and the Cut-Off Date;

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“Notional RMPP Final Pensionable Pay” means the RMPP Final Pensionable Pay that would have been determined in respect of a Member under the RMPP if that Member had retired at his or her Notional Retirement Date;

“Part Year Increase Factor” shall be calculated as the greater of: (a) one; and (b)  $(1+A\%)$  divided by  $(1+B\%)$ , where—

A% = the percentage increase granted under Rule 17 (Pension increases) to pensions in payment (in excess of any GMP) on the latest date prior to the Deemed RMPP Exit Date that such increases were granted (or, in case of zero or negative growth in the Retail Prices Index, that such increases would have been granted but for such zero or negative growth); and

B% =  $(A\%$  multiplied by (i) the number of complete months in the period from: (a) the Deemed RMPP Exit Date (or, in the case of amounts which are calculated by reference to the Member’s RMSPS Final Pensionable Pay, the end of the Calculation Year by reference to which the Member’s actual RMPP Final Pensionable Pay is determined in respect of the amount); to (b) the first date after the Deemed RMPP Exit Date on which an increase under Rule 17 (Pension increases) is due to be granted, plus (but only where the Member’s Notional Payment Date falls after his or her Final Deemed Increase Date) (ii) the number of complete months from: (a) the Final Deemed Increase Date in respect of the amount; to (b) the Member’s Notional Payment Date in respect of the amount) divided by 12,

and an incomplete month is to be treated as a complete month if it is so treated for the purposes of determining the increases payable under Rule 17 (Pension increases) to pensions which have been in payment for less than a year;

“Relevant Percentage” means—

- (a) if the Deemed RMPP Exit Date is between 1 January and 30 March (inclusive) in any year but the relevant Member’s birthday is between 31 March and 31 December (inclusive), the higher revaluation percentage which would have been specified for the revaluation period 1 January 2012–31 December 2012 in the Occupational Pensions (Revaluation) Order 2012 if the “inflation percentage” for the purposes of paragraph 2(3)(a) of Schedule 3 to the Pension Schemes Act 1993 were the percentage increase (if any) in the Government index of retail prices during the period which is the reference period in relation to that revaluation period; and
- (b) otherwise, the higher revaluation percentage which would have been specified for the most recent single calendar year in the Occupational Pensions (Revaluation) Order coming into force at the start of the year of the Deemed RMPP Exit Date if the “inflation percentage” for the purposes of paragraph 2(3)(a) of Schedule 3 to the Pension Schemes Act 1993 were the percentage increase (if any) in the Government index of retail prices during the period which was the reference period in relation to that revaluation period;

“Relevant RMPP Margin Benefit” means, in respect of a Member’s RMSPS benefit or where appropriate benefit component, the Member’s RMPP benefit or where appropriate benefit component in the calculation of which the Corresponding RMPP Amount in relation to that RMSPS benefit or benefit component is being used;

“Retirement Revaluation Date” means the first day which is 1 April after the relevant Member’s RMSPS Retirement Date;

“Revaluation Laws” means the laws as to revaluation of accrued benefits set out in Chapter II of Part IV of the Pension Schemes Act 1993;

“Revaluation Order” means an order made under paragraph 2(1) of Schedule 3 of the Pension Schemes Act 1993;

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“Revaluation Period” has the meaning given to it in paragraph 2(2) of Schedule 3 of the Pension Schemes Act 1993;

“RMPP Final Pensionable Pay” means the Member’s “Final Pensionable Pay” as determined under Section C of the RMPP Rules;

“RMSPS CSDB Benefits” means a Member’s—

- (a) RMSPS NRA60 CSDB Benefits; and
- (b) RMSPS NRA65 CSDB Benefits;

“RMSPS Final Salary Benefits” means a Member’s Section C benefits attributable to RMSPS Reckonable Service before 1 April 2008;

“RMSPS NRA60 CSDB Benefits” means a Member’s Section C benefits attributable to RMSPS Reckonable Service on and from 1 April 2008 up to and including 31 March 2010;

“RMSPS NRA65 CSDB Benefits” means a Member’s Section C benefits attributable to RMSPS Reckonable Service on and from 1 April 2010 up to and including the Cut-Off Date;

“RMSPS Retirement Date” means the date the Member’s RMSPS benefit or where appropriate benefit component comes into payment; and

“Statutory Underpin Amount” means such additional amount (if any) as may be required to ensure that at the time it is determined, the amount of the Member’s benefit or benefit component is no less than the amount it would have been had it been a benefit to which section 83(1)(a) of the Pension Schemes Act 1993 applied and the Member had been in pensionable service under the RMSPS that had ended at the end of the Cut-Off Date, and it had been increased over the relevant period in accordance with the Revaluation Laws, in relation to which the modifications set out in this Rule (other those set out in sub-paragraph (2)) will for these purposes not apply).

## **Pension increases**

17.—(1) That part of each pension in payment under the Section C Rules (together with the RMSPS Pension Supplement, if any) that exceeds any GMP will increase by the lower of 5% compound in each year or the increase in the Retail Prices Index over the preceding year on a date decided by the Secretary of State.

(2) The initial pension for a Member under this Section C, in respect of RMSPS Pensionable Service before 1 April 2008 only, whose RMPP Final Pensionable Pay is determined by reference to a Calculation Year (or a period of 3 consecutive tax years) which ended before the Deemed RMPP Exit Date will be adjusted to take into account the increases to which that Member would have been entitled under the RMPP from the later of—

- (a) the last increase date decided by the RMPP Trustees under Rule 12B (Pensions Increases) of Section C of the RMPP Rules, and
- (b) the end of the Calculation Year,

to the Deemed RMPP Exit Date.

(3) Pensions paid for less than a year may be increased by a smaller amount.

(4) Where GMP is payable, the part of the GMP that is attributable to earnings for the tax year 1988/1989 and subsequent tax years will increase in each year by the percentage specified in any order made by the Secretary of State under Section 109 of the Pension Schemes Act 1993. The remainder of the GMP will not increase.

(5) In this Rule—

“Calculation Year” means, in respect of a Member, the year (or period of 365 days of his or her RMPP Reckonable Service if that RMPP Reckonable Service is not continuous) ending on the

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Deemed RMPP Exit Date and each year (or period of 365 days) ending on a day which falls 91 days before the Deemed RMPP Exit Date or any multiple of 91 days before the Deemed RMPP Exit Date up to a maximum multiple of 8; and

“Deemed RMPP Exit Date” has the meaning given in Rule 16 (Revaluation of preserved pensions).

#### **Deduction of tax**

18. The Secretary of State may deduct from any payment under this Section C any tax for which he may be liable in respect of it.

## **PART VI**

### **SECTION E RULES OF THE SCHEME**

#### **Application**

1. These Section E Rules shall only apply to Members who are Section E Actives, and they do not apply to Members who are Cut-Off Date Non-Actives or to any other Wholly Transferred Beneficiaries. References to Member in these Section E Rules shall be read accordingly.

#### **Interpretation**

2. Terms defined in the RMSPS Rules shall have the same meaning in these Rules.

#### **Definition**

3. The following term shall have the following meaning in these Rules—

“Former Section” means whichever of Section A or Section B of the contributory part of the RMPP to which the Member was subject immediately prior to joining Section E of the RMPP.

#### **Transfer of RMPP Reckonable Service**

4. All RMPP Reckonable Service built up in a Member’s Former Section in relation to that Member’s period of service immediately prior to the date of joining Section E of the RMPP (which was transferred to Section E of the RMPP in accordance with the provisions of Section E of the RMPP Rules applying to the Member upon the date of that Member joining Section E of the RMPP) was treated as if it were RMPP Reckonable Service in Section E of the RMPP and was continuous with RMPP Reckonable Service accrued after joining Section E of the RMPP. All such continuous RMPP Reckonable Service accrued under a Former Section and accrued after joining Section E of the RMPP, up to the end of the Cut-Off Date, will be counted as RMSPS Reckonable Service for the purposes of these Section E Rules. For avoidance of doubt, no Section E Active has any rights under Section A or Section B of the RMSPS in relation to RMPP Reckonable Service accrued under a Former Section (unless the RMPP Reckonable Service under a Former Section was not treated under the RMPP Rules as continuous with that Member’s RMPP Reckonable Service under Section E and hence does not form part of that Member’s RMSPS Reckonable Service; in such a case, the Member will be treated as a Wholly Transferred Beneficiary in relation to that prior RMPP Reckonable Service).

