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THE SCHEDULE

PENSION TRUST OF THE RAILWAYS PENSION SCHEME

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Appendix 2

THE ARRANGEMENTS AND RULES GOVERNING THE ARRANGEMENTS

The Arrangements of the Scheme are the Shared Cost Arrangement, the Defined Benefit Arrangement and the Defined Contribution Arrangement.

Rule 4F

SCHEDULE 4 TO THE RULES OF THE SHARED COST ARRANGEMENT

BRASS–SO

In this Schedule the following terms have the following meanings:—

“Insurer”	means a person or persons or corporation with whom the Policy is effected.
“Policy”	means the policy or policies issued in the name of the Trustee by any Insurance Company to which payment has been made under paragraph 3 below.
“BRASS–SO Added Years”	means the number of added years determined by the Participating Employer under paragraph 5 below.
“Person Entitled”	means a person who is in receipt of benefit under the Section (other than a refund of contributions) following the death of a Member.

1. The Member shall contribute at the rate which is specified by his Participating Employer (following actuarial advice) at the date upon which he elects to pay additional contributions pursuant to Rule 4F (Additional Contributions for Senior Officers).

This rate may be revised in the event:

- (i) of the Member being granted additional BRASS–SO Added Years in accordance with paragraph 5 below;
- (ii) the Member and his Participating Employer agreeing to an increase in that rate from the next 1st July;
- (iii) the Member’s Participating Employer agreeing to a reduction in that rate in circumstances where:
 - (a) the Member has reached Minimum Pension Age; or
 - (b) the proceeds of the Member’s Policy are likely to exceed Inland Revenue limits (see Clause 7G);

and Revenue Approval would not be prejudiced.

Contributions under this paragraph shall cease on the date the Member leaves Service, dies or attains Minimum Pension Age (or such later date as the Member and Participating Employer have agreed) whichever is earlier.

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2. The Participating Employer shall deduct contributions payable under paragraph 1 above from the earnings of Members employed by it and shall pay to the Trustee on 1st July each year the amount specified at paragraph 3. Immediately on receipt of that amount the Trustee shall pay to the Insurer:

- (a) an amount equal to the total amount payable under paragraph 1 above during the following year on the assumption that Members employed by it continue to contribute during the whole of that year;

plus

- (b) an amount equal to the amount received under paragraph 2 above in the year ending on the previous day;

less

- (c) the amount calculated under (a) above on 1st July in the previous year; and

less

- (d) any amounts refunded by the Insurer to the Trustee during the year ending on the previous day.

3. The Participating Employer shall contribute such amounts as it determines on the advice of the Actuary to be necessary to meet the cost of providing the BRASS–SO Added Years described at paragraph 5 in respect of Members employed by it. These contributions shall be paid in accordance with Clause 5B of the Pension Trust (Payment of Participating Employers' Contributions).

4. Following a Member's election under Rule 4F his Participating Employer shall determine the number of added years to be granted to him. The number of years so determined may subsequently be increased if the Member and his Participating Employer so agree. No such determination shall prejudice Revenue Approval.

5. Subject to the following paragraphs of this Schedule whenever a payment (other than refund of contributions payable otherwise than on death) is made under the Section to or in respect of a Member there shall be paid to the recipient of that payment an amount equal to the difference between the payment and the payment which would have been made under the Section if the BRASS–SO Added Years had been granted to the Member under Rule 4E.

6. When benefits (other than a refund of contributions) become payable under the Section to a Member who has ceased to contribute under paragraph 7 the proceeds of the Policy in respect of the Member shall become payable.

7. Subject to the following paragraphs of this Schedule the proceeds of the Policy shall be paid to the Member as a lump sum.

8. The Member may elect, within 4 weeks of the proceeds of the Policy becoming payable, that all or part of the proceeds shall be applied to purchase a pension payable to one or more of:

- (a) the Member himself with effect from the date upon which he becomes entitled to benefit as described in paragraph 7;
- (b) the Member's Spouse or Eligible Dependents with effect from the date of the Member's death.

The terms of this pension shall be agreed between the Member and the Trustee.

9. The Member shall be deemed to have made an election under paragraph 9:

- (i) In respect of so much of the proceeds of the Policy payable under paragraph 7 as may not, as a result of Inland Revenue limits, be paid to the Member as a lump sum in accordance with paragraph 8.
- (ii) In respect of so much of the proceeds of the Policy as exceeds Inland Revenue limits.

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10. Following the death of any Member in respect of whom the proceeds of the Policy have not become payable, the proceeds of the Policy in respect of the Member shall become payable to the Person Entitled.

11. Subject to the following paragraphs of this Schedule the proceeds of the Policy shall be paid to the Person Entitled as a lump sum.

12. The Person Entitled may, however, within 4 weeks of the proceeds of the Policy becoming payable, elect that all or part of the proceeds shall be applied to purchase a pension payable to him.

The terms of this pension shall be agreed between the Person Entitled and the Trustee.

13. The Person Entitled shall be deemed to have made an election under paragraph 13:

(i) in respect of so much of the proceeds of the Policy payable under paragraph 11 as may not, as a result of Inland Revenue limits, be paid to the Person Entitled as lump sum in accordance with paragraph 12;

(ii) in respect of so much of the proceeds of the Policy as exceeds Inland Revenue limits.

14. If a Member ceases to contribute under paragraph 1 before Minimum Pension Age other than as a result of death or following retirement through Incapacity the Member's BRASS-SO Added Years shall (unless his Participating Employer otherwise determines in circumstances where Revenue Approval is not prejudiced) be reduced in the same proportion which the period during which the Member has paid contributions under paragraph 1 bears to the period from the date his contributions commenced to Minimum Pension Age.