

THE COMBINED NUCLEAR PENSION PLAN (“CNPP”)

REVISION TO THE RULES TO COMPLY WITH THE ANTI-AGE DISCRIMINATION LEGISLATION

1. Background

- 1.1 In order to make sure that the CNPP complies with the Employment Equality (Age) Regulations 2006 (the "**Age Regulations**") the Lead Company and the CNPP Trustee have reviewed the rules of the CNPP.
- 1.2 Although the Age Regulations came into force on 1 December 2006, the Lead Company has chosen to make any changes necessary relating to age discrimination with effect on and from 1 October 2006, the date on which the CNPP was established.
- 1.3 The retrospective application of the changes does not adversely affect members benefits which relate to past service. This is primarily because of the nature of the changes proposed but also because the deed making the amendments includes an express provision to the effect that it shall not operate so as to adversely affect such benefits. In respect of future service members are able to accrue the same, and in some cases greater benefits.
- 1.4 None of the changes to the rules affect the ability of the CNPP to satisfy the Energy Act 2004 protections.

2. Amendments to rules of CNPP

- 2.1 The Lead Company and Trustee have identified that the main provisions of the CNPP affected by Age Regulations relate to late retirement and maximum years of service. The changes which have been made to these provisions in order to ensure that they do not fall foul of the anti age discrimination legislation are set out below.
- 2.2 The concept of a "late retiree" (i.e. a member who remains in active service beyond normal pension age) has been removed from the rules. Accordingly, benefits for active members will be calculated on the same basis irrespective of whether a member has reached normal pension age or not.
- 2.3 For members of the CPS Benefit Structure:
 - enhancements of reckonable service on ill health early retirement will be provided to members in service who have attained normal pension age on the same basis as they are provided to active members who have yet to reach normal pension age; and
 - the maximum number of years of pensionable service which members can accrue (including any pensionable service members have built up in the UKAEA Combined Pension Scheme (CPS)) has been

amended. Previously, members were able to accrue a maximum of 40 years' total reckonable service before normal pension age and 45 years' total reckonable service if they remained in service after normal pension age. The rules have been amended so that the maximum period of reckonable service is 45 years for all members.

3. Further Information

- 3.1 The changes have been incorporated into the new consolidated second definitive Trust Deed and Rules which was effected on and from 1 September 2009. Copies are available on request or from the CNPP website, www.cnpp.org.uk.
- 3.2 If you require any further information or clarification around the changes to the rules and the effect on your benefits please contact the plan administrator, UKAEA, Pensions Administration Office, Brownhill Lodge, Thurso, Caithness, KW14 7BA

Trustee of the CNPP

September 2009