### **Section E benefits**

5. Subject to Rule 7 (Benefits on redundancy), the benefits payable to a Member of Section E shall be of the same amount and payable in the same circumstances as would have applied to the Member if that Member had continued to be subject to the Rules of his or her Former Section up to the end of the Cut-Off Date and, as a consequence, become a Section A Active or a Section B Active under the RMSPS. For the avoidance of doubt, the RMSPS benefits payable to a Section E Active who was formerly subject to the Rules of Section A of the contributory part of the RMPP shall be calculated in accordance with the provisions of the Section A Rules, but subject to any election made or deemed to be made under General Rule 7 (Application of Sections A and B – election for Section B benefits) to be treated as being subject to the Section B Rules, and the RMSPS benefits payable to a Section E Active who was formerly subject to the Rules of Section B of the contributory part of the RMPP shall be calculated in accordance with the provisions of the Section B Rules.

### **Application of General Rules to Section E Members**

6. In accordance with the provisions of General Rule 1 (Application of the General Rules), a reference in the General Rules to Members who are subject to the Section A Rules shall, where the context so admits, be deemed to include a Section E Member who was formerly subject to the Section A Rules of the contributory part of the RMPP and a reference in the General Rules to Members who are subject to the Section B Rules shall, where the context so admits, be deemed to include a Section E Member who was formerly subject to the Section B Rules of the contributory part of the RMPP.

### **Benefits on redundancy**

7. Notwithstanding Rule 5 (Section E benefits), in the event that a Member is made redundant by an Employer no lump sum compensation will be payable to that Member on account of that Member's redundancy including any such benefits which would otherwise be payable under the Section A Rules.

## **PART VII**

### **TRUSTS, POWERS AND PROVISIONS UPON, WITH AND SUBJECT TO WHICH THE DESIGNATED SUM IS TO BE HELD IN PURSUANCE OF A DIRECTION GIVEN BY A MEMBER UNDER GENERAL RULE 6**

1.—(1) The persons appointed for such purposes by the Secretary of State in accordance with General Rule 6 (Member's power to place benefits within the Secretary of State's discretion) (hereinafter called "the Trustees of the Designated Sum") shall stand possessed of the designated sum which a Member has directed to be paid to the Secretary of State of the Designated Sum and the income thereof upon the trusts and with and subject to the powers and provisions following (that is to say):

(2) During the period of 21 years from the death of the Member the Trustees of the Designated Sum may pay or apply the designated sum and the income thereof or any part thereof respectively to or for the benefit of all or any one or more exclusively of the other or others of the following persons—

- (a) the widow or widower of such Member;
- (b) the issue of such Member;
- (c) his or her grandparents; the grandparents of his widow or her widower, the grandparents of any previous or deceased spouse of such Member;

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- (d) the issue of each of the grandparents of such Member and the issue of each of the grandparents of the widow or widower of such Member and the issue of each of the grandparents of any previous or deceased spouse of such Member; and
- (e) the person or persons (if any and whether of full age or not) to whom such Member has at any time put himself or herself in loco parentis or of whose person or property such Member has at any time been guardian,

in such shares and in such manner as the Trustees of the Designated Sum shall in their absolute discretion from time to time determine and so that the Trustees of the Designated Sum may if they think fit pay any sum to the parent or guardian of any infant to be applied for the benefit of such infant without seeing to the application thereof.

(3) Further during the said period of 21 years the Trustees of the Designated Sum may at any time pay or apply the designated sum and the income thereof or any part thereof respectively to or for the benefit of any person who in the opinion of the Trustees of the Designated Sum was wholly or in part dependent on the earnings of such Member at his or her death in such manner as the Trustees of the Designated Sum shall in their absolute discretion think fit.

(4) Subject as aforesaid the designated sum and the income thereof or so much thereof respectively as shall not have been paid or applied under the foregoing powers shall be paid to such person or persons (other than the Crown, the Duchy of Lancaster or the Duke of Cornwall) as would at the death of such Member have become entitled thereto under the law of intestacy of the Member's domicile at the date of his or her death (if that Member was domiciled in any part of the United Kingdom or the Isle of Man) or under the law of intestacy of England (if that Member was not so domiciled) if such Member had died intestate and solvent and (if not domiciled in some other part of the United Kingdom or the Isle of Man) domiciled in England such persons if more than one taking the same shares and interests as they would be entitled to under such law.

(5) The Trustees of the Designated Sum may at their discretion deduct the cost of funeral expenses from any lump sum death benefits and pay it to the person who incurred the funeral expenses.

(6) In sub-paragraph (1) of this Part VII the expression "grandparent" and "issue" shall be construed as if the step-child, adopted child or illegitimate child of any person were that person's child.

(7) In sub-paragraph (2) of this Part VII the expression "earnings" shall mean any payments by way of salary or wages under any employment or of pension benefits under the Rules of the RMSPS.

## PART VIII

### **LIST OF COUNTRIES AND PLACES TO WHICH SECTION B RULE 10 APPLIES**

Admiralty Islands (Pacific Ocean); Afghanistan; Albania; Angola; Arabian Sub-Continent and Islands; Australia (West and North of latitude  $31\frac{1}{2}^{\circ}$  South and longitude  $150^{\circ}$  East); Port Darwin;

Bolivia; Brazil; British Honduras; Brunei; Bulgaria; Burma;

Cambodia [Indo-China]; Cameroon; Cape Verde Islands; Central African Republic; Chad; China; Christmas Island (Pacific Ocean); Cocos (or Keeling) Islands; Colombia; Congo [Belgian Congo]; Costa Rica; Cuba; Czechoslovakia;

Dahomey; Ecuador; Egypt (excluding Alexandria) [United Arab Republic]; Ethiopia; Fernando Po; Fiji; French Guiana; French Somaliland;

Gabon; Gambia; Ghana [Gold Coast]; Gilbert and Ellice Islands; Guatemala; Guyana [British Guiana]; Guinea;

Haiti; Honduras; Hong Kong; Hungary;  
Iceland; India; Indonesia; Iraq; Iran – see Persia; Israel; Ivory Coast; Japan; Jordan; Kenya; Korea;  
Laos [Indo-China]; Lebanon; Liberia; Libya [including territory previously known as Cyrenaica];  
Macao; Malagasy Republic [Madagascar]; Malawi [Nyasaland]; Malaysia [Federation of Malaya, Sabah (North Borneo) and Sarawak]; Maiden Island; Maldives; Mali; Martinique; Mauritania; Mauritius; Mexico; Mozambique;  
Nauru; Nepal; Netherlands Antilles; New Hebrides; Nicaragua; Nicobar Islands; Niger; Nigeria; Norway (Narvik and Tromsø only);  
Pakistan; Panama; Paraguay; Penrhyn Island; Persia (Iran); Peru; Philippines; Poland; Portuguese Guinea; Puerto Rico [Porto Rico]; Reunion; Romania; Russia;  
Sao Tome; Salvador; Samoan Islands; Senegal; Sierra Leone; Singapore; Solomon Islands; Somalia [Somaliland]; Spanish possessions in Africa (excluding N. Africa); Sri Lanka [Ceylon]; Sudan; Suriname [Dutch Guiana]; Sweden (Luleå only); Syria;  
Tahiti; Taiwan [Formosa]; Tanzania [Tanganyika and Zanzibar]; Thailand [Siam]; Togo; Tonga; Trinidad and Tobago; Turkey in Asia (excluding Izmir);  
Uganda; Upper Volta; USA (Houston, New Orleans and St. Louis only); Venezuela; Vietnam (North and South) [Indo-China]; Yugoslavia; and Zambia [Northern Rhodesia]  
Ships operated by or on behalf of an Employer in the sea area bounded on the North by the Continents of Asia and America and the Arctic Circle, on the East by the Continent of America (including the Panama Canal) and Longitude 67 degrees West, on the South by the Antarctic Circle and on the West by the Continent of Africa (including Port Said and the Suez Canal) and Longitude 18 degrees East.

## PART IX

### OVERRIDING FINANCE ACT PROVISIONS

1. The provisions of this Part IX override any other provisions of the RMSPS Rules with which they are inconsistent and apply to all Members of the RMSPS who are Cut-Off Date Actives provided that—

- (a) This Part IX shall not apply in relation to Section A Members (or those Section E Members who were Section A Members before joining Section E) and so shall not override the provisions of the Section A Rules (or, in the same manner, the Section E Rules).
- (b) This Part IX shall only apply in part to Section B Members (or those Section E Members who were Section B Members before joining Section E) and so shall not override the following provisions of the Section B Rules (or, in the same manner, the Section E Rules)  
—
  - (i) Rule 2 (Definitions and interpretation), definition of “RMSPS Pensionable Salary”;
  - (ii) Rule 13(1) (Provisions applicable to Rules 11 and 12), for the purpose of applying the “first 91 days”;
  - (iii) Rule 15 (Dependants’ pensions), payment of dependants’ pension equivalent to widow’s or widower’s pension under Rule 11 (Spouse’s pension) (and, where applicable, Rule 12 (Spouse’s pension for Relevant Members)); and
  - (iv) Rule 19 (Pensions increase).

