

## SCHEDULE 1

### The Royal Mail Statutory Pension Scheme Rules

## PART IV

### SECTION B RULES OF THE SCHEME

#### **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.

(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

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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.