SCHEDULE 1

The Royal Mail Statutory Pension Scheme Rules

PART I

CLAUSES

Pension sharing on divorce

12.—(1) Orders or other provisions under Section 28(1) of the Welfare Reform and Pensions Act 1999(**1**) (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,

(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.

(**1**) 1999 c.30.

(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.