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- (c) For the purpose of this Part IX all Section B Members or those Section E Members who were Section B Members before joining Section E will be treated as if they had joined the RMPP before 17 March 1987 unless they elect otherwise subject to their not having a break in Post Office service (or service with an Employer) other than any period of temporary loan.
2. The RMSPS will be administered as a Registered pension scheme in accordance with the Finance Act 2004.
3. Subject to Clause 15(6) (Prevention of discrimination on grounds of age), the Secretary of State shall only make payments from the RMSPS which are authorised payments (as that term is used for the purposes of the Finance Act 2004) except that—
- (a) if the Rules contain a provision which would require the Secretary of State to make a payment which would be an unauthorised payment, then the effect of Regulation 3 of the Registered Pension Schemes (Modification of the Rules of Existing Schemes) Regulations 2006 but without the limitation to the transitional period (as adopted in relation to the RMPP by clause 1(a) of the Interim Amending Deed for the RMPP dated 3 April 2006), applies to the RMSPS as if it were an “existing scheme” to which those regulations apply under Regulation 2 of those regulations, and the Secretary of State therefore has a discretion whether or not to make the payment, by virtue of that regulation; and
- (b) the Secretary of State may, if he thinks fit in any particular circumstance, make a payment from the Scheme notwithstanding that it is or may be an unauthorised payment. The Secretary of State will where reasonably practicable obtain the consent of the Member or beneficiary (where applicable) before making any such payment. No person will, however, have any entitlement to such a payment.
4. The Secretary of State may use reasonable endeavours to rearrange any benefit that would not be an authorised payment so that the benefit actually paid is an authorised payment.
5. Except as otherwise mentioned in this Part IX, the benefits, rights and options of or in respect of all Members and other persons will, as a restriction imposed by the RMSPS Rules, be subject to—
- (a) the same restrictions as applied to them immediately before 6 April 2006 (or would have applied had they then been entitled) by virtue of the previous provisions of the RMPP in force immediately before 6 April 2006; and
- (b) the restrictions which applied as requirements of the approval of the RMPP by HMRC under IR12 (2001) (IR12),

in each case as increased, indexed or revalued where appropriate in such manner and at such dates as the Secretary of State decides (Scheme Limits) and neither the amount nor the nature of any benefit will be increased or varied as a result of the said restrictions having ceased to apply to the RMPP on or after 6 April 2006 or not having applied directly to the RMSPS, except where specified in the RMSPS Rules or this Part IX.

6. The Secretary of State may decide to waive or modify all or any part of the Scheme Limits whether conditionally or otherwise in respect of some or all Members.

7. Except as specified in paragraph 7(h) below, the following provisions (which were applied under the RMPP Rules with effect on and from 6 April 2006) will apply so as to vary the Scheme Limits under the RMSPS—

- (a) When calculating the benefits of Members under the RMSPS, a Scheme-specific limit (the Scheme Earnings Cap) will apply. It applies to all Members (other than those who, as Members of the RMPP, were neither actually nor potentially subject to the permitted maximum immediately before 6 April 2006). The Scheme Earnings Cap is the “Scheme Earnings Cap” that applied under the RMPP as at the end of the Cut-Off Date, as set out in Schedule 13 (Overriding Finance Act provisions) of the RMPP Cut-Off Date Rules



- (the RMPP Scheme Earnings Cap). The RMPP Scheme Earnings Cap operated in the same manner as the permitted maximum (as that term was defined in Section 590C of the Income and Corporation Taxes Act 1988)<sup>(34)</sup> and was £108,600 for tax year 2006/07. For subsequent tax years the RMPP Scheme Earnings Cap was the amount for the previous tax year increased by—
- (i) the same percentage increase in the Index of Retail Prices for the 12 month period ending the previous September (rounded up to the nearest multiple of £600); or
  - (ii) such greater amount as the Principal Employer may at its absolute discretion from time to time have directed the RMPP Trustees.
- (b) The maximum limit on lump sum benefits contained in paragraph 8.5 of IR12 will not apply and Members may draw such an amount of lump sum benefits in accordance with the Rules as they determine up to the lesser of—
- (i) the maximum amount that would constitute a pension commencement lump sum under the Finance Act 2004; and
  - (ii) 25% of the standard lifetime allowance (as that term is used for the purposes of the Finance Act 2004).
- (c) Benefits referable to additional voluntary contributions paid by a Member to the RMPP will be capable of commutation in so far as the payment would be an authorised payment under the Finance Act 2004 and the restriction in paragraph 8.3 of IR12 shall not apply.
- (d) Additional voluntary contributions paid by a Member to the RMPP on a money purchase basis and transferred to the RMSPS under Clause 10 (Additional voluntary contributions transferred from the RMPP) will not be brought into account in applying the Scheme Limits.
- (e) The maximum limits on benefits on death in service contained in paragraph 11.2 of IR12 will not apply (although, in accordance with Paragraph (a) above, the Scheme Earnings Cap will continue to apply for the calculation of any lump sum death benefit under the RMSPS which is calculated by reference (however expressed) to a multiple of salary).
- (f) The restrictions in IR12 on the circumstances in which Members may take benefits whilst remaining in service will not apply to the RMSPS. Members may take benefits whilst remaining in service with an Employer in accordance with the provisions of the Rules.
- (g) The requirements contained in IR12 to take account of retained benefits (as that term is used in Appendix I of IR12) will not apply when calculating the Scheme Limits.
- (h) The requirements in IR12 providing that benefits were limited by reference to 40 years' service (or 40 years' service prior to normal retirement age and a further 5 years thereafter) shall not apply. For Members who were subject to this change under the RMPP, which was put into effect under the RMPP Rules on and from 1 December 2006, benefits under the RMPP were instead limited by reference to 45 years' RMPP Reckonable Service (in accordance with the provisions of the RMPP Rules), and this limit also applies under the relevant provisions of the RMSPS Rules in respect of such Members.

**8.** The Secretary of State may arrange the benefits under the RMSPS (in respect of one or a number of Members) so that those benefits constitute a single or multiple arrangements for the purposes of the Finance Act 2004.

**9.** If any Member or any other person entitled to a benefit under the RMSPS is within any of the transitional provisions and savings in Schedule 36 of the Finance Act 2004 then the Secretary of State may apply those provisions including (without limitation) exercising the power to surrender the relevant excess under paragraph 12(5) of that schedule but so that the Secretary of State will

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(34) 1988 c.1.

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not be liable for any loss or cost arising from failure to apply those provisions where they relate to primary or enhanced protection (as those terms are used for the purposes of the Finance Act 2004).

10. The Secretary of State may determine any matters of ambiguity or dispute arising out of this Part IX or the application of the Finance Act 2004 to the RMSPS.

## SCHEDULE 2

Article 4

### Restrictions on amendments to the RMSPS

1.—(1) In this Schedule—

“Actuarial Equivalence Requirements” has the meaning given in paragraph 9;

“Actuarial Equivalence Statement” has the meaning given in paragraph 13;

“Actuarial Equivalence Statement Requirement” has the meaning given in paragraph 12;

“Actuarial Value Requirement” has the meaning given in paragraph 11;

“Actuary” has the meaning given in the RMSPS Rules;

“Affected Member” is a person who is, at the time a Regulated Modification or RMPP Restricted Modification takes effect, a member of the RMSPS, a survivor of a member of the RMSPS or a survivor of a member of the RMPP who died on or before the Cut-Off Date with benefits under the RMSPS, and—

- (a) the Regulated Modification is a Protected Modification and, on taking effect, the Protected Modification would or might affect any of that person’s RMSPS Subsisting Rights as mentioned in paragraph (a) or (b) of the definition of “Protected Modification”;
- (b) the Regulated Modification is a Detrimental Modification that is not a Protected Modification and, on taking effect, the Detrimental Modification would or might adversely affect any of that person’s RMSPS Subsisting Rights; or
- (c) the RMPP Restricted Modification would, on taking effect, affect the person or the person’s benefits as mentioned in paragraph (b), (c) or (d) of the definition of “RMPP Restricted Modification”;

“Consent Requirements” means the requirements consisting of—

- (a) the Informed Consent Requirement; and
- (b) the Timing Requirement;

“Cut-Off Date” means 31 March 2012;

“Cut-Off Date Active” has the meaning given in the RMSPS Rules;

“Cut-Off Date Non-Active” has the meaning given in the RMSPS Rules;

“Detrimental Modification” means an amendment or modification to the RMSPS which on taking effect would or might adversely affect any RMSPS Subsisting Rights;

“Equivalent Correction” has the meaning given in sub-paragraph (3) below;

“Equivalent Scheme” means an occupational pension scheme, where the power to modify that scheme is subject to the “subsisting rights provisions” within the meaning of section 67 of the Pensions Act 1995<sup>(35)</sup>;

“Information Requirement” has the meaning given in paragraph 10;

“Informed Consent Requirement” has the meaning given in paragraph 6;

(35) 1995 c.26.

