

SCHEDULE 1

The Royal Mail Statutory Pension Scheme Rules

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;

“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);

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“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
 - (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;

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“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);

“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;

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- (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(1);

“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
- (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).

(1) 1995 c.26.

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(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))

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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(2) 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 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

(2) 2004 c.12.

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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.

- (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.

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(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.

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

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$\frac{1}{60}$ 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,

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.

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(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.

(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—

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- (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—

- (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

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(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
- (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

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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 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.

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(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 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).

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(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—

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- (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
- (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).

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(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

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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 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—

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- (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) 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

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- (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.
- (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

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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.

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(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.

(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—

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- (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(3) 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 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;

(3) 1993 c.48.

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- (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,to that Member's Notional Retirement Date;

"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;

"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

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Prices Index, that such increases would have been granted but for such zero or negative growth); and

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

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;

“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;

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“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 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).

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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.