“Protected Modification” means an amendment or modification to the RMSPS which—

- (a) on taking effect would or might result in any RMSPS Subsisting Right of a member of the RMSPS or a survivor of a member of the RMSPS or the RMPP which is not a right or entitlement to money purchase benefits becoming, or being replaced with, a right or entitlement to money purchase benefits under the Relevant RMSPS Rules (and for these purposes, the reference in the definition of “money purchase benefits” in section 181(1) of the Pension Schemes Act 1993<sup>(36)</sup> to the widow or widower of a member of an occupational pension scheme is to be read as including any other survivor of the member);
- (b) would or might result in a reduction in the prevailing rate of any pension in payment under the Relevant RMSPS Rules; or
- (c) if the RMSPS were an Equivalent Scheme would be a “protected modification” for the purposes of the “subsisting rights provisions” referred to in section 67 of the Pensions Act 1995 by reason of an order made under section 67A(3)(c) of that Act;

“Regulated Modification” means an amendment or modification to the RMSPS which is—

- (a) a Protected Modification; or
  - (b) a Detrimental Modification;
- or is both;

“relevant legislative provision” means any of the provisions referred to in section 67A(9) of the Pensions Act 1995, if and to the extent that the provision applies to the RMSPS under Schedule 4;

“Relevant RMSPS Rules” means—

- (a) the RMSPS Rules, except so far as overridden by a relevant legislative provision;
- (b) the relevant legislative provisions, to the extent that they have effect in relation to the RMSPS and are not reflected in the RMSPS Rules; and
- (c) any provision which the RMSPS Rules do not contain but which the RMSPS must contain if it is to conform with the requirements of Chapter 1 of Part 4 of the Pension Schemes Act 1993 (preservation of benefit under occupational pension schemes);

“Reporting Requirement” has the meaning given in paragraph 19;

“RMPP Cut-Off Date Rules” has the meaning given in the RMSPS Rules;

“RMPP Restricted Modification” means an amendment or modification which—

- (a) would alter the primary purpose of the RMSPS;
- (b) would reduce the benefits of any person who is at the date of the amendment or modification already entitled to the receipt of a pension or annuity under the RMSPS;
- (c) would, in respect of a person in what was immediately prior to 28 August 1987 category (a) in rule 1 of the non-contributory part of the RMPP (as set out in the third supplemental deed to the RMPP dated 19 November 1971), depart from the Civil Service Scheme for the time being in force as prescribed by rule 2 of the non-contributory section rules of the RMPP Cut-Off Date Rules;
- (d) would, in respect of a person in what was immediately prior to 28 August 1987 category (a) in general rule 1 of the RMPP as set out in the third supplemental deed to the RMPP dated 19 November 1971 who was subject to the section A rules of the RMPP Cut-Off Date Rules, deprive that person of the following—

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(36) 1993 c.48.

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- (i) if the person is a Cut-Off Date Non-Active, any of the benefits referred to in rule 1 of the section A rules of the RMPP Cut-Off Date Rules; or
- (ii) if the person is a Cut-Off Date Active, any of the benefits provided for in the Section A Rules of the RMSPS Rules;

“RMSPS Subsisting Rights” means—

- (a) in relation to a member of the RMSPS, at any time—
  - (i) any right (including any pension credit right) which at that time has accrued or been provided to or in respect of the member to future benefits under the Relevant RMSPS Rules; or
  - (ii) any entitlement to the present payment of a pension or other benefit which the member has at that time, under the Relevant RMSPS Rules; and
- (b) in relation to the survivor of a member of the RMSPS or of the RMPP, at any time, any entitlement to benefits, or right to future benefits, which that survivor has at that time under the Relevant RMSPS Rules in respect of such member;

“survivor”, in relation to a member of the RMSPS or the RMPP, means a person who—

- (a) is the widow or widower of the member; or
- (b) has survived the member and has any entitlement to benefit, or right to future benefits, under the Relevant RMSPS Rules in respect of the member;

“Timing Requirement” has the meaning given in paragraph 8.

(2) A modification would or might adversely affect a person’s RMSPS Subsisting Rights if it would alter the nature or extent of the entitlement or right so that the benefits, or future benefits, to which the entitlement or right relates would or might be less generous.

(3) An amendment or modification to a rule or provision of the RMSPS will be an “Equivalent Correction” where—

- (i) any rule or provision of the RMPP Rules has been subject to rectification or correction which would not be subject to or restricted by the restrictions on the power to amend the RMPP Rules or the “subsisting rights provisions” within the meaning of section 67 of the Pensions Act 1995 at that time (or such rectification or correction would be available in relation to that rule or provision);
- (ii) the rule or provision of the RMSPS corresponds to or is derived from that rule or provision of the RMPP Rules; and
- (iii) the amendment or modification to the rule or provision of the RMSPS is consistent with such rectification or correction of that rule or provision of the RMPP, and does no more than implement a corresponding correction to the terms of the rule or provision of the RMSPS.

2.—(1) A Regulated Modification may be made to the RMSPS by the Secretary of State if—

- (a) it is an amendment or modification which, if the RMSPS were an Equivalent Scheme would not, at the time the amendment or modification is being made, have been subject to or restricted by the “subsisting rights provisions” within the meaning of section 67 of the Pensions Act 1995 at that time, including without limitation an amendment or modification which—
  - (i) comes within section 67(3) of the Pensions Act 1995;
  - (ii) could have been made by resolution under section 68 of the Pensions Act 1995 or section 24G of the Pension Schemes Act 1993;
  - (iii) reflects legislative requirements that have overriding effect in relation to the scheme and are not reflected in the scheme rules;

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- (iv) includes in the scheme rules any provision which those rules do not contain but which the scheme must contain if it is to conform with legislative requirements, if those legislative requirements do not have overriding effect in relation to the scheme;
- (b) it is an Equivalent Correction; or
- (c) the following requirements are satisfied in respect of the modification in the case of each Affected Member—
  - (i) if the modification is a Protected Modification, the Consent Requirements;
  - (ii) if the modification is not a Protected Modification, either the Actuarial Equivalence Requirements (if the Secretary of State determines that they are to apply in the case of that Affected Member) or the Consent Requirements; and
  - (iii) the Reporting Requirement.

(2) If the Regulated Modification is also an RMPP Restricted Modification, the requirements of paragraph 3 must be satisfied if the modification is to be made.

**3.—(1)** An RMPP Restricted Modification (other than a modification within paragraph (a) of the definition of “RMPP Restricted Modification”) may be made to the RMSPS by the Secretary of State if the modification satisfies either (a) or (b) below—

- (a) The modification—
  - (i) is required to reflect legislative requirements that have overriding effect in relation to the RMSPS (and are not otherwise reflected in the RMSPS Rules);
  - (ii) is required to include in the RMSPS Rules any provision which those rules do not contain but which they must contain if that scheme is to conform with legislative requirements (where those legislative requirements apply but do not have overriding effect in relation to the RMSPS);
  - (iii) were it being made under the RMPP, could have been made by trustee resolution under either section 68 of the Pensions Act 1995 or section 24G of the Pension Schemes Act 1993 provided that, in each case, the Secretary of State complies with any procedural requirements relevant to the resolution which would have had to be complied with by the trustee of the RMPP were the modification being made under that scheme; or
  - (iv) is an Equivalent Correction.
- (b) The following requirements are satisfied in respect of the modification in the case of each Affected Member —
  - (i) the Consent Requirements; and
  - (ii) the Reporting Requirement.

(2) If the RMPP Restricted Modification is also a Regulated Modification, the requirements of paragraph 2 must be satisfied if the modification is to be made.

**4.** If a Regulated Modification or an RMPP Restricted Modification is made to the RMSPS by the Secretary of State and a member of the RMSPS dies before the requirements mentioned in paragraph 2(1)(c) or 3(1)(b), so far as they apply in that member’s case, have been complied with in respect of the modification, paragraph 5 will apply to that modification if the member—

- (a) before the member died, had given his or her consent to the modification in accordance with the Consent Requirements, or
- (b) before the member died, or before the Secretary of State had become aware that the member had died, the Secretary of State had complied with the Information Requirement (other than paragraph 10(c)) in respect of the modification in that member’s case.

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**5.** Any of the requirements mentioned in paragraphs 2(1)(c) and 3(1)(b) as it applies in respect of the modification—

- (a) which is satisfied in the case of the member; or
- (b) which would have been satisfied in the member's case had the member not died before it was satisfied,

is to be taken to be satisfied in the case of any survivor of the member in respect of the modification.

**6.** Subject to paragraph 7, the "Informed Consent Requirement" is satisfied in the case of an Affected Member if before the modification is made—

- (a) the Secretary of State has—
  - (i) given that person information in writing adequate to explain the nature of the modification and its effect on the member;
  - (ii) notified that person in writing that he or she may make representations to the Secretary of State about the modification;
  - (iii) afforded that person a reasonable opportunity to make such representations; and
  - (iv) notified that person in writing that the Consent Requirements apply in that person's case in respect of the modification; and
- (b) after the Secretary of State has complied with paragraph (a)(i), (ii) and (iv), the Affected Member has given consent in writing to the modification.

**7.** If—

- (a) the modification is not a Protected Modification; and
- (b) before the modification is made the Secretary of State notifies an Affected Member in writing that—
  - (i) if that person gives consent to the modification for the purposes of the Consent Requirements, those requirements apply in that person's case in respect of the modification, but
  - (ii) otherwise, the Actuarial Equivalence Requirements apply in that person's case in respect of the modification,

the Secretary of State is to be taken to have complied with paragraph 6(a)(iv) in respect of that member.

**8.** The Timing Requirement is satisfied in the case of an Affected Member if the modification takes effect within a reasonable period after that person has given consent to the modification in accordance with paragraph 6(b).

**9.** The Actuarial Equivalence Requirements consist of—

- (a) the Information Requirement;
- (b) the Actuarial Value Requirement; and
- (c) the Actuarial Equivalence Statement Requirement.

**10.** The Information Requirement is satisfied in the case of an Affected Member if before the modification is made the Secretary of State has taken all reasonable steps to—

- (a) give that person information in writing adequate to explain the nature of the modification and its effect on that person;
- (b) notify that person in writing that he or she may make representations to the Secretary of State about the modification;
- (c) afford that person a reasonable opportunity to make such representations; and

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- (d) notify that person in writing that the Actuarial Equivalence Requirements apply in that person's case in respect of the modification.

**11.** The Actuarial Value Requirement is satisfied in the case of an Affected Member if before the modification is made the Secretary of State has made such arrangements, or taken such steps, as are adequate to secure that actuarial value will be maintained, in accordance with paragraph 14.

**12.** The Actuarial Equivalence Statement Requirement is satisfied in the case of an Affected Member if the Secretary of State has, within a reasonable period beginning with the date on which the modification takes effect, obtained an Actuarial Equivalence Statement relating to the Affected Member in respect of the modification.

**13.** An Actuarial Equivalence Statement means a statement in writing which—

- (a) is given by the Actuary or another person who is approved by the Secretary of State and is a Fellow of the Faculty of Actuaries or a Fellow of the Institute of Actuaries; and
- (b) certifies that actuarial value has been maintained, in accordance with paragraph 14.

**14.** For the purposes of paragraphs 11 and 13 as they apply in relation to an Affected Member, actuarial value is maintained if the actuarial value, immediately after the time at which the modification takes effect, of the Affected Member's RMSPS Subsisting Rights is equal to or greater than the actuarial value of that person's RMSPS Subsisting Rights immediately before that time.

**15.** The Information Requirement is to be taken to have been satisfied in relation to the revised modification where—

- (a) the Information Requirement has been satisfied in the case of an Affected Member in respect of a proposed modification ("the original modification");
- (b) before the Secretary of State has made a modification to the RMSPS in relation to the original modification, the original modification has been revised; and
- (c) the modification as so revised ("the revised modification") does not differ from the original modification in any material respect.

**16.** The Secretary of State is to be regarded as having taken all reasonable steps to notify an Affected Member as mentioned in paragraph 10(d) if he has taken all reasonable steps to notify that person in writing that—

- (a) if that person gives consent to the modification for the purposes of the Consent Requirements, those requirements apply in that person's case in respect of the modification, but
- (b) otherwise, the Actuarial Equivalence Requirements apply in that person's case in respect of the modification.

**17.** When making any calculation for the purposes of paragraphs 11, 13 and 14 of the actuarial value of an Affected Member's RMSPS Subsisting Rights at any time, the Actuary must—

- (a) calculate the value of the RMSPS Subsisting Rights of an Affected Member by adopting methods and making assumptions which are consistent with methods and assumptions used by the Secretary of State as at the date of the modification to calculate a cash equivalent transfer value from the RMSPS in accordance with regulations 7 to 7C and 7E(1) to (3) as appropriate of the Occupational Pension Schemes (Transfer Values) Regulations 1996 (manner of calculation and verification of cash equivalents), as those regulations apply to the RMSPS under Schedule 4;
- (b) ensure that the calculation of the actuarial value of an Affected Member's RMSPS Subsisting Rights is made in accordance with any guidance that is adopted or prepared, and from time to time revised, by the Board for Actuarial Standards (being the operating

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body of that name of the Financial Reporting Council) which is current on the date that the Actuarial Equivalence Statement is obtained by the Secretary of State;

- (c) exclude from the RMSPS Subsisting Rights calculation—
  - (i) the value of any RMSPS Subsisting Rights that have been surrendered, commuted or forfeited before the date on which the modification of the RMSPS takes effect;
  - (ii) the value of any amounts paid, or due to be paid, in respect of any pension or other benefit in payment to an Affected Member in respect of a period prior to the date on which the modification takes effect;
  - (iii) the value of discretionary benefits that have not been awarded to an Affected Member or are not in payment on the date on which the modification takes effect; and
- (d) exclude any RMSPS Subsisting Rights which consist wholly or partly of rights to money purchase benefits where—
  - (i) those benefits are not valued in a manner which involves making estimates of the value of the rights, and
  - (ii) the modification has no effect on the value of those rights.

**18.** Nothing in paragraphs 12 and 13 precludes Actuarial Equivalence Statements relating to—

- (a) two or more Affected Members, or
- (b) Affected Members of any particular description, in respect of a modification being given in a single document.

**19.** The Reporting Requirement is satisfied in relation to the exercise of a power to which paragraph 2 or 3 applies if the Secretary of State has, in accordance with paragraph 20—

- (a) notified each Affected Member in whose case the Consent Requirements apply in respect of the modification, and
- (b) taken all reasonable steps to notify each Affected Member in whose case the Actuarial Equivalence Requirements apply in respect of the modification,

that he has made an order to modify the RMSPS.

**20.** The Secretary of State must give (or, where the Actuarial Equivalence Requirements apply, take all reasonable steps to give) the notification mentioned in paragraph 19—

- (a) within a reasonable period beginning with the date of the order modifying the RMSPS mentioned in paragraph 19; and
- (b) before the date on which the modification made by that order takes effect.

## SCHEDULE 3

Article 6

Pension sharing orders, pension attachment orders and other orders related to earnings

### Interpretation

**1.** In this Schedule—

“Attachment of Earnings Order” means—

- (a) an order made under section 1 of the Attachment of Earnings Act 1971<sup>(37)</sup>;

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<sup>(37)</sup> 1971 c.32.



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(b) an order made under Articles 73 or 99 of the Judgments Enforcement (Northern Ireland) Order 1981**(38)**;

“Cut-Off Date” means 31 March 2012;

“Deductions from Earnings Order” means—

(a) an order made under section 31 of the Child Support Act 1991**(39)**; or

(b) an order made under Article 31 of the Child Support (Northern Ireland) Order 1991**(40)**;

“Earnings Arrestment Schedule” has the meaning given in section 47(2) of the Debtors (Scotland) Act 1987**(41)**;

“money purchase benefits” has the meaning given in the RMSPS Rules;

“Pension Attachment Order” means—

(a) an order made under section 23 of the Matrimonial Causes Act 1973**(42)** or section 17 of the Matrimonial and Family Proceedings Act 1984**(43)** by virtue of section 25B or section 25C of the Matrimonial Causes Act 1973,

(b) an order made under Part 1 of Schedule 5 or paragraph 9 of schedule 7 of the Civil Partnership Act 2004**(44)** by virtue of Part 6 of Schedule 5 of that Act,

(c) an order made under Article 25 of the Matrimonial Causes (Northern Ireland) Order 1978**(45)** or Article 21 of the Matrimonial and Family Proceedings (Northern Ireland) Order 1989**(46)** by virtue of Article 27B or 27C of the Matrimonial Causes (Northern Ireland) Order 1978,

(d) an order made under Part 1 of Schedule 15 or paragraph 9 of Schedule 17 of the Civil Partnership Act 2004 by virtue of Part 5 of Schedule 15 of that Act,

(e) an order made under section 8 of the Family Law (Scotland) Act 1985**(47)** by virtue of section 12A of that Act,

(f) an order made under Part IV of the Matrimonial and Family Proceedings Act 1984**(48)** corresponding to such order as is mentioned in paragraph (v), or

(g) an order made under paragraph 2 of Schedule 11 of the Civil Partnership Act 2004 corresponding to such order as is mentioned in paragraph (v);

“Pension Credit” means a credit under section 29(1)(b) of the Welfare Reform and Pensions Act 1999**(49)**;

“Pension Sharing Order” means an order made under section 24B of the Matrimonial Causes Act 1973**(50)** or other order or provision mentioned in section 28(1) of the Welfare Reform and Pensions Act 1999;

“person responsible” means a person responsible under—

(a) section 25D(1) of the Matrimonial Causes Act 1973**(51)**,

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**(38)** S.I. 1981/225 (N.I. 6).

**(39)** 1991 c.48.

**(40)** S.I. 1991/2628 (N.I. 23).

**(41)** 1987 c.18.

**(42)** 1973 c.18. Section 23 amended by Family Law Act 1996, section 15, schedule 2, paragraph 5.

**(43)** 1984 c.42.

**(44)** 2004 c.33.

**(45)** S.I. 1978/1045 (N.I. 15).

**(46)** S.I. 1989/677 (N.I. 4).

**(47)** 1985 c.37. Section 12A inserted by the Pensions Act 1995, section 167(3).

**(48)** 1984 c.42.

**(49)** 1999 c.30.

**(50)** Section 24B inserted by the Welfare Reform and Pensions Act 1999, s 19, schedule 3, paragraphs 1 and 4.

**(51)** Section 25D inserted with savings by the Pensions Act 1995, s 166(1).

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- (b) Article 27D(1) of the Matrimonial Causes (Northern Ireland) Order 1978,
  - (c) paragraph 27 of Schedule 5 of the Civil Partnership Act 2004,
  - (d) paragraph 22 of Schedule 15 of the Civil Partnership Act 2004, or
  - (e) section 12A(6) of the Family Law (Scotland) Act 1985;
- “Relevant Scottish Order” has the meaning given in paragraph 4;
- “shareable rights” has the meaning given in section 27(2) of the Welfare Reform and Pensions Act 1999<sup>(52)</sup> and Article 23A(a) of the Matrimonial Causes (Northern Ireland) Order 1978;
- “Voluntary Deduction from Earnings Arrangement” means an arrangement whereby one person gives authority for payments to be made on their behalf to another person or to an account of that other person in accordance with section 28J of the Child Support Act 1991<sup>(53)</sup> or the Child Support (Voluntary Payments) Regulations 2000<sup>(54)</sup>.

### **Pension Sharing Orders**

**2.** A Pension Sharing Order made on or before the Cut-Off Date in respect of shareable rights under the RMPP which has not been implemented on or before the Cut-Off Date in relation to any person who is a pensioner or deferred pensioner of the RMPP at the end of the Cut-Off Date shall be implemented in the RMSPS.

**3.** A Pension Sharing Order made on or before the Cut-Off Date in respect of shareable rights under the RMPP which has not been implemented on or before the Cut-Off Date in relation to any person who is an active member of the RMPP at the end of the Cut-Off Date has effect as if a separate Pension Sharing Order had been made in respect of the RMSPS in relation to the rights accrued by that member and shall accordingly be implemented in the RMSPS in relation to those rights, with the order being deemed to be subject to any adjustments that are necessary to provide under the RMSPS a pension credit of the same value as would have been provided under the RMPP had the transfers implemented by article 5 of this Order not occurred.

**4.** A Pension Sharing Order made after the Cut-Off Date in respect of shareable rights under the RMPP in relation to any person who is an active member of the RMPP at the end of the Cut-Off Date has effect—

- (a) as if it had been made in respect of the RMPP in relation to the rights of that member under the RMPP other than those transferred by article 5 of this Order and shall accordingly be implemented in the RMPP in respect of those rights, and
- (b) as if a separate Pension Sharing Order had been made in respect of the RMSPS in relation to the rights of that member under the RMPP transferred by article 5 of this Order and shall accordingly be implemented in the RMSPS in relation to those rights,

but any such Pension Sharing Order which is comprised in an order or provision made in Scotland pursuant to Section 29(3) of the Welfare Reform and Pensions Act 1999 specifying an amount to be transferred (a “Relevant Scottish Order”) shall be dealt with in the manner set out in paragraphs 5 and 6.

**5.** The amount specified by a Relevant Scottish Order shall be apportioned in the ratio of the cash equivalent of the rights mentioned in paragraph 4(a) to the cash equivalent of the rights mentioned in paragraph 4(b) and

- (a) the proportion of the said amount which corresponds to the rights mentioned in paragraph 4(a) shall be implemented in the RMPP, and

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<sup>(52)</sup> 1999 c.30.

<sup>(53)</sup> 1991 c.48.

<sup>(54)</sup> S.I. 2000/3177.

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- (b) the proportion of the said amount which corresponds to the rights mentioned in paragraph 4(b) shall be implemented in the RMSPS.

6. Cash equivalents shall be calculated for the purposes of paragraph 5 by the person responsible for the RMPP on the same basis as the cash equivalent is calculated for the purposes of section 29 of the Welfare Reform and Pensions Act 1999.

### **Pension Attachment Orders**

7. A Pension Attachment Order made on or before the Cut-Off Date in respect of a person responsible for the RMPP in relation to any person who is a pensioner or deferred pensioner of the RMPP at the end of the Cut-Off Date has effect as if it had been made instead in respect of the person responsible for the RMSPS in relation to that pensioner or deferred pensioner.

8. A Pension Attachment Order made on or before the Cut-Off Date in respect of a person responsible for the RMPP in relation any person who is an active member of the RMPP at the end of the Cut-Off Date has effect—

- (a) as if it had been made in respect of the person responsible for the RMPP in relation to the rights of that member under the RMPP other than those transferred by article 5 of this Order; and
- (b) as if a separate order had been made in respect of the person responsible for the RMSPS in relation to the rights of that member under the RMPP transferred by article 5 of this Order, except insofar as the Pension Attachment Order relates to any lump sum payable on death.

9. A Pension Attachment Order made on or before the Cut-Off Date in respect of a person responsible for the RMPP in relation to rights in respect of any lump sum payable on death has effect—

- (a) as if it had been made in respect of the person responsible for the RMPP, in relation to a lump sum payable on death in respect of a member of the RMPP under the RMPP Rules after the Cut-Off Date, calculated by reference to the rights of that member under the RMPP other than those transferred by article 5 of this Order; and
- (b) as if a separate order had been made in respect of the person responsible for the RMSPS, in relation to a lump sum payable on death in respect of a member of the RMSPS under the RMSPS Rules after the Cut-Off Date, calculated by reference to the rights of the relevant member under the RMPP transferred by article 5 of this Order.

### **Orders for deductions from earnings**

10.—(1) Where any of the orders at sub-paragraph 2 are made on or before the Cut-Off Date and the order directs the RMPP or the trustee of the RMPP to make deductions in relation to any person who is a member of the RMPP at the end of the Cut-Off Date, the order is to have effect as if it directed the Secretary of State in his capacity as the person responsible for the management of the RMSPS to make deductions specified in the order in relation to the rights of that member under the RMSPS.

(2) The orders referred to in sub-paragraph (1) are—

- (a) an Attachment of Earnings Order;
- (b) a Deductions from Earnings Order;
- (c) an Earnings Arrestment Schedule; or
- (d) a Voluntary Deduction from Earnings Arrangement.

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### **Money purchase benefits**

**11.** This Schedule does not apply so as to transfer or modify any obligations of the person responsible for the RMPP under any—

- (a) Pension Sharing Order;
- (b) Pension Attachment Order;
- (c) Attachment of Earnings Order;
- (d) Deductions from Earnings Order;
- (e) Earnings Arrestment Schedule; or
- (f) Voluntary Deduction from Earnings Arrangement

to the extent that the order or arrangement relates to money purchase benefits.

### **No further obligations of the RMPP**

**12.** The trustee of the RMPP shall have no further obligation in relation to—

- (a) a Pension Sharing Order to which paragraph 2 or paragraph 3 applies;
- (b) a Pension Sharing Order to which paragraph 4 or paragraph 5 applies, in respect of the rights of the relevant member under the RMPP transferred by article 5 of this Order;
- (c) a Pension Attachment Order to which paragraph 7 applies;
- (d) a Pension Attachment Order to which paragraph 8 or paragraph 9 applies, in respect of the rights of the relevant member under the RMPP transferred by article 5 of this Order, and
- (e) an Attachment of Earnings Order, a Deductions from Earnings Order, an Earnings Arrestment Schedule or a Voluntary Deduction from Earnings Arrangement to which paragraph 10 applies,

except to the extent that any such order or arrangement has effect in relation to money purchase benefits.

## SCHEDULE 4

Articles 9 and 10

### PART I

## **OCCUPATIONAL PENSIONS LEGISLATION APPLICABLE TO RMPS**

### **Interpretation**

**1.** The provisions referred to in article 9 are those set out in Part 1 of this Schedule and the secondary legislation made under them from time to time.

### **Matrimonial Causes Act 1973**

**2.** The following provisions of the Matrimonial Causes Act 1973<sup>(55)</sup>—

- (a) section 24B (Pension sharing orders in connection with divorce proceedings etc);
- (b) section 24C (Pension sharing orders: duty to stay);

<sup>(55)</sup> 1973 c.18. Relevant amendments made by Pensions Act 1995, s 166(1), Welfare Reform and Pensions Act 1999, section 21 and Schedule 4.

- (c) section 24D (Pension sharing orders: apportionment of charges);
- (d) section 25B (Pensions);
- (e) section 25C (Pensions: lump sum); and
- (f) section 25D (Pensions: supplementary).

### **Matrimonial Causes (Northern Ireland) Order 1978**

- 3. The following provisions of the Matrimonial Causes (Northern Ireland) Order 1978<sup>(56)</sup>—
  - (a) Article 23A (Pension sharing orders);
  - (b) Article 27B (Pensions);
  - (c) Article 27C (Pensions: lump sums); and
  - (d) Article 27D (Pensions: supplementary).

### **Family Law (Scotland) Act 1985**

- 4. The following provisions of the Family Law (Scotland) Act 1985<sup>(57)</sup>—
  - (a) section 8 (Orders for financial provision);
  - (b) section 8A (Pension sharing orders: apportionment of charges); and
  - (c) section 12A (Orders for payment of capital sum: pensions lump sums).

### **Pension Schemes Act 1993**

- 5. The following provisions of the Pension Schemes Act 1993<sup>(58)</sup>—
  - (a) Chapter IV of Part IV (Transfer Values). For these purposes, Chapter IV of Part IV shall apply to the RMSPS on the basis that it is a scheme to which regulation 7B(6) of The Occupational Pensions Schemes (Transfer Values) Regulations 1996<sup>(59)</sup> applies;
  - (b) Chapter I of Part IVA (Pension Credit Under Occupational Schemes);
  - (c) section 113 (Disclosure of information about schemes to members etc); and
  - (d) Part X (Investigations: the Pensions Ombudsman).

### **Pensions Act 1995**

- 6. The following provisions of the Pensions Act 1995<sup>(60)</sup>—
  - (a) section 50 (Requirement for dispute resolution arrangements);
  - (b) section 50A (Meaning of “person with an interest in the scheme”);
  - (c) section 50B (The dispute resolution procedure);
  - (d) section 51 (Annual increase in rate of pension);
  - (e) section 51ZA (Meaning of “the appropriate percentage”);
  - (f) section 52 (Restriction on increase where member is under 55);
  - (g) section 53 (Effect of increases above the statutory requirement); and
  - (h) section 54 (Sections 51 to 53: supplementary).

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<sup>(56)</sup> S.I. 1978/1045 (N.I. 15).

<sup>(57)</sup> 1985 c.37.

<sup>(58)</sup> 1993 c.48.

<sup>(59)</sup> S.I. 1996/1847. Relevant amendments made by S.I. 2008/2450 reg 3.

<sup>(60)</sup> 1995 c.26. Relevant amendments made by the Pensions Act 2004, sections 273 and 278.

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### **Welfare Reform and Pensions Act 1999**

7. The following provisions of the Welfare Reform and Pensions Act 1999<sup>(61)</sup>—
- (a) section 11 (Effect of bankruptcy on pension rights: approved arrangements);
  - (b) section 13 (Sections 11 and 12: application to Scotland);
  - (c) section 23 (Supply of pension information in connection with divorce etc);
  - (d) section 24 (Charges by pension arrangements in relation to earmarking orders); and
  - (e) Part IV (Pension Sharing).

### **Welfare Reform and Pensions (Northern Ireland) Order 1999**

8. The following provisions of the Welfare Reform and Pensions (Northern Ireland) Order 1999<sup>(62)</sup>—
- (a) article 12 (Effect of bankruptcy on pension rights: approved arrangements);
  - (b) Part IV (Pensions on Divorce etc); and
  - (c) Part V (Pension Sharing).

### **Civil Partnership Act 2004**

9. The following provisions of the Civil Partnership Act 2004<sup>(63)</sup>—
- (a) Part 6 of Schedule 5 (Financial Relief in the High Court or a County Court); and
  - (b) Part 5 of Schedule 15 (Financial Relief in the High Court or a County Court etc: Northern Ireland).

### **Equality Act 2010**

10. The following provisions of the Equality Act 2010<sup>(64)</sup>—
- (a) Chapter 2 of Part 5 (Occupational pension schemes);
  - (b) paragraphs 1 and 2 of Schedule 22 (Statutory provisions);
  - (c) paragraph 1 of Schedule 23 (General exceptions); and
  - (d) Schedule 24 (Harmonisation: exceptions).

## **PART II**

### **TREATING THE RMSPS AS A SALARY-RELATED CONTRACTED-OUT SCHEME**

#### **Interpretation**

11. In this Schedule—
- “1993 Act” means the Pension Schemes Act 1993;
  - “Contracted-out Beneficiary” means a beneficiary under the RMSPS who, but for the transfers, amendments and discharge under articles 5, 7 and 11 of this Order, would at any time have

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<sup>(61)</sup> 1999 c.30.

<sup>(62)</sup> 1999/3147 (N.I. 11).

<sup>(63)</sup> 2004 c.33

<sup>(64)</sup> 2010 c.15.

had rights and entitlements under the RMPP to or in respect of GMPs or section 9(2B) rights (or both);

“Contracting-out Regulations” means the Occupational Pension Schemes (Contracting-out) Regulations 1996<sup>(65)</sup>;

“earner” has the meaning given in the 1993 Act;

“GMP” means the guaranteed minimum pension of a member, widow, widower or surviving civil partner as defined in section 8(2) of the 1993 Act;

“predecessor scheme” means any occupational pension scheme from which rights and entitlements in respect of GMPs and section 9(2B) rights were transferred to the RMPP before the qualifying time;

“relevant earner” means the following:

- (a) in relation to a Contracted-out Beneficiary who is a member of the RMSPS, that member; and
- (b) in relation to a Contracted-out Beneficiary who is not a member of the RMSPS, the member of the RMPP or RMSPS in respect of whom the Contracted-out Beneficiary has rights and entitlements to or in respect of GMPs or section 9(2B) rights (or both); and

“section 9(2B) rights” has the meaning given in the Contracting-out Regulations.

### **Application of contracting-out legislation to the RMSPS**

**12.** Subject to paragraph 14, the provisions of the 1993 Act that are set out in paragraph 13 and the regulations made under them that are set out in paragraph 15 apply to the RMSPS, and the Secretary of State as the person responsible for the management of the RMSPS shall comply with them, in respect of—

- (a) any rights or entitlements of a Contracted-out Beneficiary to or in respect of GMPs that were accrued or provided under the RMPP in respect of the relevant earner’s contracted-out employment by reference to the RMPP or any predecessor scheme or, but for the transfers, amendments and discharge under articles 5, 7 and 11 this Order, would have been accrued or provided under the RMPP in respect of the relevant earner’s contracted-out employment by reference to the RMPP after the qualifying time; and
- (b) any section 9(2B) rights of a Contracted-out Beneficiary that were accrued or provided under the RMPP in respect of the relevant earner’s contracted-out employment by reference to the RMPP or any predecessor scheme,

as if such contracted-out employment had been carried out by the relevant earner by reference to the RMSPS and those rights and entitlements had been accrued or provided under the RMSPS in respect of that contracted-out employment.

**13.** The provisions of the 1993 Act referred to in paragraph 12 are—

- (a) section 12C (Transfer, commutation, etc);
- (b) section 12D (Entitlement to benefit);
- (c) section 13 (Minimum pensions for earners);
- (d) section 14 (Earner’s guaranteed minimum);
- (e) section 15 (Increase of guaranteed minimum where commencement of guaranteed minimum pension postponed);
- (f) section 15A (Reduction of guaranteed minimum in consequence of pension debit);
- (g) section 16 (Revaluation of earnings factors for purposes of s 14: early leavers etc);

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<sup>(65)</sup> S.I. 1996/1172.

*Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.*

- (h) section 17 (Minimum pensions for widows and widowers);
  - (i) section 18 (Treatment of insignificant amounts);
  - (j) section 19 (Discharge of liability where guaranteed minimum pensions secured by insurance policies or annuity contracts);
  - (k) section 20 (Transfer of accrued rights);
  - (l) section 21 (Commutation, surrender and forfeiture);
  - (m) section 23(7) (Securing of benefits);
  - (n) section 24A (Conversion of guaranteed minimum pension into other benefits: introduction );
  - (o) section 24B (The conversion conditions);
  - (p) section 24C (Actuarial equivalence);
  - (q) section 24D (Survivors' benefits);
  - (r) section 24E(1), (3) and (4) (Procedural requirements);
  - (s) section 24F (Transfer out);
  - (t) section 24G (Powers to amend schemes);
  - (u) section 24H (Enforcement of GMP conversion conditions);
  - (v) section 37 (Alteration of rules of contracted-out schemes);
  - (w) section 50 (Powers of Inland Revenue to approve arrangements for scheme ceasing to be certified), as if the RMSPS were a scheme which had been certified as a contracted-out scheme and had ceased to be such a scheme;
  - (x) section 51 (Calculation of guaranteed minimum pensions preserved under approved arrangements), as if the RMSPS were a scheme which had been certified as a contracted-out scheme and had ceased to be such a scheme;
  - (y) Chapter III of Part IV (Protection of Increases in Guaranteed Minimum Pensions (“Anti-Franking”));
  - (z) Chapter II of Part V (Guaranteed Minimum Pensions);
  - (aa) section 155 (Requirement to give information to the Secretary of State or the Board for the purposes of certain provisions);
  - (bb) section 156 (Information for purposes of contracting-out); and
  - (cc) section 159 (Inalienability of guaranteed minimum pension and protected rights payments).
- 14.** In its application to the RMSPS, section 13(5) of the 1993 Act is modified such that—
- (a) for the purposes of paragraph (a) of that section, employment to which the RMPP or any New POL Scheme (as that term is defined in the RMSPS Rules) relates shall be treated as employment to which the RMSPS relates; and
  - (b) the requirement in paragraph (b) of that section, for the earner’s consent to be required for any postponement of the earner’s guaranteed minimum pension after the expiration of five years from the date on which the earner attains pensionable age, shall be subject to any exceptions as may be provided for under the RMSPS Rules.
- 15.** The regulations referred to in paragraph 12 are—
- (a) the following provisions of the Contracting-out Regulations:
    - (i) regulation 19 (Lump sum benefits and salary related contracted-out schemes);



- (ii) regulation 20 (Payment of a lump sum instead of a pension payable under a relevant scheme);
  - (iii) regulation 20A (Suspension of section 9(2B) rights);
  - (iv) regulation 21 (Payable age in salary-related contracted-out schemes);
  - (v) regulation 42 (Alteration of rules of contracted-out schemes);
  - (vi) regulation 44(4) and (7) (Notifications to the Secretary of State);
  - (vii) regulation 45 (Approval of arrangements for schemes ceasing to be contracted-out); and
  - (viii) Part VII (Guaranteed Minimum Pensions); and
- (b) the provisions of the Contracting-out (Transfer and Transfer Payment) Regulations 1996<sup>(66)</sup>.

## SCHEDULE 5

Article 12

### Release of security

#### Interpretation

1. In this Schedule—

“Escrow Framework Deed” means the Escrow Framework Deed between RMG, Royal Mail Estates Limited and the Trustee dated 24 March 2011;

“RMES” means Royal Mail Estates Limited (registered number 05770587);

“RMES Mortgages” means the three legal mortgages dated 24 March 2011 made between RMES and the Trustee;

“RMG Mortgage” means the legal mortgage dated 24 March 2011 made between RMG and the Trustee;

“RMG Security Agreement” means the security agreement between RMG and the Trustee dated 23 March 2007;

“RMG Security Assets” means the assets secured in favour of the Trustee in accordance with the terms of the RMG Security Agreement, together with any interest or other income accrued thereon;

“RMG” means Royal Mail Group Limited (registered number 04138203);

“RMGES Mortgages” means such of the RMES Mortgages and the RMG Mortgage as shall not have been redeemed by the time at which the Transfer takes effect;

“RMGES Real Property” means the real property that is subject to the security provided for by the RMGES Mortgages;

“RMH” means Royal Mail Holdings plc (registered number 04074919);

“RMH Escrow Reserve” means the “Holdings Escrow Reserve” established under the directions given by the Secretary of State under section 72 of the Postal Services Act 2000<sup>(67)</sup> on 19 March 2007;

“RMH Security Agreement” means the security agreement between RMH and the Trustee dated 23 March 2007;

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<sup>(66)</sup> S.I. 1996/1462.

<sup>(67)</sup> 2000 c.26.

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“RMH Security Assets” means the assets secured in favour of the Trustee in accordance with the terms of the RMH Security Agreement, including amounts held in the RMH Escrow Reserve, together with any interest or other income accrued thereon;

“Security” means the security interests granted pursuant to the RMG Security Agreement, the RMH Security Agreement and the RMGES Mortgages;

“Security Agreements” means the RMH Security Agreement, the RMG Security Agreement, the Escrow Framework Deed and the RMGES Mortgages;

“Security Assets” means the RMH Security Assets, the RMG Security Assets and the RMGES Real Property;

“Transfer” means the transfer of qualifying accrued rights to the RMSPS under article 5 and the transfer of assets of the RMPP under article 5 of the Assets Order; and

“Trustee” means Royal Mail Pensions Trustees Limited, or any other person(s) who is the trustee or trustees of the RMPP at the time that is applicable under any provision of this Schedule.

#### **Amendments to Security Agreements**

2. The Security Agreements are amended such that the Security is released immediately upon the Transfer taking effect.

3. The Trustee, RMH, RMES and RMG shall be required as soon as reasonably practicable following the Transfer taking effect to take all such steps as may be required promptly to give effect to the release of the Security.

#### **RMH Escrow Reserve**

4. As soon as reasonably practicable after the Security Assets are released from the Security, RMH shall credit to the RMH Escrow Reserve an amount equal to the value of the RMH Security Assets, as at the date they are released.

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### **EXPLANATORY NOTE**

*(This note is not part of the Order)*

This Order implements sections 17, 18, 19 and 20 of the Postal Services Act 2011 (c. 5) (“the Act”).

Article 1 provides for the commencement of different Articles of the Order at different times, so that after article 1, articles 2 to 12 will come into force first, and articles 13 and 14 immediately after.

Article 2 defines terms in the Order, in particular, prescribing the qualifying time as required by section 16(1) of the Act, as the time immediately before which the relevant accrued pension rights are to transfer under this Order.

Article 3 and Schedule 1 establish the Royal Mail Statutory Pension Scheme (“RMSPS”), and article 4 and Schedule 2 restrict the future amendments that can be made to the RMSPS. Article 5 transfers accrued pension rights from the Royal Mail Pension Plan (“RMPP”) to the RMSPS. The transferring rights include all components of those accrued rights, for example the rights and

entitlements in relation to Guaranteed Minimum Pensions, which will become the responsibility of the RMSPS.

Article 6 and Schedule 3 make provision for the transfer of obligations and liabilities relating to pension sharing orders, pension attachment orders and other orders related to earnings.

Article 7 discharges the RMPP Trustee from any liability in respect of the rights that transfer under article 5.

Article 8 provides a specific definition of the RMPP Trustee for the purposes of the discharge. Article 9 and Part 1 of Schedule 4 provide that the RMSPS will be treated as if it were an occupational pension scheme for the purposes of the occupational pensions legislation at Schedule 4, Part I. Article 10 and Part II of Schedule 4 provide that the RMSPS will be treated as a salary-related contracted out scheme for the purposes of Part 3 of the Pension Schemes Act 1993 (c. 48), and modifies that legislation in its application to the RMSPS.

Article 11 gives effect to the commensurate amendments to the RMPP to remove the rights that transfer to the RMSPS. The amendments to the RMPP documentation are so voluminous that they are contained in an external document, the Statement of Amendments, which is available as described in the definition of that document at article 2, and below. Article 12 amends documents relating to financial security for the RMPP.

Article 13 gives effect to those amendments to the RMPP which divide it into different sections so as to create a new section for the employees of Post Office Limited. Article 14 makes further provision about the division of the RMPP into sections and the relationship between the new section and the rest of the RMPP.

An Explanatory Memorandum accompanying this Order is available alongside the instrument on the OPSI website ([www.opsi.gov.uk](http://www.opsi.gov.uk)). Copies have also been placed in the Libraries of the House of Commons and the House of Lords.

The document referred to as the Statement of Amendments, which sets out the amendments to the RMPP, and the documents relating to the financial security of the RMPP which are referred to in Schedule 5, have been placed in the Libraries of the House of Commons and the House of Lords and are being made available on the BIS website.

An impact assessment has not been produced for this Order as a full impact assessment was prepared for the enabling provisions in the Act, the findings of which have not changed.